



**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-Q**

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

1. For the quarterly period ended **March 31, 2026**
2. SEC Identification number **CS200716094**
3. BIR Tax Identification No. **006-895-049**
4. **Converge Information and Communications Technology Solutions, Inc.**  
Exact name of registrant 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
<b>Common Stock, P0.25 par value</b>	<b>7,241,380,061 Shares</b>
<b>Fixed Rate Bonds</b>	<b>10,000,000,000</b>
11. Are any or all of the securities listed on a Stock Exchange?  
 Yes  No   
 If yes, state the name of such Stock Exchange and the class/es of securities listed therein:  
**Philippine Stock Exchange, Common Stock**
12. Indicate by check mark whether the registrant:
  - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 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

## **PART I - FINANCIAL INFORMATION**

### **Item 1. FINANCIAL STATEMENTS**

Our unaudited condensed consolidated financial statements include the financial statements of the Parent Company and its subsidiaries namely, Pentagon Holding Co., Inc. (Pentagon), Converge Global Business Group Limited (Converge Global), Cyan Azurite Properties and Development Corp, Asia Netcom Philippines Corporation, and Converge Venture Holdings Inc. (Converge Ventures). These consolidated financial statements also include Pentagon’s subsidiary, Metroworks ICT Construction Inc. (Metroworks); Metroworks’ subsidiary, Myriad ICT Services Inc (Myriad); Converge Venture’s subsidiaries Pentagon Digital Global Corp., Ametrine Properties & Prime Development Corp., Rev21 Labs Inc., and Converge Studios, Inc.; Converge Global’s subsidiary Hyperscal Digital Limited; Hyperscal Digital Limited’s subsidiaries Hyperscal Digital Philippines, Inc. and PT Hyperscal Digital Indonesia. The Parent Company and its subsidiaries are collectively referred to here as the “Group”.

The unaudited condensed consolidated financial statements for the periods ended September 30, 2025 (filed as Annex 1 of this report) have been prepared in accordance with Philippine Accounting Standard 34, Interim Financial Reporting and hence do not include all of the information required in the annual audited financial statements.

### **Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”) OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following is a discussion and analysis of Converge’s financial performance for the period ended March 31, 2026. The prime objective of this MD&A is to help the readers understand the dynamics of the Company’s business and the key factors underlying its financial results. This section focuses on key statistics from the unaudited consolidated financial statements and pertains to known risks and uncertainties relating to the telecommunications industry in the Philippines where we operate up to the stated reporting period. However, Converge’s MD&A should not be considered all inclusive, as it excludes unknown risks, uncertainties and changes that may occur in the general economic, political and environmental condition after the stated reporting period. Converge has adopted an expanded corporate governance approach in managing its business risks. An Enterprise Risk Management Policy was developed to systematically view the risks and to manage these risks in the context of normal business processes such as strategic planning, business planning, operational and support processes.

The Company’s MD&A should be read in conjunction with its unaudited consolidated financial statements and the accompanying notes. All financial information is reported in Philippine Pesos (₱) unless otherwise stated.

Any references in this MD&A to “we”, “us”, “our”, “Company” means the Converge and references to “Converge” mean Converge Information and Communications Technology Solutions, Inc. Additional information about the Company, including annual and quarterly reports, can be found on our corporate website <https://www.convergeict.com/>

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*This report may contain forward-looking statements and information that are, by their nature, subject to significant risks, uncertainties, and assumptions. Many factors could make or cause the actual results, performance or achievements to be materially different from those expressed or implied in this release. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein.*

## **I. OVERVIEW OF OUR BUSINESS**

Converge Information and Communications Technology Solutions, Inc. (“Converge”) is a high-speed fixed broadband operator in the Philippines. We are the only pure-play high-speed fixed broadband provider, serving the Philippines with industry leading optical fiber-based connectivity services and broadband-enabled solutions. Our dedication to providing industry leading fixed broadband and technology services is deeply ingrained in our organization, which we believe permeates all aspects of our operations, including our network rollout, product and service offerings, sales and customer service.

We operate two business segments: (i) our residential business (“Residential Business”), which primarily offers high-speed fixed broadband postpaid and prepaid internet and add-on services to our residential customers; and (ii) our enterprise business (“Enterprise Business”), which offers high-speed fixed broadband internet services, private data network solutions, cloud and colocation services and other connectivity solutions to our enterprise customers of varying sizes, industries and types.

We own and operate the fastest-growing, end-to-end fiber network in the Philippines, which is also one of the newest in the country. Our network is comprised of a fiber backbone that stretches from the northernmost tip of Luzon Island to the southernmost region of Mindanao, as well as a fiber distribution and last-mile network.

## **II. 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.

### **SUBSCRIBER COUNT**

Subscriber count represents the number of customers connected to our services. Installations during the period constitute the period's gross additions while voluntary or involuntary disconnections are removed from the subscriber count (see average monthly churn rate below).

### **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.

### III. FINANCIAL AND OPERATIONAL RESULTS

#### A. FINANCIAL AND OPERATING SUMMARY

##### SUMMARY OF STATEMENTS OF COMPREHENSIVE INCOME

The following discussion provides a description of the key line items of our consolidated statements of total comprehensive income for the period ended March 31, 2026 and 2025.

	For the three months ended March 31			
	2026	2025	YoY change	YoY change %
<b>In PHP millions</b>				
Revenues	11,192	10,796	396	4%
<i>Residential</i>	9,233	9,109	124	1%
<i>Enterprise</i>	1,959	1,687	271	16%
Cost of services (COS)	(3,772)	(3,661)	111	3%
Gross profit	7,421	7,136	285	4%
General and administrative expenses (G&A)	(2,686)	(2,473)	213	9%
Provision for impairment of trade and other receivables	(448)	(435)	12	3%
Equity share in net income of joint ventures	18	29	(10)	-36%
Unrealized fair value gain (loss) on financial asset at FVTPL	(0)	(0)	0	-15%
Other income, net	117	168	51	-30%
Profit from operations	4,422	4,424	(2)	0%
Finance costs	(336)	(427)	(91)	-21%
Profit before income tax	4,086	3,997	89	2%
Income tax expense	(1,066)	(978)	88	9%
<b>Profit after income tax for the period</b>	<b>3,020</b>	<b>3,019</b>	<b>1</b>	<b>0%</b>
Other comprehensive income	36	4	32	806%
<b>Total comprehensive income for the period</b>	<b>3,056</b>	<b>3,023</b>	<b>33</b>	<b>1%</b>
Profit after income tax	3,020	3,019	1	0%
Finance costs	336	427	(91)	-21%
Income taxes	1,066	978	88	9%
Depreciation and amortization - COS	1,890	1,765	125	7%
Depreciation and amortization - G&A	191	121	71	59%
Amortization of deferred contract costs - SAQ	412	383	29	7%
<b>EBITDA</b>	<b>6,914</b>	<b>6,693</b>	<b>222</b>	<b>3%</b>
<b>EBITDA Margin</b>	<b>61.8%</b>	<b>62.0%</b>		

#### Three months ended March 31, 2026 compared to three months ended March 31, 2025

##### A. OPERATING REVENUES

The Group recorded consolidated revenues of ₱11,192 million in the first quarter of 2026, representing a 4% year-over-year increase from ₱10,796 million in the same period of 2025.

Residential revenues reached ₱9,233 million, reflecting a 1% increase from ₱9,109 million in the same quarter last year, supported by growth in the subscriber base, particularly from the prepaid segment.

Enterprise revenues grew by 16% to ₱1,959 million, from ₱1,687 million in the prior year, driven by sustained demand and expansion of the enterprise customer base.

## **B. EXPENSES**

Cost of services increased by 3% to ₱3,772 million for the first quarter of 2026, from ₱3,661 million in the same period last year. The increase was primarily attributable to higher depreciation and amortization, personnel costs, and utilities. These were partially offset by lower amortization of deferred contract costs and reduced rental expenses.

General and administrative expenses rose by 9% to ₱2,686 million, compared to ₱2,473 million in 2025. The increase was driven by higher promotions, managed service fees, depreciation and amortization, and repairs and maintenance, supporting ongoing business growth and operations.

Provision for impairment of trade and other receivables amounted to ₱448 million, a 3% from ₱435 million in the prior year, due to increase in trade receivable basis for credit loss provisioning.

Other income, net, declined by 30% to ₱117 million from ₱168 million, primarily due to lower interest income on cash and cash equivalents and reduced miscellaneous income.

As a result, EBITDA increased by 3% to ₱6,914 million from ₱6,693 million in the prior year. The improvement reflects revenue growth and continued cost management, resulting in sustained operating margins.

## **C. NET INCOME**

### ***Profit from Operations***

Profit from operations remained broadly stable at ₱4,422 million, compared to ₱4,424 million in the prior year.

### ***Finance Costs***

Finance costs decreased by 21% to ₱336 million, from ₱427 million, primarily due to lower interest expense following loan repayments.

### ***Profit Before Income Tax***

Our profit before income tax for the first three months of 2026 reached ₱4,086 million, posting a 2% growth from ₱3,997 million for the same period of 2025.

### ***Income Tax Expense***

Income tax expense increased by 9% from ₱978 million to ₱1,066 million directly related to higher taxable income.

### ***Profit for the Period***

Our net profit for the first quarter of 2026 amounted to ₱3,020 million, remaining flat year-over-year compared to ₱3,019 million.

## D. CAPITAL EFFICIENCY AND LIQUIDITY

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	Change (%)
<b>Balance Sheet Data (in PHP millions)</b>			
Total Assets	122,223	112,326	9%
Total Debt <sup>(1)</sup>	29,655	24,101	23%
Total Stockholders' Equity	62,634	63,126	-1%
<b>Financial Ratios</b>			
Total Debt to EBITDA (gross)	1.2x	0.9x	
Total Debt to EBITDA (net)	0.6x	0.5x	
Debt Service Coverage <sup>(2)</sup>	3.1x	3.6x	
Interest Coverage (gross) <sup>(3)</sup>	13.3x	17.4x	
Debt to Equity (gross) <sup>(4)</sup>	0.5x	0.4x	
Debt to Equity (net) <sup>(5)</sup>	0.3x	0.2x	
Return on Invested Capital <sup>(6)</sup>	15.6%	17.3%	

Notes:

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

(2) Debt Service Coverage is computed as Parent Company's last twelve months (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

(3) Interest Coverage (gross) is computed as LTM earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquisition costs / LTM interest expense

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

(5) Debt to Equity (net) is computed as the difference between total debt and the total of cash and cash equivalents, and short term cash placements divided by total equity

(6) Return on Invested Capital is tax-adjusted (25% assumed effective tax rate for 2025 and 2024) profit from operations divided by average invested capital. Invested Capital is the sum of our total equity and total debt, less cash and cash equivalents, short-term cash placements and capital expenditures in progress

Converge's balance sheet and cash flows remain strong with ample liquidity and gearing comfortably within bank covenants.

Converge's consolidated assets as at March 31, 2026 amounted to ₱122,223 million compared to ₱112,326 million as at December 31, 2025. Consolidated cash, cash equivalents and short-term cash placements was at ₱13,866 million as at March 31, 2026 compared to ₱9,870 million as at December 31, 2025.

As at March 31, 2026, our outstanding borrowings stood at ₱29,655 million, an increase of ₱5,554 from ₱24,101 million as of December 31, 2025. Our Net Debt position, defined as borrowings less cash, cash equivalents and short-term cash placements, was ₱15,789 million as at March 31, 2026, lower than ₱14,231 million as at December 31, 2025. The increase in net debt reflects the combined effect of higher borrowings, partially offset by loan repayments and amortizations during the period. Our Net Debt-to-EBITDA ratio, based on the last twelve months' EBITDA from April 2025 to March 2026, remained low at 0.6x, indicating a conservative leverage position. This level of leverage provides financial flexibility to support ongoing capital expenditure requirements and fund network expansion.

Converge's loan agreements include a financial covenant requiring the maintenance of a minimum Debt Service Coverage Ratio (DSCR) of 1.2x. As at March 31, 2026, Converge's DSCR stood at 3.1x, well above the required threshold, indicating full compliance with covenant requirements.

Converge's capital efficiency, as measured by Return on Invested Capital (ROIC), was 15.6% (annualized) for the three months ended March 31, 2026. This reflects a disciplined approach to capital deployment, particularly in the expansion of the fiber network, with continued focus on optimizing returns on invested capital.

As at March 31, 2026, total stockholder's equity was ₱62,634 million, a decrease of ₱492 million from ₱63,126 million as at December 31, 2025. The decrease was mainly due to dividends declared on March 6, 2026, payable on April 1, 2026, which exceeded the net profit for the period.

## CONSOLIDATED CASH FLOWS

	For the three months ended March 31			
	2026	2025	YoY change	YoY change %
<b>In PHP millions</b>				
<b>Cash flows from operating activities</b>				
Profit before income tax	4,086	3,997	89	2%
Adjustments for operating income	3,322	3,345	(23)	-1%
Adjustments for assets and liabilities	(1,313)	(2,277)	964	-42%
Cash from operations	6,094	5,065	1,029	20%
Interest received and income taxes paid	(777)	88	(865)	-988%
<b>Net cash from operating activities</b>	<b>5,317</b>	<b>5,152</b>	<b>164</b>	<b>3%</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant, and equipment and intangibles	(2,856)	(2,591)	(265)	10%
Maturity of short-term cash placements	1,400	4,575	(3,175)	-69%
Others	79	175	(96)	N/M
<b>Net cash (used in) from investing activities</b>	<b>(1,377)</b>	<b>2,160</b>	<b>(3,536)</b>	<b>-164%</b>
<b>Cash flows from financing activities</b>				
Payment of borrowings	(1,407)	(1,267)	(141)	11%
Interest paid on borrowings	(329)	(406)	77	-19%
Dividends paid	(3,548)	-	(3,548)	N/M
Loan avallment	6,948	-	6,948	N/M
Others	(252)	(110)	(142)	130%
<b>Net cash from (used in) financing activities</b>	<b>1,411</b>	<b>(1,783)</b>	<b>3,193</b>	<b>-179%</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,350</b>	<b>5,529</b>	<b>(179)</b>	<b>-3%</b>
Cash and cash equivalents, beginning	7,713	8,454	(741)	-9%
Effects of exchange rate changes in cash and cash equivalents	(32)	(7)	(26)	396%
<b>Cash and cash equivalents, ending</b>	<b>13,031</b>	<b>13,976</b>	<b>(946)</b>	<b>-7%</b>

### Net cash flows from operating activities

Net cash from operating activities was ₱5,317 million for the three months ended March 31, 2026. Our cash flows generated from operating activities are calculated by adjusting our profit before income tax of ₱4,086 million by (i) non-cash and other items, primarily comprising ₱2,081 million of depreciation and amortization, ₱578 million of amortization of deferred contract costs, ₱448 million in provision for impairment of trade and other receivables, and ₱336 million in finance costs (ii) changes in certain working capital items that positively impacted cash flows from operating activities, in particular, decrease in due from related parties by ₱102 million, increase in trade and other liabilities by ₱771 million, increase in due to related parties by ₱61 million, and increase in deferred revenue by ₱34 million (iii) changes in certain working capital items that negatively impacted cash flows from operating activities, in particular a ₱1,109 million increase in trade and other receivables, a ₱578 million increase in deferred contract costs, and a ₱459 million increase in current and non-current assets.

Net cash from operating activities was ₱5,152 million for the three months ended March 31, 2025. Our cash flows generated from operating activities for 2025 are calculated by adjusting our profit before income tax of ₱3,997 million by (i) non-cash and other items, primarily comprising ₱1,886 million of depreciation and amortization, ₱427 million in finance costs, ₱706 million of amortization of deferred contract costs, and ₱435 million 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 network materials and supplies by ₱77 million, increase in due to related parties by ₱46 million and increase in retirement benefit obligation by ₱8 million (iii) changes in certain working capital items that negatively impacted cash flows from operating activities, in particular a ₱883 million increase in trade and other current receivables, a ₱660 million increase in deferred contract costs, a ₱784 million decrease in trade and other liabilities and an ₱39 million increase in due from related parties.

#### **Net cash flows (used in) from investing activities**

Net cash used in investing activities was ₱1,377 million for the three months ended March 31, 2026, higher by ₱3,536 million from ₱2,160 million net cash flows from investing activities for the three months ended March 31, 2025. The shift was mainly due to the increase in capital expenditures for the period accompanied with the decrease in maturity of short-term cash placements compared to the same period last year.

Cash used for acquisitions of property, plant and equipment and intangible assets was ₱2,856 million for the three months ended March 31, 2026, higher by ₱265 million from ₱2,591 million for the three months ended March 31, 2025. In both periods, we made the following significant investments in: (i) outside plant equipment, which primarily consists of passive network equipment related to the construction of our end-to-end fiber network, (ii) inside plant equipment, which primarily consists of active network equipment such as dense wavelength division multiplexing equipment and routers and (iii) other property, plant and equipment, which primarily consists of costs of data center construction, purchases of customer premise equipment, vehicles, and general IT related investments such as laptop computers and other office IT equipment.

#### **Net cash flows from (used in) financing activities**

Net cash from financing activities was ₱1,411 million during the three months ended March 31, 2026. Cash flows from financing activities primarily consisted of ₱7 billion loan availment, partially offset by deposit for dividends of ₱3,548 million, ₱1,407 million loan amortizations and repayments and ₱329 million of payments for interest on borrowings.

Net cash used in financing activities was ₱1,783 million during the three months ended March 31, 2025. Cash flows used in financing activities primarily consisted of ₱1,267 million loan amortizations and repayments and ₱406 million of payments for interest on borrowings.

#### **Commitments and Off-Balance Sheet Arrangements**

As of March 31, 2026, we have unused credit lines from local banks amounting to ₱4 billion. Kindly refer to Note 2 of the attached financial statements for more details on the Company's commitments and other off-balance sheet arrangements.

## **E. QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISK**

We are exposed to the financial risks described below in the course of our normal business activities. These financial risks principally involve the possibility of adverse consequences on our results of operations due to factors that are generally beyond our control.

## Credit Risk

Credit risk is the risk of financial loss to the Company if a subscriber or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from its subscribers.

The Company 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 March 31, 2026 where the expected credit losses ("ECL") model has been applied:

In PHP millions	At gross amounts	Allowance provided	Net carrying amount	Internal credit rating	Basis for recognition of ECL
Cash and cash equivalents	13,020	-	13,020	Performing	12-month ECL
Short-term cash placements	835	-	835	Performing	12-month ECL
Trade receivables					
Residential - Group 2	1,820	(72)	1,748	Collective assessment	Lifetime ECL
Residential - Group 3	1,794	(1,578)	216	Credit impaired	Lifetime ECL
Enterprise - Group 2	1,670	(200)	1,470	Collective assessment	Lifetime ECL
Enterprise - Group 3	753	(751)	2	Credit impaired	Lifetime ECL
Other receivables - Group 1	2,442	-	2,442	Performing	12-month ECL
Due from related parties - Group 1	329	-	329	Performing	12-month ECL
Construction bonds and rental deposits - Group 1	282	-	282	Performing	12-month ECL
Deposit for dividends	3,548	-	3,548	Performing	12-month ECL
	<b>26,493</b>	<b>(2,601)</b>	<b>23,892</b>		

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

Cash and cash equivalents exclude cash on hand as of March 31, 2026 amounting to ₱11 million, which is not subject to credit risk. To minimize credit risk exposure from cash, the Group deposits its cash in banks with universal banks, all with good credit ratings.

As at March 31, 2026, 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 with the maximum exposure amounting to ₱55 million. The Group's investments in exchangeable bonds and short-term government securities are considered to be low risk investments. The credit ratings of investments are monitored for credit deterioration.

### Trade receivables

Trade receivables from residential and enterprise subscribers are 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.

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.

In relation to enterprise subscription receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each corporate 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.

### 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 exposed to low credit risk. ECL on these balances have therefore been assessed to be insignificant.

## **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 cash placements, trade payables and other liabilities denominated in US Dollar as of March 31, 2026.

The Group manages its US Dollar exchange risk by maintaining sufficient cash in US Dollar to cover its maturing obligations.

At March 31, 2026, the exchange rate used to translate US Dollar denominated monetary assets and liabilities is ₱60.75/\$. If the US Dollar had weakened or strengthened by 1.0% against the Philippine Peso, with all other variables held constant, pre-tax profit for the year ended March 31, 2026 and equity would have been

₱6 million higher or lower, mainly as a result of foreign exchange losses or gains 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.

### **Interest Rate Risk**

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 of March 31, 2026, if interest rates increased/decreased by 10 basis points, with all other variables held constant, profit for the period ended March 31, 2026 would have been ₱0.5 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 of March 31, 2026, 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 ₱55 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 BVAL rates adjusted for the issuer's credit spread and premium on the embedded exchange option or which in this case is at 7.05%. This financial asset is managed on an individual basis thereby reducing the Group's exposure to equity price risk at an acceptably low level.

As of March 31, 2026, if BVAL rates increased/decreased by 100 basis points, with all other variables held constant, the financial asset carried at fair value through profit or loss as at March 31, 2026 would have been ₱0.1 million lower mainly as a result of higher BVAL rates while it would have been ₱0.1 million higher mainly as a result of lower BVAL rates.

### **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 of March 31, 2026.

	Amount
Trade and other liabilities	19,575
Dividends payable	3,548
Subscribers' deposit	1,164
Due to related parties	146
Borrowings	29,655
Lease liabilities, gross of discount	2,367
Future interest payable	3,273
	59,728

Trade and other liabilities presented above exclude non-financial liabilities such as deferred output VAT payable, payable to government agencies, and provision for contingencies.

### Capital Risk Management

Our objectives when managing capital are to safeguard Converge'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, Converge may consider declaring dividends paid to shareholders, return capital to shareholders, obtain borrowings from banks or related parties, and issue new shares. The capital that Converge manages is the total equity attributable to owners of the Parent Company less reserve for remeasurements of retirement benefit obligation and other reserves as shown in the consolidated statements of financial position.

Converge is not subject to any externally imposed capital requirements.

Converge loan agreements include compliance with certain ratios.

### BASIS OF PREPARATION

The consolidated interim financial statements of the Group have been prepared in accordance with Philippines Accounting Standard (PAS) 34 Interim Financial Reporting. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The condensed consolidated interim financial statements do not include all the notes normally included in an annual financial statement. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended December 31, 2025 and any public announcements made by the Group during the three-month period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

There are no new accounting standards or amendments effective January 1, 2026 that have a material impact on these condensed consolidated interim financial statements.

There are no other future standards, amendments or interpretations that are effective beginning on or after January 1, 2026 that are expected to have a material impact on the Group's financial statements.

## **IV. OTHER RELEVANT INFORMATION**

### **CORPORATE DEVELOPMENTS**

#### **Converge accelerates manpower hiring to improve customer services**

Since late-2025, Converge has mounted weekly open houses, regional caravans, and academe-government-enterprise partnerships. This investment in network personnel is a testament to the Company's goal of strengthening the resiliency of its infrastructure, ensuring sufficient manpower to handle repairs and maintenance of its network.

“We need to invest in people who run and maintain our fiber network. One of the things I lament is that Filipino talent is always lured to find opportunities abroad, and this is true also for skilled technicians. With our hiring campaign, we hope to fill in this gap in human resources,” said Converge CEO and Co-Founder Dennis Anthony Uy.

Converge has seen noticeable improvements in customer experience metrics compared to 4Q2025, such as lower average ticket times by 27%, faster resolution rates of service line repairs within one day by almost 20%, and average handling time of social media tickets by 42% in the first quarter. As Converge continues to expand its repair team headcount with approximately 90% of intended manpower filled, the Company aims to further enhance customer satisfaction.

#### **Converge's newly built Data Centers complement its National Digital Infrastructure**

The Converge National Digital Infrastructure encompasses its proprietary digital architecture, consisting of its extensive fiber backbone and satellite network, international subsea cable systems, cable landing stations, and scalable, future-ready data centers.

The Company has grown its data center footprint with the addition of two new advanced facilities — the Caloocan Data Center and its newly inaugurated Angeles Data Center. The Angeles Data Center has officially finished construction and is ready to house critical infrastructure, both for Converge and onboarding enterprise customers.

Equipped with built-in redundancy for resilient operations, the world-class facility is configured to handle the country's data residency requirements, as well as high-performance computing workloads, especially for AI and machine learning.

Providing a solid foundation to all these services is the extensive and fully redundant nationwide fiber backbone of Converge, which is the youngest and one of the most advanced in the country, connecting its assets and enabling seamless and reliable services.

With these broader service capabilities, Converge is all set in scaling its services and fulfilling the digital requirements of customers from residential and enterprise segments, including the public sector.

#### **Converge wins at Ookla® Speedtest Awards**

The Company was recognized for Fastest Fixed Network, Best Fixed Network, and Best Fixed Video Experience, underscoring its continued performance across key connectivity metrics during the second half of 2025. The awards are based on analysis by Ookla®, the global authority in broadband and mobile network testing. Drawing from millions of consumer-initiated tests conducted through Speedtest by Ookla®, the results reflect real-world internet experiences from users across the Philippines.

For Converge, these accolades include years of sustained investment in expanding and strengthening its nationwide fiber infrastructure to support the rapidly growing digital needs of Filipino households and businesses.

Among this year's recognitions, Converge earned the Fastest Fixed Network award after recording a Speed Score™ of 61.12, the highest among fixed internet providers in the Philippines according to Ookla®. The result highlights the company's ability to deliver consistent fiber-fast connectivity across its expanding national footprint.

The Company also secured the Best Fixed Network award, supported by a Speedtest Connectivity Score™ of 75.09, reflecting strong overall performance across reliability, speed, responsiveness, and network stability.

For digital entertainment, Converge earned the Best Video Experience award with a Video Score™ of 83.73, demonstrating its capability to deliver smooth, high-quality streaming experiences even during peak usage periods.

Completing the recognition is the Lowest Latency Claim award, where Converge recorded a Latency Score™ of 13.94, highlighting the network's responsiveness in supporting real-time applications such as online gaming, video conferencing, and cloud-based services.

As demand for faster and more reliable connectivity continues to grow, Converge remains focused on expanding its fiber footprint and enhancing network capabilities to support the evolving digital lifestyles of Filipinos.

## MAJOR STOCKHOLDERS

The following are the major stockholders of Converge as of March 31, 2026:

Title of Class	Name of Record Owner	Name of Beneficial Owner	Citizenship	Number of Shared 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	1,356,979,337	18.74%
Common Shares	PCD Nominee Corporation	Cloud Gateway Limited	Foreign	222,757,739***	3.08%
Common Shares	PCD Nominee Non-Filipino	Public Ownership	Foreign	863,382,804	11.92%

\*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

## BOARD OF DIRECTORS

The following table sets forth our Board of Directors:

Name	Gender	Position	Citizenship	Board Member Since	Stakeholder Represented
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

<u>Name</u>	<u>Gender</u>	<u>Position</u>	<u>Citizenship</u>	<u>Board Member Since</u>	<u>Stakeholder Represented</u>
Jose P. de Jesus	Male	Chairman, Independent Non-Executive Director	Filipino	Jun 2020	
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	
Park Weongi	Male	Non-Executive Director	Canadian	July 2025	


**SIGNATURES**

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

Issuer: **Converge Information and Communications Technology Solutions, Inc.**

  
\_\_\_\_\_  
**Dennis Anthony H. Uy**  
Chief Executive Officer

DATE SIGNED: 5/13/2026

  
\_\_\_\_\_  
**Robert Leo A. Yu**  
Chief Finance Officer

DATE SIGNED: 5/13/2026

# ***Converge Information and Communications Technology Solutions, Inc. and Subsidiaries***

**Condensed Consolidated Interim Financial Statements  
As at March 31, 2026 (Unaudited) and December 31, 2025  
(Audited) and for the periods ended March 31, 2026 and 2025**

# Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

## Consolidated Interim Statements of Financial Position

	Notes	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
<i>(In Thousand Pesos)</i>			
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		13,030,952	7,712,822
Short-term cash placements		834,947	2,157,044
Trade and other receivables, net, current portion		5,453,730	4,979,211
Due from related parties, current portion	4	188,560	321,329
Network materials and supplies, net		1,114,594	1,311,682
Deferred contract costs, current portion		1,276,180	1,266,682
Deposit for dividends		3,548,276	-
Other current assets		2,189,854	1,734,914
<b>Total current assets</b>		<b>27,637,093</b>	<b>19,483,684</b>
<b>Non-current assets</b>			
Property, plant and equipment, net		75,990,304	75,288,442
Right-of-use assets, net		8,816,983	8,837,802
Intangible assets, net		3,053,988	2,664,805
Advances to fixed asset suppliers		3,268,257	2,948,794
Due from related parties, net of current portion	4	140,502	141,620
Deferred contract costs, net of current portion		460,747	470,242
Deferred income tax assets, net		1,913,419	1,792,148
Other receivables, net of current portion		459,331	240,261
Financial asset at fair value through profit or loss (FVTPL)		55,136	54,937
Investment in associate and joint ventures		416,931	396,829
Other non-current assets		10,702	6,417
<b>Total non-current assets</b>		<b>94,586,300</b>	<b>92,842,297</b>
<b>Total assets</b>		<b>122,223,393</b>	<b>112,325,981</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Trade payables and other liabilities, current portion		18,340,995	17,032,981
Due to related parties	4	146,063	102,313
Subscribers' deposits, current portion		1,164,347	1,173,517
Deferred revenue		839,707	805,321
Borrowings, current portion	2	6,541,199	5,601,225
Lease liabilities, current portion		513,641	537,554
Dividends payable		3,548,276	-
Income tax payable		1,130,140	763,808
<b>Total current liabilities</b>		<b>32,224,368</b>	<b>26,016,719</b>
<b>Non-current liabilities</b>			
Trade payables and other liabilities, net of current portion		2,620,182	2,735,824
Borrowings, net of current portion	2	23,113,635	18,500,077
Lease liabilities, net of current portion		1,579,669	1,908,426
Retirement benefit obligation, net		52,000	39,123
<b>Total non-current liabilities</b>		<b>27,365,486</b>	<b>23,183,450</b>
<b>Total liabilities</b>		<b>59,589,854</b>	<b>49,200,169</b>
<b>Equity</b>			
Attributable to owners of the Parent Company			
Share capital		1,881,574	1,881,574
Additional paid-in capital		18,746,088	18,746,088
Treasury shares		(6,871,764)	(6,871,763)
Retained earnings			
Unappropriated		17,543,013	27,071,526
Appropriated		31,000,000	22,000,000
Other equity reserves		216,698	180,457
		62,515,609	63,007,882
Non-controlling interest		117,930	117,930
<b>Total equity</b>		<b>62,633,539</b>	<b>63,125,812</b>
<b>Total liabilities and equity</b>		<b>122,223,393</b>	<b>112,325,981</b>

(The notes on pages 1 to 12 are integral part of these condensed consolidated interim financial statements)

## Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

### Consolidated Interim Statements of Total Comprehensive Income

	Notes	Three-month periods ended March 31	
		2026 (Unaudited)	2025 (Unaudited)
		<i>(In Thousand Pesos, except per share figures)</i>	
Revenues	5	11,192,141	10,796,236
Cost of services		(3,771,605)	(3,660,714)
<b>Gross profit</b>		7,420,536	7,135,522
General and administrative expenses		(2,686,218)	(2,472,988)
Provision for impairment of trade and other receivables		(447,686)	(435,308)
Equity in net income of joint ventures		18,255	28,514
Unrealized fair value loss on financial asset at FVTPL		(37)	(43)
Other income, net		116,732	167,914
<b>Profit from operations</b>		4,421,582	4,423,611
Finance costs		(335,899)	(426,616)
<b>Profit before income tax</b>		4,085,683	3,996,995
Income tax expense		(1,065,921)	(978,242)
<b>Profit for the period</b>		3,019,762	3,018,753
<b>Other comprehensive income</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Remeasurement loss on retirement benefit obligation, net of tax		36,240	4,080
<b>Total comprehensive income for the period</b>		3,056,002	3,022,833
<b>Profit attributable to:</b>			
Owners of the Parent Company		3,042,988	3,018,753
Non-controlling interest		(23,226)	-
		3,019,762	3,018,753
<b>Total comprehensive income attributable to:</b>			
Owners of the Parent Company		3,079,228	3,022,833
Non-controlling interest		(23,226)	-
		3,056,002	3,022,833
<b>Earnings per share</b>			
Basic and diluted		0.42	0.42

(The notes on pages 1 to 12 are integral part of these condensed consolidated interim financial statements)

## Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Consolidated Interim Statements of Changes in Equity  
For each of the three-month periods ended March 31, 2026 (Unaudited) and 2025 (Unaudited)

	Share capital	Additional paid-in capital	Treasury shares	Retained earnings		Other equity reserves	Non-controlling interest	Total
				Appropriated	Unappropriated			
				<i>(In Thousand Pesos)</i>				
<b>Balances at January 1, 2025</b>	1,881,574	18,746,088	(6,498,544)	24,000,000	16,338,023	223,143	312	54,690,596
<b>Comprehensive income</b>								
Profit for the period					3,018,753	-	-	3,018,753
Other comprehensive income for the period	-	-	-	-	-	4,080	-	4,080
<b>Total comprehensive income for the period</b>	-	-	-	-	3,018,753	4,080	-	3,022,833
<b>Release of appropriated retained earnings</b>	-	-	-	(2,000,000)	2,000,000	-	-	-
<b>Transactions with owners</b>								
Declaration of dividends	-	-	-	-	(3,124,626)	-	-	(3,124,626)
<b>Balances at March 31, 2025</b>	1,881,574	18,746,088	(6,498,544)	22,000,000	18,232,150	227,223	312	54,588,803
<b>Balances at January 1, 2026</b>	1,881,574	18,746,088	(6,871,764)	22,000,000	27,071,526	180,457	117,930	63,125,901
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	3,019,762	-	-	3,022,972
Other comprehensive income for the period	-	-	-	-	-	36,240	-	36,240
<b>Total comprehensive income for the period</b>	-	-	-	-	3,019,762	216,697	-	3,059,212
<b>Transactions with owners</b>								
Declaration of dividends	-	-	-	-	(3,548,276)	-	-	(3,548,276)
<b>Release of appropriated retained earnings</b>	-	-	-	(12,000,000)	12,000,000	-	-	-
<b>Appropriation of retained earnings</b>	-	-	-	21,000,000	(21,000,000)	-	-	-
<b>Balances at March 31, 2026</b>	1,881,574	18,746,088	(6,871,764)	31,000,000	17,543,013	216,697	117,930	62,633,538

(The notes on pages 1 to 12 are integral part of these condensed consolidated interim financial statements)

# Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

## Consolidated Statements of Cash Flows

Notes	Three-month periods ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
(In Thousand Pesos)		
<b>Cash flows from operating activities</b>		
Profit before income tax	4,085,684	3,996,995
Adjustments for:		
Depreciation and amortization	2,081,053	1,885,860
Amortization of deferred contract costs	578,350	706,146
Provision for impairment of trade and other receivables	447,685	435,308
Finance costs	335,898	426,615
Unrealized loss on FVTPL	37	43
Gain on lease termination	(512)	-
Interest income on financial asset at FVTPL	(1,098)	(1,075)
Interest income on finance lease receivable	(2,283)	(2,213)
Unrealized foreign exchange (gain) loss, net	(14,064)	71,551
Share in net income of joint venture	(18,255)	(28,514)
Interest income on cash and cash equivalents and short-term cash placements	(41,071)	(126,221)
Share-based reserve	(44,122)	-
Loss on lease terminations	-	3,819
Gain on disposal of property, plant and equipment	-	(26,398)
Operating income before changes in assets and liabilities	7,407,302	7,341,916
Decrease (increase) in assets:		
Due from related parties	137,055	(38,655)
Network materials and supplies	(131,841)	77,050
Other current non-current assets	(459,223)	(12,906)
Deferred contract costs	(578,352)	(659,612)
Trade and other receivables	(1,144,560)	(882,870)
Increase (decrease) in liabilities:		
Trade and other current liabilities	794,769	(783,623)
Due to related parties	43,750	46,491
Deferred revenue	34,386	(26,618)
Retirement benefit obligation	(201)	8,061
Subscribers' deposits	(9,170)	(4,312)
Cash from operations	6,093,915	5,064,922
Interest received	44,154	87,531
Income taxes paid	(821,259)	-
Net cash from operating activities	5,316,810	5,152,453
<b>Cash flows from investing activities</b>		
Acquisitions of property plant, and equipment	3 (2,823,738)	(2,518,674)
Acquisitions of intangible assets	3 (32,312)	(72,485)
Proceeds from disposal of assets	78,858	175,224
Short-term cash placements	1,400,249	4,575,490
Net cash from (used in) investing activities	(1,376,943)	2,159,555
<b>Cash flows from financing activities</b>		
Payments of borrowings	(1,407,398)	(1,266,759)
Interest paid on borrowings	(328,879)	(405,990)
Payments on lease liabilities	(225,674)	(77,984)
Interest paid on lease liabilities	(26,743)	(31,987)
Deposit for dividends	(3,548,276)	-
Proceeds from borrowings	6,947,500	-
Net cash from (used) in financing activities	1,410,530	(1,782,720)
<b>Net increase in cash and cash equivalents</b>	5,350,397	5,529,289
<b>Cash and cash equivalents, beginning</b>	7,712,822	8,453,706
Effects of exchange rate changes in cash and cash equivalents	(32,267)	(6,501)
<b>Cash and cash equivalents, ending</b>	13,030,952	13,976,494

(The notes on pages 1 to 12 are integral part of these condensed consolidated interim financial statements)

## Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Notes to the Consolidated Interim Financial Statements  
As at March 31, 2026 and December 31, 2025 and  
for the three-month periods ended March 31, 2026 and 2025

### **Note 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 March 31, 2026 and December 31, 2024, there has been no follow-on offering after the initial public offering.

As at March 31, 2026 and December 31, 2025, the Parent Company is 69.36% 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 shares outstanding are held by the following shareholders as of March 31, 2026 and December 31, 2025:

Comclark Network and Technology Corp. and Founders	69.36%
Publicly held	30.64%
	100.00%

## 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 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 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 Group's 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, management considers there is only one operating segment under the requirements of PFRS 8, Operating Segments. In this regard, no segment information is presented.

No geographic information is shown as the revenue and profit from operations of the Company are presently solely derived from its activities in the Philippines.

## 1.3 Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of the Group as at March 31, 2026 have been approved and authorized for issuance by the Parent Company's Board of Directors (BOD) on May 13, 2026.

### **Note 2 - Additional notes in compliance with PAS 34**

#### **Selected Notes to the Condensed Consolidated Interim Financial Statements**

1. The same accounting policies and methods of computation were followed in the interim consolidated financial statements consistent with those adopted for the Group's annual consolidated financial statements for the year ended December 31, 2025.
2. There are no seasonal aspects that have a material effect on the condensed consolidated interim financial statements.
3. The Group had total additions to property, plant and equipment amounting to P2.31 billion on accrual basis and P2.82 billion on cash basis.

Significant acquisitions mainly pertain to investments in outside plant equipment amounting to P1.05 billion which primarily consists of passive network equipment related to the construction of its end-to-end fiber network, and inside plant and facilities amounting to P502.45 million which primarily consists of active network equipment. Other acquisitions pertain to customer premise equipment amounting to P527.98 million and other general IT related investments.

These additions are partially offset by the recognition of depreciation expense for the periods ended March 31, 2026.

4. Related party transactions include collections, reimbursement of expenses, sale of property, plant and equipment, service fees, advances, finance lease receivable, interest income from finance lease receivable, financial asset at fair value through profit or loss, interest income from financial asset at fair value through profit or loss, rental expenses, and lease liabilities with related parties.

	Transactions for the three- month period ended March 31		Outstanding balances as of	
	2026 (Unaudited)	2025 (Unaudited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
<i>(In Thousand Pesos)</i>				
<b>Due from related parties</b>				
<i>Collections made on behalf of the Group</i>				
Immediate parent company	14,001	11,011	10,175	16,434
Entities under common control	1,522	1,306	496	588
	15,523	12,317	10,671	17,022
<i>Reimbursements of expenses from related parties</i>				
Ultimate parent company	-	-	32	33
Immediate parent company	-	5,169	219	42,610
Joint ventures	-	-	607	607
Entities under common control	106,673	-	689	85,347
	106,673	5,169	1,547	128,597
<i>Sale of property, plant and equipment and intangibles</i>				
Entity under common control	-	5,321	-	-
<i>Asset construction</i>				
Joint venture	-	-	128,558	128,558
<i>Transfer of network materials and supplies</i>				
Immediate parent company	-	3,202	21,878	23,250
<i>Finance lease receivable</i>				
Entities under common control	2,283	-	140,502	141,620
<i>Interest income from finance lease receivable</i>				
Entities under common control	1,118	1,051	5,324	4,207
<i>Interest income from convertible bonds</i>				
	887	-	20,581	19,695
			329,062	462,949
Due from related parties, net - current			188,560	321,329
Due from related parties, net - non-current			140,502	141,620
			329,062	462,949
<b>Trade and other receivables</b>				
<i>Interest income from financial asset at FVTPL</i>				
Ultimate parent company	-	1,075	-	-
<b>Financial asset at FVTPL</b>				
Ultimate parent company	-	-	55,136	54,937

	Transactions for the three-month period ended March 31		Outstanding balances as of	
	2026 (Unaudited)	2025 (Unaudited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Thousand Pesos)</i>			
<b>Accruals</b>				
<i>Service fees</i>				
Entities under common control	-	57,372	-	47,906
<i>Reimbursements of expenses to related parties</i>				
Immediate parent company	-	3,242	-	12,412
Joint venture	387	650	387	1,552
	387	3,892	387	14,521
	387	61,264	387	61,870
<b>Due to related parties</b>				
<i>Collections made on behalf of related parties</i>				
Entities under common control	262	2,811	195	452
<i>Reimbursements of expenses to related parties</i>				
Immediate parent company	249,204	156,371	12,443	6,146
Entities under common control	35,332	-	33,934	95,403
	284,536	156,371	46,377	101,549
<i>Service fees</i>				
Entities under common control	9,696	-	99,179	
	9,696	-	99,179	
<i>Advances from a related party</i>				
Shareholder	-	-	312	312
	294,494	159,182	146,063	102,313
<b>Lease liabilities</b>				
Immediate parent company	86,209	-	905,169	974,772
Entities under common control	1,983	-	179,004	182,549
	88,192	-	1,084,173	1,157,321

5. Below is the disaggregation of the Group's revenue from contracts with customers recognized over time for the period ended March 31:

	Three months ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
	<i>(In Thousand Pesos)</i>	
Residential	9,233,493	9,109,082
Enterprise	1,958,648	1,687,154
	11,192,141	10,796,236

6. There were no items not in the ordinary course of business that affected assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.
7. There were no changes in management's use of estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. There were no 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.
8. As of March 31, 2026, the Group has entered into agreements with various suppliers for the construction, delivery and installation of property and equipment amounting to P12.4 billion. There were no 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 are material to investors.
9. As of March 31, 2026, the Parent Company has borrowings composed of loans payable amounting to P19.69 billion and bonds payable amounting to P9.96 billion. The Parent Company has unused credit lines from local banks amounting to P4.0 billion.

The Parent Company is compliant with its debt covenants as of March 31, 2026.

10. As of March 31, 2026, the present value of benefit obligations exceeded the fair value of the fund assets thus, the Group recognized retirement benefit obligation of P52.00 million.
11. Aside from interest earnings from the Group's cash deposits, there are no significant elements of income or loss that did not arise from the issuer's continuing operations.
12. Any material changes from period to period in any line items of the Group's condensed consolidated interim financial statements that have not been explained were the results of normal fluctuations in operations.
13. The condensed consolidated interim financial statements have been prepared in conformity with Philippine Financial Reporting Standards and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

### **Note 3 - Additional disclosures on risk management and financial instruments**

#### **3.1 Financial risk factor**

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.

#### **3.2 Components of financial assets and financial liabilities**

##### *3.2.1 Financial assets*

Details of the Group's financial assets are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Thousand Pesos)</i>	
<i>At amortized cost</i>		
Cash and cash equivalents	13,019,999	7,712,822
Short-term cash placements	834,947	2,157,044
Trade and other receivables	8,479,006	7,334,103
Due from related parties	329,062	462,949
Constructions bonds and rental deposits	281,780	275,609
Deposit for dividends	3,548,276	-
	26,493,070	17,942,527
<i>At financial assets at FVTPL</i>	55,136	54,937
	26,548,206	17,997,464

Trade and other receivables above exclude advances to employees which are subject to liquidation as at March 31, 2026 amounting to P34.83 million (December 31, 2025 - P38.46 million) and are presented gross of allowance for impairment amounting to P2.6 billion (December 31, 2025 - P2.15 billion).

As at March 31, 2026, financial asset at FVTPL pertains to the Group's investment in exchangeable bonds issued by its Ultimate Parent. 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.

### 3.2.2 Financial liabilities

The Group's financial liabilities, categorized as liabilities at amortized cost, are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
	<i>(In Thousand Pesos)</i>	
Trade and other liabilities	19,575,401	18,896,200
Dividends payable	3,548,276	-
Subscribers' deposits	1,164,347	1,173,517
Due to related parties	146,063	102,313
Borrowings	29,654,834	24,101,302
Lease liabilities	2,093,311	2,445,980
	56,182,232	46,719,312

Trade and other liabilities presented above exclude non-financial liabilities pertaining to payable to government agencies amounting to P1.39 billion (December 31, 2025 - P872.61 million).

### 3.3 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 reporting dates 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>					
<i>March 31, 2026 (Unaudited)</i>					
Cash and cash equivalents	13,019,999	-	13,019,999	Performing	12-month ECL
Short-term cash placements	834,947	-	834,947	Performing	12-month ECL
Trade receivables					
Residential - Group 2	1,820,163	(71,670)	1,748,493	Collective assessment	Lifetime ECL
Residential - Group 3	1,793,811	(1,577,980)	215,831	Credit impaired	Lifetime ECL
Enterprise - Group 2	1,670,006	(199,857)	1,470,149	Collective assessment	Lifetime ECL
Enterprise - Group 3	753,314	(751,267)	2,047	Credit impaired	Lifetime ECL
Other receivables - Group 1	2,441,712	-	2,441,712	Performing	12-month ECL
Due from related parties - Group 1	329,062	-	329,062	Performing	12-month ECL
Construction bonds and rental deposits	281,780	-	281,780	Performing	12-month ECL
Deposit for dividends	3,548,276	-	3,548,276	Performing	12-month ECL
	<b>26,493,070</b>	<b>(2,600,774)</b>	<b>23,892,296</b>		
<i>December 31, 2025 (Audited)</i>					
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
	<b>17,931,203</b>	<b>(2,153,086)</b>	<b>15,778,117</b>		

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 March 31, 2026 amounting to P10.95 million. (December 31, 2025 - P11.32 million) which is not subject to credit risk.

As at March 31, 2026, the Company is also exposed to credit risk in relation to its investment in exchangeable bonds that are measured at fair value through profit or loss and investment in short-term government securities. The maximum exposure at March 31, 2026 is the carrying amount of the investments aggregating to P55.14 million (December 31, 2025 - P54.94 million). The Company's investments in exchangeable bonds and short-term government securities are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

Trade receivables from residential and corporate subscribers are 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 during the periods ended March 31, 2026 and December 31, 2025.

#### Cash and cash equivalents

To minimize credit risk exposure from cash, the Group deposits its cash 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 reporting dates were determined as follows:

	Current	1-30 days	31-60 days	61-90 days	Total
	<i>(In Thousand Pesos)</i>				
<i>March 31, 2026</i>					
Carrying amount, gross	1,268,067	288,758	178,236	85,102	1,820,163
Loss allowance	1,105	1,616	2,003	66,946	71,670
<i>December 31, 2025</i>					
Carrying amount, gross	1,154,585	343,683	109,880	106,380	1,714,528
Loss allowance	24,666	5,732	2,024	79,678	112,100

As a result of management's review of receivables provisioning, management has transferred balances from certain residential subscribers from Group 2 to Group 3 and full provisioning have been made to these individually impaired accounts.

As at March 31, 2026, credit impaired receivables from certain residential subscribers amounting P1.79 billion (December 31, 2025 - P1.44 billion) which are deemed uncollectible despite collection efforts have been provided with an allowance for impairment equal to the total receivables of the subscribers net of advances and deposits collected from them.

##### *Enterprise subscribers*

In relation to Enterprise subscription receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each corporate 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 were determined as follows:

	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Total
	<i>(In Thousand Pesos)</i>					
<b><u>March 31, 2026</u></b>						
Carrying amount, gross	474,825	281,210	236,357	190,549	487,065	1,670,006
Loss allowance	50,541	30,053	25,269	20,352	73,642	199,857
<b><u>December 31, 2025</u></b>						
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

As at March 31, 2026, credit impaired receivables from certain Enterprise subscribers (Group 3) amounting P753.31 million (December 31, 2025 - P748.18 million ) which are deemed uncollectible despite collection efforts have been provided with an allowance for impairment equal to the total receivables of the subscribers net of advances and deposits collected from them.

#### 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 exposed to low credit risk. ECL on these balances have therefore been assessed to be insignificant.

### **3.4 Market risk**

#### *a) 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, trade and other receivables, trade and other current liabilities denominated in US Dollar as at March 31, 2026 and December 31, 2025.

The Group manages its US Dollar exchange risk by maintaining sufficient cash in US Dollar to cover its maturing obligations.

As at March 31, 2026, the exchange rate used to translate US Dollar denominated monetary assets and liabilities is P60.75/\$ (December 31, 2025 - P58.79/\$). If the US Dollar had weakened or strengthened by 1.02% (December 31, 2025 - 0.89%) against the Philippine Peso, with all other variables held constant, pre-tax profit for the year ended March 31, 2026 and equity would have been P6.20 million higher or lower (December 31, 2025 - P0.51 million higher or lower), mainly as a result of foreign exchange losses or gains on translation of net US Dollar denominated monetary asset. 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.



### c) Price risk

As at March 31, 2026, 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.

### 3.5 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 available 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 reporting dates:

	Within 12 Months	More than 12 months	Total
	<i>(In Thousand Pesos)</i>		
<u>March 31, 2026 (Unaudited)</u>			
Trade and other liabilities	16,955,220	2,620,181	19,575,401
Dividends payable	3,548,276	-	3,548,276
Subscribers' deposits	1,164,347	-	1,164,347
Due to related parties	146,063	-	146,063
Borrowings	6,541,199	23,113,635	29,654,834
Lease liabilities, gross of discount	567,573	1,799,486	2,367,059
Future interest payable	1,578,999	1,693,804	3,272,803
	<u>30,501,677</u>	<u>29,227,106</u>	<u>59,728,783</u>
<u>December 31, 2025 (Audited)</u>			
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
	<u>24,907,102</u>	<u>24,167,573</u>	<u>49,074,675</u>

Lease liabilities disclosed above represent the contractual undiscounted cash flows.

The Group expects to settle the above financial obligations due within 12 months in accordance with their contractual maturity of 30 to 60 days.

There are no trends, demands, commitments, events or uncertainties known to management that will have a material adverse impact on the Group's liquidity.

### 3.6 Capital risk 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 reserve for remeasurements of retirement benefit obligation and other reserves as shown in the consolidated statements of financial position.

The Group is not subject to any externally imposed capital requirements.

The Group's loan agreements include compliance with certain ratios.

#### **Note 4 - Basis of preparation**

This condensed consolidated interim financial statements for the three-month period ended March 31, 2026 has been prepared in accordance with Philippine Accounting Standard (PAS) 34 Interim Financial Reporting. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The condensed consolidated interim financial statements do not include all the notes normally included in an annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended December 31, 2025 and any public announcements made by the Group during the three-month period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

There are no new accounting standards or amendments effective January 1, 2026 that have a material impact on these condensed consolidated interim financial statements.

There are no other future standards, amendments or interpretations that are effective beginning on or after January 1, 2026 that are expected to have a material impact on the Group's financial statements.

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

## AGING ANALYSIS OF RECEIVABLES

MARCH 31, 2026 (UNAUDITED)

The table below shows the aging analysis of the Group's trade receivables as of March 31, 2026:

	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Total
			<i>(In Thousand Pesos)</i>			
Residential	1,276,034	299,690	206,252	204,746	1,627,251	3,613,973
Enterprise	487,167	293,947	372,793	219,859	1,049,555	2,423,321
Gross trade receivables						6,037,294
Allowance for doubtful accounts						(2,600,774)
Net trade receivables						3,436,520
Other receivables, current						2,017,210
Trade and other receivables, net, current portion						5,453,730
Other receivables, net of current portion						459,331

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

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR  
MARCH 31, 2026**

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Current ratio <sup>a</sup>	0.9x	0.7x
Acid test ratio <sup>b</sup>	0.6x	0.6x
Solvency ratio <sup>c</sup>	1.0x	1.0x
Debt-to-equity ratio <sup>d</sup>	0.5x	0.4x
Asset-to-equity ratio <sup>e</sup>	2.0x	1.8x
Interest coverage ratio <sup>f</sup>	13.3x	17.4x
Debt service coverage ratio <sup>g</sup>	3.1x	3.5x
Net debt/ EBITDA <sup>h</sup>	0.6x	0.5x
Earnings per share (PHP) <sup>i</sup>	0.42	1.63
Book value per share <sup>j</sup>	8.66	8.72
Return on Assets <sup>k</sup>	2.47%	10.81%
Return on Equity <sup>l</sup>	5.52%	20.13%
Net profit margin <sup>m</sup>	26.98%	26.48%

<sup>a</sup>Current assets / Current liabilities

<sup>b</sup>Cash and cash equivalents + Short-term cash placements + Trade and other receivables, net + Due from related parties (current portion) / Current liabilities

<sup>c</sup>Last twelve months' ("LTM") net operating profit after tax + LTM depreciation and amortization and amortization of subscriber acquisition costs / Borrowings

<sup>d</sup>Loans payable / Total equity

<sup>e</sup>Total assets / Total equity

<sup>f</sup>LTM Earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquisition costs / LTM interest expense

<sup>g</sup>Parent 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

<sup>h</sup>Borrowings less cash and cash equivalents and short-term cash placements/ LTM earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquisition costs

<sup>i</sup>Net income attributable to ordinary equity holders of the Parent Company / Weighted average number of ordinary shares

<sup>j</sup>Total equity less Preferred Equity / Total number of shares outstanding

<sup>k</sup>Net income attributable to owners of the Parent Company / Average total assets

<sup>l</sup>Net income attributable to owners of the Parent Company / Average total equity

<sup>m</sup>Net income / Revenues