COVER SHEET

SEC Registration Number

C	S	2	0	0	7	1	6	0	9	4

Company Name

CONVERGE INFORMATION AND
COMMUNICATIONS TECHNOLOGY
SOLUTIONS, INC.

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

NEW STREET BUILDING MCARTHUR
HIGHWAY BALIBAGO ANGELES CITY
PAMPANGA

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
converge.sec@convergeict.com	-	09175774586

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
	Last Friday of May of Each Year	Dec-31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
OWEN OCAMPO	okdocampo@convergeict.com	-	09328912603

CONTACT PERSON's ADDRESS

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

OTE 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

COVER SHEET

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 **June 30, 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
Common Stock, P0.25 par value	**7,241,380,061 Shares**
Fixed Rate Bonds	**10,000,000,000**

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 June 30, 2026 (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 June 30, 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/

CONVERGE

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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" or the "Company") 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 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 the Company.

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 percentages 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.

CONVERGE

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 June 30, 2026 and 2025.

	For the six months ended June 30			
	2026	**2025**	**YoY change**	**YoY change %**
In PHP millions				
Revenues	**22,445**	**21,780**	**665**	**3%**
Residential	18,517	18,368	150	1%
Enterprise	3,927	3,412	515	15%
Cost of services	(7,990)	(7,331)	659	9%
Gross profit	**14,455**	**14,449**	**5**	**0%**
General and administrative expenses	(5,665)	(5,029)	636	13%
Provision for impairment of trade and other receivables	(898)	(871)	27	3%
Equity share in net income of associate and joint ventures	49	17	(33)	193%
Unrealized fair value gain on financial asset at fair value through profit or loss (FVTPL)	(3)	0	(3)	NM
Other income, net	(218)	(202)	(16)	8%
Profit from operations	**8,156**	**8,768**	**(613)**	**-7%**
Finance costs	(842)	(808)	34	4%
Profit before income tax	**7,314**	**7,960**	**(646)**	**-8%**
Income tax expense	(1,829)	(2,012)	(183)	-9%
Profit after income tax for the period	**5,485**	**5,948**	**(463)**	**-8%**
Other comprehensive income	360	4	356	NM
Total comprehensive income for the period	**5,845**	**5,952**	**(107)**	**-2%**
Profit after income tax	5,485	5,948	(463)	-8%
Finance costs	842	808	34	4%
Income tax expense	1,829	2,012	(183)	-9%
Depreciation and amortization - COS	3,977	3,647	330	9%
Depreciation and amortization - G&A	385	270	114	42%
Amortization of deferred contract costs - SAQ	756	765	(8)	-1%
EBITDA	**13,274**	**13,450**	**(176)**	**-1%**
EBITDA Margin	**59.1%**	**61.8%**		

Six months ended June 30, 2026 compared to six months ended June 30, 2025

B. OPERATING REVENUES

The Group recorded consolidated revenues of ₱22,445 million in the first half of 2026, representing a 3% year-over-year increase from ₱21,780 million in the same period of 2025.

Residential revenues reached ₱18,517 million, reflecting a 1% increase from ₱18,368 million in the same period last year, supported by steady expansion of the subscriber base, particularly within the prepaid segment.

Enterprise revenues grew by 15% to ₱3,927 million, from ₱3,412 million in the prior year, driven by sustained demand and continued expansion of the enterprise customer base.

C. EXPENSES

Cost of services increased by 9% to ₱7,990 million for the first half of 2026, from ₱7,331 million in the same period last year. The increase was primarily attributable to higher depreciation and amortization, personnel costs, and service fees. These were partially offset by lower amortization of deferred contract costs for the current period.

General and administrative expenses rose by 13% to ₱5,665 million, compared to ₱5,029 million in 2025. The increase was driven by higher promotional spending, managed service fees, depreciation and amortization, and repairs and maintenance to support network growth.

Provision for impairment of trade and other receivables amounted to ₱898 million, a 3% increase from ₱871 million in the prior year, reflecting an increase in trade receivable base subject to credit loss provisioning.

Other income, net, grew by 8% to ₱218 million from ₱202 million in 2025. The increase was primarily driven by net foreign exchange gains, and gain on sale of assets, partially offset by lower interest income on cash and cash equivalents, reduced miscellaneous income, and additional provision for inventory obsolescence.

EBITDA decreased slightly by 1% to ₱13,274 million from ₱13,450 million in the prior year. Despite elevated cost headwinds, top-line revenue growth and disciplined expense management enabled the Group to sustain solid operational profitability.

D. NET INCOME

Profit from Operations

Profit from operations decreased by 7% to ₱8,156 million, compared to ₱8,768 million in the prior year.

Finance Costs

Finance costs increased by 4% to ₱842 million, from ₱808 million, primarily due to additional loan availment during the current period.

Profit Before Income Tax

Our profit before income tax for the first half of 2026 reached ₱7,314 million, posting an 8% decline from ₱7,960 million for the same period of 2025.

Income Tax Expense

Income tax expense decreased by 9% from ₱2,012 million to ₱1,829 million directly related to lower taxable income.

Profit for the Period

As a result, net profit for the first half of 2026 decreased by 8% to ₱5,485 million compared to ₱5,948 million in the same period last year.

E. CAPITAL EFFICIENCY AND LIQUIDITY

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	Change (%)
Balance Sheet Data (in PHP millions)			
Total Assets	120,691	112,326	7%
Total Debt(1)	28,264	24,101	17%
Total Stockholders' Equity	65,420	63,126	4%

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)	Change (%)
Financial Ratios			
Total Debt to EBITDA (gross)	1.1x	0.9x	
Total Debt to EBITDA (net)	0.6x	0.5x	
Debt Service Coverage - LTM(2)	3.5x	3.6x	
Debt Service Coverage - next fiscal year(3)	1.5x	3.6x	
Interest Coverage (gross) (4)	17.0x	17.4x	
Debt to Equity (gross) (5)	0.4x	0.4x	
Debt to Equity (net) (6)	0.2x	0.2x	
Return on Invested Capital (7)	14.9%	17.7%	

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) 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 / sum of Parent Company's current loans payable, LTM interest expense, and current lease liabilities
(4) Interest Coverage (gross) is computed as LTM EBITDA divided by LTM finance costs
(5) Debt to Equity (gross) is computed as total debt divided by total shareholders' equity
(6) Debt to Equity (net) is computed as the difference between total debt and the sum of cash and cash equivalents plus short-term cash placements divided by total shareholders' equity
(7) Return on Invested Capital is tax-adjusted (25% assumed effective tax rate) 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, 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 June 30, 2026 amounted to ₱120,691 million compared to ₱112,326 million as at December 31, 2025. Consolidated cash, cash equivalents and short-term cash placements was at ₱12,667 million as at June 30, 2026 compared to ₱9,870 million as at December 31, 2025.

As at June 30, 2026, our outstanding borrowings stood at ₱28,264 million, an increase of ₱4,163 million 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 ₱15,597 million as at June 30, 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 July 2025 to June 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 financial covenants requiring the maintenance of a minimum Debt Service Coverage Ratio (DSCR) of 1.2x. As at June 30, 2026, Converge's DSCR stood at 1.5x (next fiscal year debt service requirements) and 3.5x (LTM debt service requirements), well above the required threshold, indicating full compliance with covenant requirements.

Converge's capital efficiency, as measured by Return on Invested Capital (ROIC), was 14.9% (annualized) for the six months ended June 30, 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 June 30, 2026, total stockholder's equity was ₱65,420 million, an increase of ₱2,294 million from ₱63,126 million as at December 31, 2025. The increase was mainly due to the net profit for the period partially offset by dividends paid on April 1, 2026.

CONSOLIDATED CASH FLOWS

	For the six months ended June 30			
	2026	2025	YoY change	YoY change %
In PHP millions				
Cash flow from operating activities				
Profit before income tax	7,314	7,960	(646)	-8%
Adjustments for operating income	7,243	6,884	359	5%
Adjustments for assets and liabilities	(3,839)	(4,188)	(349)	-8%
Cash from operations	10,718	10,656	62	1%
Interest received and income taxes paid	(1,838)	(1,855)	17	1%
Net cash from operating activities	**8,880**	**8,802**	**78**	**1%**
Cash flow from investing activities				
Acquisition of property, plant, and equipment	(5,704)	(4,258)	(1,446)	-34%
Maturity of short-term cash placements	771	6,753	(5,982)	-89%
Others	110	369	(258)	N/M
Net cash used in investing activities	**(4,823)**	**2,864**	**(7,687)**	**-268%**
Cash flow from financing activities				
Payments of borrowings	(2,815)	(2,633)	(182)	-7%
Interest paid on borrowings	(744)	(797)	52	7%
Dividends paid	(3,548)	(3,125)	(424)	-14%
Loan availment	6,948	-	6,498	N/M
Others	(390)	(243)	(142)	-61%
Net cash used in financing activities	**(550)**	**(6,797)**	**6,247**	**92%**
Net increase in cash and cash equivalents	**3,507**	**4,869**	**(1,362)**	**-28%**
Cash and cash equivalents, beginning	7,713	8,454	(741)	-9%
Effects of exchange rate changes in cash and cash equivalents	38	(34)	(72)	-210%
Cash and cash equivalents, ending	**11,258**	**13,288**	**(2,031)**	**-15%**

Net cash flows from operating activities

Net cash from operating activities was ₱8,880 million for the six months ended June 30, 2026. Our cash flows generated from operating activities for 2026 are calculated by adjusting our profit before income tax of ₱7,314 million by (i) non-cash and other items, primarily comprising ₱4,361 million of depreciation and amortization, ₱1,191 million of amortization of deferred contract costs, ₱898 million in provision for impairment of trade and other receivables, and ₱842 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 ₱105 million, increase in trade and other liabilities by ₱462 million, increase in due to related parties by ₱134 million, and increase in deferred revenue by ₱50 million (iii) changes in certain working capital items that negatively impacted cash flows from operating activities, in particular a ₱1,460 million increase in trade and other receivables, a ₱1,050 million increase in deferred contract costs, and a ₱1,269 million increase in current and non-current assets.

Net cash provided by operating activities amounted to ₱8,802 million for the six-month period ended June 30, 2025. This was derived by adjusting our profit before income tax of ₱7,960 million with: (i) non-cash and other items, which consist of: ₱3,917 million in depreciation and amortization, ₱1,398 million in amortization of deferred contract costs, ₱871 million in provision for impairment of trade and other receivables, and ₱808 million in finance costs, (ii) working capital changes with positive impact on cash flows, including ₱401 million decrease in other current and non-current assets, ₱51 million increase in deferred revenue and ₱16 million increase in retirement benefit obligation (iii) working capital changes with negative impact on cash flows including: ₱1,843 million increase in trade and other current receivables, ₱1,240 million increase in deferred contract costs, P265 million increase in network materials and supplies and ₱1,350 million decrease in trade and other liabilities.

Net cash flows (used in) from investing activities

Net cash used in investing activities was ₱4,823 million for the six months ended June 30, 2026 higher by ₱7,687 million from ₱2,864 million net cash flows from investing activities for the six months ended June 30, 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 ₱5,704 million for the six months ended June 30, 2026, higher by ₱1,446 million from ₱4,258 million for the six months ended June 30, 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 used in financing activities

Net cash used in financing activities was ₱550 million during the six months ended June 30, 2026. Cash flows used in financing activities primarily consisted of ₱3,548 million in cash dividends paid, ₱2,815 million loan amortizations and repayments, ₱744 million of payments for interest on borrowings, and ₱390 million payment of lease liabilities and interest, partially offset by loan availment of ₱7 billion.

Net cash used in financing activities was ₱6,797 million for the six-month period ended June 30, 2025. This primarily consisted of ₱3,125 million in cash dividends paid, ₱2,633 million in loan amortizations and repayments, ₱797 million in interest payments on borrowings, and ₱243 million payment of lease liabilities and interest.

Commitments and Off-Balance Sheet Arrangements
As of June 30, 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.

F. 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.

1 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 June 30, 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	11,247	-	11,247	Performing	12-month ECL
Short-term cash placements	1,410	-	1,410	Performing	12-month ECL
Trade receivables					
Residential - Group 2	1,758	(29)	1,729	Collective assessment	Lifetime ECL
Residential - Group 3	2,358	(1,915)	443	Credit impaired	Lifetime ECL
Enterprise - Group 2	1,748	(203)	1,544	Collective assessment	Lifetime ECL
Enterprise - Group 3	933	(904)	29	Credit impaired	Lifetime ECL
Other receivables - Group 1	1,991	-	1,991	Performing	12-month ECL
Due from related parties - Group 1	365	-	365	Performing	12-month ECL
Construction bonds and rental deposits - Group 1	284	-	284	Performing	12-month ECL
	22,092	**(3,051)**	**19,041**		

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 June 30, 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 June 30, 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 are 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.

2 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 June 30, 2026.

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

At June 30, 2026, the exchange rate used to translate US Dollar denominated monetary assets and liabilities is ₱61.36/$. If the US Dollar had weakened or strengthened by 0.6% against the Philippine Peso, with all other variables held constant, pre-tax profit for the year ended June 30, 2026 and equity would have been ₱4 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.

3 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 June 30, 2026, if interest rates increased/decreased by 10 basis points, with all other variables held constant, profit for the period ended June 30, 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 June 30, 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 8.82%. 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 June 30, 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 June 30, 2026 would have been ₱9.7 million lower mainly as a result of higher BVAL rates while it would have been ₱5.9 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 June 30, 2026.

	Amount
Trade and other liabilities	20,226
Subscribers' deposit	1,158
Due to related parties	236
Borrowings	28,264
Lease liabilities, gross of discount	2,376
Future interest payable	2,811
	55,070

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 six-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's customer services metrics further improved quarter-on-quarter with broadened manpower complement

Driving sustainable growth remains intrinsically linked to elevating end-to-end subscriber experience and operational execution. During the quarter, the Company strengthened service delivery by aggressively expanding field technical capacity. This translated into quantifiable improvements across our core service metrics during the quarter.

Converge has seen noticeable improvements in customer experience metrics compared to 1Q2026, such as faster resolution rates of service line repairs within one day and five days by 8% and 2%, respectively, and lower mean time to repair outages by more than 50%. Average ticket time to resolve remained near six-quarter low.

Converge leads PH in broadband speed, network quality in DICT Oplan Bantay Signal 2Q2026 Report; received top honors in the Speedtest Intelligence report of Ookla®

Converge delivered the country's strongest fixed broadband network performance in the second quarter of the year, posting the fastest download speed, best in class network quality with symmetric upload speed and the lowest latency in the country, according to the latest Oplan Bantay Signal report of the Department of Information and Communications Technology (DICT).

The report showed that Converge achieved the lowest average latency of 5 milliseconds during the second quarter. Latency is a measure of delay in a network, so a lower number means shorter time for the data to travel through your network. A 5 ms latency means an instantaneous experience for users of the network.

Meanwhile, Converge posted an industry-leading 158 megabits per second (Mbps) download speed last month. The company also recorded an 84% decline in customer complaints from January to June, reflecting sustained improvements in network performance and customer experience. The Company's latest network performance complements its broader efforts to expand digital connectivity nationwide.

"Converge has always been focused on delivering the best quality service to its customers. Our upload speed reached a six-month high, while our network delivered best-in-class latency, reflecting the continuous investments we have made to improve customer experience," said Dennis Anthony Uy, Converge CEO and Co-Founder.

The DICT's Oplan Bantay Signal is a nationwide monitoring initiative that evaluates the quality and performance of telecommunications networks through extensive speed testing and network assessments. The program measures key indicators—including download speed, upload speed, latency, and service reliability—to help ensure that consumers receive quality broadband services across the country.

On top of the distinction from the DICT report, Converge also received accolades from Ookla®. Based on its consumer-initiated tests conducted during the period, Converge dominated all major fixed-broadband metrics, earning the "Best Internet", "Fastest Internet", and "Best Fixed Latency" recognitions for January to June 2026.

Converge elects former Senior Associate Justice Perlas-Bernabe as first female Board Chair, veteran leader De Jesus stays on as Independent Director

The Company's Board of Directors has elected former Senior Associate Justice (SAJ) Estela Perlas-Bernabe as its new chairperson during its organizational Board meeting following the company's Annual Stockholders' Meeting (ASM) on May 29, 2026.

"I am deeply honored to serve as Chairperson of the Board of Converge. In the past three years, I have witnessed the company's adherence to the highest standards of corporate governance and seen its subscriber base rise to over three million in a highly competitive industry. I am truly excited to lead the Board as the fiber internet provider evolves into a future-forward technology company," said SAJ Perlas-Bernabe.

SAJ Perlas-Bernabe succeeds veteran business leader and former Secretary of the Department of Public Works and Highways (DPWH) and Department of Transportation and Communications (DOTC), now Department of Transportation, Jose De Jesus who will stay on as Converge Independent Director. De Jesus served as Chairman of the Converge Board since it was listed at the Philippine Stock Exchange (PSE) in October 2020.

"It is with heartfelt delight that I pass the baton to Justice Perlas-Bernabe who is a respected jurist celebrated for her unshakeable integrity. Being the first female chairperson of Converge, she ushers in a new era of fairness and accountability into the Board," said De Jesus who led Converge to its Five Arrow Award, the highest distinction in corporate governance handed by the Institute of Corporate Directors (ICD).

Converge tempering FY2026 guidance given macroeconomic headwinds

While persistent inflationary pressures since 2Q2026 present near-term macroeconomic headwinds, Converge remains operationally resilient. We are recalibrating our full-year 2026 guidance, projecting revenue growth in the mid-single-digit range of 4–6%. Through sustained discipline in cost management, we expect to defend our strong EBITDA margins at 58–59%. Furthermore, by optimizing our capital expenditure down to ₱17–20 billion, we remain fully committed to preserving our target ROIC of 15.5–16.5%.

MAJOR STOCKHOLDERS

The following are the major stockholders of Converge as of June 30, 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	1,316,916,784	18.19%
Common Shares	PCD Nominee Corporation	Cloud Gateway Limited	Foreign	222,757,739***	3.08%
Common Shares	PCD Nominee Non-Filipino	Public Ownership	Foreign	892,267,357	12.32%

**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 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
Estela M. Perlas-Bernabe	Female	Chairman, Independent Non-Executive Director	Filipino	May 2023	
Jose P. de Jesus	Male	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	
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: 8/11/2026

Robert Leo A. Yu
Chief Finance Officer

DATE SIGNED: 8/11/2026

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Condensed Consolidated Interim Financial Statements
As at June 30, 2026 (Unaudited) and December 31, 2025 (Audited) and for the periods ended June 30, 2026 and 2025

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Consolidated Interim Statements of Financial Position

	Notes	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
		(In Thousand Pesos)	
Assets			
Current assets			
Cash and cash equivalents		11,257,548	7,712,822
Short-term cash placements		1,409,542	2,157,044
Trade and other receivables, net, current portion		5,268,908	4,979,211
Due from related parties, current portion	2.4	225,254	321,329
Network materials and supplies, net		1,777,081	1,311,682
Deferred contract costs, current portion		1,190,806	1,266,682
Other current assets		3,002,850	1,734,914
Total current assets		24,131,989	19,483,684
Non-current assets			
Property, plant and equipment, net		77,624,198	75,288,442
Right-of-use assets, net		8,729,619	8,837,802
Intangible assets, net		3,184,099	2,664,805
Advances to fixed asset suppliers		3,311,410	2,948,794
Due from related parties, net of current portion	2.4	139,385	141,620
Deferred contract costs, net of current portion		405,383	470,242
Deferred income tax assets, net		2,254,495	1,792,148
Other receivables, net of current portion		511,587	240,261
Financial asset at fair value through profit or loss (FVTPL)		55,334	54,937
Investment in associate and joint ventures		336,207	396,829
Other non-current assets		7,736	6,417
Total non-current assets		96,559,453	92,842,297
Total assets		120,691,442	112,325,981
Liabilities and Equity			
Current liabilities			
Trade payables and other liabilities, current portion		18,905,046	17,032,981
Due to related parties	2.4	236,168	102,313
Subscribers' deposits		1,157,550	1,173,517
Deferred revenue		854,971	805,321
Borrowings, current portion	2.9	16,515,078	5,601,225
Lease liabilities, current portion		541,622	537,554
Income tax payable		1,131,729	763,808
Total current liabilities		39,342,164	26,016,719
Non-current liabilities			
Trade payables and other liabilities, net of current portion		2,613,284	2,735,824
Borrowings, net of current portion	2.9	11,748,718	18,500,077
Lease liabilities, net of current portion		1,502,341	1,908,426
Retirement benefit obligation, net		64,850	39,123
Total non-current liabilities		15,929,193	23,183,450
Total liabilities		55,271,357	49,200,169
Equity			
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		(6,871,763)	(6,871,763)
Retained earnings			
Unappropriated		20,008,330	27,071,526
Appropriated		31,000,000	22,000,000
Other equity reserves		496,087	180,457
		65,260,316	63,007,882
Non-controlling interest		159,769	117,930
Total equity		65,420,085	63,125,812
Total liabilities and equity		120,691,442	112,325,981

(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	Six-month periods ended June 30		Three-month periods ended June 30	
		2026 (Unaudited)	**2025** (Unaudited)	**2026** (Unaudited)	**2025** (Unaudited)
		(In Thousand Pesos, except per share figures)			
Revenues	2.5	22,444,668	21,780,000	11,252,527	10,983,764
Cost of services		(7,989,896)	(7,330,638)	(4,218,291)	(3,669,924)
Gross profit		14,454,772	14,449,362	7,034,236	7,313,840
General and administrative expenses		(5,664,818)	(5,028,625)	(2,978,601)	(2,555,637)
Provision for impairment of trade and other receivables		(897,787)	(871,200)	(450,101)	(435,892)
Equity in net income of joint ventures		49,448	16,890	31,193	(11,624)
Unrealized fair value loss on financial asset at FVTPL		(3,373)	36	(3,336)	78
Other income, net		217,833	201,929	101,102	34,015
Profit from operations		8,156,075	8,768,392	3,734,493	4,344,780
Finance costs		(842,121)	(808,268)	(506,222)	(381,652)
Profit before income tax		7,313,954	7,960,124	3,228,271	3,963,128
Income tax expense		(1,828,874)	(2,012,230)	(762,953)	(1,033,988)
Profit for the period		5,485,080	5,947,894	2,465,318	2,929,140
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Remeasurement loss on retirement benefit obligation, net of tax		359,752	4,079	359,752	-
Total comprehensive income for the period		5,844,832	5,951,973	2,825,070	2,929,140
Profit attributable to:					
Owners of the Parent Company		5,485,080	5,947,894	2,465,318	2,929,140
Non-controlling interest		-	-	-	-
		5,485,080	5,947,894	2,465,318	2,929,140
Total comprehensive income attributable to:					
Owners of the Parent Company		5,844,832	5,951,973	2,825,070	2,929,140
Non-controlling interest		-	-	-	-
		5,844,832	5,951,973	2,825,070	2,929,140
Earnings per share					
Basic and diluted		0.76	0.82	0.42	0.40

(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 six-month periods ended June 30, 2026 (Unaudited) and 2025 (Unaudited)

	Share capital	Additional paid-in capital	Treasury shares	Retained earnings		Other equity reserves	Non-controlling interest	Total
				Appropriated	Unappropriated			
				(In Thousand Pesos)				
Balances at January 1, 2025	1,881,574	18,746,088	(6,498,544)	24,000,000	16,338,023	223,144	312	54,690,597
Comprehensive income								
Profit for the period					5,947,894	(28,115)	-	5,919,779
Other comprehensive income for the period	-	-	-	-	-	4,079	-	4,079
Total comprehensive income for the period	-	-	-	-	5,947,894	(24,036)		5,923,858
Release of appropriated retained earnings	-	-	-	(2,000,000)	2,000,000	-	-	-
Transactions with owners								
Declaration of dividends	-	-	-	-	(3,124,626)	-	-	(3,124,626)
Issuance of shares							124,188	124,188
								(3,000,438)
Balances at June 30, 2025	1,881,574	18,746,088	(6,498,544)	22,000,000	21,161,291	199,108	124,500	57,614,017
Balances at January 1, 2026	1,881,574	18,746,088	(6,871,763)	22,000,000	27,071,526	180,457	117,930	63,125,812
Comprehensive income								
Profit for the period	-	-	-	-	5,485,080	-	-	5,485,080
Other comprehensive income for the period	-	-	-	-	-	359,752		359,752
Total comprehensive income for the period	-	-	-	-	5,485,080	359,752	-	5,844,832
Transactions with owners								
Declaration of dividends	-	-	-	-	(3,548,276)	-	-	(3,548,276)
Recognition of non-controlling interest		-	-	-	-	-	41,839	41,839
Share-based reserve						(44,122)		(44,122)
Release of appropriated retained earnings	-	-	-	(12,000,000)	12,000,000	-	-	-
Appropriation of retained earnings	-	-	-	21,000,000	(21,000,000)	-	-	-
Balances at June 30, 2026	1,881,574	18,746,088	(6,871,763)	31,000,000	20,008,330	496,087	159,769	65,420,085

(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	Six-month periods ended June 30 2026 (Unaudited)	2025 (Unaudited)
		(In Thousand Pesos)	
Cash flows from operating activities			
Profit before income tax		7,313,954	7,960,124
Adjustments for:			
Depreciation and amortization		4,361,210	3,917,255
Amortization of deferred contract costs		1,191,192	1,398,316
Provision for impairment of trade and other receivables		897,787	871,200
Finance costs		842,121	808,268
Unrealized foreign exchange (gain) loss, net		99,302	161,771
Provision for inventory obsolescence		38,923	-
Unrealized fair value loss (gain) on FVTPL		3,373	(35)
Gain on lease termination		(513)	(10,461)
Interest income on financial asset at FVTPL		(2,242)	(2,119)
Interest income on finance lease receivable		(4,565)	(4,689)
Share-based reserve		(44,122)	(28,115)
Share in net income of joint venture		(49,448)	(16,890)
Interest income on cash in banks, cash equivalents and short-term cash placements		(89,761)	(210,526)
Operating income before changes in assets and liabilities		14,557,211	14,844,099
Decrease (increase) in assets:			
Trade and other receivables		(1,460,362)	(1,842,562)
Due from related parties		104,907	57,889
Network materials and supplies		(794,328)	(264,601)
Deferred contract costs		(1,050,457)	(1,240,270)
Other current assets and non-current assets		(1,269,253)	401,199
Increase (decrease) in liabilities:			
Trade and other liabilities		457,253	(1,350,068)
Subscribers' deposits		(15,967)	(15,595)
Retirement benefit obligation		5,543	16,122
Deferred revenue		49,650	51,218
Due to related parties		133,855	(998)
Cash from operations		10,718,052	10,656,433
Interest received		91,548	135,698
Income taxes paid		(1,929,765)	(1,990,562)
Net cash from operating activities		8,879,835	8,801,569
Cash flows from investing activities			
Acquisitions of property plant, and equipment	2.3	(5,655,840)	(3,636,642)
Acquisitions of intangible assets		(47,964)	(620,925)
Proceeds from disposal of assets		-	219,401
Dividend received		110,070	149,133
Short-term cash placements		771,046	6,753,277
Net cash (used in) from investing activities		(4,822,688)	2,864,244
Cash flows from financing activities			
Payments of borrowings		(2,814,828)	(2,632,981)
Interest paid on borrowings		(744,470)	(796,835)
Payments on lease liabilities		(315,758)	(175,586)
Interest paid on lease liabilities		(74,229)	(67,184)
Dividends paid		(3,548,276)	(3,124,626)
Proceeds from borrowings		6,947,500	-
Net cash used in financing activities		(550,061)	(6,797,212)
Net increase in cash and cash equivalents		3,507,086	4,868,601
Cash and cash equivalents, beginning		7,712,822	8,453,706
Effects of exchange rate changes in cash and cash equivalents		37,640	(34,157)
Cash and cash equivalents, ending		11,257,548	13,288,150

(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 June 30, 2026 and December 31, 2025 and
for the six-month periods ended June 30, 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 June 30, 2026 and December 31, 2025, there has been no follow-on offering after the initial public offering.

As at June 30, 2026 and December 31, 2025, the Parent Company is 66.25% 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 are held by the following shareholders as of June 30, 2026 and December 31, 2025:

Comclark Network and Technology Corp., Founders and Officers	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 June 30, 2026 have been approved and authorized for issuance by the Parent Company's Board of Directors (BOD) on August 11, 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 were no seasonal aspects that had a material effect on the condensed consolidated interim financial statements.

3. The Group had total additions to property, plant and equipment, and intangibles amounting to P6.77 billion on accrual basis and P5.70 billion on cash basis.

   Significant acquisitions mainly pertain to investments in outside plant equipment amounting to P2.59 billion which primarily consists of passive network equipment related to the construction of its end-to-end fiber network, inside plant and facilities amounting to P961.11 million which primarily consists of active network equipment, and customer premises equipment amounting to P1.92 billion. Other acquisitions of P1.30 billion pertain to customer list, land, and other general IT-related investments.

   These additions are partially offset by the recognition of depreciation expense for the period ended June 30, 2026.

4. Related party transactions include collections, reimbursement of expenses, sale of assets, asset construction, 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 six-month period ended June 30		Outstanding balances as of	
	2026 (Unaudited)	2025 (Unaudited)	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)			
Due from related parties				
Collections made on behalf of the Group				
Immediate parent company	19,656	33,589	3,816	16,434
Entities under common control	1,673	2,180	416	588
	21,329	35,769	4,232	17,022
Reimbursements of expenses from related parties				
Ultimate parent company	-	-	-	33
Immediate parent company	53	3,600	272	42,610
Joint ventures	-	1,265	186	607
Entities under common control	193	-	-	85,347
	246	4,865	458	128,597
Service Fees				
Immediate parent company	392	-	392	-
Joint ventures	1,265	-	-	-
Entities under common control	398	-	398	-
	2,055	-	790	-
Sale of property, plant and equipment and intangibles				
Entity under common control	-	6,226	-	-
Asset construction				
Joint venture	30,661	-	159,219	128,558
Transfer of network materials and supplies				
Immediate parent company	-	12,024	21,878	23,250
Finance lease receivable				
Entities under common control	-	-	139,385	141,620
Interest income from finance lease receivable				
Entities under common control	4,565	16,113	17,173	4,207
Interest income from convertible bonds	1,809	1,768	21,504	19,695
			364,639	462,949
Due from related parties, net - current			225,254	321,329
Due from related parties, net - non-current			139,385	141,620
			364,639	462,949
Financial asset at FVTPL				
Ultimate parent company	-	-	55,334	54,937

	Transactions for the six-month period ended June 30		Outstanding balances as of	
	2026 (Unaudited)	2025 (Unaudited)	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)			
Accruals				
Service fees				
Entities under common control	-	147,520	-	47,906
Bandwidth cost				
Immediate parent company	-	-	-	12,412
Joint venture	775	-	775	1,552
	775	-	775	13,964
Reimbursements of expenses to related parties				
Immediate parent company	-	6,484	-	-
Entities under common control	175,548	1,263	31,803	-
	175,548	7,747	31,803	-
			32,578	61,870
Due to related parties				
Collections made on behalf of related parties				
Entities under common control	376	5,458	175	452
Reimbursements of expenses to related parties				
Immediate parent company	315,787	286,361	3,861	6,146
Entities under common control	92,039	-	12,723	95,403
Joint venture	-	2,021	-	-
	407,826	288,382	16,584	101,549
Service fees				
Entities under common control	231,096	101,817	219,097	-
Advances from a related party				
Shareholder	-	-	312	312
			236,168	102,313
Lease liabilities				
Immediate parent company	172,508	-	834,120	974,772
Entities under common control	13,069	-	175,391	182,549
	185,577	-	1,009,511	1,157,321

5. Below is the disaggregation of the Group's revenue from contracts with customers recognized over time for the period ended June 30:

	Six months ended June 30	
	2026 (Unaudited)	2025 (Unaudited)
	(In Thousand Pesos)	
Residential	18,517,310	18,367,652
Enterprise	3,927,358	3,412,348
	22,444,668	21,780,000

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 the financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

8. As of June 30, 2026, the Group has entered into agreements with various suppliers for the construction, delivery and installation of property and equipment amounting to P13.0 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 June 30, 2026, the Parent Company has borrowings composed of loans payable amounting to P18.25 billion and bonds payable amounting to P10.0 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 June 30, 2026.

10. As of June 30, 2026, the present value of benefit obligations exceeded the fair value of the fund assets thus, the Group recognized net retirement benefit obligation of P64.85 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:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)	
At amortized cost		
Cash and cash equivalents	11,257,548	7,712,822
Short-term cash placements	1,409,542	2,157,044
Trade and other receivables	8,787,071	7,334,103
Due from related parties	364,639	462,949
Constructions bonds and rental deposits	283,896	275,609
	22,102,696	17,942,527
At financial assets at FVTPL	55,334	54,937
	22,158,030	17,997,464

Trade and other receivables above exclude advances to employees which are subject to liquidation as at June 30, 2026 amounting to P44.3 million (December 31, 2025 - P38.46 million) and are presented gross of allowance for impairment amounting to P3.05 billion (December 31, 2025 - P2.15 billion).

As at June 30, 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:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)	
Trade and other liabilities	20,217,076	18,896,200
Subscribers' deposits	1,157,550	1,173,517
Due to related parties	236,168	102,313
Borrowings	28,263,796	24,101,302
Lease liabilities	2,043,963	2,445,980
	51,918,553	46,719,312

Trade and other liabilities presented above exclude non-financial liabilities pertaining to payable to government agencies amounting to P1.3 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
		(In Thousand Pesos)			
June 30, 2026 (Unaudited)					
Cash and cash equivalents	11,247,029	-	11,247,029	Performing	12-month ECL
Short-term cash placements	1,409,542	-	1,409,542	Performing	12-month ECL
Trade receivables					
Residential - Group 2	1,757,575	(28,714)	1,728,861	Collective assessment	Lifetime ECL
Residential - Group 3	2,357,794	(1,915,092)	442,702	Credit impaired	Lifetime ECL
Enterprise - Group 2	1,747,694	(203,241)	1,544,453	Collective assessment	Lifetime ECL
Enterprise - Group 3	933,232	(903,826)	29,406	Credit impaired	Lifetime ECL
Other receivables - Group 1	1,990,776	-	1,990,776	Performing	12-month ECL
Due from related parties - Group 1	364,639	-	364,639	Performing	12-month ECL
Construction bonds and rental deposits - Group 1	283,896	-	283,896	Performing	12-month ECL
	22,092,177	(3,050,873)	19,041,304		
December 31, 2025 (Audited)					
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		

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 June 30, 2026 amounting to P10.52 million. (December 31, 2025 - P11.32 million) which is not subject to credit risk.

As at June 30, 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 June 30, 2026 is the carrying amount of the investments aggregating to P55.33 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 June 30, 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:

June 30, 2026	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Gross Amount	Loss Allowance	Net Carrying Amount
Group 2	1,375,921	234,658	118,665	28,331	-	1,757,575	(28,714)	1,728,861
Group 3	6,566	6,468	28,567	63,684	2,252,509	2,357,794	(1,915,092)	442,702
Total	1,382,487	241,126	147,232	92,015	2,252,509	4,115,369	(1,943,806)	2,171,563

December 31, 2025	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Gross Amount	Loss Allowance	Net Carrying Amount
Group 2	1,154,585	343,683	109,880	106,380	-	1,714,528	(112,100)	1,602,428
Group 3	13,572	20,575	24,200	147,241	1,234,501	1,440,089	(1,163,104)	276,985
Total	1,168,157	364,258	134,080	253,621	1,234,501	3,154,617	(1,275,204)	1,879,413

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 June 30, 2026, credit-impaired receivables from certain residential subscribers amounting P2.36 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:

June 30, 2026	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Gross Amount	Loss Allowance	Net Carrying Amount
Group 2	414,794	248,886	181,308	25,484	877,222	1,747,694	(203,241)	1,544,453
Group 3	17,955	18,914	24,105	3,618	868,640	933,232	(903,826)	29,406
Total	432,749	267,800	205,413	29,102	1,745,862	2,680,926	(1,107,067)	1,573,859

December 31, 2025	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Gross Amount	Loss Allowance	Net Carrying Amount
Group 2	534,073	278,819	12,550	205,021	714,157	1,744,620	(213,237)	1,531,383
Group 3	136,240	22,623	3,449	21,538	564,326	748,176	(664,645)	83,531
Total	670,313	301,442	15,999	226,559	1,278,483	2,492,796	(877,882)	1,614,914

As at June 30, 2026, credit impaired receivables from certain Enterprise subscribers (Group 3) amounting P933.23 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 June 30, 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 June 30, 2026, the exchange rate used to translate US Dollar denominated monetary assets and liabilities is P61.36/$ (December 31, 2025 - P58.79/$). If the US Dollar had weakened or strengthened by 0.64% (December 31, 2025 - 0.89%) against the Philippine Peso, with all other variables held constant, pre-tax profit for the year ended June 30, 2026 and equity would have been P9.2 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.

b) 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 June 30, 2026, if interest rates increased/decreased by 10 basis points, with all other variables held constant, profit for the period ended June 30, 2026 would have been P0.46 million (December 31, 2025 - 10 basis points; P11.72 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 June 30, 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 P55.33 million (December 31, 2025 - P54.94 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 8.82% (December 31, 2025 - 6.39%). This financial asset is managed on an individual basis thereby reducing the Group’s exposure to equity price risk at an acceptably low level.

The sensitivity of the FVTPL to changes in the principal assumptions are as follows:

	June 30, 2026 (Unaudited)			December 31, 2025 (Audited)		
	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%	(9,707)	5,947	+/-1.00%	(6,284)	10,704

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.

c) Price risk

As at June 30, 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 availed to cover immediate expenses and maturing obligations. The Group is also able to defer payments of some of its due to related parties balances.

The table below presents the Group’s financial liabilities as at reporting dates:

	Within 12 Months	More than 12 months	Total
		(In Thousand Pesos)	
June 30, 2026 (Unaudited)			
Trade and other liabilities	17,612,243	2,613,284	20,225,527
Subscribers’ deposits	1,157,550	-	1,157,550
Due to related parties	236,168	-	236,168
Borrowings	16,515,078	11,748,718	28,263,796
Lease liabilities, gross of discount	673,617	1,702,102	2,375,719
Future interest payable	1,357,486	1,453,723	2,811,209
	37,552,142	17,517,827	55,069,969
December 31, 2025 (Audited)			
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

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

These condensed consolidated interim financial statements for the six-month period ended June 30, 2026 has been prepared in accordance with Philippine Accounting Standards (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 sixth-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
JUNE 30, 2026 (UNAUDITED)

The table below shows the aging analysis of the Group's trade receivables as of June 30, 2026:

	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Total
			(In Thousand Pesos)			
Residential	1,382,487	241,126	147,232	92,015	2,252,509	4,115,369
Enterprise	432,749	267,800	205,413	29,102	1,745,862	2,680,926
Gross trade receivables						6,796,295
Allowance for doubtful accounts						(3,050,873)
Net trade receivables						3,745,422
Other receivables, current						1,523,486
Trade and other receivables, net, current portion						5,268,908
Other receivables, net of current portion						511,587

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR
JUNE 30, 2026

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Current ratio[a]	0.6x	0.7x
Acid test ratio[b]	0.5x	0.6x
Solvency ratio[c]	1.1x	1.0x
Debt-to-equity ratio[d]	0.4x	0.4x
Asset-to-equity ratio[e]	1.8x	1.8x
Interest coverage ratio[f]	17.0x	17.4x
Debt service coverage ratio[g]	3.5x	3.6x
Net debt/ EBITDA[h]	0.6x	0.5x
Earnings per share (PHP) [i]	0.76	1.63
Book value per share[j]	9.03	8.72
Return on Assets[k]	4.54%	10.81%
Return on Equity[l]	8.53%	20.13%
Net profit margin[m]	24.44%	26.48%

[a]Current assets / Current liabilities
[b]Cash and cash equivalents + Short-term cash placements + Trade and other receivables, net + Due from related parties (current portion) / Current liabilities
[c]Last twelve months' ("LTM") net operating profit after tax + LTM depreciation and amortization and amortization of subscriber acquisition costs / Borrowings
[d]Loans payable / Total equity
[e]Total assets / Total equity
[f]LTM Earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquisition costs / LTM interest expense
[g]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
[h]Borrowings less cash and cash equivalents and short-term cash placements/ LTM earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquistion costs
[i]Net income attributable to ordinary equity holders of the Parent Company / Weighted average number of ordinary shares
[j]Total equity less Preferred Equity / Total number of shares outstanding
[k]Net income attributable to owners of the Parent Company / Average total assets
[l]Net income attributable to owners of the Parent Company / Average total equity
[m]Net income / Revenues