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

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

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

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 **September 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	**7,147,863,261 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 September 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/

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V. **Signatures**

Annex: Consolidated Financial Statements and Aging of Trade Receivables

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 a 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.

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 September 30, 2026 and 2025.

	For the nine months ended September 30			
	2026	2025	YoY change	YoY change %
In PHP millions				
Revenues	**34,247**	**32,972**	**1,275**	**4%**
Residential	27,876	27,749	127	0%
Enterprise	6,371	5,223	1,148	22%
Cost of services	(12,964)	(11,422)	1,542	14%
Gross profit	**21,283**	**21,551**	**(268)**	**-1%**
General and administrative expenses	(8,375)	(7,833)	542	7%
Provision for impairment of trade and other receivables	(1,352)	(1,319)	33	3%
Equity share in net income of associate and joint ventures	48	(4)	(52)	NM
Unrealized fair value gain on financial asset at fair value through profit or loss (FVTPL)	(10)	1	11	NM
Other income, net	364	611	247	-40%
Profit from operations	**11,958**	**13,005**	**(1,047)**	**-8%**
Finance costs	(1,291)	(1,188)	103	9%
Profit before income tax	**10,667**	**11,817**	**(1,047)**	**-10%**
Income tax expense	(2,580)	(2,917)	(337)	-12%
Profit after income tax for the period	**8,087**	**8,900**	**(813)**	**-9%**
Other comprehensive income	369	0	369	NM
Total comprehensive income for the period	**8,455**	**8,900**	**(444)**	**-5%**
Profit after income tax	8,087	8,900	(813)	-9%
Finance costs	1,291	1,188	103	9%
Income tax expense	2,580	2,917	(337)	-12%
Depreciation and amortization - COS	6,248	5,516	732	13%
Depreciation and amortization - G&A	576	404	172	42%
Amortization of deferred contract costs - SAQ	1,098	1,268	(170)	-13%
EBITDA	**19,880**	**20,194**	**(314)**	**-2%**
EBITDA Margin	**58.0%**	**61.2%**		

For the nine months ended September 30, 2026 compared to nine months ended September 30, 2025

B. OPERATING REVENUES

The Group recorded consolidated revenues of ₱34,247 million for the nine months ended September 30 2026, representing a growth of 4% from ₱32,972 million in the same period last year.

Residential revenues remain steady at ₱27,876 million, reflecting sustained demand across core broadband plans.

Enterprise revenues grew by 22% to ₱6,371 million, from ₱5,223 million in prior year, driven by expanded corporate account acquisition.

C. COST AND EXPENSES

Cost of services increased by 14% to ₱12,964 million for the nine months ended September 30, 2026, from ₱11,422 million in the same period last year. The increase was primarily attributable to higher depreciation and amortization, repairs and maintenance, and service fees. These were partially offset by lower amortization of deferred contract costs for the current period.

General and administrative expenses rose by 7% to ₱8,375 million, compared to ₱7,833 million in 2025. The increase was driven by higher managed service fees, spending on promotions, depreciation and amortization, and personnel costs to support network growth.

Provision for impairment of trade and other receivables amounted to ₱1,352 million, a 3% increase from ₱1,319 million in the prior year, due to higher receivable base subject to credit loss provisioning. Other income, net, declined by 40% to ₱364 million from ₱611 million in 2025, primarily driven by lower interest and miscellaneous income.

EBITDA decreased slightly by 2% to ₱19,880 million from ₱20,194 million in the prior year. The marginal decrease was driven by elevated operational expenses associated with our promotional programs and expanded network footprint, which were largely offset by steady revenue growth and ongoing cost-efficiency initiatives.

D. NET INCOME

Profit from operations decreased by 8% to ₱11,958 million for the nine months ended September 30, 2026, from ₱13,005 million in the same period last year, primarily due to higher operational expenses associated with our expanded network infrastructure and operations. This was accompanied by a 9% increase in finance costs, which rose to ₱1,291 million from ₱1,188 million in the prior year, primarily driven by interest expenses from additional loan availments during the period. Reflecting the combined impact of lower operating leverage and higher debt-servicing costs, profit before income tax declined by 10% to ₱10,667 million, compared to ₱11,817 million in the same period last year.

Income tax expense was lower by 12% at ₱2,580 million from ₱2,917 million due to lower taxable income.

Net profit for the nine months ended September 30, 2026 stood at ₱8,087 million compared to ₱8,900 million in the same period last year. The moderate decline in net profit reflects higher noncash depreciation and amortization expenses following completion of strategic infrastructure assets.

E. CAPITAL EFFICIENCY AND LIQUIDITY

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)	Change (%)
Balance Sheet Data (in PHP millions)			
Total Assets	120,457	112,326	7%
Total Debt[1]	26,872	24,101	11%
Total Stockholders' Equity	67,253	63,126	7%
Financial Ratios			
Total Debt to EBITDA (gross)	1.1x	0.9x	
Total Debt to EBITDA (net)	0.7x	0.5x	
Debt Service Coverage - LTM [2]	3.6x	3.6x	
Debt Service Coverage - next fiscal year[3]	1.6x	3.6x	
Interest Coverage (gross) [4]	16.2x	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]	14.5%	17.3%	

Notes:
(1) Total Debt is the sum of current and noncurrent borrowings
(2) Debt Service Coverage is computed as Parent Company's last twelve months (LTM) earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquisition costs / Parent Company's LTM annual debt service requirements due over the same corresponding period which are the interests, principal and lease payments
(3) 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 flow position remain strong, supported by ample liquidity and gearing comfortably within bank covenants.

Converge's consolidated assets reached ₱120,457 million as at September 30, 2026 compared to ₱112,326 million as at December 31, 2025. Consolidated cash, cash equivalents and short-term cash placements was at ₱10,984 million as at September 30, 2026 compared to ₱9,870 million as at December 31, 2025.

As at September 30, 2026, our outstanding borrowings stood at ₱26,872 million, an increase of ₱2,771 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 ₱15,888 million as at September 30, 2026, higher 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 October 2025 to September 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 September 30, 2026, Converge's LTM DSCR stood at 3.6x while next fiscal year's DSCR reached 1.6x, well above the required threshold, indicating full compliance with covenant requirements.

Capital efficiency remained high with an annualized Return on Invested Capital ("ROIC") of 14.5% for the nine months period ended September 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.

Total stockholder's equity reached ₱67,253 million, an increase of ₱4,127 million from ₱63,126 million as at December 31, 2025, nine-month net income of ₱8,455 million partially offset by dividends paid of ₱3,548 million and share buybacks of ₱822 million.

CONSOLIDATED CASH FLOWS

	For the nine months ended September 30			
	2026	2025	YoY change	YoY change %
In PHP millions				
Cash flows from operating activities				
Profit before income tax	10,667	11,817	1,150	-10%
Adjustments for operating income	10,893	9,212	1,682	18%
Adjustments for assets and liabilities	(6,266)	(5,054)	1,212	24%
Cash from operations	15,293	15,974	(680)	-4%
Interest received and income taxes paid	(2,607)	(1,855)	752	41%
Net cash from operating activities	**12,686**	**14,119**	**(1,433)**	**-10%**
Cash flows from investing activities				
Acquisition of property, plant, and equipment and intangibles	(8,748)	(7,358)	1,390	19%
Maturity of short-term cash placements	1,470	6,508	(5,039)	-77%
Others	110	394	(284)	N/M
Net cash used in investing activities	**(7,168)**	**(456)**	**(6,712)**	**1472%**
Cash flows from financing activities				
Payment of borrowings	(4,200)	(4,008)	192	5%
Interest paid on borrowings	(739)	(1,104)	(365)	-33%
Dividends paid	(3,548)	(3,125)	424	14%
Acquisition of treasury shares	(822)	(373)	448	120%
Payment of lease liabilities and interest	(634)	(417)	216	52%
Loan availment	6,948	-	6,948	N/M
Net cash used in financing activities	**(2,995)**	**(9,027)**	**(6,032)**	**-67%**
Net increase in cash and cash equivalents	**2,523**	**4,636**	**(2,113)**	**-46%**
Cash and cash equivalents, beginning	7,713	8,454	(741)	-9%
Effects of exchange rate changes in cash and cash equivalents	38	76	38	-50%
Cash and cash equivalents, ending	**10,273**	**13,165**	**(2,892)**	**-22%**

Net cash flows from operating activities

Net cash generated from operating activities amounted to ₱12,686 million for the nine months ended September 30, 2026. This was derived by adjusting our profit before income tax of ₱10,667 million for (i) non-cash and other items, comprising ₱6,824 million of depreciation and amortization, ₱1,765 million of amortization of deferred contract costs, ₱1,352 million in provision for impairment of trade and other receivables, and ₱1,291 million in finance costs (ii) positive working capital changes, in particular, decrease in due from related parties by ₱107 million, increase in trade and other liabilities by ₱223 million, increase in due to related parties by ₱105 million, and increase in deferred revenue by ₱8 million (iii) negative working capital, in particular an

increase in trade and other receivables, increase in deferred contract costs, and increase in current and non-current assets.

Net cash provided by operating activities amounted to ₱ 14,119 million for the nine months ended September 30, 2025. This was derived by adjusting our profit before income tax of ₱11,817 million with: (i) non-cash and other items, which consist of: ₱ 5,920 million in depreciation and amortization, ₱2,180 million in amortization of deferred contract costs, ₱1,319 million in provision for impairment of trade and other receivables, and ₱1,188 million in finance costs, (ii) positive working capital changes, including ₱953 million increase in trade payables and other liabilities, ₱86 million increase in deferred revenue and ₱49 million decrease in due from related parties (iii) negative working capital including: ₱2,616 million increase in trade and other receivables, ₱1,963 million increase in deferred contract costs, and ₱714 million increase in network materials and supplies.

Net cash flows used in investing activities

Net cash used in investing activities totaled ₱7,168 million for the nine months ended September 30, 2026 higher by ₱6,712 million from ₱456 million net cash flows from investing activities for the nine months ended September 30, 2025. The shift was mainly due to the increase in capital expenditures for the period accompanied by 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 ₱8,748 million for the nine months ended September 30, 2026, higher by ₱1,390 million from ₱7,358 million for the nine months ended September 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 ₱2,995 million for the period ended September 30, 2026. Cash flows used in financing activities primarily consisted of ₱3,548 million in cash dividends paid, ₱4,200 million loan amortizations and repayments, ₱739 million of payments for interest on borrowings, ₱822 million acquisition of treasury shares and ₱634 million payment of lease liabilities and interest, partially offset by loan availment of ₱7 billion.

Net cash used in financing activities was ₱9,027 million for the period ended September 30, 2025. This primarily consisted of ₱4,008 million of loan amortization and repayments, ₱3,125 million in cash dividends paid, ₱1,104 million in interest payments on borrowings and ₱373 million acquisition of treasury shares.

Commitments and Off-Balance Sheet Arrangements
As of September 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.

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 September 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	10,262	-	10,262	Performing	12-month ECL
Short-term cash placements	711	-	711	Performing	12-month ECL
Trade receivables					
Residential - Group 2	1,704	(33)	1,671	Collective assessment	Lifetime ECL
Residential - Group 3	1,890	(1,382)	508	Credit impaired	Lifetime ECL
Enterprise - Group 2	2,610	(216)	2,395	Collective assessment	Lifetime ECL
Enterprise - Group 3	687	(580)	107	Credit impaired	Lifetime ECL
Other receivables - Group 1	2,299	-	2,299	Performing	12-month ECL
Due from related parties - Group 1	365	-	365	Performing	12-month ECL
Construction bonds and rental deposits - Group 1	294	-	294	Performing	12-month ECL
	20,822	**(2,211)**	**18,611**		

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.
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 September 30, 2026 amounting to ₱10 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 September 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 ₱56 million. The Group's investments in exchangeable bonds and short-term government securities are considered to be low risk investments. The credit ratings of investments are monitored for credit deterioration.

Trade receivables

Trade receivables from residential and enterprise subscribers are secured by subscribers' deposits which cover anticipated losses on default payments. The Group does not hold any collateral as security for the rest of the financial assets.

To measure the ECL, residential subscription receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of subscribers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as gross domestic product and inflation rate affecting the ability of the subscribers to settle the receivables.

In relation to enterprise subscription receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each corporate subscriber. The credit quality of enterprise subscription receivables is further classified and assessed by reference to historical information about each of the counterparty's historical default rates.

Group 1 enterprise subscribers have no history of default and assessed to be fully recoverable. ECL on these balances have therefore been assessed to be insignificant.

For Group 2 enterprise subscribers, expected loss rates are based on the payment profiles of subscription and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on factors such as gross domestic product and inflation rate affecting the ability of the subscribers to settle the receivables.

Other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The credit quality of other receivables is further classified and assessed by reference to historical information about each of the counterparty's historical default rates.

Credit risk on other receivables have been assessed to be insignificant considering no historical defaults and counterparties' high credit ratings.

Due from related parties

Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of related parties, the Group has assessed that the outstanding balances are exposed to low credit risk. ECL on these balances have therefore been assessed to be insignificant.

Foreign Currency Exchange Risk

Foreign currency exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group has transactional currency exposures. Such exposures arise mainly from cash and cash equivalents, short-term cash placements, trade payables and other liabilities denominated in US Dollar as of September 30, 2026.

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

At September 30, 2026, the exchange rate used to translate US Dollar denominated monetary assets and liabilities is ₱63.09/$. If the US Dollar had weakened or strengthened by 0.7% against the Philippine Peso, with all other variables held constant, pre-tax profit for the year ended September 30, 2026 and equity would have been ₱3 million higher or lower, mainly as a result of foreign exchange losses or gains on translation of net US Dollar denominated monetary assets. The assumed shift in foreign currency exchange rate used in the sensitivity analysis is the rate of change between the US Dollar and the Philippine Peso at the end of the reporting period and the Philippine Peso equivalent determined 30 days after the reporting period, by which management is expected to settle or receive the Group's foreign currency denominated monetary assets or liabilities.

Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of financial assets and liabilities will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of financial assets and liabilities will fluctuate because of changes in market interest rates.

The Group's exposure to cash flow interest rate risk relates to borrowings which are subject to interest rates that are repriced at periodic intervals in accordance with the terms of the agreement. The Group's practice is to manage its interest cost by reference to current market rates in borrowings.

As of September 30, 2026, if interest rates increased/decreased by 10 basis points, with all other variables held constant, profit for the period ended September 30, 2026 would have been ₱0.4 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 September 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 ₱56 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 9.78%. 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 September 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 September 30, 2026 would have been ₱15.6 million lower mainly as a result of higher BVAL rates while it would have been ₱2.3 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 September 30, 2026.

	Amount
Trade and other liabilities	20,162
Subscribers' deposit	1,173
Due to related parties	17
Borrowings	26,872
Lease liabilities, gross of discount	3,283
Future interest payable	2,412
	53,919

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 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 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 nine-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 Early Investments Deliver Resilience, Growth and Recognition

Broadband users in the country experienced intermittent connectivity following a subsea cable segment linking the Philippines and Singapore was cut. Converge was able to swiftly reroute traffic, relying heavily on its new Bifrost cable system whereby service disruption remained minimal.

CEO Dennis Anthony Uy highlighted that these international cable system investments were planned five years in advance specifically to manage such incidents. "With the additional capacity from these two new cables, Converge not only has the youngest but it also has the most resilient international network among Philippine operators today," said Uy.

In addition to this, Converge's Angeles Data Center in Pampanga was granted "Strategic Investment" Green Lane status by the DTI-BOI under Executive Order No. 18. Secured via digital infrastructure arm Pentagon Digital Global Corp., the designation fast-tracks permits to accelerate expansion into enterprise cloud compute, carrier-neutral co-location, and high-margin data center operations.

This milestone supports Converge's transition into an integrated technology provider. Speaking at the ASEAN Tech Summit Manila, Grace Jarin-Castillo, SVP and Head of Converge Global Business Group, highlighted how the company's National Digital Infrastructure powers demand for AI, cloud, and IoT. The network spans over 960,000 kilometers of pure fiber, satellite links, subsea cables, sovereign cloud capacity, and Tier III data centers in Caloocan and Angeles.

The expansion earned Converge the Philippines Technology Excellence Award for Infrastructure Technology - Telecommunications at the Asian Technology Excellence Awards 2026 in Bangkok. CEO Dennis Anthony Uy stated that the award validates the company's vision to build a secure, independent, and globally competitive digital Philippines.

Converge's Enterprise Being a Consistent Growth Driver, Backed by Awards, Expansion of International and Local Reach and Strategic Data Center Investment

Converge is expanding its enterprise reach across key sectors by delivering dedicated internet, cloud solutions, and DDoS protection to major telecom carriers, global IT firms, Metro Manila hotels, and local government units.

A key example of this impact is Ligas Kooperatiba ng Bayan sa Pagpapaunlad. Using Converge Dedicated Internet Access (DIA) and Metro Ethernet (MetroE) services, the cooperative securely interconnected its 10 branches and two satellite offices to streamline real-time transactions for over 13,000 members across Bulacan, Pampanga, Nueva Ecija, and Bataan. CEO Julita Nazar noted that elevating connectivity improves service delivery and builds long-term resilience for local institutions.

This growing enterprise momentum earned Converge's B2B unit the Digital Experience of the Year - Telecommunications award at the Asian Experience Awards 2026 for its thought-leadership podcast series on cloud and cybersecurity with BusinessWorld.

This increased enterprise demand is well supported by growing capacity, including the Green Lane certification for its Angeles Data Center. By streamlining permits and accelerating high-density compute deployment, the designation ensures enterprise clients gain faster access to the cloud, co-location, and compute resources powering these regional solutions.

Converge Sets Corporate Governance Benchmark and Sweeps HR Asia Awards

Converge scored major recognitions for both corporate governance and workplace culture this October. The company earned the Institute of Corporate Directors' prestigious "Five Golden Arrow" rating, the highest governance honor for Philippine listed companies for the second consecutive year.

"Regardless of how rapidly the technological landscape shifts, our true north remains unchanged at Converge, our choice is clear: we use tech for good," said Independent Director and Immediate Past Chairman Jose P. de Jesus, emphasizing that strong governance safeguards the company's mission to serve unserved communities.

Parallel to its governance milestones, Converge swept three honors at the HR Asia Best Companies to Work for in Asia Awards 2026, taking home titles for Best Companies to Work For, Diversity, Equity, & Inclusion, and Sustainable Workplace. The awards highlight key people programs like MentorSHE and SPARK, leadership diversity with 41.7% of executive roles held by women, and an 89% modem material reuse rate.

Together, these recognitions reinforce Converge's position as an industry leader built on strong ethics, sustainable practices, and a people-first culture.

MAJOR STOCKHOLDERS

The following are the major stockholders of Converge as of September 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	63.17%
Common Shares	PCD Nominee Corporation *	Comclark Network and Technology Corp**	Filipino	281,640,597	3.94%
Common Shares	PCD Nominee Filipino	Public Ownership	Filipino	1,298,928,204	18.17%
Common Shares	PCD Nominee Corporation	Cloud Gateway Limited	Foreign	222,757,739***	3.12%
Common Shares	PCD Nominee Non-Filipino	Public Ownership	Foreign	817,155,937	11.43%

**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: 11/9/2026

Robert Leo A. Yu
Chief Finance Officer

DATE SIGNED: 11/9/2026

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements As at September 30, 2026 (with Comparative Audited Figures as at December 31, 2025) and For The Nine Months Ended September 30, 2026 and 2025

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Interim Consolidated Statements of Financial Position
As at September 30, 2026 and December 31, 2025
(All amounts in Philippine Peso)

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)	
Assets		
Current assets		
Cash and cash equivalents	10,273,121	7,712,822
Short-term cash placements	710,950	2,157,044
Trade and other receivables, net, current portion	6,575,159	4,979,211
Due from related parties, current portion	226,847	321,329
Network materials and supplies, net	2,293,477	1,311,682
Deferred contract costs, current portion	1,162,060	1,266,682
Other current assets	2,500,467	1,734,914
Total current assets	23,742,081	19,483,684
Non-current assets		
Property, plant and equipment, net	78,693,542	75,288,442
Right-of-use assets, net	9,089,403	8,837,802
Intangible assets, net	3,221,549	2,664,805
Advances to fixed asset suppliers	2,267,240	2,948,794
Due from related parties, net of current portion	138,267	141,620
Deferred contract costs, net of current portion	451,151	470,242
Deferred income tax assets, net	2,004,039	1,792,148
Other receivables, net of current portion	452,703	240,261
Financial asset at fair value through profit or loss (FVTPL)	55,533	54,937
Investment in associate and joint ventures	334,831	396,829
Other non-current assets	6,426	6,417
Total non-current assets	96,714,684	92,842,297
Total assets	120,456,765	112,325,981
Liabilities and Equity		
Current liabilities		
Trade payables and other liabilities, current portion	18,429,148	17,032,981
Due to related parties	17,349	102,313
Subscribers' deposits	1,172,878	1,173,517
Deferred revenue	910,731	805,321
Borrowings, current portion	14,773,374	5,601,225
Lease liabilities, current portion	559,590	537,554
Income tax payable	813,590	763,808
Total current liabilities	36,676,660	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	12,098,718	18,500,077
Lease liabilities, net of current portion	1,737,292	1,908,426
Retirement benefit obligation, net	77,699	39,123
Total non-current liabilities	16,526,993	23,183,450
Total liabilities	53,203,653	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	(7,693,408)	(6,871,763)
Retained earnings		
Unappropriated	22,609,902	27,071,526
Appropriated	31,000,000	22,000,000
Other equity reserves	549,187	180,457
	67,093,343	63,007,882
Non-controlling interest	159,769	117,930
Total equity	67,253,112	63,125,812
Total liabilities and equity	120,456,765	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

Unaudited Interim Consolidated Statements of Total Comprehensive Income
For The Nine Months Ended September 30, 2026 and 2025
(All amounts in Philippine Peso)

		Nine month periods ended September 30		Three month periods ended September 30	
	Notes	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
		(In Thousand Pesos, except per share figures)			
Revenues	5	34,247,083	32,972,352	11,802,414	11,192,352
Cost of services		(12,964,109)	(11,421,672)	(4,974,212)	(4,091,034)
Gross profit		21,282,974	21,550,680	6,828,202	7,101,318
General and administrative expenses		(8,374,960)	(7,833,417)	(2,710,141)	(2,804,792)
Provision for impairment of trade and other receivables		(1,352,097)	(1,318,894)	(454,310)	(447,694)
Equity in net income (loss) of joint ventures		48,072	(4,425)	(1,375)	(21,314)
Unrealized fair value (loss) gain on financial asset at FVTPL		(10,340)	538	(6,967)	502
Other income, net		363,997	610,614	146,163	408,685
Profit from operations		11,957,646	13,005,096	3,801,572	4,236,705
Finance costs		(1,291,101)	(1,188,464)	(448,980)	(380,196)
Profit before income tax		10,666,545	11,816,632	3,352,592	3,856,509
Income tax expense		(2,579,893)	(2,916,509)	(751,019)	(904,279)
Profit for the period		8,086,652	8,900,123	2,601,573	2,952,230
Other comprehensive income					
Items that will not be reclassified to profit or loss		368,730	322	8,978	(3,757)
Total comprehensive income for the period		8,455,382	8,900,445	2,610,551	2,948,473
Profit attributable to:					
Owners of the Parent Company		8,086,652	8,900,123	2,601,572	2,952,230
Non-controlling interest		-	-	-	-
		8,086,652	8,900,123	2,601,572	2,952,230
Total comprehensive income attributable to:					
Owners of the Parent Company		8,455,382	8,900,445	2,610,551	2,948,473
Non-controlling interest		-	-	-	-
		8,455,382	8,900,445	2,610,551	2,948,473
Earnings per share					
Basic and diluted		1.12	1.23	0.36	0.41

(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

Unaudited Interim Consolidated Statements of Changes in Equity
For The Nine months Ended September 30, 2026 and 2025
(All amounts in Philippine Peso)

	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	223,143	312	54,690,596
Comprehensive income								
Profit for the period					8,900,123	-	-	8,900,123
Other comprehensive income for the period	-	-	-	-	-	322	-	322
Total comprehensive income for the period	-	-	-	-	8,900,123	322		8,900,445
Share-based reserve	-	-	-	-	-	(28,115)	-	(28,115)
Release of appropriated retained earnings	-	-	-	(2,000,000)	2,000,000	-	-	-
Transactions with owners								
Declaration of dividends	-	-	-	-	(3,124,626)	-	-	(3,124,626)
Share issuance costs	-	(11,900)	-	-	-	-	-	(11,900)
Acquisition of treasury shares	-	-	(373,219)	-	-	-	-	(373,219)
Non-controlling interest in acquisition of a subsidiary	-	-	-	-	-	-	120,827	120,827
Total transactions owners	-	(11,900)	(373,219)	-	(3,124,626)	-	120,827	(3,388,918)
Balances at September 30, 2025	1,881,574	18,734,188	(6,871,763)	22,000,000	24,113,520	195,350	121,139	60,174,008
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	-	-	-	-	8,086,652	-	-	8,086,652
Other comprehensive income for the period	-	-	-	-	-	412,853	-	412,853
Total comprehensive income for the period	-	-	-	-	8,086,652	412,853	-	8,499,505
Share-based reserve	-	-	-	-	-	(44,123)	-	(44,123)
Release of appropriated retained earnings	-	-	-	9,000,000	(9,000,000)	-	-	-
Transactions with owners								
Declaration of dividends	-	-	-	-	(3,548,276)	-	-	(3,548,276)
Recognition of non-controlling interest	-	-	-	-	-	-	41,839	41,839
Acquisition of treasury shares	-	-	(821,645)	-	-	-	-	(821,645)
Total transactions owners	-	-	(821,645)	-	(3,548,276)	-	41,839	(4,328,082)
Balances at September 30, 2026	1,881,574	18,746,088	(7,693,408)	31,000,000	22,609,902	549,187	159,769	67,253,112

(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

Unaudited Interim Consolidated Statements of Cash Flows
For The Nine months Ended September 30, 2026 and 2025
(All amounts in Philippine Peso)

	Nine Months Ended September 30	
	2026	**2025**
Cash flows from operating activities		
Profit before income tax	10,666,545	11,816,632
Adjustments for:		
Depreciation and amortization	6,824,402	5,920,412
Amortization of deferred contract costs	1,765,023	2,179,626
Provision for impairment of trade and other receivables	1,352,097	1,318,894
Finance costs	1,291,101	1,188,464
Provision for inventory obsolescence	49,283	
Unrealized fair value gain on FVTPL	10,340	(538)
Gain on lease terminations	(970)	(11,229)
Interest income on financial asset at FVTPL	(3,395)	(13,378)
Interest income on finance lease receivable	(6,848)	(7,034)
Share-based reserve	(44,122)	(28,115)
Equity share in net income (loss) of associate and joint venture	(48,072)	4,425
Interest income on cash in banks, cash equivalents and short-term cash placements	(133,566)	(275,090)
Unrealized foreign exchange gain, net	(162,006)	(14,012)
Gain on disposal of property, plant and equipment and intangible assets	-	(54,352)
Operating income before changes in assets and liabilities	21,559,812	22,024,705
(Increase) decrease in assets:		
Trade and other receivables	(3,166,940)	(2,200,458)
Due from related parties	107,865	49,229
Network materials and supplies	(1,310,724)	(714,253)
Deferred contract costs	(1,641,312)	(1,963,424)
Other current assets and non-current assets	(765,562)	(828,305)
Increase (decrease) in liabilities:		
Trade payables and other liabilities	482,090	537,566
Subscribers' deposits	(639)	(22,637)
Due to related parties	105,411	21,363
Retirement benefit obligation	(84,964)	(19,454)
Deferred revenue	8,300	86,005
Cash from operations	15,293,337	16,970,337
Interest received	140,256	181,546
Income taxes paid	(2,747,414)	(3,032,946)
Net cash from operating activities	12,686,179	14,118,937
Cash flows from investing activities		
Acquisitions of property plant, and equipment	(8,516,643)	(6,301,701)
Acquisitions of intangible assets	(231,190)	(1,056,487)
Dividend received	110,070	149,133
Short-term cash placements	1,469,638	6,508,163
Proceeds from disposals of property, plant and equipment and intangible assets	-	244,874
Net cash used in investing activities	(7,168,125)	(456,018)
Cash flows from financing activities		
Proceeds from borrowings	6,947,500	-
Payments of borrowings	(4,200,000)	(4,007,652)
Interest paid on borrowings	(739,166)	(1,104,390)
Payments on lease liabilities	(470,873)	(316,602)
Interest paid on lease liabilities	(162,936)	(100,865)
Dividends paid	(3,548,276)	(3,124,626)
Acquisition of treasury shares	(821,644)	(373,219)
Net cash used in financing activities	(2,995,395)	(9,027,354)
Net increase in cash and cash equivalents	2,522,658	4,635,565
Cash and cash equivalents, beginning	7,712,822	8,453,706
Effects of exchange rate changes in cash and cash equivalents	37,641	75,765
Cash and cash equivalents, ending	10,273,121	13,165,036

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

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 September 30, 2026 and December 31, 2025, there has been no follow-on offering after the initial public offering.

As at September 30, 2026 and December 31, 2025, the Parent Company is 67.11% and 66.25% respectively owned by Comclark Network and Technology Corp. (Comclark or the "Immediate Parent Company"), a company organized and existing under the laws of the Philippines. Its ultimate parent company is Pentastar Holding Co. Inc. (Pentastar), a company organized and existing under the laws of the Philippines to, among others, purchase or otherwise acquire and own, hold, use, manage, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, without however engaging as an investment company under the Investment Company Act or a finance company or as a dealer in securities or stocks or as real estate broker or a real estate development company but only holds the foregoing assets for purely investment purposes. Pentastar's ultimate beneficial owners are Dennis Anthony H. Uy and Maria Grace Y. Uy.

The total shares outstanding are held by the following shareholders as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
Comclark Network and Technology Corp., Founders and Officers	70.26%	69.36%
Publicly held	29.74%	30.64%
	100.00%	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 unaudited interim condensed consolidated financial statements of the Group as at September 30, 2026 have been approved and authorized for issuance by the Parent Company's Board of Directors (BOD) on November 6, 2026.

Note 2 - Additional notes in compliance with PAS 34

Selected Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. The same accounting policies and methods of computation were followed in the interim consolidated financial statements consistent with those adopted for the Group's annual consolidated financial statements for the year ended December 31, 2025.

2. There are no seasonal aspects that have a material effect on the interim condensed consolidated financial statements.

3. The Group had total additions to property, plant and equipment, and intangibles amounting to P10.1 billion on accrual basis and P8.75 billion on cash basis.

   Significant acquisitions mainly pertain to investments in outside plant equipment amounting to P2.12 billion, which primarily consists of passive network equipment related to the construction of its end-to-end fiber network, and inside plant and facilities amounting to P2.20 billion which primarily consists of active network equipment, and customer premises equipment amounting to P2.13 billion. Other acquisitions of 3.65 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 periods ended September 30, 2026.

4. Related party transactions include collections on behalf, reimbursement of expenses, sale of assets, asset construction, service fees, 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 Nine Months Ended September 30		Outstanding Balances as of	
	2026 (Unaudited)	2025 (Unaudited)	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)			
Due from related parties				
Collections made on behalf of the Group				
Immediate parent company	25,398	55,415	3,828	16,434
Entities under common control	2,305	4,143	495	588
	27,703	59,558	4,323	17,022
Reimbursements of expenses from related parties				
Ultimate parent company	-	798	-	32
Immediate parent company	53	338,596	272	42,610
Joint ventures	-	1,265	-	607
Entities under common control	193	85,347	-	85,347
	246	426,006	272	128,596
Service fees				
Immediate parent company	587	-	65	-
Joint ventures	1,265	-	-	-
Entities under common control	502	-	366	-
	2,354	-	431	-
Asset construction				
Joint venture	30,661	128,558	159,219	128,558
Sale of property, plant and equipment and intangibles				
Entity under common control	-	6,226	-	-
Transfer of network materials and supplies				
Immediate parent company	126	7,784	21,878	23,250
Interest income from finance lease receivable				
Entities under common control	4,565	17,460	18,290	4,207
Finance lease receivable				
Entities under common control	-	9,378	138,267	141,620
Interest income from convertible bonds				
Ultimate parent	2,740	1,768	22,434	19,695
			365,114	462,948
Due from related parties - current			226,847	321,329
Due from related parties - non-current			138,267	141,620
			365,114	462,949
Financial asset at FVTPL				
Ultimate parent company	-	-	55,533	54,937

	Transactions for the Nine Months Period Ended September 30		Outstanding Balances as of	
	2026 (Unaudited)	2025 (Unaudited)	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)			
Trade payables and other liabilities				
Service fees				
Entities under common control	-	344,094	-	47,906
Bandwidth cost				
Immediate parent company	-	12,412	-	12,412
Joint venture	2,712	1,552	2,712	1,552
Reimbursements of expenses to related parties				
Entities under common control	265,574	-	32,805	-
	268,286	358,058	35,517	61,870
Due to related parties				
Collections made on behalf of related parties				
Entities under common control	1,165	9,546	43	452
Reimbursements of expenses to related parties				
Immediate parent company	509,695	711,645	3,277	6,147
Entities under common control	106,701	173,017	648	95,402
Joint venture	-	3,225	-	-
Service Fees				
Entities under common control	285,003	-	13,069	-
	901,399	887,887	16,994	101,549
Advances from a related party				
Shareholder	-	-	312	312
			17,349	102,313
Lease liabilities				
Immediate parent company	-	-	761,525	974,773
Entities under common control	290,903	-	456,628	182,548
			1,218,153	1,157,321

5. On March 6, 2026, the Parent Company's BOD approved a cash dividend amounting to P3.55 billion to stockholders on record as of March 23, 2026, which were paid on April 1, 2026.

6. Below is the disaggregation of the Group's revenue from contracts with customers recognized over time for the period ended September 30, 2026, and 2025:

	Nine Months Ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
	(*In Thousand Pesos*)	
Residential	27,876,188	27,749,188
Enterprise	6,370,895	5,223,164
	34,247,083	32,972,352

7. 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.

8. There were no changes in management's use of estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. There were no other off-balance sheet arrangements or obligations that were likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

9. As of September 30, 2026, the Group has entered into agreements with various suppliers for the construction, delivery and installation of property and equipment amounting to P14.62 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.

10. As of September 30, 2026, the Parent Company has borrowings composed of loans payable amounting to P16.89 billion and bonds payable amounting to P10 billion. The Parent Company has unused credit lines from local banks amounting to P4 billion.

    The Parent Company is compliant with its debt covenants as of September 30, 2026.

11. As of September 30, 2026, the present value of benefit obligations is higher than the fair value of the fund assets thus, the Group recognized retirement benefit obligation of P77.70 million.

12. 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.

13. Any material changes from period to period in any line items of the Group's interim condensed consolidated financial statements that have not been explained were the results of normal fluctuations in operations.

14. The interim condensed consolidated 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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)	
At amortized cost		
Cash and cash equivalents	10,273,121	7,712,822
Short-term cash placements	710,950	2,157,044
Trade and other receivables	9,189,685	7,334,103
Due from related parties	365,114	462,949
Construction bonds and rental deposits	293,779	275,609
	20,832,649	17,942,527
At financial assets at FVTPL	55,533	54,937
	20,888,182	17,997,464

Trade and other receivables above exclude advances to employees which are subject to liquidation as at September 30, 2026 amounting to P48.86 million (December 31, 2025 - P38.46 million) and are presented gross of allowance for impairment amounting to P2.21 billion (December 31, 2025 - P2.15 billion).

As at September 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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Thousand Pesos)	
Trade payables and other liabilities	20,161,820	18,896,200
Due to related parties	1,172,878	1,173,517
Subscribers' deposits	17,349	102,313
Borrowings	26,872,092	24,101,302
Lease liabilities	2,296,882	2,445,980
	50,521,021	46,719,312

Trade and other liabilities presented above exclude non-financial liabilities pertaining to payable to government agencies amounting to P875.59 million (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)			
September 30, 2026 (Unaudited)					
Cash and cash equivalents	10,262,420	-	10,262,420	Performing	12-month ECL
Short-term cash placements	710,950	-	710,950	Performing	12-month ECL
Trade receivables					
Residential - Group 2	1,703,667	(32,759)	1,670,908	Collective assessment	Lifetime ECL
Residential - Group 3	1,889,933	(1,382,323)	507,610	Credit impaired	Lifetime ECL
Enterprise - Group 2	2,610,304	(215,664)	2,394,640	Collective assessment	Lifetime ECL
Enterprise - Group 3	686,888	(579,940)	106,948	Credit impaired	Lifetime ECL
Other receivables - Group 1	2,298,893	-	2,298,893	Performing	12-month ECL
Due from related parties - Group 1	365,114	-	365,114	Performing	12-month ECL
Construction bonds and rental deposits - Group 1	293,779	-	293,779	Performing	12-month ECL
	20,821,948	(2,210,686)	18,611,262		
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 classifications are defined as follows:

- Group 1 - Subscribers and counterparties with no history of default and assessed to be fully recoverable.
- Group 2 - Subscribers and counterparties with some defaults in the past.
- Group 3 - Individually assessed subscribers and counterparties with defaults and assessed as impaired; recovery is not expected despite collection efforts.

Cash and cash equivalents exclude cash on hand as at September 30, 2026 amounting to P10.26 billion (December 31, 2025 - P7.70 billion) which is not subject to credit risk.

As at September 30, 2026, the Group is also exposed to credit risk in related 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 September 30, 2026 is the carrying amount of the investments aggregating to P55.53 million (December 31, 2025 - P54.94 million). The Group's investments in exchangeable bonds and short-term government securities are considered low risk, and the Group actively monitors their credit ratings for signs of deterioration.

Trade receivables from residential and corporate subscribers are partially secured by subscribers' deposits mitigating losses from potential defaults. 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 September 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 for current and forward-looking macroeconomic indicators such as gross domestic product growth 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:

September 30, 2026	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Gross Amount	Loss Allowance	Net Carrying Amount
				(In Thousand Pesos)				
Group 2	1,434,544	171,920	64,783	32,420	-	1,703,667	(32,759)	1,670,908
Group 3	11,400	8,715	70,589	100,182	1,699,047	1,889,933	(1,382,323)	507,610
Total	1,445,944	180,635	135,372	132,602	1,699,047	3,593,600	(1,415,082)	2,178,518

December 31, 2025	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Gross Amount	Loss Allowance	Net Carrying Amount
				(In Thousand Pesos)				
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 September 30, 2026, credit impaired receivables from certain residential subscribers amounting to P1.89 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 value-added taxes, advances and deposits collected from them.

Enterprise subscribers

In relation to Enterprise subscription receivables, the Group's exposure to credit risk is assessed based on individual subscriber profile. 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.

For Group 2 enterprise subscribers show some payment delays, with loss rates based on historical trends and macroeconomic factors.

On that basis, the loss allowances were determined as follows:

September 30, 2026	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Gross Amount	Loss Allowance	Net Carrying Amount
				(In Thousand Pesos)				
Group 2	593,626	327,868	174,002	148,253	1,366,555	2,610,304	(215,664)	2,394,640
Group 3	5,330	8,924	17,595	28,440	626,599	686,888	(579,940)	106,948
Total	598,956	336,792	191,597	176,693	1,993,154	3,297,192	(795,604)	2,501,588

December 31, 2025	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Gross Amount	Loss Allowance	Net Carrying Amount
				(In Thousand Pesos)				
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 September 30, 2026, credit impaired receivables from certain Enterprise subscribers (Group 3) amounting to P748.18 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 value-added taxes, advances and deposits collected from them.

Other receivables

Credit risk for other receivables is assessed individually, considering historical defaults and counterparty credit ratings. No material defaults have been recorded and credit risk is assessed as low.

Due from related parties

These receivables are considered to have low credit risk, based on qualitative and quantitative assessments. This includes the availability of highly liquid assets and access to internal or external funding. As such, ECL is deemed 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 September 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 September 30, 2026, the exchange rate used to translate US Dollar denominated monetary assets and liabilities is P63.09/$ (December 31, 2025 - P58.79/$). If the US Dollar had weakened or strengthened by 0.72% (December 31, 2025 - 0.89%) against the Philippine Peso, with all other variables held constant, pre-tax profit for the period ended September 30, 2026 and equity would have been P3.39 million higher or lower (December 31, 2025 - P0.51 million higher or lower), mainly as a result of foreign exchange gains or losses 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 September 30, 2026, if interest rates increased/decreased by 10 basis points, with all other variables held constant, profit for the nine months ended September 30, 2026 would have been P0.41 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 September 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 P55.53 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 Bloomberg Valuation (BVAL) rates adjusted for the issuer's credit spread and premium on the embedded exchange option or which in this case is at 9.78% (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:

	September 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%	(15,616)	2,298	+/-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 statements of financial position.

c) Price risk

As at September 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 for immediate expenses and maturing obligations. The Group is also able to defer payments of some of its due to related party balances.

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

	Within 12 Months	More than 12 months	Total
	(In Thousand Pesos)		
September 30, 2025 (Unaudited)			
Trade payables and other liabilities	17,548,536	2,613,284	20,161,820
Subscribers' deposits	1,172,878	-	1,172,878
Due to related parties	17,349	-	17,349
Borrowings	14,773,374	12,098,718	26,872,092
Lease liabilities, gross of discount	708,027	2,574,825	3,282,852
Future interest payable	1,135,940	1,276,069	2,412,009
	35,356,104	18,562,896	53,919,000
December 31, 2025 (Audited)			
Trade payables 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 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 borrowings include compliance with certain ratios.

Note 4 - Basis of preparation

The unaudited interim condensed consolidated financial statements for the nine months ended September 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.

These unaudited interim condensed consolidated financial statements do not include all the notes normally included in a full set of annual financial statements. Accordingly, this report should be read in conjunction with the annual audited financial statements for the year ended December 31, 2025, as well as any public announcements made by the Group during the nine-month period.

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

There are no new accounting standards or amendments effective January 1, 2025 that have had a material impact on these interim consolidated financial statements.

There are no other future standards, amendments or interpretations that are effective on or after January 1, 2025 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
SEPTEMBER 30, 2026 (UNAUDITED)

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

	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Total
		(In Thousand Pesos)				
Residential	1,445,944	180,635	135,372	132,602	1,699,047	3,593,600
Enterprise	598,956	336,792	191,597	176,693	1,993,154	3,297,192
Gross trade receivables						6,890,792
Allowance for impairment						(2,210,686)
Net trade receivables						4,680,106
Other receivables, current						1,895,053
Trade and other receivables, net, current portion						6,575,159
Other receivables, net of current portion						452,703

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR
SEPTEMBER 30, 2026

	September 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]	0.9x	1.0x
Debt-to-equity ratio[d]	0.4x	0.4x
Asset-to-equity ratio[e]	1.8x	1.8x
Interest coverage ratio[f]	16.20x	17.4x
Debt service coverage ratio[g]	3.6x	3.6x
Net debt/ EBITDA[h]	0.6x	0.5x
Earnings per share (PHP) [i]	1.12	1.63
Book value per share[j]	9.41	8.72
Return on Assets[k]	6.71%	10.81%
Return on Equity[l]	12.40%	20.13%
Net profit margin[m]	23.61%	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 acquistion 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 acquisition 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