

**CONVERGE CONTINUES TO DELIVER INDUSTRY-LEADING RESULTS FOR 1H2021,  
POSTING 81.5% Y.O.Y REVENUE GROWTH,  
RECORD PROFITABILITY WITH ₱6.5Bn EBITDA (55.1% EBITDA MARGIN) AND  
₱3.3Bn NET INCOME (27.6% NET INCOME MARGIN)**

**2Q2021 Key Highlights**

- Converge continues to deliver significant growth and profitability in 2Q2021 from same period last year with 81.5% YoY revenue growth and 96.0% YoY EBITDA growth
- EBITDA margins expanding from 51.1% in 1H2020 to 55.1% in 1H2021, maintaining our record EBITDA margin in 1Q2021
- Net income after tax more than doubled from ₱1,259 million in 1H2020 to ₱3,252 million in 1H2021
- Residential revenue grew 105.2% YoY due to strong subscriber growth and improved ARPU
- Residential net subscriber additions of 173,356 in 2Q2021, representing the highest number of quarterly residential net adds ever recorded by the Company
- Record FTTH port roll-out of almost 0.6 million in 2Q2021 resulting in 32.5% household coverage across the Philippines and 56.9% household coverage in Luzon
- Maintained industry leading ROIC of 21.6% in 2Q2021
- Launched services in key markets of Cebu, Davao, and Cagayan de Oro with further expansion in new VisMin regions in 2H2021

*MANILA, Philippines, August 12, 2021* – The Philippines’ only pure-play high-speed fixed broadband operator, Converge Information and Communications Technology Solutions, Inc. (PSE: CNVRG) (“**Converge**”) ended 2Q2021 with 1,355,079 residential subscribers, 85% more than in 2Q2020 resulting in another record quarter for the Company. The completion of the initial phases of Converge’s domestic subsea cable network in the VisMin region in 2Q2020 resulted in the activation of an end-to-end nationwide backbone reaching from northern Luzon to Mindanao. This event represented another historic milestone in the mission of Converge to bring reliable and affordable, high-speed fiber internet to millions of households in the Philippines nationwide. As the fastest growing fixed broadband operator in the Philippines, the Company deployed a record 565,848 new fiber-to-the-home (“FTTH”) ports during the quarter, more than twice the number of FTTH ports deployed during the same quarter the previous year. As of June 30, 2021, Converge’s nationwide network reached more than 8.3 million homes, on track to reach the Company’s target to cover approximately 55% of households in the Philippines by 2025.

**Strong Financial Performance – Industry-leading Trifecta with 81.5% YoY Revenue Growth from 1H2020 to 1H2021, 55.1% EBITDA Margin and 21.6% ROIC**

*Continued Strong Revenue Growth driven by our Residential Business*

With strong and continued subscriber take-up, consolidated revenues grew by 81.5% from ₱6,490 million in 1H2020 to ₱11,781 million in 1H2021. Revenues from our residential business more than doubled from ₱4,978 million in 1H2020 to ₱10,212 million in the same period of 2021, driven by an 85% YoY growth in our subscriber base and increase of 7% in residential average monthly revenue per user (“ARPU”). On the other hand, enterprise revenues grew slightly by 3.8% YoY, from ₱1,512 million to ₱1,569 million, mostly from the growth in our small and medium enterprise (“SME”) customer base.

Residential subscribers grew to 1,355,079 as of June 30, 2021 from 731,563 as of June 30, 2020. During 2Q2021 and based on publicly available information, Converge captured 47% market share of fixed broadband net adds amongst the three largest broadband operators in the Philippines, representing an

increase in fixed broadband market share from 21% in June 2020 to 29% in June 2021. Reflecting the high demand for fixed broadband connectivity services in the Philippines, we estimate that c. 95% of our new subscribers in 2Q2021 were first time fixed broadband users. Driven by continuous demand for our fiber plans including increased take-up of add-on plans and premium packages, our monthly residential blended ARPU also improved from ₱1,287 during 2Q2020 to ₱1,372 in 2Q2021. Despite a larger proportion of subscribers as of June 2021 subscribed to our base plan compared to June 2020, there was an increase in demand for our add-ons services and premium plans, specifically the higher capacity plans, 10-for-99 add-on, and our Time-of-Day plans.

Revenues from our enterprise business grew by 3.8% YoY. The successful launch of the Company's SME product flexiBIZ earlier this year allowed us to almost double our SME customer base in 2Q2021 from the same period last year. Our overall enterprise customer base increased from 10,498 unique customers as of June 30, 2020 to 17,539 as of June 30, 2021.

#### *Strong Profitability Growth in 1H2021 driven by Increased Scale and Cost Management Initiatives*

Our continued prudence in the management of direct costs, such as our international bandwidth and leased line costs and increasing operating leverage contributed significantly to continuous EBITDA growth. Converge achieved yet again a record EBITDA of ₱6,494 million in 1H2021, representing an increase of 96.0% from 1H2020. As a result, Converge was able to improve its record consolidated EBITDA margin to 55.1% in 1H2021, higher than the 51.1% in the same period the year prior.

In September 2020, Converge started to draw down on its international capacity from the Telstra Indefeasible Right of Use ("IRU") contract, reducing the need to lease additional international bandwidth capacity. This, together with prudent management of our other international lease agreements, resulted in a reduction of bandwidth and leased line costs from 9.8% of total revenues in 2Q2020 to 3.8% of total revenues in 2Q2021. These cost reductions outpaced the increase of other cost items such as personnel cost, which increased from ₱609 to ₱1,008 as a result of additional headcount and employee stock ownership plan recognition.

Net income after tax more than doubled from ₱1,259 million in 1H2020 to ₱3,252 million in 1H2021. This resulted in an increase of Net Income margins to 27.6% from 19.4%. Finance costs were lower in 1H2021 due to repayment of outstanding loans. In addition, with the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") bill signed into law, our effective corporate income tax rate was reduced to 23.0% during 1H2021.

#### *Industry Leading ROIC and Strong Balance Sheet*

Converge's Return on Invested Capital ("ROIC") improved to 21.6% in 1H2021 from 20.0% during FY2020. This industry-leading performance is a result of Converge's record net profits in 2Q2021 and its consistently disciplined approach in deploying capital to expand its fiber network and tracking key capital efficiency indicators such as our port utilization ratios. Converge has been able to still maintain the blended port utilization ratio of 30% from March 2021 to June 2021, despite deploying almost 0.6 million FTTH ports during the quarter. As of June 30, 2021, the Company had achieved an average utilization of 39% on all FTTH ports deployed in the National Capital Region ("NCR") in the month of June 2020 (12 months after deployment) and an average utilization of 53% on all FTTH ports deployed in NCR in the month of December 2019 (18 months after deployment).

Converge has been able to maintain its strong balance sheet and cash flows with ample liquidity and gearing comfortably within bank covenants, in spite of the drawdowns from available facilities to finance the significant network expansion done during the quarter. The Company's net debt position (as measured by total financial debt less cash and cash equivalents) increased from ₱230 million as of March 31, 2021 to ₱6,339 million as of June 30, 2021 as the Company availed of a total of ₱2.9 billion in new debt offset by repayments and amortizations amounting to ₱1.8 billion. The Company's debt service coverage ratio ("DSCR") was 3.0x and the net debt position as a percentage of total equity was 20%, well above the required financial covenants from its debt facilities. Converge's total undrawn debt

facilities amounted to ₱22.5 million (~US\$466 million) as of June 30, 2021. Our weighted average cost of debt from drawn debt facilities decreased from 5.3% in June 2020 to 4.8% in June 2021, reflecting a lower interest rate environment and increased strength of Converge’s credit profile. We believe that our long-term debt facilities with six commercial banks, together with the Company’s available cash and increasing operating cash flows, provide Converge with sufficient headroom to execute its capital expenditure plans in the mid-term.

### **Strong SME Demand in 2Q2021**

The Company is seeing signs of recovery of the SME sector in the second quarter of the year. Converge’s SME customer base grew significantly in 2Q2021, arising from innovative product launch and improved sales and marketing initiatives. Converge pursued strategic, on-the-ground sales activities that increased client reach, covering commercial districts in cities and municipalities as well as covering the barangay level. After the introduction of the new SME product flexiBIZ in March 2021, SME customers grew from almost 8,800 as of March 30, 2021 to almost 13,900 by June 30, 2021. The flexiBIZ plan doubles the internet speeds during peak working hours of the day (7:00AM – 6:59PM) when the customer would need the bandwidth more. Along with the launch, the Company also organized and participated in various online webinars to promote the product and to introduce its features to a wide variety of audience. We expect revenue growth from SME to be further accelerated by our expansion in the VisMin area, where we see heightened demand for reliable fiber based connectivity services.

### **Early Inclusion in the Philippine Stock Exchange Index**

On August 5, 2021, the Philippine Stock Exchange (“PSE”) announced that Converge will be included in the Philippine Stock Exchange Index (“PSEi”) effective August 16, 2021 after qualifying for early inclusion. The PSE approved amendments to its index management policy, one of which was that companies with trading history of six months (from previous requirement of 12 months) will be eligible for early inclusion, provided that the company’s market capitalization is ranked at least in the 25<sup>th</sup> position at the end of the review period, subject to meeting the free float and liquidity criteria. With the support of the investing public, the Company was able to meet all the necessary requirements for early inclusion, and was therefore added to the 30-company index, which serves as a barometer of the general state of the business climate in the country.

*“This was a pleasant surprise to us as we are really just focused on delivering our commitment to reach the underserved and unserved areas in the country with world-class pure fiber broadband connectivity,”* Converge CEO Dennis Anthony Uy said.

### **Completed Connecting Visayas and Mindanao to our Nationwide Backbone**

Converge has completed the initial phases of our domestic subsea cable network to the VisMin region, which led to the activation of an end-to-end nationwide backbone – bringing better quality internet connectivity to more households in the country. More than 11,800 kilometers of fiber optic cable were added during the second quarter of the year, expanding our backbone and distribution network to almost 76,500 kilometers from about 64,600 kilometers laid down last quarter. By July 2021, our fiber backbone had reached 80,500 kilometers. With our network expansion, we were able to extend our coverage to an additional 53 cities and municipalities during 2Q2021, extending our services this quarter to new provinces, including Ilocos Norte, Cebu, and Davao, among others. The Information Technology and Business Process Association of the Philippines and the Department of Science and Technology-Information and Communications Technology Office recognized Cebu and Davao as centers of excellence for development of the IT-BPM industry. These provinces are in the top regions

in the Philippines in terms of GDP. Central Visayas (Cebu) and Davao Region (Davao) are in the top five while Ilocos Region (Ilocos Norte) is eighth out of 17 regions based on 2020 GDP. As of June 30, 2021, the Company’s network has now reached over 400 cities and municipalities nationwide.

*“We’ve already hit the ground running when we had our soft launch in Cebu last November. Considering that we’ve only been operating in Mandaue and Cebu cities on a limited basis, we’ve already signed on thousands of subscribers and established partnerships with SME and Enterprise clients,”* said Converge CEO and Co-Founder Dennis Anthony Uy.

Converge is also set to start the construction of a data center in Cebu as it prepares to serve the surge in the data requirements in Visayas and Mindanao amid its aggressive expansion in central and southern Philippines. The rise of a new state-of-the-art data center in Cebu supports the recently unveiled strategic framework of the Department of Information and Communications Technology (“DICT”) for the country’s full and inclusive participation in the global digital economy which it called CHIP - Connect, Harness, Innovate and Protect – that would also serve as the driver of the Philippines’ digital transformation.

### **Continued Investment in Network Upgrades to Deliver Best Results**

To respond to the increasing needs of the network and customers, Converge is preparing for a substantial network upgrade that will double the data transmission capacity of its metro backbone from the existing 400 Gigabit per second to 800 Gbps, in anticipation of the use of next-generation, hyperscale capacity applications over its fiber optic network. This aims to reduce latency and to allow for high-speed data transfers needed for next-generation technologies such as the Internet of Things and smart cities.

*“Developments in cloud computing, big data, virtual reality, combined with the increasing demands on remote storage and streaming technology is creating massive demand on our network and data centers. We want to respond to the high-capacity needs of our network and customers, and to be able to accommodate any new-generation technologies they may have,”* said Uy.

With customer satisfaction in mind, the Company continues to invest in technological improvements for better quality of service. This is evidenced by the consistent top ranking of Converge in the Netflix ISP Speed Index for the Philippines, which ranks internet service providers in terms of prime-time Netflix performance.

The global leader in internet testing and analysis Ookla recently verified Converge ICT Solutions Inc. as the most consistent fixed internet provider in six regions, including Metro Manila, based on the recent Ookla Speedtest Intelligence analysis for the second quarter of the year. The other regions with consistent Converge internet connectivity are Calabarzon (Cavite-Laguna-Batangas-Rizal-Quezon), Ilocos, Central Luzon, Bicol and the Cordillera Administrative Region.

### **Augmenting our International Subsea Cable Portfolio**

In June 2021, Converge acquired the shares of Digitel Crossing, Inc. (“DCI”) and Asia Netcom Philippines Corporation (“ANPC”) previously owned by Digital Telecommunications Phils, Inc for US\$7.5 million. DCI maintains and operates the cable landing stations in the Philippines for EAC and C2C cable systems, while ANPC owns the land assets where the EAC cable landing station is located. The EAC and C2C cable systems, in which Converge has an existing IRU, are owned and operated by Telstra. With the acquisition, the Company has secured strategic cable landing stations for the international subsea networks that it draws from. This allows Converge to ensure sufficient and cost effective international connectivity for its fast growing customer base.

In May 2021, Converge further secured its participation in the Bifrost Cable System with the signing of definitive agreements with Keppel Telecommunications & Transportation’s wholly-owned subsidiary, Keppel Midgard Holdings Pte. Ltd. (“KMH”). The agreement aims to grant Converge an IRU for one fiber pair on the main trunk of Bifrost Cable System, which directly connects Singapore to the west coast of North America. KMH and Converge will also jointly develop a branch on the Bifrost Cable System that will land in Davao, Philippines, with Converge also being granted an IRU on the entire Davao branch. The additional branch will significantly increase internet speeds and network diversity for businesses and consumers in the Philippines. Converge will invest over U.S.\$100 million (around ₱5 billion) for the whole project.

Expected to be completed in 2024 and spanning over 15,000 km, the Bifrost Cable System is the world’s first subsea cable system that directly connects Singapore to the west coast of North America via Indonesia through the Java Sea and Celebes Sea. It will connect Singapore, Indonesia, the Philippines, Guam, and the west coast of North America. In line with Converge’s strategy to secure proprietary access to international bandwidth on certain key international routes, we plan to use the bandwidth on the Bifrost cable system to secure sustainable and cost-efficient international connectivity for Converge, while also exploring the possibility to re-sell international bandwidth to third parties through wholesale agreements.

### Launch of Entertainment Service “VISION”

In July 2021, Converge in partnership with Pacific Kabelnet Holding Co. Inc. (“PKN”), an affiliate cable company, launched its “VISION” branded entertainment service. This new entertainment add-on gives existing and new subscribers access to local and international television channels like USA Today News, USA Today Sports, Pocketwatch, and Ryan & friends, using Converge’s fiber network. For an affordable price of P99 per month for 65 channels and P299 per month for 82 channels, VISION comes with a set-to-box called Xperience Box, a full Android, all-in-one entertainment device, that allows Converge subscribers to enjoy multi-genre TV programs and shows in the comfort of their homes. This add-on product is aimed to support our ARPU, as well boost customer loyalty

Enabled via Wi-Fi and Bluetooth, the Vision Xperience Box does not require connectivity to any cable TV line and also allows easy connection to a mouse, gamepad, keypad, and other devices. This easy-to-set-up service comes with reliable security features and an enhanced artificial intelligence that provides a quick, one-click access to channels, Google apps, online games, and OTT apps like HBO Go, Amazon Prime, YouTube and Spotify.

*“The Vision Xperience Box takes convenience up a notch through its voice-enabled remote for easy searches via Google Assistant and a digital interface that allows hassle-free connection to home theater systems or power amplifiers. Watching the most popular shows in the Philippines or abroad and accessing content through various apps have never been this effortless,”* said Converge COO, Jesus C. Romero.

### Continued Commitment to Improving Customer Experience

The Company continues to commit to providing a quality customer experience for both existing and potential new subscribers. Converge continues to be highly focused on enhancing the overall customer experience by strengthening our customer care functions and digitizing the journey of our customers.

In 2Q2021, Converge installed more than 93% of new NCR subscribers within seven days and 63% within one day of application, respectively. In addition, the Company continued to expand its contact agent team by adding almost 100 seats during the second quarter to cater to customer queries from the expanding subscriber base. The Answer Call Rates, which measures the number of voice calls that



contact centers answered during the quarter divided by all of the voice calls received (during both peak and off-peak hours), further improved from 94% in 1Q2021 to more than 96% during 2Q2021.

During the third quarter of 2020, the Company rolled out its mobile application Converge Xperience App, which offers a convenient channel for its customers to review and pay their bills, and allows customers to log tickets online. As of June 30, 2021, more than 532,000 subscribers have registered in the application, representing almost 40% of residential subscribers as of the end of the period. Converge intends to continue refining and upgrading our mobile application using new technologies for innovation, which will provide new ways of customer engagement.

Last May 29, 2021, the Company launched the new Omnichannel Customer Relationship Management (“CRM”) system. This tool allows the Company’s contact agents to handle customer requests and complaints via various touchpoints, decreasing the effort required from the customer in raising his concerns and getting these addressed at the soonest possible time. It allows the Company to improve the proper distribution with faster response time to customer concerns from a single, universal system, in addition to being able to reach out to customers as the need arises. In this new platform, all the existing customer touchpoints such as calls, email, social media platforms, SMS and self service channels like ticket creation webforms, will flow through a single system to improve contact agent service levels.

Converge believes that “self-help” is a key factor to swiftly and efficiently address potential customer issues. As a new feature on our mobile application, registered subscribers can now monitor the health status of their routers, specifically the speed and temperature of the device. This allows the subscriber to detect possible causes of unreliable connectivity and provide first aid using step-by-step instructions presented in our mobile application.

### **Affirmed Commitment to Environmental, Social and Governance**

Since the start of the year, Converge has been working on the Company’s Sustainability Framework that goes beyond compliance reporting. The framework will underscore our commitment to ensuring that the Company adheres to global standards in environmental, social, and governance best-practices. The Company has arranged workshops for our management to refine the materiality assessment, establish internal monitoring processes and identify Environmental, Social, and Governance (“ESG”) targets and strategies. These workshops promoted critical thinking in determining key pillars and crafting strategies relating to our sustainability framework. In addition, the Company has engaged with key stakeholders for consultations in identifying relevant metrics and targets to disclose. With these, Converge has finalized its Sustainability Commitment as guide in our day-to-day operations: “We empower the Filipino people and the nation through technology. We respect humanity and the environment as we create a prosperous nation and sustainable future for all.”

The Company also strengthened its Enterprise Risk and Business Continuity Management functions with seasoned talent in these areas, overseen by Ms. Grace Uy as the Chief Risk Officer. With the recent natural threats occurring, such as earthquakes, typhoons, floods, and imminent volcanic eruption, the Company continues to test and improve its business continuity practices. Our Board Risk Oversight Committee led by Gov. Amando Tetangco oversees the company’s Enterprise Risk Management system as well as our sustainability efforts.

#### *Membership in Internet Watch Foundation*

Converge joined the UK-based Internet Watch Foundation (“IWF”) in its fight to clamp down on internet sexual abuse against children anywhere in the world. Joining the ranks of global technology companies such as Facebook, Google, Apple, Twitter, and TikTok on the fight against online sexual abuse and exploitation of children, Converge was recently admitted as member of the online watchdog

IWF which have already removed over 250,000 individual webpages of criminal content, mostly child sexual abuse images and videos.

As an IWF member, Converge will have access to this suite of IWF's online tools. This includes a URL list, a master database of online child sexual abuse webpages for easier tagging and blocking, and an 'Image Hash List' an award-winning tool that's essentially a database of codes representing the illicit content, which can then be matched with content on Converge's network and removed. The latter tool may even help in preemptively detecting and blocking the upload of the criminal image or video onto the network. So far, Converge has removed nearly 10,000 sites that are deemed unsafe for children and will continue to closely monitor online activities within its network to make sure that no illegal activities are carried through its network.

#### *Sustainability Initiatives*

During the second quarter, the Company has done various initiatives in line with our Sustainability Commitment.

- Converge conducted good governance training workshops for employees, including Anti-Money Laundering, Information Security and Intellectual Property, and Anti-Bribery and Anti-Corruption
- Converge partnered with environmental group Abacan River and Angeles Watershed Advocacy Council, Inc. ("ARAW-ACI") and the Angeles City local government unit for the planting of a total of 2,000 tree seedlings in Barangay Sapangbato.
- The Company also conducted vaccine education webinar to properly inform employees of the COVID disease and the benefits getting inoculated. Dr. Lulu Bravo from the University of the Philippines and Dr. Beverly Lorraine Ho from the Department of Health were the speakers during the webinar.
- In coordination with the Batangas Provincial Disaster Risk Reduction and Management Office, the Company provided high-speed fiber broadband connectivity to four evacuation centers in the province.
- The Company has provided a dedicated fiber connection to facilitate the vaccination program of the local government units of Angeles City in Pampanga and San Juan City in Metro Manila
- With the unrest of the Taal Volcano, Converge arranged outreach programs to provide food and connectivity to evacuees in partnership with the various local government units ("LGUs") in Batangas. Converge turned over 1,000 each of 5-kilogram packs of rice and 5-liter purified water in slim containers for the affected families in the province. The Company also provided survival kits to its employees living within the proximity of the restive volcano.

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## ANNEX

### Exhibit 1: Summary Statement of Comprehensive Income

	For the six months ended June 30				For the three months ended June 30			
	2021	2020	YoY change	YoY change %	2021	2020	YoY change	YoY change %
<b>Revenues</b> .....	11,781	6,490	5,291	82%	6,235	3,469	2,765	80%
<i>Residential</i> .....	10,212	4,978	5,234	105%	5,415	2,691	2,724	101%
<i>Enterprise</i> .....	1,569	1,512	57	4%	819	778	41	5%
Cost of services.....	(4,825)	(3,018)	1,807	60%	(2,495)	(1,578)	(917)	58%
<b>Gross profit</b> .....	6,956	3,472	3,485	100%	3,740	1,891	1,848	98%
General and administrative expenses.....	(2,125)	(1,077)	(1,048)	97%	(1,189)	(555)	(634)	114%
Provision for impairment of trade and other receivables....	(524)	(324)	200	62%	(273)	(172)	(101)	58%
Other income (loss), net .....	178	74	104	141%	112	16	96	N/M
<b>Profit from operations</b> .....	4,485	2,145	2,341	109%	2,390	1,180	1,210	102%
Finance costs .....	(264)	(347)	(84)	-24%	(131)	(203)	72	-36%
<b>Profit before income tax</b> .....	4,222	1,797	2,425	135%	2,259	977	1,282	131%
Income tax expense .....	(970)	(539)	431	80%	(556)	(292)	(264)	90%
<b>Profit after income tax for the year/ period</b>	<b>3,252</b>	<b>1,259</b>	<b>1,993</b>	<b>158%</b>	<b>1,703</b>	<b>685</b>	<b>1,018</b>	<b>149%</b>
Other comprehensive income.....	-	(19)	19	-100%	-	(6)	6	-100%
<b>Total comprehensive income</b> .....	3,252	1,239	2,013	162%	1,703	679	1,024	151%
Profit after income tax .....	3,252	1,259			1,703	685		
Finance costs .....	264	347			131	203		
Income taxes .....	970	539			556	292		
Depreciation and amortization – cost of services .....	1,628	952			849	508		
Depreciation and amortization – general and administrative expenses.....	103	83			54	42		
Amortization of subscriber acquisition costs .....	277	135			149	70		
<b>EBITDA</b>	<b>6,494</b>	<b>3,314</b>			<b>3,442</b>	<b>1,800</b>		
<b>EBITDA Margin</b>	<b>55.1%</b>	<b>51.1%</b>			<b>55.2%</b>	<b>51.9%</b>		



## Exhibit 2: Quarterly Operational Performance Summary

	2020				2021		YoY Change % 2Q2020 vs 2Q2021
	1Q	2Q	3Q	4Q	1Q	2Q	
<b>Residential</b>							
<b>Revenues</b>	<b>2,287</b>	<b>2,691</b>	<b>3,435</b>	<b>4,215</b>	<b>4,797</b>	<b>5,415</b>	<b>101%</b>
FTTH	1,614	1,992	2,679	3,509	4,086	4,771	140%
HFC	673	698	756	707	711	644	-8%
<b>Customers</b>	<b>615,466</b>	<b>731,563</b>	<b>900,531</b>	<b>1,038,321</b>	<b>1,181,723</b>	<b>1,355,079</b>	<b>85%</b>
FTTH	405,784	512,597	673,005	822,791	964,644	1,139,290	122%
HFC	209,682	218,966	227,526	215,530	217,079	215,789	-1%
<b>Homes Passed</b>	<b>3,599,533</b>	<b>4,111,661</b>	<b>5,112,591</b>	<b>6,177,845</b>	<b>7,172,033</b>	<b>8,303,553</b>	<b>102%</b>
FTTH <sup>(1)</sup>	2,789,112	3,301,240	4,281,768	5,342,008	6,330,536	7,462,056	126%
HFC <sup>(2)</sup>	810,421	810,421	830,823	835,837	841,497	841,497	4%
<b>Ports</b>	<b>2,204,977</b>	<b>2,461,041</b>	<b>2,971,707</b>	<b>3,506,841</b>	<b>4,006,765</b>	<b>4,572,525</b>	<b>86%</b>
FTTH <sup>(3)</sup>	1,394,556	1,650,620	2,140,884	2,671,004	3,165,268	3,731,028	126%
HFC <sup>(4)</sup>	810,421	810,421	830,823	835,837	841,497	841,497	4%
<b>Household Coverage<sup>(5)</sup> (%)</b>	<b>14.5%</b>	<b>16.6%</b>	<b>20.6%</b>	<b>24.5%</b>	<b>28.3%</b>	<b>32.5%</b>	<b>96%</b>
<b>ARPU<sup>(6)</sup></b>	<b>1,284</b>	<b>1,287</b>	<b>1,352</b>	<b>1,408</b>	<b>1,390</b>	<b>1,372</b>	<b>7%</b>
FTTH	1,417	1,405	1,467	1,516	1,481	1,455	4%
HFC	1,046	1,033	1,046	1,044	1,014	967	-6%
<b>Customer Churn<sup>(7)</sup> (%)</b>	<b>0.39</b>	<b>1.08</b>	<b>1.63</b>	<b>1.35</b>	<b>1.16</b>	<b>1.11</b>	<b>2%</b>
FTTH	0.34	0.78	1.28	0.61	1.14	0.97	25%
HFC	0.49	1.74	2.55	3.84	1.27	1.79	3%
<b>Port Utilization<sup>(8)</sup> (%)</b>	<b>27.9</b>	<b>29.7</b>	<b>30.3</b>	<b>29.6</b>	<b>29.5</b>	<b>29.6</b>	<b>0%</b>
FTTH	29.1	31.1	31.4	30.8	30.5	30.5	-2%
HFC	25.9	27.0	27.4	25.8	25.8	25.6	-5%
<b>Enterprise</b>							
<b>Revenues</b>	<b>734</b>	<b>778</b>	<b>752</b>	<b>760</b>	<b>750</b>	<b>819</b>	<b>5%</b>
<b>Customers</b>	<b>10,378</b>	<b>10,498</b>	<b>10,953</b>	<b>11,090</b>	<b>12,400</b>	<b>17,539</b>	<b>74%</b>
<b>ARPU<sup>(9)</sup></b>	<b>23,910</b>	<b>26,569</b>	<b>21,675</b>	<b>23,002</b>	<b>21,269</b>	<b>18,247</b>	<b>-31%</b>
<b>Customer Churn<sup>(10)</sup> (%)</b>	<b>0.30</b>	<b>0.33</b>	<b>0.49</b>	<b>1.61</b>	<b>0.72</b>	<b>0.35%</b>	<b>6%</b>

Notes:

(1) FTTH homes passed is derived from the number of homes within a 300-meter radius from a network access point ("NAP") that we have installed in a coverage area. Each NAP has eight or sixteen ports, and one port serves one home.

(2) HFC homes passed refers to the number of homes and other residential units that are within a 200-meter radius from our HFC ports, and can be connected to our network.

(3) The number of FTTH ports installed represents both activated FTTH connections and ports available for immediate activation once a new subscription is approved.

(4) The number of HFC ports installed refers to a slot on a network device allowing for the transmission of data between our HFC network and the equipment at the customer premises.

(5) Household coverage is calculated as total homes passed over total number of homes in the Philippines, which is estimated at 25.6 million as of June 2021, extrapolated from MPA data.

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

(7) Blended churn rate refers to the combined FTTH and HFC churn rate. Churn rate for our Residential Business 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.

(8) Our port utilization rates for our FTTH network is our number of FTTH subscribers as a percentage of total FTTH ports and for our HFC network is our number of HFC subscribers as a percentage of HFC homes passed.

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

(10) Customer churn rate for our Enterprise Business is calculated by dividing (i) the sum of the number of permanent customer deactivations in a month, by (ii) the average number of customers during the respective month and multiplying the result by 100%. The average number of customers during a month is calculated by the sum of the circuits at the beginning and at the end of the month, divided by two.

### Exhibit 3: Cost of Services, G&A Expenses and Provisions

	For the six months ended June 30				For the three months ended June 30			
	2021	2020	YoY change	YOY change %	2021	2020	YoY change	YoY change %
	(in ₱ millions)							
Depreciation and amortization.....	1,628	952	677	71%	850	508	342	67%
Network materials and supplies used.....	994	493	501	102%	535	264	271	103%
Amortization of deferred contract cost.....	748	316	432	136%	398	169	230	136%
Bandwidth and leased line costs.....	516	643	(127)	-20%	238	340	(101)	-30%
Service fees.....	316	296	20	7%	149	149	-	0%
Personnel costs.....	289	128	161	126%	162	71	91	129%
Rent.....	148	57	91	159%	95	26	69	265%
Repairs and maintenance expense.....	120	-	120	N/M	36	-	36	N/M
Utilities.....	47	39	8	20%	25	16	9	55%
Retirement benefit expense.....	3	1	2	241%	1	0	1	241%
Others.....	16	93	(77)	-83%	6	35	(29)	-83%
<b>Total cost of services</b>	<b>4,825</b>	<b>3,018</b>	<b>1,786</b>	<b>60%</b>	<b>2,495</b>	<b>1,578</b>	<b>917</b>	<b>58%</b>
<b>Gross profit</b>	<b>6,956</b>	<b>3,472</b>	<b>3,505</b>	<b>101%</b>	<b>3,740</b>	<b>1,891</b>	<b>1,848</b>	<b>98%</b>
<b>Gross profit margin</b>	<b>59.0%</b>	<b>53.5%</b>			<b>60.0%</b>	<b>54.5%</b>		

	For the six months ended June 30				For the three months ended June 30			
	2021	2020	YoY change	YOY change %	2021	2020	YoY change	YoY change %
	(in ₱ millions)							
Personnel costs.....	719	481	238	49%	424	235	190	81%
Commission expense.....	335	81	254	314%	215	45	170	379%
Outside services.....	208	60	148	245%	122	31	91	299%
Taxes and licenses.....	190	46	145	317%	119	27	92	339%
Depreciation and amortization.....	103	83	20	24%	54	42	12	27%
Promotions.....	87	33	53	160%	45	12	33	268%
Repairs and maintenance.....	82	74	8	11%	44	58	(13)	-23%
Professional fees.....	80	110	(30)	-27%	15	68	(53)	-77%
Office supplies.....	40	8	32	414%	24	2	22	N/M
Utilities.....	49	28	20	72%	24	16	8	52%
Other general and administrative expenses...	231	72	159	220%	103	19	30	N/M
<b>Total G&amp;A expenses</b>	<b>2,125</b>	<b>1,077</b>	<b>1,048</b>	<b>97%</b>	<b>1,189</b>	<b>555</b>	<b>634</b>	<b>114%</b>
Provision for impairment of receivables.....	(524)	(324)	(200)	62%	(273)	(172)	(101)	58%
Other income/(expenses).....	178	74	104	141%	112	16	96	N/M
<b>Operating profit</b>	<b>4,485</b>	<b>2,145</b>	<b>2,341</b>	<b>109%</b>	<b>2,390</b>	<b>1,180</b>	<b>1,210</b>	<b>102%</b>
<b>Operating profit margin</b>	<b>38.1%</b>	<b>33.0%</b>			<b>38.3%</b>	<b>34.0%</b>		

### Exhibit 4: Other Income/(Expenses) Statement Items

	For the six months ended June 30				For the three months ended June 30			
	2021	2020	YoY change	YoY change %	2021	2020	YoY change	YoY change %
Net foreign exchange gain/(loss).....	116	110	5	5%	70	66	4	6%
Gain on transfer of network materials.....	13	7	6	86%	2	6	(4)	-6%
Interest income - cash and cash equivalents.....	32	21	11	53%	28	8	20	260%
Miscellaneous income/(expense).....	17	(64)	75	-127%	11	(65)	76	-117%
<b>Total Other income, net</b>	<b>178</b>	<b>74</b>	<b>104</b>	<b>141%</b>	<b>112</b>	<b>16</b>	<b>96</b>	<b>N/M</b>
Operating profit .....	4,485	2,145	2,341	109%	2,390	1,180	1,210	102%
Finance cost.....	(264)	(347)	84	-24%	(131)	(203)	72	-36%
Profit before income tax.....	4,222	1,797	2,425	135%	2,259	977	1,282	131%
Income tax expense.....	(970)	(539)	(431)s	80%	(556)	(292)	(264)	90%
<b>Net income</b>	<b>3,252</b>	<b>1,259</b>	<b>1,993</b>	<b>158%</b>	<b>1,703</b>	<b>685</b>	<b>1,018</b>	<b>149%</b>
<b>Net income margin</b>	<b>27.6%</b>	<b>19.4%</b>			<b>27.3%</b>	<b>19.7%</b>		

## Exhibit 5: Summary Balance Sheet

	As of the period			
	June 30 2021	Dec 31 2020	Change	Change %
(in ₱ millions)				
<b>Current assets</b> .....	<b>16,326</b>	<b>21,271</b>	<b>(4,945)</b>	<b>-23%</b>
Cash and cash equivalent.....	6,070	12,957	(6,887)	-53%
Trade and other receivables, net.....	2,818	2,173	645	30%
Network materials and supplies.....	2,577	2,031	545	27%
Other current assets.....	4,861	4,109	752	18%
<b>Noncurrent assets</b> .....	<b>47,638</b>	<b>35,441</b>	<b>12,197</b>	<b>34%</b>
Property, plant and equipment, net.....	38,528	28,127	10,401	37%
Right-of-use assets.....	1,839	1,859	(21)	-1%
Intangible assets, net.....	1,282	1,155	128	11%
Other noncurrent assets.....	5,989	6,160	(171)	-3%
<b>Total assets</b>	<b>63,964</b>	<b>56,712</b>	<b>7,252</b>	<b>13%</b>
<b>Current liabilities</b> .....	<b>18,658</b>	<b>15,385</b>	<b>3,273</b>	<b>21%</b>
Trade and other payables.....	15,929	13,253	2,676	20%
Loans payable, current portion.....	837	731	106	14%
Other current liabilities.....	1,892	1,401	491	35%
<b>Noncurrent liabilities</b> .....	<b>14,279</b>	<b>13,552</b>	<b>728</b>	<b>5%</b>
Loans payable, net of current portion.....	11,572	10,583	989	9%
Other noncurrent liabilities.....	2,708	2,969	(261)	-9%
<b>Total liabilities</b>	<b>32,937</b>	<b>28,937</b>	<b>4,000</b>	<b>14%</b>
<b>Total equity</b>	<b>31,027</b>	<b>27,775</b>	<b>3,252</b>	<b>12%</b>
<b>Total liabilities and equity</b>	<b>63,964</b>	<b>56,712</b>	<b>7,252</b>	<b>13%</b>

## Exhibit 6: Summary Cash Flow

	For the six months ended June 30			
	2021	2020	YoY change	YoY change %
	(in ₱ millions)			
<b>Cash flow from operating activities</b>				
Profit before income tax.....	4,222	1,797	2,425	135%
Adjustments for operating income.....	3,109	1,999	1,110	56%
Adjustments for assets and liabilities.....	(1,935)	(1,032)	(903)	88%
Cash from operations.....	5,396	2,765	2,631	95%
Interest received and income taxes paid.....	(747)	(709)	(38)	5%
<b>Net cash from operating activities</b>	<b>4,649</b>	<b>2,055</b>	<b>2,594</b>	<b>126%</b>
<b>Cash flow from investing activities</b>				
Acquisition of property, plant, and equipment.....	(11,569)	(5,051)	(6,519)	129%
Others.....	(624)	(248)	(376)	248%
<b>Net cash (used in) investing activities</b>	<b>(12,194)</b>	<b>(5,299)</b>	<b>(6,894)</b>	<b>130%</b>
<b>Cash flow from financing activities</b>				
Proceeds from loans payable.....	2,900	3,474	(574)	-17%
Proceeds from issuance of convertible preferred shares.....	-	4,566	(4,566)	-100%
Payment of loans payable.....	(1,805)	(914)	(891)	97%
Others.....	(419)	(1,087)	667	-61%
<b>Net cash from/(used in) financing activities</b>	<b>676</b>	<b>6,039</b>	<b>(5,364)</b>	<b>-89%</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,869)</b>	<b>2,796</b>	<b>(9,664)</b>	<b>-346%</b>
Cash and cash equivalents, beginning.....	12,957	6,233	6,724	108%
Effects of exchange rate changes in cash and cash equivalents.....	(18)	(46)	28	-60%
<b>Cash and cash equivalents, ending</b>	<b>6,070</b>	<b>8,982</b>	<b>(2,912)</b>	<b>-32%</b>



## Exhibit 7: Liquidity and Capital Resources

	June 30, 2021	December 31, 2020	Change (%)
<b>Balance Sheet Data (in \$ millions)</b>			
Total Assets	63,964	56,712	13%
Total Debt <sup>(1)</sup>	12,409	11,314	10%
Total Stockholders' Equity	31,027	27,775	12%
<b>Financial Ratios</b>			
Total Debt to EBITDA (gross)	1.1x	1.4x	
Total Debt to EBITDA (net)	0.6x	-0.2x	
Debt Service Coverage <sup>(2)</sup>	3.0x	2.3x	
Interest Coverage (gross) <sup>(3)</sup>	24.4x	14.9x	
Debt to Equity (gross) <sup>(4)</sup>	0.4x	0.4x	
Debt to Equity (net) <sup>(5)</sup>	0.2x	-0.1x	
Return on Invested Capital <sup>(6)</sup>	21.6%	20.0%	

Notes:

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

(2) Debt Service Coverage is computed as last twelve month's ("LTM") EBITDA divided by the sum of current loans payable, LTM interest expense, and current lease liabilities

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

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

(5) Debt to Equity (net) is computed as the difference between total debt and cash and cash equivalents divided by total shareholders' equity

(6) Return on Invested Capital is tax-adjusted (25% assumed effective tax rate for 2021 and 30% for 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

## Exhibit 8: Property, plant, and equipment

	As of the period			
	June 30, 2021	June 30, 2020	YoY Change	YoY Change %
	(in millions)			
<b>Total additions to property, plant and equipment</b>	<b>11,188</b>	<b>4,685</b>	<b>6,503</b>	<b>139%</b>
<b>Total cash capital expenditures<sup>(1)</sup></b>	<b>11,569</b>	<b>5,051</b>		
<b>Cash capital expenditures<sup>(1)</sup> / Revenue</b>	<b>-196%</b>	<b>-153%</b>		

Notes:

(1) Include property, plant and equipment, intangibles and right-of-use assets, acquired as of report date

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