

**CONVERGE CONTINUES TO DELIVER INDUSTRY LEADING RESULTS IN 9M2021,
WITH 76.4% Y.O.Y REVENUE GROWTH,
RECORD PROFITABILITY WITH ₱10.4Bn EBITDA (55.1% EBITDA MARGIN) AND
₱5.2Bn NET INCOME (27.6% NET INCOME MARGIN)**

3Q2021 Key Highlights

- **Converge continues to deliver significant growth and profitability in 9M2021 from the same period last year with 76.4% YoY revenue growth and 86.0% YoY EBITDA growth**
- **EBITDA margins expanded from 52.2% in 9M2020 to 55.1% in 9M2021, maintaining our record EBITDA margin during the first half of this year**
- **Net income after tax more than doubled YoY from ₱2,190 million in 9M2020 to ₱5,198 million in 9M2021**
- **Residential revenue grew 94.6% YoY driven by record high net subscriber growth**
- **3Q2021 residential subscriber additions at record high both on a gross and a net basis (net of churn), with almost 280,000 gross and more than 221,000 net subscriber additions over the last three months**
- **Record FTTH port roll-out of more than 654,000 in 3Q2021 resulted to 37.6% household coverage across the Philippines and 57.3% household coverage in Luzon**
- **Maintained industry leading ROIC of 21.7% in 9M2021**
- **Implemented free speed boosts to all fiber plans in celebration of the Company's IPO anniversary, cementing Converge's position as high-speed broadband leader in the Country**

MANILA, Philippines, November 11, 2021 – The Philippines' only pure-play high-speed fixed broadband operator, Converge Information and Communications Technology Solutions, Inc. (PSE: CNVRG) (“**Converge**”) ended 3Q2021 with 1,576,759 residential subscribers, a 75% increase from 3Q2020. The Company's dual pronged strategy of Go Deep and Go National have resulted to another record high of net adds during 3Q2021. As the fastest growing fixed broadband operator in the Philippines, the Company deployed another record number of new fiber-to-the-home (“FTTH”) ports during the quarter at 654,188. As of September 30, 2021, Converge's nationwide network reached more than 9.6 million homes, on track to reach the Company's accelerated target to cover approximately 55% of households in the Philippines by 2023, 24 months earlier than projected during the Initial Public Offering last year.

Consistently Strong Financial Performance – Industry-leading Trifecta with 76.4% YoY Revenue Growth from 9M2020 to 9M2021, 55.1% EBITDA Margin and 21.7% ROIC

Continued Strong Revenue Growth driven by our Residential Business

With strong and continued subscriber take-up, consolidated revenues grew by 76.4% from ₱10,677 million in 9M2020 to ₱18,831 million in 9M2021. Revenues from our residential business grew by 94.6%, almost doubling from ₱8,413 million in 9M2020 to ₱16,374 million in the same period of 2021, driven by a 75% YoY growth in our subscriber base while maintaining a steady residential average monthly revenue per user (“ARPU”) of PHP1,346. On the other hand, enterprise revenues grew by 8.5% YoY, from ₱2,264 million to ₱2,457 million, mostly from the strong growth in the small and medium enterprise (“SME”) business, continuing the reversal trend seen in 2Q2021.

Over the last three months, Converge added a record number of 279,895 quarterly gross adds and 221,680 quarterly net adds. August gross adds were a record for Converge, with the Company adding more than 100,000 new subscribers in that single month, marking another important milestone. As a

result of our expansion to new service areas and an augmented sales force, our residential subscriber base grew to 1,576,759 as of September 30, 2021 from 900,531 as of the same period last year.

Reflecting the high unserved demand for fixed broadband connectivity services in the Philippines, we estimate that c. 94% of our new subscribers nationwide in 3Q2021 were first time fixed broadband users.

Revenues from our enterprise business grew by 8.5% YoY, and by 8.3% QoQ representing a continuous upward trend from the pandemic related slowdown recorded in the first quarter of this year. The SME business continued to grow its customer base to more than 17,785 with the strong take-up of our flexiBiz product. As part of our efforts to educate SME clients, who have struggled during the pandemic, to leverage high-speed internet connectivity for business transformation, Converge continued its knowledge sharing with SMEs through numerous forums and webinars. Revenues from large enterprise customers likewise contributed to the enterprise business growth in 3Q2021, notably with large contract wins in our international wholesale business during the last quarter.

Maintained Strong Profitability Growth in 9M2021 driven by Increased Scale and Cost Management Initiatives

Converge once again achieved a record EBITDA of ₱10,371 million in 9M2021, representing an increase of 86.0% from 9M2020. As a result, Converge was able to improve its record consolidated EBITDA margin to 55.1% in 9M2021, higher than the 52.2% 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 8.5% of total revenues in 3Q2020 to 3.5% of total revenues in 3Q2021. This cost reduction offset the increase of other cost items such as network materials and supplies used, which grew by 75.5% from 3Q2020 to 3Q2021 due to the ongoing subscriber acquisitions.

Net income after tax yet again more than doubled from ₱2,190 million in 9M2020 to ₱5,198 million in 9M2021. This resulted in a significant increase of Net Income margins from 20.5% to 27.6%. In addition, with the Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) bill signed into law with effectivity starting July 2020, our statutory corporate income tax rate was reduced from 30.0% to 25.0%.

Industry Leading ROIC and Strong Balance Sheet

Converge maintained its 1H2021 Return on Invested Capital (“ROIC”) of 21.7% to 9M2021 from 20.0% during FY2020. This industry-leading performance is a result of Converge’s record net profits in 9M2021 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 maintain its blended port utilization ratio of 30%, despite deploying another record number of FTTH ports during the last quarter. Out of the 3Q2021 FTTH ports deployed, around 20% were rolled out in Visayas and Mindanao (“VisMin”), as we are actively expanding into these new markets.

As of September 30, 2021, the Company had achieved an average utilization of 30.0% on all FTTH ports deployed in the National Capital Region (“NCR”) in the month of September 2020 (12 months after deployment) and an average utilization of 54.1% on all FTTH ports deployed in NCR in the month of March 2020 (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 ₱6,339 million as of June 30, 2021 to ₱8,451 million as of September 30, 2021. The Company availed of a total of ₱8,833

million in new debt in 9M2021 offset by repayments and amortizations amounting to ₱2,049 million. The Company's debt service coverage ratio ("DSCR") was 4.3x and the net debt position as a percentage of total equity was 25.5%, well above the required financial covenants from its debt facilities. Converge's total undrawn debt facilities amounted to ₱23,500 million (~US\$468 million) as of September 30, 2021. Our weighted average cost of debt from drawn debt facilities decreased from 5.2% as of September 2020 to 4.4% in September 2021, reflecting a lower interest rate environment and increased strength of Converge's credit profile. We believe that our long-term debt facilities with five 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.

Speed Upgrades to all Residential Fiber Plans to Celebrate Reaching the 1.5 Million Residential Subscriber Milestone

To celebrate the Company reaching 1.5 million residential subscribers as of end of 3Q2021, Converge gave free speed upgrades to all existing subscribers effective November 9, 2021, which are also extended to new subscribers. This is on top of the speed increase implemented last December 2020 for reaching its one million subscriber milestone. This strengthens Converge's commitment to provide better quality broadband service with the best value. With up to four times the speeds, the Company's subscribers will be much more equipped to adapt to the rapid transition to the digital lifestyle – including leisure, work, and education.

This holiday season, three new FiberX plans are set to roll out — starting with Plan 1500 for 50 Mbps with an exclusive add-on for 10Mbps for only ₱99, Plan 2500 for 300 Mbps, and Plan 3500 for 800 Mbps, making Converge now unmatched in the Philippine telecommunications industry as the most affordable internet plan.

Closely listening to its consumer's pain points, Converge identified a gap to fill in order to offer better value for their money with no additional costs, yet fast speeds. Beyond speed increase, families are encouraged to spend within their means without sacrificing their bandwidth. Turbocharged speeds play a vital role in every Filipino's lifeline as homes became an office, school, marketplace, and the like.

Expansion of Backbone Network to 440 Cities and Municipalities Nationwide and Completion of the Nationwide Subsea Cable Network

More than 13,000 kilometers of fiber optic cable were added to our backbone during 3Q2021 – the longest quarterly expansion of our backbone so far. As of September 30, 2021, our backbone has now expanded to almost 90,000 kilometers from almost 76,500 kilometers last quarter. Our network has now passed through around 440 cities and municipalities nationwide, extending our services to new areas including Iloilo, Cagayan, and Cagayan de Oro. In the coming weeks, the Company will also have its soft launch in Mindoro and Butuan City. During the third quarter, Converge also reached the shores of Palawan, where the Company plans to soft launch its services in the coming months.

The Company also completed its domestic submarine cable project that connects the country's major islands from Luzon to the Visayas and Mindanao to its national fiber backbone. The 1,800 kilometer subsea cable made its final landing in Coron, Palawan.

The subsea cables that connect to the domestic backbone of Converge are laid out in a way that there is redundancy in the network, assuring service availability even in the case of fiber cuts.

Converge interconnected Visayas and Mindanao during Phase 1 of its domestic subsea backbone rollout, first landing in Bogo, Cebu and Cagayan De Oro. Then in Phase 2, re-entered Visayas through Roxas

City, Capiz in Panay Island and Mindanao through Buenavista, Agusan del Norte - closing the loops in its network. This is supported by 20 cable landing stations across the archipelago.

Continued Investment in Network Upgrades to Deliver Best Results

Beyond expanding our network to reach an increasing number of households in the Philippines, Converge is actively investing in network equipment upgrades and backbone network redundancies to ensure reliable services to its customers.

During the quarter, the Company has completed its North Luzon fiber optic loop that ensures improved reliability and availability of service in the region. This loop makes the network in the region completely redundant, which ensures continued service in case there's an interruption in one part of the network.

"We are happy to announce that our fiber network in the region is now completely redundant. This means if there should be a fiber break in the area, services will continue," Converge CEO Dennis Anthony Uy said. *"Amid the continued community quarantine restrictions and lockdowns, Filipinos consume more and more bandwidth at home for work, school, and entertainment. Thus, we aim to cater to the growing demand across the country, including North Luzon."*

As part of strengthening its foothold in North Luzon, Converge said it is set to finish the total fiberization of Pangasinan and La Union this month as it reaches the major cities and municipalities in these provinces where broadband services are urgently needed.

With these improvements in place, Converge was able to deliver superior network availability for its subscribers. During the third quarter of this year, outage.report/ph reported that Converge experienced less than 500 network outages per month. Though the average number of outages per month is less than half of the outages of our closest competitor, Converge is focused on further reducing outage incidents to enhance customer satisfaction.

Key Enterprise Business Wins in 3Q2021

Converge secured multiple enterprise business contracts during the last three months resulting in a 8.5% YoY revenue growth of the Enterprise Business. One key growth driver came from our Enterprise Wholesale business, where Converge is re-selling bandwidth capacity on its local and international fiber cables to enterprise and telecom clients on a wholesale basis.

A recent win for our local wholesale business is one of the biggest cable TV and broadband service providers in the VisMin regions. Our contract to provide 10Gbps of bandwidth capacity is a result of our investment in our national domestic backbone – allowing us the cater to businesses outside Luzon. Also, Converge won a bid to provide 20Gbps international connectivity for a local government institute's research arm to access contents from the United States. This one-year contract will help boost enterprise revenues by more than ₱50 million. Lastly, Converge won its largest bandwidth wholesale contract so far where the Company will connect 100Gbps of capacity between Singapore and the Philippines for two years. This contract will support the growth of our wholesale business as we regionalize our presence and strategies.

Converge incorporated Converge ICT Singapore Pte. Ltd., a wholly owned subsidiary in Singapore in the third quarter of this year. The subsidiary which will focus on the marketing and selling of international cable capacity for our wholesale business. As Converge is increasing its investment in local and international cable systems, we expect that the Enterprise Wholesale business will represent an important growth driver of our Enterprise Business.

Cloud Connectivity Services Now Offered to Enterprise Customers

Following the launch of Converge Business, which will be the Company's umbrella brand for all business connectivity, data transport, and other ICT solutions for SMEs, conglomerates, and large enterprises, Converge also introduced cloud connectivity services for its Converge Business customers.

The Cloud Upload Booth allows customers to upload large files into cloud service provider platforms, at a working space located at Reliance IT Center in Pasig City. This removes the need to go to cloud regions such as Singapore just to upload large files. Users would have access to a Windows PC with a LAN-based internet connection of 10Gbps.

The Cloud Direct Connect, meanwhile, is a service that would connect the enterprise customer's local IT infrastructure to a cloud service provider. This link is done in partnership with global firm Equinix, without crossing the internet.

"As the only pure end-to-end fiber technology provider in the country, we are committed to offering beyond just a public network. These innovative cloud connectivity services are a testament to our commitment to enterprises to help grow their businesses," said Converge Chief Operations Officer Jesus Romero.

Continued Commitment to Improving Customer Experience

The Company continues to commit to providing 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 3Q2021, Converge installed more than 93% of new NCR subscribers within seven days and 60% within one day of application, respectively.

With the ongoing regional expansion, the Company launched its One Nationwide Cellular Hotline aimed for subscribers outside Metro Manila to avoid incurring long distance charges. Through this cellular hotline, any subscriber from anywhere in the Philippines can reach the Company's contact agents without a need for a fixed telephone line.

Additionally, Converge launched self-service kiosks in its business centers in Luzon to reduce queue time of customers. This platform has multiple functionalities, including a click-to-call function that allows customers to interact directly with a Company representative without the need to line up inside the business center. Also, this kiosk can also assist customers in new line applications, viewing latest bills, raising tickets for technical complaints, and other aftersales requests.

Strengthened Commitment to Environmental, Social and Governance with Established Roadmap

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 established its Sustainability Roadmap with an organization structure that defines the key roles of the management team. With the Sustainability Commitment, Pillars, and Principles as building blocks, the Company has developed relevant short, medium, and long-term targets for key metrics. A few key ESG targets for the Company include:

Environment

- Zero solid waste being added to landfills by 2030
- 75% reduction in GHG emissions from purchased electricity by 2030
- Net zero by 2050, which is in line with the United Nations goal. To reach this goal, Converge will develop initiatives that will allow the Company to lessen its carbon emissions.

Social

- Improve average annual training hours per employee to 40 hours by 2022
- Implement programs to ensure diversity among employees at 70-30 male-to-female ratio by 2025

To meet these select short, mid, and long-term targets, the Company has been implementing multiple initiatives.

Environment

- On September 26, 2021, Converge started transitioning to renewable energy to power its main office in Pasig City as it aims to pursue greener options in its operations. The Company committed to purchase a total of 2.5 megawatts (“MW”) of geothermal energy up to 2023 from pioneering clean energy company First Gen Corporation.

“The clean energy that First Gen will provide for our head office in Pasig complements our business in more ways than one. It reflects our choices as a responsible company that wishes to do its share for the environment,” said Converge CEO Dennis Anthony Uy in a virtual signing ceremony held recently.

- The Company contracted an energy solutions platform provider for energy efficiency data analytics for its main office. The online dashboard provides vendor analysis in different regions for informed decision making on future partnerships under the RCOA program, on top of real-time measurement of energy consumption through meter reading. With this data analytics platform, the Company can economically and gradually shift to renewable energy sources for its offices and business centers.
- Converge entered into a three-year partnership with the Abacan River and Angeles Watershed Advisory Council and a local Aeta community group for the rehabilitation and protection of the Angeles watershed which is the source of clean water for the city and the province of Pampanga.

Social

- Converge entered into several partnerships during the third quarter to extend our services in the digitalization of educational programs. Converge partnered with the San Juan City local government to help students, families, and educators in the city adapt to the learn-from-home environment amid mobility restrictions during the pandemic. A culmination of these efforts is the activation of free fiber optic connectivity to the digital learning platforms for over 12,000 public school students in 6,000 households.
- The Company also started providing connectivity and digital support to students of the Philippine Science High School (“PSHS”) at four provincial learning hubs to help enable blended learning in the country’s top science high school amid the pandemic.
- Due to the ongoing pandemic, the Company has encouraged its employees to get vaccinated for safety of both the employees and the customers. As of September 30, 2021, almost 85% of employees have been inoculated with at least one dose of Covid-19 vaccine either through the government-sponsored program or company-sponsored vaccination drives.

- The Company launched Converge University, which aims to standardize processes, establish best practices, and share and hone skills of employees that require these. The training sessions ensure that services are provided to our subscribers at a top notch level throughout the country, regardless of where the subscriber resides. Agents and other contractual workers are also provided training under Converge University.

Governance

- To strengthen the Company's data privacy framework, Converge segregated the Data Protection Officer ("DPO") function with the Information Technology role and added experienced and competent data privacy professionals to boost the team's manpower. Additionally, a series of campaigns were launched to refresh employees of the policies in protecting personal information. This ensures that employees are up-to-date on and strictly complies with all relevant company policies regarding data privacy.
- The Company's Board Risk Oversight Committee has approved the Enterprise Risk Management ("ERM") Policy. The policy outlined the ERM framework, which was based on ISO 31000:2018, and details the process, tools, and techniques in managing different types of risks. Due to uncertainties in both internal and external environments, the Company needs to quickly identify and actively manage risks to either increase shareholder value and enhance its competitive advantage or minimize losses and damages.

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ANNEX

Exhibit 1: Summary Statement of Comprehensive Income

	For the nine months ended September 30				For the three months ended September 30			
	2021	2020	YoY change	YoY change %	2021	2020	YoY change	YoY change %
Revenues	18,831	10,677	8,154	76%	7,050	4,187	2,862	68%
<i>Residential</i>	16,374	8,413	7,961	95%	6,162	3,435	2,727	79%
<i>Enterprise</i>	2,457	2,264	192	9%	887	752	135	18%
Cost of services.....	(7,461)	(4,944)	(2,518)	51%	(2,636)	(1,926)	(711)	37%
Gross profit	11,370	5,733	5,636	98%	4,413	2,262	2,152	95%
General and administrative expenses.....	(3,272)	(1,771)	(1,501)	85%	(1,148)	(695)	(453)	65%
Provision for impairment of trade and other receivables....	(778)	(491)	(287)	58%	(254)	(166)	(87)	52%
Other income (loss), net	(132)	125	(257)	N/M	(310)	52	(361)	N/M
Profit from operations	7,188	3,597	3,591	100%	2,702	1,452	1,250	86%
Finance costs	(448)	(454)	6	-1%	(184)	(107)	(77)	72%
Profit before income tax	6,740	3,142	3,598	114%	2,518	1,345	1,173	87%
Income tax expense	(1,542)	(952)	(589)	62%	(572)	(414)	(158)	38%
Profit after income tax for the year/ period	5,198	2,190	3,008	137%	1,946	931	1,015	109%
Other comprehensive income.....	-	(19)	19	100%	-	-	-	-
Total comprehensive income	5,198	2,171	3,028	139%	1,946	931	1,015	109%
Profit after income tax	5,198	2,190	3,008	137%	1,946	931	1,015	109%
Finance costs	448	454	(6)	-1%	184	107	77	72%
Income taxes	1,542	952	589	62%	572	414	158	38%
Depreciation and amortization – cost of services	2,565	1,651	914	55%	937	700	237	34%
Depreciation and amortization – general and administrative expenses.....	157	106	51	48%	55	23	31	133%
Amortization of subscriber acquisition costs	461	222	239	108%	183	87	96	111%
EBITDA	10,371	5,576	4,795	86%	3,877	2,262	1,615	71%
EBITDA Margin	55.1%	52.2%			55.0%	54.0%		

Exhibit 2: Quarterly Operational Performance Summary

	2020				2021			QoQ Growth
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	3Q2021 vs 3Q2020
Residential								
Revenues	2,287	2,691	3,435	4,215	4,797	5,415	6,162	79%
FTTH	1,614	1,992	2,679	3,509	4,086	4,771	5,571	108%
HFC	673	698	756	707	711	644	590	-22%
Customers	615,466	731,563	900,531	1,038,321	1,181,723	1,355,079	1,576,759	75%
FTTH	405,784	512,597	673,005	822,791	964,644	1,139,290	1,363,681	102%
HFC	209,682	218,966	227,526	215,530	217,079	215,789	213,078	-6%
Homes Passed	3,599,533	4,111,661	5,112,591	6,177,845	7,172,033	8,303,553	9,610,861	88%
FTTH ⁽¹⁾	2,789,112	3,301,240	4,281,768	5,342,008	6,330,536	7,462,056	8,768,296	105%
HFC ⁽²⁾	810,421	810,421	830,823	835,837	841,497	841,497	842,565	1%
Ports	2,204,977	2,461,041	2,971,707	3,506,841	4,006,765	4,572,525	5,226,713	76%
FTTH ⁽³⁾	1,394,556	1,650,620	2,140,884	2,671,004	3,165,268	3,731,028	4,384,148	105%
HFC ⁽⁴⁾	810,421	810,421	830,823	835,837	841,497	841,497	842,565	1%
Household Coverage⁽⁵⁾ (%)	14.5%	16.6%	20.6%	24.5%	28.3%	32.5%	37.6%	83%
ARPU⁽⁶⁾	1,284	1,287	1,352	1,408	1,390	1,372	1,346	0%
FTTH	1,417	1,405	1,467	1,516	1,481	1,455	1,424	-3%
HFC	1,046	1,033	1,046	1,044	1,014	967	891	-15%
Customer Churn⁽⁷⁾ (%)	0.39	1.08	1.63	1.35	1.16	1.11	1.32	-19%
FTTH	0.34	0.78	1.28	0.61	1.14	0.97	1.32	3%
HFC	0.49	1.74	2.55	3.84	1.27	1.79	1.34	-48%
Port Utilization⁽⁸⁾ (%)	27.9	29.7	30.3	29.6	29.5	29.6	30.2	0%
FTTH	29.1	31.1	31.4	30.8	30.5	30.5	31.1	-1%
HFC	25.9	27.0	27.4	25.8	25.8	25.6	25.3	-8%
Enterprise								
Revenues	734	778	752	760	750	819	887	18%
Customers	10,378	10,498	10,953	11,090	12,400	17,539	21,425	96%
ARPU⁽⁹⁾	23,910	26,569	21,675	23,002	21,269	18,247	15,175	-30%
Customer Churn⁽¹⁰⁾ (%)	0.30	0.33	0.49	1.61	0.72	0.35	1.42	189%

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 Scot 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 nine months ended September 30				For the three months ended September 30			
	2021	2020	YoY change	YOY change %	2021	2020	YoY change	YoY change %
	(in ₺ millions)							
Depreciation and amortization.....	2,565	1,651	914	55%	937	700	237	34%
Network materials and supplies used.....	1,546	807	739	91%	552	314	237	76%
Amortization of deferred contract cost.....	1,220	533	687	129%	472	217	256	118%
Bandwidth and leased line costs.....	763	998	(235)	-24%	248	355	(107)	-30%
Service fees	449	443	7	2%	133	147	(13)	-9%
Personnel costs.....	391	225	166	74%	102	97	5	5%
Rent.....	257	98	159	163%	109	41	69	169%
Repairs and maintenance expense	160	104	55	53%	39	27	13	47%
Utilities	82	60	23	38%	36	21	15	72%
Others	27	25	2	10%	8	8	-	-
Total cost of services	(7,461)	(4,944)	(2,518)	51%	(2,636)	(1,926)	(711)	37%
Gross profit	11,370	5,733	5,636	98%	4,413	2,262	2,152	95%
Gross profit margin	60.4%	53.7%			62.6%	54.0%		

	For the nine months ended September 30				For the three months ended September 30			
	2021	2020	YoY change	YOY change %	2021	2020	YoY change	YoY change %
	(in ₺ millions)							
Personnel costs.....	1,030	758	272	36%	311	277	34	12%
Managed service fees ⁽¹⁾	557	128	429	335%	222	47	175	372%
Outside services.....	363	110	254	231%	155	49	106	214%
Taxes and licenses	280	82	198	243%	90	36	54	149%
Promotions	205	41	164	398%	118	8	111	N/M
Depreciation and amortization.....	157	106	51	48%	55	23	31	133%
Repairs and maintenance.....	146	103	43	41%	64	30	34	116%
Office supplies	62	12	50	409%	22	4	18	400%
Utilities	76	60	17	28%	28	31	(4)	-11%
Other general and administrative expenses...	394	371	23	6%	82	189	(106)	-56%
Total G&A expenses	(3,272)	(1,771)	(1,501)	85%	(1,148)	(695)	(453)	65%
Provision for impairment of receivables.....	(778)	(491)	(288)	59%	(254)	(167)	(87)	52%
Other income/(expenses).....	(132)	125	(257)	N/M	(310)	52	(361)	N/M
Operating profit	7,188	3,597	3,591	100%	2,702	1,452	1,250	86%
Operating profit margin	38.2%	33.7%			38.3%	34.7%		

Note:

(1) Previously referred to as commission expense

Exhibit 4: Other Income/(Expenses) Statement Items

	For the three months ended September 30							
	2021	2020	YoY change	YoY change %	2021	2020	YoY change	YoY change %
	(in ₹ millions)							
Net foreign exchange gain/(loss).....	(223)	117	(340)	N/M	(338)	48	(386)	N/M
Gain on transfer of network materials.....	20	31	(10)	-34%	7	24	(16)	-70%
Interest income - cash and cash equivalents.....	32	30	2	6%	0	4	(4)	-90%
Miscellaneous income/(expense).....	39	(53)	92	N/M	21	(24)	45	N/M
Total Other income/(expense), net	(132)	125	(257)	N/M	(310)	52	(361)	N/M
Operating profit	7,188	3,597	3,591	100%	2,702	1,452	1,250	86%
Finance cost.....	(448)	(454)	6	-1%	(184)	(107)	(77)	72%
Profit before income tax.....	6,740	3,142	3,598	114%	2,518	1,345	1,173	87%
Income tax expense.....	(1,542)	(952)	(589)	62%	(572)	(414)	(158)	38%
Net income	5,198	2,190	3,008	137%	1,946	931	1,015	109%
Net income margin	27.6%	20.5%			27.6%	22.2%		

Exhibit 5: Summary Balance Sheet

	As of the period			
	Sept 30 2021	Dec 31 2020	Change	Change %
(in ₪ millions)				
Current assets	21,441	21,271	171	0.8%
Cash and cash equivalent.....	9,647	12,957	(3,310)	-26%
Trade and other receivables, net.....	3,080	2,173	907	42%
Network materials and supplies.....	3,392	2,031	1,361	67%
Other current assets.....	5,322	4,109	1,213	30%
Noncurrent assets	53,992	35,441	18,551	52%
Property, plant and equipment, net.....	43,594	28,127	15,467	55%
Right-of-use assets.....	1,912	1,859	53	3%
Intangible assets, net.....	1,287	1,155	132	11%
Other noncurrent assets.....	7,199	6,160	2,899	17%
Total assets	75,434	56,712	18,722	33%
Current liabilities	24,956	15,385	9,571	62%
Trade and other payables.....	19,838	13,253	6,585	50%
Loans payable, current portion.....	3,061	731	2,330	N/M
Other current liabilities.....	2,057	1,401	656	47%
Noncurrent liabilities	17,390	13,552	3,839	28%
Loans payable, net of current portion.....	15,037	10,583	4,454	42%
Other noncurrent liabilities.....	2,354	2,969	(616)	-21%
Total liabilities	42,347	28,937	13,410	46%
Total equity	33,087	27,775	5,312	19%
Total liabilities and equity	75,434	56,712	18,722	33%

Exhibit 6: Summary Cash Flow

	For the nine months ended June 30			
	2021	2020	YoY change	YoY change %
	(in ₱ millions)			
Cash flow from operating activities				
Profit before income tax.....	6,740	3,142	3,598	114%
Adjustments for operating income.....	5,573	3,167	2,406	76%
Adjustments for assets and liabilities.....	(4,029)	92	(4,122)	N/M
Cash from operations.....	8,284	6,402	1,882	29%
Interest received and income taxes paid.....	(1,342)	(1,390)	48	-3%
Net cash from operating activities	6,942	5,012	1,930	39%
Cash flow from investing activities				
Acquisition of property, plant, and equipment.....	(15,904)	(7,881)	(8,023)	102%
Others.....	(363)	(999)	636	-64%
Net cash (used in) investing activities	(16,268)	(8,880)	(7,388)	83%
Cash flow from financing activities				
Proceeds from loans payable.....	8,833	3,474	5,359	154%
Proceeds from issuance of convertible preferred shares.....	-	4,566	(4,568)	-100%
Payment of loans payable.....	(2,049)	(2,006)	(43)	2%
Others.....	(757)	(1,600)	843	-53%
Net cash from/(used in) financing activities	6,028	4,434	1,594	36%
Net increase/(decrease) in cash and cash equivalents	(3,299)	565	(3,864)	N/M
Cash and cash equivalents, beginning.....	12,957	6,233	6,724	108%
Effects of exchange rate changes in cash and cash equivalents.....	(12)	(64)	51	-81%
Cash and cash equivalents, ending	9,647	6,735	(2,912)	43%

Exhibit 7: Liquidity and Capital Resources

	September 30, 2021	December 31, 2020	Change (%)
Balance Sheet Data (in \$ millions)			
Total Assets	75,434	56,712	33%
Total Debt ⁽¹⁾	18,098	11,314	60%
Total Stockholders' Equity	33,087	27,775	19%
Financial Ratios			
Total Debt to EBITDA (gross)	1.5x	1.4x	
Total Debt to EBITDA (net)	0.7x	-0.2x	
Debt Service Coverage ⁽²⁾	4.3x	2.3x	
Interest Coverage (gross) ⁽³⁾	23.2x	14.9x	
Debt to Equity (gross) ⁽⁴⁾	0.5x	0.4x	
Debt to Equity (net) ⁽⁵⁾	0.3x	-0.1x	
Return on Invested Capital ⁽⁶⁾	21.7%	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			
	Sept 30, 2021	Sept 30, 2020	YoY Change	YoY Change %
	(in millions)			
Total additions to property, plant and equipment	18,160	10,090	8,070	80%
Total cash capital expenditures⁽¹⁾	15,904	8,775		
Cash capital expenditures⁽¹⁾ / Revenue	-84%	-82%		

Notes:

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

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