

January 13, 2022

Philippine Stock Exchange Inc.
6th Floor, PSE Tower 5th Avenue cor. 28th Street,
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Securities and Exchange Commission
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City

Attention: **Hon. Vicente Graciano P. Felizmenio, Jr.**
Director, Market and Securities Regulation Department

Subject: Summary of the Application of Proceeds from the Initial Public Offering

Ladies and Gentlemen,

In line with the Initial Public Offering (IPO) of Converge Information and Communications Technology Solutions Inc. (CNVRG) on October 26, 2020, we submit herewith our report on the application of the net proceeds from CNVRG Initial Public Offering amounting to **Seven Billion Seven Hundred Six Million Eight Hundred Thirty Six Thousand One Hundred Seventy Five Pesos (Php 7,706,836,175)**.

	(Actual in Php)
Gross Total Proceeds	8,078,111,009
Actual IPO Expenses	(371,274,834)
Net proceeds	7,706,836,175

The application of the net proceeds as of and for the quarter ended December 31, 2021 is broken down as follows:

(in Php)	Allocation of Actual net proceeds	Actual Remaining as of December 31, 2020	Actual disbursement				Actual Remaining as of December 31, 2021
			Q1 2021	Q2 2021	Q3 2021	Q4 2021	
Capital Expenditures	6,941,000,000	-	1,612,169,914	3,304,643,889	2,024,186,197	-	-
General Corporate Purposes	765,836,175	-	-	760,650,824	5,185,351	-	-
TOTAL	7,706,836,175	-	1,612,169,914	4,065,294,713	2,029,371,548	-	-



We trust that you find the foregoing in order.

Thank you very much.

Very truly yours,

A handwritten signature in black ink, appearing to read "Christine Blabagno", is written over the typed name and title.

Christine Renee R. Blabagno
Deputy CFO/Treasurer

Report of Factual Findings

To the Board of Directors and Shareholders of
Converge Information and Communications Technology Solutions, Inc.
 New Street Bldg., Mc Arthur Highway,
 Balibago, Angeles City, Pampanga

Dear Sirs:

We have performed the procedures agreed with you and enumerated below with respect to the Quarterly Progress Report as at December 31, 2021 and for the period from October 1, 2021 to December 31, 2021 (the "Report") dated January 13, 2022 on the application of net proceeds from the Initial Public Offering (IPO) of Converge Information and Communications Technology Solutions, Inc. (the "Company"). The procedures were performed solely to assist the Company comply with the requirement of the Philippine Stock Exchange (PSE) to submit an external auditor's certification on the information being presented by the Company relating to the application of the IPO proceeds. Our engagement was undertaken in accordance with Philippine Standards on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*.

The agreed-upon procedures and the results thereof are summarized as follows:

1. We have obtained and checked the mathematical accuracy of the Report. No exceptions noted.

		Amount (in million Philippine Peso)					Balance as at
		Actual disbursements					December 31,
Use of proceeds	Allocation	FY2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021
Capital expenditures	6,941.0	-	1,612.2	3,304.6	2,024.2	-	-
General corporate purposes	765.8	-	-	760.6	5.2	-	-
Total	7,706.8	-	1,612.2	4,065.2	2,029.4	-	-

2. We have reconciled the net proceeds received amounting P7,706.8 million based on the Report to the bank statement and accounting records. Actual net proceeds are lower than the net proceeds per Prospectus due to the higher actual offer-related expenses. Details are as follows:

		Amount (in million Philippine Peso)		
		Per Prospectus	Actual	Difference
Gross proceeds		8,078.1	8,078.1	-
IPO expenses		(365.9)	(371.3)	(5.4)
Total		7,712.2	7,706.8	(5.4)

No exceptions noted.

3. We have obtained the schedule showing the list of disbursements as at December 31, 2021 and reconciled the amount of disbursements to the amount based on the Report. We noted no further application of IPO proceeds for the period from October 1, 2021 to December 31, 2021. No exceptions noted.

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4. We have obtained written management's representation and noted that there were no reallocations made on the Company's planned use of IPO proceeds or any changes in the work program as disclosed in the final prospectus submitted to the PSE dated October 8, 2020 other than the result of the higher actual offer-related expenses which reduced the allocation of IPO proceeds for use in general corporate purposes by P5.4 million.

Because the procedures performed related to this Report do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), we do not express any assurance on the information detailed in the Report.

Had we performed additional procedures or performed an audit or review of the Company's financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the use and application of IPO proceeds as specified above and does not extend to the financial statements of the Company taken as a whole.

Isla Lipana & Co.

A handwritten signature in blue ink, appearing to read "Jan Michael L. Reyes".

Jan Michael L. Reyes
Partner

CPA Cert. No. 104972

PTR No. 0011393, issued on January 06, 2022, Makati City

SEC A.N. (individual) as general auditors 104972-SEC, Category A;

valid to audit 2020 to 2024 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2024 financial statements

TIN 215-692-059

BIR A.N. 08-000745-122-2019, issued on September 18, 2019; effective until September 17, 2022

BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
January 14, 2022