CONVERGE AT HIGH END OF RESIDENTIAL SUBSCRIBER GUIDANCE, RESULTING IN 69.2% Y.O.Y REVENUE GROWTH FOR FY2021, RECORD ANNUAL PROFITABILITY WITH ₱14.8Bn EBITDA (55.9% EBITDA MARGIN) AND ₱7.2Bn NET INCOME (27.0% NET INCOME MARGIN)

FY2021 Key Highlights

- **Converge continues to deliver significant growth and profitability in FY2021 with 69.2% YoY revenue growth and 80.1% YoY EBITDA growth**
- **EBITDA margins expanded significantly from 52.5% in FY2020 to record 55.9% in FY2021**
- **Net income after tax more than doubled YoY from ₱3,388 million in FY2020 to ₱7,158 million in FY2021**
- **Residential revenue grew 83.2% YoY driven by significant net subscriber growth**
- **4Q2021 residential subscriber gross additions at 163,000 and almost 115,000 net subscriber additions, bringing residential subscriber count to 1.7 million at the high end of management guidance**
- **FTTH port roll-out of almost 650,000 in 4Q2021 resulted to 42.7% household coverage across the Philippines and 64.4% household coverage in Luzon**
- **Maintained industry leading ROIC of 20.9% in FY2021**

***MANILA, Philippines, March 17, 2022* –** The Philippines' only pure-play high-speed fixed broadband operator, Converge Information and Communications Technology Solutions, Inc. (PSE: CNVRG) ("**Converge**") ended 2021 with 1,691,550 residential subscribers, a 63% increase from December 2020 reaching the high-end of its goal of 1.6-1.7 million subscribers. As the fastest growing fixed broadband operator in the Philippines, the Company deployed approximately 647,000 new fiber-to-the-home ("FTTH") ports during the last quarter of 2021, resulting to 2.4 million newly deployed FTTH ports during the full year 2021. As of December 31, 2021, Converge's nationwide network reached more than 10.9 million homes, representing a 42.7% household coverage, on track to reach the Company's accelerated target to cover approximately 55% of households in the Philippines by 2023.

Consistently Strong Financial Performance – Industry-leading Trifecta with 69.2% YoY Revenue Growth from FY2020 to FY2021, 55.9% EBITDA Margin and 20.9% ROIC

Continued Strong Revenue Growth driven by our Residential Business

With strong and continued subscriber take-up, consolidated revenues grew by 69.2% from ₱15,652 million in FY2020 to ₱26,479 million in FY2021. Revenues from our residential business grew by 83.2% from ₱12,628 million in FY2020 to ₱23,129 million in the same period of 2021, driven by a 63% YoY growth in our subscriber base and improving average monthly revenue per user ("ARPU") from ₱1,298 in FY2020 to ₱1,353 in FY2021. This ARPU uplift was due to the higher proportion of customers subscribed to fiber plans over HFC plans. On the other hand, enterprise revenues grew by 10.7% YoY, from ₱3,024 million to ₱3,350 million during the same period, mostly from the strong growth in the small and medium enterprise ("SME") and large enterprise segments.

During the last three months of 2021, Converge had 163,215 quarterly gross adds and 114,791 quarterly net adds. Coupled with the lowest monthly churn rate of 0.99% in 4Q2021 (1.15% for FY2021) since we became a listed company, we met the high end of our residential subscriber target of 1.6-1.7 million subscribers, ending the year with 1,691,550 active residential customers. This is 63% higher than our December 31, 2020 residential subscriber base of 1,038,321.

Reflecting the high unserved demand for fixed broadband connectivity services in the Philippines, we estimate that c. 95% of our new subscribers nationwide in FY2021 were first time fixed broadband users.

Revenues from our enterprise business grew by 10.7% YoY. The SME business continued to grow its customer base to 22,130 by December 31, 2021, almost tripling the number of SME customers as of December 31, 2020. Revenues from large enterprise customers likewise contributed to the enterprise business growth in the last three months of the year, growing by 8.0% YoY as this segment is gradually recovering from a slowdown during the pandemic.

Maintained Strong Profitability Growth in FY2021 driven by Increased Scale and Cost Management Initiatives

Converge once again achieved a record annual EBITDA of ₱14,803 million in FY2021, representing an increase of 80.1% from the previous year. As a result, Converge was able to improve its record consolidated EBITDA margin to 55.9% in FY2021, higher than the 52.5% in the prior year.

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 lower bandwidth and leased line cost margin from 6.0% of total revenues in FY2020 to 3.8% of total revenues in FY2021. Other cost items such as network materials and supplies used grew faster, by 31.2% from FY2020 to FY2021 due to the ongoing subscriber acquisitions. Likewise, the Company invested in service fees paid to Managed Service Providers and marketing costs related to launching in new service areas. However, with increased operating leverage, Converge was able to reduce some of its costs as a percentage of revenue, such as total personnel costs from 9.3% in FY2020 to 6.4% in FY2021. These factors resulted in operating profits increasing from ₱5,429 million in FY2020 to ₱10,039 million in FY2021, increasing operating profit margins from 34.7% to 37.9%.

Net income after tax yet again more than doubled from ₱3,388 million in FY2020 to ₱7,158 million in FY2021, resulting in a significant increase in Net Income margins from 21.6% to 27.0%. 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% with Converge's effective tax rate dropping from 30.6% in FY2020 to 25.1% in FY2021.

Industry Leading ROIC and Strong Balance Sheet

Despite accelerated capital expenditures in FY2021 of ₱25.2 billion at the high end of our guidance, Return on Invested Capital ("ROIC") continued to expand as net income grew higher than our invested capital. Converge recorded a 20.9% ROIC in FY2021 from 20.0% during FY2020. This industry-leading performance is a result of Converge's record annual net profits in FY2021 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's blended port utilization ratio as of December 31, 2021 was at 28.9%. Of the 4Q2021 FTTH ports deployed, around 16.5% were rolled out in Visayas and Mindanao ("VisMin"), as we are actively expanding into these new markets, while continuously deepening our presence in Luzon.

As of December 31, 2021, the Company had achieved an average utilization of 34.7% on all FTTH ports deployed nationwide in the month of December 2020 (12 months after deployment) and an average utilization of 53.1% on all FTTH ports deployed in the month of June 2020 (18 months after deployment). This rapid utilization pick-up on our deployed ports, together with increased capex efficiencies and strong bottom-line profitability allow us to achieve our industry leading ROIC.

Converge has been able to maintain its strong balance sheet and cash flows with ample liquidity and gearing comfortably within bank covenants, as we drew down from available facilities to finance the significant network expansion done during the fourth quarter. The Company's net debt position (as measured by total financial debt less cash and cash equivalents) increased from ₱8,451 million as of September 30, 2021 to ₱11,762 million as of December 31, 2021. The Company availed of a total of ₱10,818 million in new debt in FY2021 offset by repayments and amortizations amounting to ₱2,286 million. The Company's debt service coverage ratio ("DSCR") was 4.4x and the gross debt position as a percentage of total equity was 56.8%, well above the required financial covenants from its debt facilities. Converge's total undrawn debt facilities amounted to ₱21,500 million (~US$426 million) as of December 31, 2021. Converge has signed a term-sheet for an additional debt facility during the first quarter of 2022 amounting to ₱10.0 billion. This will further increase the available liquidity the Company can prudently utilize. Our weighted average cost of debt from drawn debt facilities decreased from 5.1% as of December 2020 to 4.3% in December 2021, reflecting a lower interest rate environment and increased strength of Converge's credit profile.

Our strong credit profile is also reflected in the PRS AAA credit rating (with Stable outlook) from PhilRatings on Converge which was released in December 2021 for its upcoming maiden bond issuance also supported the Company's strong credit profile. Converge is expecting to issue long-term Philippine Peso denominated bonds with an aggregate principal amount of up to ₱5 billion with an Oversubscription Option of up to another ₱5 billion within March 2022 as a first tranche of its shelf registration with the SEC of up to an aggregate principal amount of ₱20 billion. We believe that our long-term debt facilities with eight commercial banks, together with the Company's available cash, upcoming bond issuance proceeds, and increasing operating cash flows, provide Converge with sufficient headroom to execute its capital expenditure plans in the mid-term.

Expansion of Backbone Network and Completion of the Nationwide Subsea Cable Network

Almost 13,500 kilometers of fiber optic cable were added to our backbone during 4Q2021 – the longest quarterly expansion of our backbone so far. As of December 31, 2021, our backbone has now expanded to more than 103,000 kilometers, almost double of our December 31, 2020 backbone length of 55,000 kilometers. Our network has passed through 495 cities and municipalities nationwide as of December 31, 2021. During the first quarter of 2022, the Company has soft launched in multiple areas in Visayas and Mindanao, including Bukidnon, Agusan Del Norte, and Bohol.

The Company also completed its domestic submarine cable project that connects the country's major islands from Luzon to the Visayas and Mindanao through its national fiber backbone during 4Q2021. This is supported by 20 cable landing stations across the archipelago. 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 designed to provide redundancy in the network, assuring service availability even in the case of fiber cuts.

Continued Investment in Network Hardening and Deepening of Vertical Connectivity Footprint

In December 2021, Converge has completed the 'Mindanao redundancy loop' that runs through the region, further strengthening the 103,000-kilometer pure fiber backbone. The redundancy loop is a network structure that fortifies the primary route of the network by adding a secondary path for data to pass through in case of a failure in the main route. This makes sure there's no service downtime and the connection of our subscribers remains unhampered.

"*As we continue to pursue our Go National strategy through 2022, we want to make sure that we have high service availability for our subscribers in Visayas and Mindanao. With the redundancy ring completed, we're significantly reducing the chances of service outages since we now have an alternative network route in place. The whole Philippine digital highway is now strongly protected against cable breaks*," said Converge CEO and Co-Founder Dennis Anthony Uy.

Aside from strengthening our network infrastructure and expanding to new service areas, Converge is also intensifying its expansion in vertical connectivity. In FY 2021, Converge further grew its portfolio of wired buildings and condominiums by nearly 800 buildings.

Speed Upgrades and Network Improvements Resulting in Recognition of Converge as Fastest and Most Consistent ISP in the Philippines

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. Three new FiberX plans were rolled 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. This strengthens Converge's commitment to provide the fastest broadband services with the best value. With these upgraded speeds, we continue to equip our subscribers to adapt to the rapid transition to the digital lifestyle – including leisure, work, and education.

With the multiple improvements implemented on its network, Converge has once again been recognized by independent third-party rating platforms as the fastest and most consistent ISP in the Philippines.
The Netflix ISP Speed Index ranked Converge first in terms of prime-time Netflix streaming performance during all three months of 4Q2021. With video streaming as one of the most intensive uses of internet capacity, the consistent ranking of Converge in Netflix's ISP Speed Index shows that our investments in hardening and technological improvements in our infrastructure is effective.

Ookla recognized Converge as the most consistent fixed internet provider in all eight regions where it has presence, including Metro Manila, for all four quarters in 2021. The Ookla report stated that Converge's fourth quarter 2021 consistency score also showed improvement from the same year's first quarter score of 72.8% to 82.2%. The consistency score is measuring the percentage of a provider's samples that equals or exceeds a fixed threshold of 25Mbps download and 3Mbps upload. With the thousands of consumer-initiated tests taken with Speedtest®, Converge results showed a median latency rate of 4 milliseconds and a jitter rate of 2 milliseconds for the last quarter of 2021. The median latency rate measures how quickly a device gets a response after a user sends out a request, while the jitter rate measures the delay between when a signal is transmitted and when it's received.

Converge Connects its First 10GPON Customer

Converge has connected its first customer running on the next-generation FTTX network called 10GPON or technically known as XGS-PON. This technology can provide symmetric upload and download speeds up to 10 Gigabits per second (Gbps) with an average speed of 8Gbps – an industry-first in the Philippines. Driven by more bandwidth-hungry applications, more users, and more devices, most fiber access networks today use GPON technology to keep with the increasing demand. Committed to providing world class internet in the country, Converge brings it to another level by not just offering GPON, but a XGS-PON network to its business clients, similar to what first world countries are currently using.

With a 10GPON network and high consistency score, customers can access the services they need in real time, with close to zero delays. Businesses can expect to reduce traffic jams on their networks, allow the storage and transfer of data instantaneously, and trust that their fiber-powered GPON connectivity will be consistent when they need it most.

Fully Redundant International Subsea Cable Network

Converge boosted its international network capacity by an additional 1.3 Terabits per second ("Tbps") in the C2C cable system, making its submarine cable configuration fully redundant. The C2C cable system is a part of the EAC-C2C (East Asia Crossing-City to City) network, Asia's largest privately owned submarine cable network, that stretches to 17,000 km. This cable system connects the Philippines to major data hubs like Hong Kong, Taiwan, Singapore, Japan, Korea, and China.

With the additional 1.3Tbps capacity on C2C going to our points of presence, customers are assured that the connections are now fully redundant – guaranteeing network availability even in the event of a submarine cable outage. As submarine fiber cuts take weeks to be repaired, having a resilient network benefits business customers more than ever, since this ensures continuity of operations with little to no opportunity loss. The additional investments in its international network will significantly increase internet speeds and network diversity and reliability for businesses and consumers in the Philippines.

"*It is our vision to make the Philippines a digital hub in Asia and securing much needed international bandwidth is key to realizing this vision. We're strengthening our international capacity portfolio in anticipation of tremendous demand in data in the coming years within and outside of Asia. This is a step in future-proofing our international network, especially as we have started with our Wholesale business,"* says Mr. Uy.

Disaster-Proofing Initiatives and Disaster Recovery

Last December 2021, Typhoon Odette struck the Philippines and caused massive casualties and infrastructure damage – mostly in the Visayas and Mindanao regions. Though Converge's footprint in these areas are still relatively smaller compared to its presence in Luzon, Converge's local network operations were still affected.

"*We've had a lot of hard-earned lessons from super typhoon Odette, particularly on 'disaster-proofing' the network. With downed poles and infrastructure still a problem in Cebu, there are challenges in restoring connection. We want to make sure that we will be better prepared in the face of future calamities*," said Mr. Uy.

As the fiber lines of Converge are connected through electric poles, and some streets are still impassable, last-mile connection to the homes of subscribers have been difficult to establish. Although Converge's own network equipment is ready for service, the infrastructure of utility companies that are needed to bridge the connection subscribers' homes are still being repaired. In response, Converge said it is planning to use its micro-trenching technology to put key connectivity elements underground, doing away with the need to rely on poles which are prone to damage during typhoons.

While communication networks are still being restored, Converge has diversified ways to establish alternative means of connection in the devastated areas: In the typhoon's landing point, Siargao, Converge immediately deployed very small aperture terminals or satellite connectivity to provide broadband service to the island's communities. Converge has also installed Wi-Fi hubs and charging stations to the affected communities through partnerships with local government units including Mandaue City, Cebu City, Talisay, and Lapu-Lapu in Cebu province; Tagbilaran City in Bohol; and will roll out in more affected areas.

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 digitalizing the journey of our customers.

During the first quarter of 2022, Converge launched its new GoFiber.ph web portal and the new GoFiber app, for a full-feature, one-stop shop experience, from application to payment and other customer services. The revamped GoFiber.ph website features a more intuitive design that allows new and existing customers to easily navigate and find the information they need. For new customers, the all-new GoFiber.ph offers easier application process and faster transactions. The web page allows potential customers to check if their area is already serviceable and apply for a line.

The web portal and app also offer a more customized experience for customers. Upon logging in their accounts, they will be able to view their dashboard that features their account details and easy payment portal. In addition, they can view the status of their modems in terms of number of devices connected, the temperature, and signal strength.

To further assist our customers, Converge has also opened additional business centers for live inquiries with our contact agents. In 2021, we have 21 additional operational business centers where potential and existing customers can reach out to for assistance beyond the digital options. In the first quarter of 2022, eight additional business centers are in the pipeline throughout the country to further boost our presence in these areas.

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. In April 2022, the Company will be publishing its maiden separate Sustainability Report that will discuss these initiatives and targets in more detail.

During 4Q2021 until the first three months of 2022, Converge has launched several sustainability initiatives to better observe industry best practices, including:

Delighting customer by taking care of our own

- The Company launched Converge University's Learning Management System to provide employees with easier access to course content via digital channels.
- Customer interruption times were improved via the streamlining of coordination processes. Special contact persons for regional backbone interruptions were implemented.

Giving back to our planet

- FGEN was tapped to provide 2.5 MW of geothermal energy to power main Pasig office, resulting in 100% switch to renewable energy for its main office
- Energy data analytics now being integrated in major company premises to maximize and streamline energy usage
- Data centers in Clark and Pasig now fully green-powered, in view of supporting the Company's overall shift to more sustainable sources of energy, resulting in over PHP 2 million worth of cost savings per year

Operating a sustainable company and leading it with integrity and good governance

- An Enterprise Risk Management ("ERM") system was established – complete with a comprehensive risk policy and operational framework.
- Converge launched its Whistleblowing platform in March 2022. This third-party platform puts in place additional confidentiality measures on the identity of the whistleblower and his/her protection against retaliation.
- A comprehensive 3rd party code of conduct that covers compliance, labor and human rights, and data privacy topics was implemented to strengthen overall supply chain management. Adherence to the code of conduct is ensured via a through due diligence accreditation process for both existing and new suppliers and vendors.
- A comprehensive sustainability web page was launched which covers Converge's sustainability commitments, goals, initiatives, and governance structures. Sustainability and CSR related news articles may also be read via the web page.

Creating positive community impact

- Donation of cash, tablet devices, and extension of 1-year long free fiber-connectivity to various non-profit organizations such as Children's Home of Eucharistic Love and Kindness, and KREations
- Disaster relief operations for victims of Typhoon Odette, and extension of free fiber-connectivity to affected areas
- With the onslaught brought about by Typhoon Odette, Converge has reached out to affected communities and provided disaster relief operations with donations and free fiber connectivity.
- The Company continues to intensify its network security systems as part of efforts to help make the internet a safer place, especially for children. Until January 2022, over 20,000 websites featuring child sexual abuse imagery have been blocked on the Converge network, effectively curbing the heavy traffic to these illicit sites.

2022 Consolidated Outlook

Converge is on track to reach its adjusted goal of approximately 55% nationwide household coverage by 2023, two years earlier than promised during the IPO. We expect to spend approximately ₱26-28 billion in capital expenditures in 2022, which will include deepening of our network infrastructure throughout the country, as well as deployment of additional FTTH ports nationwide. Other key capital expenditure initiatives in FY2022 will include selected investments into international subsea cables and enhancement of our IT systems.

We expect that strong demand for reliable high-speed broadband will result in continuous growth of our residential subscriber base to approximately 2.4 million by the end of 2022. We also project demand from enterprise customers, including small-medium enterprises, to accelerate during the year, with the lowering of mobility restrictions to Alert Level 1. Revenue from enterprise business is expected to grow by c. 20% YoY, resulting in a consolidated revenue growth of c. 50% for FY2022.

Driven by prudent cost management and increased economies of scale, we believe that Converge will be able to continue to maintain industry leading EBITDA margins of c. 55%. The Company also expects to at least maintain ROIC levels at above 20% with strategic network roll-out.

This press release 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.

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CONVERGE ICT SOLUTIONS INC.

ANNEX

Exhibit 1: Summary Statement of Comprehensive Income

	For the twelve months ended December 31				For the three months ended December 31			
	2021	2020	YoY change	YoY change %	2021	2020	YoY change	YoY change %
	(in ₱ millions)							
Revenues	26,479	15,652	10,826	69%	7,647	4,975	2,672	54%
Residential	*23,129*	*12,628*	*10,501*	*83%*	*6,754*	*4,215*	*2,539*	*60%*
Enterprise	*3,350*	*3,024*	*324*	*11%*	*892*	*760*	*132*	*17%*
Cost of services	(10,507)	(7,065)	(3,443)	49%	(3,046)	(2,121)	(925)	44%
Gross profit	15,971	8,588	7,384	86%	4,602	2,854	1,748	61%
General and administrative expenses	(4,771)	(2,772)	(1,998)	72%	(1,498)	(1,001)	(497)	50%
Provision for impairment of trade and other receivables	(1,005)	(720)	(285)	40%	(227)	(230)	3	-1%
Other income (loss), net	(157)	334	(491)	N/M	(26)	220	(246)	N/M
Profit from operations	10,039	5,429	4,610	85%	2,851	1,832	1,019	56%
Finance costs	(486)	(550)	(65)	-12%	(38)	(96)	58	-60%
Profit before income tax	9,553	4,879	4,674	96%	2,813	1,736	1,077	62%
Income tax expense	(2,395)	(1,491)	(904)	61%	(853)	(539)	(314)	58%
Profit after income tax for the year/ period	**7,158**	**3,388**	**3,770**	**111%**	**1,960**	**1,198**	**762**	**64%**
Other comprehensive income	35	(47)	82	N/M	35	(28)	63	N/M
Total comprehensive income	7,193	3,341	3,852	115%	1,995	1,170	825	71%
Profit after income tax	7,158	3,388	3,770	111%	1,960	1,198	762	64%
Finance costs	486	550	(65)	-12%	38	96	(58)	-60%
Income taxes	2,341	1,491	851	57%	853	539	314	58%
Depreciation and amortization – cost of services	3,748	2,303	1,445	63%	1,184	652	532	82%
Depreciation and amortization – general and administrative expenses	337	156	181	116%	179	50	129	258%
Amortization of subscriber acquisition costs	679	330	349	106%	218	108	110	102%
EBITDA	**14,803**	**8,218**	**8,432**	**80%**	**4,432**	**2,643**	**1,789**	**68%**
EBITDA Margin	***55.9%***	***52.5%***			***57.9%***	***53.1%***		

Exhibit 2: Quarterly Operational Performance Summary

	2020				2021				QoQ Growth
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4Q2021 vs 4Q2020
Residential									
Revenues	**2,287**	**2,691**	**3,435**	**4,215**	**4,797**	**5,415**	**6,162**	**6,754**	**60%**
FTTH	1,614	1,992	2,679	3,509	4,086	4,771	5,571	6,215	77%
HFC	673	698	756	707	711	644	590	539	-23%
Customers	**615,466**	**731,563**	**900,531**	**1,038,321**	**1,181,723**	**1,355,079**	**1,576,759**	**1,691,550**	**63%**
FTTH	405,784	512,597	673,005	822,791	964,644	1,139,290	1,363,681	1,476,223	79%
HFC	209,682	218,966	227,526	215,530	217,079	215,789	213,078	215,327	0%
Homes Passed	**3,599,533**	**4,111,661**	**5,112,591**	**6,177,845**	**7,172,033**	**8,303,553**	**9,610,861**	**10,917,537**	**77%**
FTTH(1)	2,789,112	3,301,240	4,281,768	5,342,008	6,330,536	7,462,056	8,768,296	10,063,064	88%
HFC(2)	810,421	810,421	830,823	835,837	841,497	841,497	842,565	854,473	2%
Ports	**2,204,977**	**2,461,041**	**2,971,707**	**3,506,841**	**4,006,765**	**4,572,525**	**5,226,713**	**5,886,005**	**47%**
FTTH(3)	1,394,556	1,650,620	2,140,884	2,671,004	3,165,268	3,731,028	4,384,148	5,031,532	88%
HFC(4)	810,421	810,421	830,823	835,837	841,497	841,497	842,565	854,473	0%
Household Coverage(5) (%)	**14.5%**	**16.6%**	**20.6%**	**24.5%**	**28.3%**	**32.5%**	**37.6%**	**42.7%**	**74%**
ARPU(6)	**1,284**	**1,287**	**1,352**	**1,408**	**1,390**	**1,372**	**1,346**	**1,304**	**-7%**
FTTH	1,417	1,405	1,467	1,516	1,481	1,455	1,424	1,380	-9%
HFC	1,046	1,033	1,046	1,044	1,014	967	891	806	-23%
Customer Churn(7) (%)	**0.39**	**1.08**	**1.63**	**1.35**	**1.16**	**1.11**	**1.32**	**0.99**	**-27%**
FTTH	0.34	0.78	1.28	0.61	1.14	0.97	1.32	1.02	68%
HFC	0.49	1.74	2.55	3.84	1.27	1.79	1.34	0.77	-80%
Port Utilization(8) (%)	**27.9**	**29.7**	**30.3**	**29.6**	**29.5**	**29.6**	**30.2**	**28.7**	**-3%**
FTTH	29.1	31.1	31.4	30.8	30.5	30.5	31.1	29.3	-5%
HFC	25.9	27.0	27.4	25.8	25.8	25.6	25.3	25.2	-2%
Enterprise									
Revenues	**734**	**778**	**752**	**760**	**750**	**819**	**887**	**892**	**17%**
Customers	**10,378**	**10,498**	**10,953**	**11,090**	**12,400**	**17,539**	**21,425**	**26,038**	**135%**
ARPU(9)	**23,910**	**26,569**	**21,675**	**23,002**	**21,269**	**18,247**	**15,175**	**12,510**	**-46%**
Customer Churn(10) (%)	**0.30**	**0.33**	**0.49**	**1.61**	**0.72**	**0.35**	**1.42**	**1.15**	**-32%**

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 25.7 million as of December 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

(in ₱ millions)	For the twelve months ended December 31 2021	2020	YoY change	YOY change %	For the three months ended December 31 2021	2020	YoY change	YoY change %
Depreciation and amortization	3,748	2,303	1,445	63%	1,184	652	531	81%
Network materials and supplies used	1,798	1,370	428	31%	252	563	(311)	-55%
Amortization of deferred contract cost	1,760	827	933	113%	539	293	246	84%
Bandwidth and leased line costs	1,007	946	61	7%	244	(52)	296	N/M
Repairs and maintenance expense	647	283	365	130%	488	178	310	174%
Service fees	532	618	(86)	-14%	83	175	(92)	-53%
Personnel costs	439	399	40	10%	48	174	(126)	-72%
Rent	413	197	216	110%	156	100	57	57%
Utilities	126	76	50	66%	43	16	27	169%
Others	38	47	(9)	-19%	10	22	10	-53%
Total cost of services	**(10,507)**	**(7,065)**	**(3,443)**	**49%**	**(3,046)**	**(2,121)**	**(925)**	**44%**
Gross profit	**15,971**	**8,588**	**7,384**	**86%**	**4,602**	**2,854**	**1,748**	**61%**
Gross profit margin	***60.3%***	***54.9%***			***62.4%***	***57.4%***		

(in ₱ millions)	For the twelve months ended December 31 2021	2020	YoY change	YoY change %	For the three months ended December 31 2021	2020	YoY change	YoY change %
Personnel costs	1,254	1,050	204	19%	224	292	(68)	23%
Managed service fees[1]	736	264	473	179%	179	136	44	32%
Promotions	534	75	459	N/M	329	34	295	N/M
Outside services	526	150	376	252%	163	40	123	307%
Depreciation and amortization	337	156	181	116%	179	50	130	261%
Repairs and maintenance	220	144	75	52%	74	41	33	80%
Utilities	116	105	11	11%	40	46	(6)	-13%
Office supplies	85	26	59	223%	23	14	9	61%
Other general and administrative expenses	963	802	161	20%	375	348	28	8%
Total G&A expenses	**(4,771)**	**(2,772)**	**(1,998)**	**72%**	**(1,498)**	**(1,001)**	**(497)**	**50%**
Provision for impairment of receivables	(1,005)	(721)	(285)	40%	(227)	(230)	3	-0%
Other income/(expenses)	(157)	334	(491)	N/M	(26)	209	(235)	N/M
Operating profit	**10,039**	**5,429**	**4,610**	**85%**	**2,851**	**1,832**	**1,019**	**56%**
Operating profit margin	***37.9%***	***34.7%***			***37.3%***	***36.8%***		

Note:

(1) Previously referred to as commission expense

Exhibit 4: Other Income/(Expenses) Statement Items

	For the twelve months ended December 31				For the three months ended December 31			
	2021	2020	YoY change	YoY change %	2021	2020	YoY change	YoY change %
	(in ₱ millions)							
Net foreign exchange gain/(loss)........................	(270)	(270)	540	-200%	(48)	112	160	N/M
Interest income - cash and cash equivalents........	44	(48)	4	-8%	12	14	(20)	-62%
Gain on transfer of network materials..................	19	73	(54)	-74%	(1)	42	44	N/M
Miscellaneous income/(expense).........................	50	(57)	107	N/M	11	52	(41)	-79%
Total Other income/(expense), net	**(157)**	**334**	**(491)**	**N/M**	**(26)**	**220**	**(246)**	**N/M**
Operating profit	10,039	5,429	4,610	85%	2,851	1,832	1,019	56%
Finance cost...	(486)	(550)	(65)	-12%	(38)	(96)	58	-61%
Profit before income tax.................................	9,553	4,879	4,674	96%	2,813	1,736	1,077	47%
Income tax expense......................................	(2,395)	(1,491)	(904)	61%	(853)	(539)	(315)	58%
Net income	**7,158**	**3,388**	**3,770**	**111%**	**1,960**	**1,198**	**762**	**64%**
Net income margin	***27.0%***	***21.6%***			***25.6%***	***24.1%***		

Exhibit 5: Summary Balance Sheet

	As of the period			
	Dec 31 2021	Dec 31 2020	Change	Change %
	(in ₱ millions)			
Current assets	**21,040**	**21,271**	**(231)**	**-1%**
Cash and cash equivalent	8,084	12,957	(4,874)	-38%
Trade and other receivables, net	3,033	2,173	860	40%
Network materials and supplies	3,485	2,031	1,454	72%
Other current assets	6,439	4,109	2,329	57%
Noncurrent assets	**60,824**	**35,441**	**25,382**	**72%**
Property, plant and equipment, net	48,341	28,127	20,214	72%
Right-of-use assets	3,446	1,859	1,587	85%
Intangible assets, net	1,969	1,155	814	70%
Other noncurrent assets	7,068	4,300	2,768	64%
Total assets	**81,864**	**56,712**	**25,152**	**44%**
Current liabilities	**26,884**	**15,385**	**11,498**	**75%**
Trade and other payables	18,598	13,253	5,346	40%
Loans payable, current portion	2,999	731	2,268	310%
Other current liabilities	5,286	1,401	3,624	259%
Noncurrent liabilities	**19,869**	**13,552**	**6,318**	**47%**
Loans payable, net of current portion	16,847	10,583	6,264	59%
Other noncurrent liabilities	3,022	2,969	53	2%
Total liabilities	**46,753**	**28,937**	**17,816**	**62%**
Total equity	**35,111**	**27,775**	**7,336**	**26%**
Total liabilities and equity	**81,864**	**56,712**	**25,152**	**44%**

Exhibit 6: Summary Cash Flow

	For the twelve months ended December 31			
	2021	2020	YoY change	YoY change %
	(in ₱ millions)			
Cash flow from operating activities				
Profit before income tax	9,553	4,878	4,675	95%
Adjustments for operating income	7,652	4,490	3,162	70%
Adjustments for assets and liabilities	(7,576)	(432)	(7,144)	N/M
Cash from operations	9,628	8,946	682	8%
Interest received and income taxes paid	(1,981)	(1,648)	(333)	20%
Net cash from operating activities	**7,648**	**7,299**	**349**	**5%**
Cash flow from investing activities				
Acquisition of property, plant, and equipment	(18,147)	(13,597)	(4,550)	33%
Others	(1,732)	(909)	(823)	91%
Net cash (used in) investing activities	**(19,879)**	**(14,507)**	**(5,372)**	**37%**
Cash flow from financing activities				
Proceeds from loans payable	10,818	5,462	5,356	98%
Proceeds from issuance of convertible preferred shares	-	4,568	(4,568)	-100%
Payment of loans payable	(2,286)	(2,098)	(188)	9%
Others	(1,208)	(1,745)	(537)	-31%
Net cash from/(used in) financing activities	**7,325**	**13,872**	**(6,547)**	**-47%**
Net increase/(decrease) in cash and cash equivalents	**(4,906)**	**6,663**	**(11,569)**	**-174%**
Cash and cash equivalents, beginning	12,957	6,233	6,724	108%
Effects of exchange rate changes in cash and cash equivalents	(33)	(61)	(28)	-47%
Cash and cash equivalents, ending	**8,083**	**12,957**	**(4,874)**	**-38%**

CONVERGE ICT SOLUTIONS INC.

Exhibit 7: Liquidity and Capital Resources

	December 31, 2021	December 31, 2020	Change (%)
Balance Sheet Data (in ₽ millions)			
Total Assets	81,864	56,712	44%
Total Debt[1]	19,846	11,314	75%
Total Stockholders' Equity	35,111	27,775	26%
Financial Ratios			
Total Debt to EBITDA (gross)	1.3x	1.4x	
Total Debt to EBITDA (net)	0.8x	-0.2x	
Debt Service Coverage[2]	4.4x	3.0x	
Interest Coverage (gross) [3]	23.0x	14.9x	
Debt to Equity (gross) [4]	0.6x	0.4x	
Debt to Equity (net) [5]	0.3x	-0.1x	
Return on Invested Capital [6]	20.9%	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			
	Dec 31, 2021	Dec 31, 2020	YoY Change	YoY Change %
	(in millions)			
Total additions to property, plant and equipment	**23,816**	**14,512**	**10,756**	**74%**
Total cash capital expenditures[1]	**19,521**	**14,647**		
Cash capital expenditures[1] / Revenue	**-74%**	**-94%**		

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

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