CONVERGE REACCELERATES RESIDENTIAL SUBSCRIBER ADDITIONS, RESULTING IN 39.7%% Y.O.Y REVENUE GROWTH FOR 1Q2022, EBITDA OF ₱4.6Bn (58.8% EBITDA MARGIN) AND ₱2.0Bn NET INCOME (25.4% NET INCOME MARGIN)

<u>**1Q2022 Key Highlights**</u>

- **Converge continues its growth trend in 1Q2022 with 39.7% YoY revenue growth and 49.5% YoY EBITDA growth**
- **EBITDA margins expanded significantly from 55.0% in 1Q2021 to 58.8% in 1Q2022**
- **Net income after tax grew to ₱1,973 million in 1Q2022 from ₱1,549 million in 1Q2021, representing a 27.2% YoY growth**
- **Residential revenue grew 42.0% YoY driven by growing subscriber base**
- **1Q2022 residential subscriber gross additions at 187,594 reaccelerating from 163,215 gross additions in 4Q2021, bringing residential subscriber count to more than 1.8 million**
- **FTTH port roll-out of almost 645,000 in the first three months of 2022 resulted to 47.3% household coverage across the Philippines**
- **Maintained industry leading ROIC of 17.3% in 1Q2022**

***MANILA, Philippines, May 16, 2022* –** The Philippines' only pure-play high-speed fixed broadband operator, Converge Information and Communications Technology Solutions, Inc. (PSE: CNVRG) ("**Converge**") ended 1Q2022 with 1,802,202 residential subscribers, a 52.5% increase from March 2021. The Company deployed 643,528 new fiber-to-the-home ("FTTH") ports during the first three months of this year, fastest among the local players in the industry. As of March 31, 2022, Converge's nationwide network reached more than 12.2 million homes, representing a 47.3% household coverage, on track to reach the Company's accelerated target to cover approximately 55% of households in the Philippines by 2023.

Industry-leading Trifecta with 39.7% YoY Revenue Growth from 1Q2021 to 1Q2022, 58.8% EBITDA Margin and 17.3% ROIC

Residential Business Continues to Grow

Consolidated revenues grew by 39.7% from ₱5,547 million in 1Q2021 to ₱7,748 million in 1Q2022. Revenues from our residential business grew by 42.0% from ₱4,797 million to ₱6,812 million during the same period, driven by a 52.5% YoY growth in our subscriber base. Average monthly revenue per user ("ARPU") declined to ₱1,243 in 1Q2022 due to among others rebates awarded to subscribers who were not provided broadband in the areas affected by Typhoon Odette. On the other hand, enterprise revenues grew by 25.1% YoY, from ₱749.7 million to ₱938.2 million during the same period, mostly from the strong growth in the small and medium enterprise ("SME") segment, marking further revenue acceleration of our enterprise business.

During the first three months of 2022, Converge had 187,594 quarterly gross adds, 14.9% higher than the 4Q2021 gross adds. This growth was due to our efforts in aligning with market strategies of waiving installation fees in some of our operating areas. Gross adds grew despite the adverse impact of Typhoon Odette in certain cities in Visayas and Mindanao, where aggressive expansion was halted due to focus on repair of affected equipment. On the other hand, churn rates have grown to 1.47% in 1Q2022, higher than the 1.16% in 1Q2021, resulting in quarterly net adds of 110,652. Converge has been implementing various controls and measures to manage churn, including stricter onboarding requirements in selected areas with high churn blacklisting of previously delinquent subscribers, and implementing a payment reminder pop-up on browsers of subscribers with overdue bills.

Reflecting the high unserved demand for fixed broadband connectivity services in the Philippines, we estimate that c. 95% of our new subscribers nationwide in 1Q2022 continue to be first time fixed broadband users.

Revenues from our enterprise business grew by 25.1% YoY, marking a further acceleration from the 10.7% YoY revenue growth in FY2021. The revenues from SME business grew by 118.2% on the back of growing customer base. Compared to 1Q2021, SME customers grew by almost 200%, reaching 25,810 customers as of March 31, 2022.

Maintained Strong Profitability in 1Q2022 driven by Increased Scale and Cost Management Initiatives
Converge achieved an EBITDA of ₱4,558 million in 1Q2022, 49.4% higher from the previous year. As a result, Converge was able to improve its record consolidated EBITDA margin to 58.8% in 1Q2022, higher than the 55.0% in 1Q2021.

Despite higher gross installs in 1Q2022 compared to the same period last year, network materials and supplies costs declined, reducing the account's cost margin from 8% to 5%. This is due to lower unit costs of our network materials and supplies. Bandwidth and leased line costs continue to decline year-on-year from ₱277 million in 1Q2022 to ₱258 million in 1Q2021 as the Company relies more on capacities from our invested international cable lines rather than the short-term leases. This resulted to cost margin reduction from 5% to 3%.

Net income after tax grew from ₱1,549 million in 1Q2021 to ₱1,970 million in 1Q2022, resulting in Net Income margins of 25.4% in line with our Net Income margins of 4Q2021. As expected, depreciation and amortization increased by 66.9% year-on-year due to the aggressive expansion of the Company's infrastructure in the previous years. Depreciation and amortization margins grew from 14.0% to 16.8% from 1Q2021 to 1Q2022. Finance costs also grew by 83.1% due to higher outstanding loans as of 1Q2022 – mainly used for the aforementioned infrastructure expansion.

Industry Leading ROIC and Strong Balance Sheet
Return on Invested Capital ("ROIC") declined due to slower net income increase compared to capital expansion and an increase in our financial liabilities. Converge recorded a 17.3% ROIC in 1Q2022 from 20.9% during FY2021. Our high ROIC continues to be at industry-leading levels as a result of Converge's 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 March 31, 2022 was at 27.6%. Of the 1Q2022 FTTH ports deployed, around 20.6% 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 March 31, 2022, the Company had achieved an average utilization of 25.5% on all FTTH ports deployed nationwide in the month of March 2021 (12 months after deployment) and an average utilization of 48.4% on all FTTH ports deployed in the month of September 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, as we drew down from available facilities to finance the significant network expansion done during the first quarter of the year. The Company's net debt position (as measured by total financial debt less cash and cash equivalents) increased from ₱11,762 million as of December 31, 2021 to ₱16,299 million as of March 31, 2022. The Company availed of a total of ₱4,963 million in new debt in 1Q2022 offset by repayments and amortizations amounting to ₱486 million. The Company's debt service coverage ratio ("DSCR") was 6.1x and the gross debt position as a percentage of total equity was 0.7x, well above the required financial covenants from its debt facilities. Converge's total undrawn debt facilities amounted to ₱26,500 million (~US$530 million) as of March 31, 2022. Also, the Company has issued its maiden long-term Philippine Peso bond offering which was listed in the local bond exchange on April 8, 2022. These additional funds will further increase the available liquidity the Company can prudently utilize. Our weighted average cost of debt from drawn debt facilities increased from 4.3% in December 2021 to 4.6% as of March 2022, reflecting a higher interest rate environment due to the macroeconomic situation.

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 aforementioned maiden bond issuance. Converge's long-term Philippine Peso denominated bonds was fully oversubscribed (up to 8x base principal of ₱5 billion) last April 2022. This ₱10 billion fully oversubscribed issuance was the 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 seven commercial banks, together with the Company's available cash, bond issuance proceeds, and increasing operating cash flows, provide Converge with sufficient headroom to execute its capital expenditure plans in the mid-term.

Inclusion in the MSCI Global Standard Index

Converge has been added in the highly-watched MSCI Global Standard Indexes in its latest rebalancing announced on May 12, 2022 – the only Philippine company to be added during the most recent review period. The MSCI Global Standard Indexes is an international equity index which tracks stocks across 33 markets. The latest additions will take effect on May 31, 2022.

"*Our inclusion in the global benchmark, the MSCI, is yet another testament to our strong market position. We're pleased to have joined another index that will further broaden our exposure to international passive investors*," said Maria Grace Y. Uy, President, Chief Resource Officer, and Chief Risk Officer of Converge.

This was the latest securities index the Company has been added to. Converge is currently included in four global equity indices under the FTSE Russell Indices, as well as the 30-member bourse of blue chip companies in the country, the Philippine Stock Exchange Index.

Augmenting International Network Capacity with Investment in the SEA-H2X Cable Network

China Mobile International Limited ("CMI") , China Unicom Global ("CUG"), PPTEL SEA H2X Sdn. Bhd ("PPTEL"), and Converge reaffirmed their partnership to construct and operate the South East Asia Hainan - Hong Kong Express Cable System ("SEA-H2X"), a new submarine cable system that will connect Hong Kong SAR China, Hainan China, Philippines, Thailand, East Malaysia and Singapore, with options to extend to Vietnam, Cambodia, West Malaysia and Indonesia.

At approximately 5,000 kilometers in length, the SEA-H2X cable will consist of at least 8-fiber pairs between Hong Kong SAR and Singapore, with a design capacity of 160 terabits per second to meet the growing bandwidth requirement in the region. The system is targeted to be ready-for-service in 2024 which help businesses and consumers benefit from increasing digital ties.

Employing state-of-the-art optical submarine transmission equipment, this high-performance submarine cable's completion will provide the needed additional bandwidth within the region and network diversity. The construction of SEA-H2X will respond to the high broadband demand between Hong Kong SAR and Southeast Asia countries by providing needed capacity and faster transmission, and in preparation for the coming 5G era.

"*We are pleased to be a partner in this trans-Asia cable that will respond to the booming data traffic between Hong Kong SAR and Southeast Asia. This submarine cable system will boost the connectivity between our two points of presence located in Hong Kong and in Singapore. Further, this will serve as a crucial infrastructure to add diversity and redundancy to our international network. We are truly diversifying our international capacity portfolio as transpacific demand will be served by the Bifrost, and now trans-Asia demand will be served by SEA-H2X*," said Mr. Uy.

Repairs in Odette-Impacted Areas Near Completion

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.

Converge continued its efforts to reconnect existing subscribers to their rightful broadband capacity. Service personnel in the regions reduced expansion activities to focus on repairs and reconnection. The efforts were delayed by slower restoration of the infrastructure of utility companies. As of April 30, 2022, only less than 5% of affected subscribers are still disconnected. For subscribers unserved since the impact of the typhoon, Converge has given rebates until connection was restored.

Employing Nationwide Marketing Strategy to Improve Brand Awareness in New Expansion Areas

In March 22, 2022, Converge officially announced its investment in a basketball team franchise in the Philippine Basketball Association ("PBA") for its nationwide marketing initiative. Converge acquired the franchise of the Alaska Aces, the PBA team with second-most number of championships. With basketball being the leading national sport in the Philippines, having a consistent broadcast of the team's games and activities aired nationwide through various print, radio, and television channels poses as a valuable and effective marketing investment.

Converge's upfront investment amounted to around ₱100 million paid to the league and the previous franchise owner. Annual net operating costs of having the franchise is at a maximum of around ₱200 million, covering fixed costs (mostly salaries and wages) and bonuses assuming the team wins the championship for all conferences during the season. Based on a detailed bottom-up assessment of media value across channels (TV, online, print, offline), we expect to create c. ₱2,300 million in media value in year one of our investment, representing more than 10 times the annual expenses required to operate the team. The media value is computed as the cost of employing other marketing channels to reach the same level of audience engagement. The annual operating cost of around ₱200 million represent c. 15% of total marketing and promotions budget for the year. This will replace other less efficient marketing initiatives, therefore, not increasing the expected marketing expenses for the year.

Since the announcement of the acquisition, Converge has been highly searched for in social media and search engines. Converge was a trending topic on Twitter on the day of the announcement. Converge was also the #1 searched word in Google in the Philippines for the first two days of the report

Increasing Accessibility of Existing and Potential Customers Through Partnership with Various Nationwide Outlets

As the number of residential customers grow, Converge continues to strengthen its presence across the country to make its services more accessible and visible. Converge as partnered with ExpressPay Inc., MicroGold Pawn Shops, PETNET and Sta. Monica Pawnshop Inc. (referred to as Converge Partner Outlets or "CPO") to amplify the company's presence and accessibility among different areas.

With these partnerships, Converge now has more than 1,000 partner outlets nationwide Each CPO has its own distinct strengths that help Converge become a more accessible internet provider for all.

The expansion allows customers to conveniently pay their bills or apply for a new line through the CPOs. With the CPOs scattered among main strategic areas, customers and even potential subscribers will have greater access to better pure fiber internet service, resulting in improved customer experience.

"*Here in Converge, we always innovate ways to give our customers the best experience they deserve. With the help of our CPOs, we can make our services more accessible to the public, so they can start or continue their journey with us through convenient transactions*," said Converge Chief Operations Officer Jesus Romero.

Strengthened Commitment to Environmental, Social and Governance with Established Roadmap

In April 2022, Converge published its first Sustainability Report that is accordance with Global Reporting Initiative ("GRI") and Sustainability Accounting Standards Board ("SASB") guidelines. In the report, Converge laid out 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. Converge also expresses support for the Task Force on Climate-Related Financial disclosure ("TCFD"). Over time, the Company will further adhere to the standards and best practices of TCFD.

Converge has recently signed up as a Participant of the United Nations Global Compact ("UNGC"), the world's largest corporate social responsibility initiative. The UN Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals.

Launched in 2000, the UN Global Compact is the largest corporate sustainability initiative in the world, with more than 15,000 companies and 3,800 non-business signatories based in over 160 countries, and more than 69 Local Networks. Fulfilling the UN Global Compact is seen not just to deliver on broader socio-economic developments, but also to improve the company's business performance.

"*With this announcement, Converge is proud to join thousands of other companies globally committed to taking responsible business action to create the world we all want*," said Benjamin B. Azada, Chief Strategy Officer.

During the first quarter of 2022, Converge has launched several sustainability initiatives with views of meeting the short, medium, and long-term goals enumerated in the Company's 2021 Sustainability Report:

Delighting customers by taking care of our own

- Under Converge University, the Company has launched various training seminars to improve technical knowledge and to learn new skills and practices in the industry. Completion of these training seminars are monitored by management.
- Converge conducted webinars promoting gender equality specifically privacy protection and violence against women and children

Giving back to our planet

- The Company has developed Solid Waste Management and Hazardous Waste Management Policies to standardize waste management activities to comply with international best practices.
- Converge has cumulatively planted 2,000 trees as part of its efforts to improve air quality in the future. This will also contribute to its long term goal of a net zero emission by 2050.
- 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

- 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.
- The Company conducted its first ESG Investor Day to improve interaction with the investing public on sustainability matters. This event also allows investors to inform the Company on items or metrics that are important to them.

Creating positive community impact

- The Company continued its disaster relief operations for victims of Typhoon Odette, and extension of free fiber-connectivity in affected areas
- Converge launched its Safer Internet Campaign in partnership with the Interagency Council Against Child Pornography through our linkage with Stairway Foundation, an organization advocating against all forms of abuse to children. The Company conducted webinars for parents on how to better protect their children from online abuse.
- 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.

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 three months ended March 31			
	2022	2021	YoY change	YoY change %
		(in ₱ millions)		
Revenues	7,748	5,547	2,201	40%
Residential	*6,812*	*4,797*	*2,015*	*42%*
Enterprise	*935*	*750*	*186*	*25%*
Cost of services	(3,021)	(2,330)	(691)	30%
Gross profit	4,727	3,217	1,510	47%
General and administrative expenses	(1,437)	(935)	(502)	54%
Provision for impairment of trade and other receivables	(372)	(251)	(121)	48%
Other income (loss), net	(30)	66	(96)	-145%
Profit from operations	2,887	2,096	792	38%
Finance costs	(243)	(133)	(110)	83%
Profit before income tax	2,644	1,963	681	35%
Income tax expense	(674)	(414)	(260)	63%
Profit after income tax for the year/ period	**1,970**	**1,549**	**421**	**27%**
Other comprehensive income	-	-	-	-
Total comprehensive income	1,970	1,549	421	27%
Profit after income tax	1,970	1,549	421	27%
Finance costs	243	133	110	83%
Income taxes	674	414	260	63%
Depreciation and amortization – cost of services	1,299	779	521	67%
Depreciation and amortization – general and administrative expenses	128	49	79	163%
Amortization of subscriber acquisition costs	243	128	115	89%
EBITDA	**4,558**	**3,051**	**1,506**	**49%**
EBITDA Margin	***58.8%***	***55.0%***		

CONVERGE ICT SOLUTIONS INC.

Exhibit 2: Quarterly Operational Performance Summary

	2021				2022	YoY Change %
	1Q	2Q	3Q	4Q	1Q	1Q2022 vs 1Q2021
Residential						
Revenues	**4,797**	**5,415**	**6,162**	**6,754**	**6,812**	**42%**
FTTH	4,086	4,771	5,571	6,215	6,299	54%
HFC	711	644	590	539	513	-28%
Customers	**1,181,723**	**1,355,079**	**1,576,759**	**1,691,550**	**1,802,202**	**53%**
FTTH	964,644	1,139,290	1,363,681	1,476,223	1,617,972	68%
HFC	217,079	215,789	213,078	215,327	184,320	-15%
Homes Passed	**7,172,033**	**8,303,553**	**9,610,861**	**10,917,537**	**12,200,921**	**70%**
FTTH	6,330,536	7,462,056	8,768,296	10,063,064	11,350,120	79%
HFC	841,497	841,497	842,565	854,473	850,801	2%
Ports	**4,006,765**	**4,572,525**	**5,226,713**	**5,886,005**	**6,525,861**	**63%**
FTTH	3,165,268	3,731,028	4,384,148	5,031,532	5,675,060	79%
HFC	841,497	841,497	842,565	854,473	850,801	2%
Household Coverage (%)	**28.3%**	**32.5%**	**37.6%**	**42.7%**	**47.5%**	**68%**
ARPU	**1,390**	**1,372**	**1,346**	**1,304**	**1,243**	**-11%**
FTTH	1,481	1,455	1,424	1,380	1,301	-12%
HFC	1,014	967	891	806	790	-22%
Customer Churn (%)	**1.16**	**1.11**	**1.32**	**0.99**	**1.47**	**-26%**
FTTH	1.14	0.97	1.32	1.02	1.48	-21%
HFC	1.27	1.79	1.34	0.77	1.37	N/M
Port Utilization (%)	**29.5**	**29.6**	**30.2**	**28.7**	**27.6**	**-6%**
FTTH	30.5	30.5	31.1	29.3	28.5	-6%
HFC	25.8	25.6	25.3	25.2	21.7	-16%
Enterprise						
Revenues	**750**	**819**	**887**	**892**	**935**	**25%**
Customers	**12,400**	**17,539**	**21,425**	**26,038**	**29,723**	**140%**
ARPU	**21,269**	**18,247**	**15,175**	**12,510**	**11,195**	**-47%**
Customer Churn (%)	**0.72**	**0.35**	**1.42**	**1.15**	**1.98**	**167%**

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

	For the three months ended March 31			
	2022	2021	YoY change	YoY change %
	(in ₱ millions)			
Depreciation and amortization	1,299	779	521	67%
Amortization of deferred contract cost	590	350	240	69%
Network materials and supplies used	349	460	(111)	-24%
Bandwidth and leased line costs	258	277	(19)	-7%
Repairs and maintenance expense	174	84	89	106%
Service fees	127	167	(40)	-24%
Personnel costs	96	127	(31)	-24%
Rent	87	53	34	64%
Utilities	38	21	16	75%
Others	3	12	(9)	-75%
Total cost of services	**3,021**	**2,330**	**691**	**30%**
Gross profit	**4,727**	**3,217**	**1,510**	**47%**
Gross profit margin	***61.0%***	***58.0%***		

	For the three months ended March 31			
	2022	2021	YoY change	YoY change %
	(in ₱ millions)			
Personnel costs	436	295	141	48%
Managed service fees	199	120	78	65%
Outside services	182	86	96	111%
Taxes and licenses	128	71	57	81%
Depreciation and amortization	128	49	79	163%
Promotions	121	42	79	190%
Other general and administrative expenses	243	272	29	11%
Total G&A expenses	**1,437**	**935**	**502**	**54%**
Provision for impairment of receivables	372	251	121	48%
Other income/(expenses)	(30)	65	(95)	144%
Operating profit	**2,887**	**2,096**	**792**	**38%**
Operating profit margin	***37.2%***	***37.8%***		

Exhibit 4: Other Income/(Expenses) Statement Items

	For the three months ended March 31			
	2022	2021	YoY change	YoY change %
	(in ₱ millions)			
Net foreign exchange gain/(loss)	(55)	45	101	221%
Equity in net gain of associates and joint ventures	12	-	12	100%
Gain on transfer of network materials	-	11	(11)	-
Interest income - cash and cash equivalents	4	4	-	-
Miscellaneous income (expense)	10	6	(4)	68%
Total Other income (expense), net	**(29)**	**66**	**95**	**-144%**
Operating profit	2,887	2,096	792	38%
Finance cost	243	133	110	83%
Profit before income tax	2,644	1,963	681	35%
Income tax expense	674	414	260	63%
Net income	**1,970**	**1,549**	**421**	**27%**
Net income margin	***25.4%***	***27.9%***		

Exhibit 5: Summary Balance Sheet

	As of the period			
	Mar 31 2022	Dec 31 2021	Change	Change %
	(in ₱ millions)			
Current assets	**21,872**	**21,040**	**832**	**-1%**
Cash and cash equivalent	8,024	8,084	(60)	-1%
Trade and other receivables, net	3,442	3,033	409	13%
Network materials and supplies	4,122	3,485	638	18%
Other current assets	2,843	3,406	(563)	-17%
Noncurrent assets	**65,585**	**60,824**	**4,761**	**8%**
Property, plant and equipment, net	51,809	48,341	3,468	7%
Right-of-use assets	3,550	3,446	104	3%
Intangible assets, net	2,040	1,969	71	4%
Other noncurrent assets	8,186	7,068	1,118	16%
Total assets	**87,457**	**81,864**	**5,593**	**7%**
Current liabilities	**26,113**	**26,884**	**(711)**	**-3%**
Trade and other payables	17,293	20,740	(3,447)	-17%
Loans payable, current portion	3,000	2,999	1	0%
Other current liabilities	5,820	3,144	2,676	85%
Noncurrent liabilities	**24,426**	**19,869**	**4,377**	**22%**
Loans payable, net of current portion	21,323	16,847	4,476	27%
Other noncurrent liabilities	3,022	2,924	(99)	-3%
Total liabilities	**50,359**	**46,753**	**3,606**	**8%**
Total equity	**37,098**	**35,111**	**1,987**	**6%**
Total liabilities and equity	**87,457**	**81,864**	**5,593**	**7%**

Exhibit 6: Summary Cash Flow

	For the three months ended March 31			
	2022	2021	YoY change	YoY change %
	(in ₱ millions)			
Cash flow from operating activities				
Profit before income tax	2,644	1,963	681	35%
Adjustments for operating income	2,701	1,507	1,195	79%
Adjustments for assets and liabilities	(2,878)	(1,243)	(1,634)	131%
Cash from operations	2,467	2,226	241	11%
Interest received and income taxes paid	(449)	3	(452)	-17445%
Net cash from operating activities	**2,018**	**2,228**	**(211)**	**-9%**
Cash flow from investing activities				
Acquisition of property, plant, and equipment and intangibles	(5,741)	(3,929)	(1,812)	46%
Others	(160)	(6)	(154)	2507%
Net cash (used in) investing activities	**(5,901)**	**(3,935)**	**(1,966)**	**50%**
Cash flow from financing activities				
Proceeds from loans payable	4,963		4,963	N/A
Payment of loans payable	(486)	(1,581)	1,095	-69%
Others	(677)	(186)	(491)	264%
Net cash from/(used in) financing activities	**3,799**	**(1,767)**	**5,566**	**-315%**
Net increase/(decrease) in cash and cash equivalents	**(84)**	**(3,474)**	**3,390**	**-98%**
Cash and cash equivalents, beginning	8,084	12,957	**(4,874)**	**-38%**
Effects of exchange rate changes in cash and cash equivalents	24	19	**5**	**25%**
Cash and cash equivalents, ending	**8,024**	**9,503**	**(1,479)**	**-16%**

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Exhibit 7: Liquidity and Capital Resources

	March 31, 2022	December 31, 2021	Change (%)
Balance Sheet Data (in ₱ millions)			
Total Assets	87,457	81,864	7%
Total Debt[1]	24,322	19,846	23%
Total Stockholders' Equity	37,098	35,111	6%
Financial Ratios			
Total Debt to EBITDA (gross)	1.5x	1.3x	
Total Debt to EBITDA (net)	1.0x	0.8x	
Debt Service Coverage[2]	6.1x	4.4x	
Interest Coverage (gross) [3]	27.4x	23.0x	
Debt to Equity (gross) [4]	0.7x	0.6x	
Debt to Equity (net) [5]	0.4x	0.3x	
Return on Invested Capital [6]	17.3%	20.9%	

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			
	Mar 31, 2022	Mar 31, 2021	YoY Change	YoY Change %
		(in millions)		
Total additions to property, plant and equipment	**4,715**	**5,329**	**(614)**	**12%**
Total cash capital expenditures[1]	**5,741**	**3,929**	**1,812**	**46%**
Cash capital expenditures[1] / Revenue	**-74%**	**-71%**		

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

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