CONVERGE
ICT SOLUTIONS INC.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. March 16, 2023
   Date of Report (Date of earliest event reported)

2. SEC Identification Number CS200716094
3. BIR Tax Identification No. 006-895-049-000

4. Converge Information and Communications Technology Solutions, Inc.
   Exact name of issuer as specified in its charter

5. Metro Manila, Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga 2009
   Address of principal office Postal Code

8. (02) 8667-0888
   Issuer's telephone number, including area code

9. N/A
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	7,266,573,061
Fixed Rate Bonds	10,000,000,000

11. Indicate the item numbers reported herein: Item 9. Other events

CONVERGE DELIVERS SOLID FULL YEAR FINANCIAL RESULTS WITH CONSOLIDATED REVENUES GROWING BY 27.3% TO ₱33.7 BILLION, EBITDA MARGIN EXPANDING ABOVE MANAGEMENT GUIDANCE TO 57.4%, AND ROIC AT 15.7%

FY2022 Key Highlights

- **Converge delivers on its consolidated revenue growth guidance – growing by 27.3% to reach PHP33.7Bn.**
- **Residential revenues grew 27.4% YoY driven by net subscriber growth with monthly churn rate trending downwards for two consecutive quarters to 1.75% during 4Q2022.**
- **Enterprise revenues significantly surpassed management guidance with full year growth of 26.4%, soaring to PHP4.2Bn driven by sustained SME growth and expanding wholesale segment, supported by consistent growth of large enterprises and corporates.**
- **EBITDA grew to PHP19.4Bn with margins expanding from 55.9% in FY2021 to a banner 57.4% in FY2022, driven by economies of scale and proactive cost management.**
- **FY2022 net income after tax remained steady at PHP7.4Bn at a margin of 22.1% despite increasing financing cost and foreign exchange volatility.**
- **4Q2022 residential subscriber net additions of 32,000 marked an acceleration for two consecutive quarters and resulted in an ending residential subscriber count of approximately 1.9 million.**
- **FTTH port roll-out of almost 312,000 in 4Q2022 resulted to 56.2% nationwide household coverage, expanding Converge's reach as the broadest FTTH network in the country by number of ports.**
- **Maintained strong ROIC of 15.7% in FY2022 despite increasing depreciation and amortization as well as interest expenses.**

***MANILA, Philippines, March 16, 2023* –** The Philippines' only pure-play high-speed fixed broadband operator, Converge Information and Communications Technology Solutions, Inc. (PSE: CNVRG) ("**Converge**" or the "Company") ended 2022 with 1,877,361 residential subscribers, an 11% increase from December 2021. The Company deployed approximately 312,000 new fiber-to-the-home ("FTTH") ports during the last quarter of 2022, culminating in an end-of-year port count of approximately 7.9 million. As of December 31, 2022, Converge's nationwide network reached more than 14.9 million homes, representing a 56.2% nationwide household coverage, already surpassing the Company's accelerated target to cover approximately 55% of households in the Philippines by 2023, and making the Company's FTTH network the broadest in the country by number of ports.

With approximately eight million ports now deployed across the nation, the Company sees various opportunities for subscriber growth in the coming years as it is positioned to connect unserved customers, supported by its expansion into the Visayas and Mindanao region. With successfully capturing a sizeable portion of the upper income segments, the Company now continues to expand its reach into the lower income segments via its foray into lower cost products such as prepaid fiber.

Robust FY2022 Financial Results Supported by Growing Residential Business, Expanding Enterprise Segment, and Proactive Cost Management

Residential and enterprise segments continue to deliver with revenues growing significantly by 27.4% and 26.4% respectively YoY.

Consolidated revenues grew by 27.3% from ₱26,479 million in FY2021 to ₱33,696 million in FY2022, in line with the Company's YoY revenue growth guidance of 25-30%. Revenues from the residential business grew by 27.4% from ₱23,129 million in FY2021 to ₱29,462 million in FY2022, driven by a 11% YoY growth in subscriber base. On the other hand, enterprise revenues grew by 26.4% YoY, from ₱3,350 million to ₱4,233 million during the same period, mostly from the strong revenue growth in the small and medium enterprise ("SME") and wholesale segments.

During the last three months of 2022, Converge garnered 32,464 net adds, marking a re-acceleration of subscriber growth for two consecutive quarters. The Company ended the year with an active residential subscriber count of 1,877,361 - 11.0% higher than December 31, 2021 residential subscriber base of 1,691,550. Monthly residential churn rate continued to decrease in the last quarter of the year to 1.75% - a second consecutive decrease from the all-time high of 2.49% in the second quarter of 2022, and 1.96% in the third quarter.

Across the board, enterprise subsegments continued to deliver solid growth in 2022. With over 33,000 customers as of December 31, 2022, the SME segment continued to lead growth with YoY revenues jumping by 91.4%, followed by wholesale segment increasing by 27.8% in the same period. Revenues from large enterprise customers, making up the largest subsegment, steadily grew in FY2022 by 14.4% YoY supported by the reopening of the economy and modular shift of various enterprises to an on-site work arrangement.

FY2022 EBITDA margin expansion to 57.3%, above management guidance of 55.0%, driven by growing scale and proactive cost management

Converge once again achieved a record annual EBITDA of ₱19,353 million in FY2022, representing an increase of 30.7% from the previous year. As a result, Converge was able to improve its consolidated EBITDA margin to 57.4% in FY2022, higher than the 55.9% in the prior year, and beating management guidance of 55.0%.

Compared with FY2021, network materials and supplies used decreased by 34.8%. Additionally, as a result of Converge drawing down on its international capacity from the Telstra Indefeasible Right of Use contract, bandwidth and leased line costs decreased by 17.7% YoY, resulting in a corresponding decrease in cost margin from 3.8% to 2.5% in the same period. With increased operating leverage, Converge was able to also reduce the cost margin of total personnel costs from 6.4% in FY2021 to 5.2% in FY2022.

Industry Leading ROIC and Strong Balance Sheet

With capital expenditures in FY2022 of ₱21.9 billion, Return on Invested Capital ("ROIC") was maintained at industry leading levels. Converge recorded a 15.7% ROIC in FY2022. This strong performance is a result of the Company's disciplined approach in deploying capital to expand its fiber network and constant monitoring of key capital efficiency indicators such as its port utilization ratios. Converge's blended port utilization ratio as of December 31, 2022 was at 23.8%.

Due to Converge's continuous port deployment and investments in the network, depreciation and amortization increased from ₱4,085 million in FY2021 by 60.4% to ₱6,557 million in FY2022. Net income after tax grew to ₱7,439 million in FY2022 from ₱7,158 million in FY2021, resulting in a net income margin of 22.1% for FY2022.

Converge has been able to maintain its strong balance sheet and cash flows with ample liquidity and gearing comfortably within bank covenants. The Company's net debt position (as measured by total financial debt less cash and cash equivalents) increased from ₱26,881 as of September 30, 2022 to ₱28,008 million as of December 31, 2022. The Company did not avail of any new debt in 2H2022 but loan repayments brought the financial debt balance to ₱38,222 million as of December 31, 2022 from ₱38,669 million in September 31, 2022. The Company's debt service coverage ratio ("DSCR") was 3.9x and the net debt-to-total equity was at 0.8x, well within the required financial covenants from its debt facilities. Converge's total undrawn debt facilities stood at ₱14.0Bn (~USD254 million) as of December 31, 2022. The weighted average cost of debt from drawn debt facilities remained at 5.0% as of December 2022, unchanged since June 2022.

Construction of Backbone Network Mostly Complete, Expansion into Visayas and Mindanao Areas to Continue

Almost 7,400 kilometers of fiber optic cable were added to the national backbone during 4Q2022. As of December 31, 2022, the Company's fiber backbone now spans more than 140,000 kilometers long, 40% larger than the December 31, 2021 year-end length of 103,000 kilometers. Total fiber infrastructure, including last mile connections, spans 618,000 kilometers as of December 2022.

With the Company's continued network backbone investment, Converge intends to focus on expansion into the underserved areas of Visayas and Mindanao. In the last three months of 2022, the Company soft launched in multiple cities and municipalities in Visayas and Mindanao ("VisMin"), including Negros Oriental, Compostella Valley, Surigao City, Digos City, Sta. Cruz, and Sarangani. In the same period, the Company deployed a total of 312,084 ports across the country, almost half of which were deployed in VisMin.

As a result of its expansion efforts into the VisMin region, gross adds contribution from said areas have been increasing in recent quarters. In the last quarter of 2022, Converge garnered a total of 129,945 gross adds nationwide, 18.5% of which were from the VisMin region, a significant increase from the 5.4% VisMin gross adds contribution in the same period last 2021.

Increased Speeds for Residential Plans

Beyond being the largest fiber network in the Philippines, Converge remains committed to offer the fastest and most reliable high-speed internet connectivity services in the country. Last November 11, 2022, Converge permanently increased the speeds for its residential base plans for free.

The FiberX Plan 1500's speed was doubled, resulting in speeds of up to 200Mbps. Similarly, existing and potential subscribers of higher priced plans also experienced speed boosts. (1) A new FiberX Plan 2000 was introduced to offer 400Mbps, (2) FiberX Plan 2500's speeds were also doubled from 300Mbps to 600Mbps, (3) FiberX Plan 3500's 800Mbps speeds was maintained, and (4) finally, a 1Gbps plan was introduced as FiberX Plan 7499. As Converge has designed its network with significant built-in capacity, the announced speed-increases come without any need for incremental capital expenditures for the Company. As Converge has designed its network with significant built-in capacity, the announced speed-increases come without any need for incremental capital expenditures for the Company.

Additionally, Converge launched different product offerings to serve various market segments. In the earlier part of 2022, the Company rolled out Converge Gamechanger, a gaming package that comes with top of the line gaming routers, geared specifically towards online Filipino gamers. The Company also launched XCLSV – a premium customer service package available to subscribers of higher speed post-paid plans such as FiberX Plan 3500 and above. XCSLV includes a dedicated support team and hotline to provide customers with a seamless customer service experience. Furthermore, the Company continues to explore products geared towards lower income segments, some of which would include prepaid fiber.

Significant Advancements in Network Performance as a Result of Continued Backbone Investment

Having one of the largest fiber networks in the country, Converge continues to invest in backbone improvements to ensure its customers receive only the fastest and highest quality fiber connectivity experience. Last year, the Company implemented the adoption of Artificial Intelligence ("AI") technology into the conduct of its network operations. The integration of AI technology brings various organizational improvements covering repairmen dispatching, infrastructure and hardware overheating, and the notification of relevant internal network watchmen.

The Company's network investments resulted in various improving operating metrics. The portion of service affecting tickets to total network tickets declined by almost 50% this 4Q2022. Additionally, with the inclusion of AI into the conduct of its network operations, the Company's Mean Time to Escalate improved by 42%, allowing the Company to attend to network related problems quicker.

"We have been hard at work to improve our customers' daily experience with reliability being one of our focus points. However, there are events that impact our infrastructure, such as environmental calamities which we cannot control. That is why we invest in these programs and equipment to ensure that our services are resilient and minimally impacted in the face of these disturbances if at all; as such, we have already begun to see our efforts come to fruition in the latter part of 2022," said Converge Chief Network Transformation Officer, Paulo Martin Santos.

Best-In-Class Broadband Provider Topped Netflix' ISP Speed Index and Ookla's Best in Video Experience for the Year

Converge topped Netflix's ISP Speed Index in 10 out of the 12 months for 2022 – a testament to the Company's ability to deliver high-quality broadband service to its streaming customers. According to the Netflix ISP Speed Index in December 2022, Converge garnered a speed rate of 3.6 Mbps, with a full year average speed of 3.42 Mbps. This is a marked improvement from the preceding six months where Converge has consistently been logging 3.4 Mbps

"We have continually increased the bandwidth allowance of our customers to improve their experience and allow them to do more things, such as video streaming on multiple screens. So everyone in the household could binge on their favorite Netflix series at the same time without any problems," shared Converge Chief Operations Officer Jesus Romero.

The ISP Speed Index is a measure of prime time Netflix performance on a particular ISP and not a measure of overall performance for other services or data that may travel across the specific ISP network. Faster Netflix performance generally means better picture quality, quicker start times, and fewer interruptions.

Also, the Company has been hailed as the winner of the Ookla Speedtest Award for Best ISP Video Experience in the Philippines for the second half of 2022 after it finished at the top with an overall 80.99 video score, reflective of the results of consumer-initiated scoring during a six-month period.

"Filipinos have spoken, and we have emerged as the ISP giving the superior video experience to them. This speaks for itself: our high speed, high capacity internet produces the best experience in streaming and consuming video content whether for gaming or entertainment. This is a mark of excellence in service for us," said Dennis Anthony Uy, CEO and Co-Founder of Converge.

Awarding of Singapore FBO License to Widen Converge's International Reach

Converge received the greenlight to provide international connectivity services in Singapore through its wholly-owned subsidiary, Converge ICT Singapore Pte. Ltd. ("Converge SG") via the awarding of a Facilities-Based Operations ("FBO") License.

The Infocomm Media Development Authority, statutory board under the Singapore Ministry of Communications, via a grant letter mentioned that Converge SG has been awarded an FBO license.

Converge SG can now start providing wholesale connectivity services and fiber optic cable capacity to customers such as other Internet Service Providers, data centers, enterprise customers in the Southeast Asian city state.

"The grant of an FBO license to our Singapore unit significantly bolsters the ability of the Converge Group to sell international wholesale connectivity and capacity services, as we can now directly service clients in Singapore to cater their growing needs for intra-Asia and Trans-Pacific connectivity requirements," said Converge CEO Dennis Anthony H. Uy.

Through the said license, Converge will have the right to provide international connectivity services in Singapore including Ethernet-International Private Line service, Dedicated Internet Access service, Carrier Ethernet Network service, Internet Protocol Virtual Private Network services using Multiprotocol Label Switching, and sale and resale of submarine cable capacities.

Widened Array of Enterprise Services with Launch of First Philippine OTN Service Available Globally

Last November 19, 2022, Converge continued to expand the array of enterprise services offered with the launch of its first Optical Transport Network ("OTN") services available globally. OTN is a Layer 1 technology that provides a secure, high bandwidth, reliable, and low latency network service that runs over the Company's Dense Wavelength Division Multiplexing ("DWDM") – the youngest and most modern network in the country.

Leveraging on OTN technology, this provides enterprise customers with a fast, stable, and secure way to send different traffic types such as IP, Ethernet, storage, digital video, and SDH, over the Company's high-speed, low latency backbone network.

Continued development in customer service initiatives as evidenced by decreasing trouble ticket index, and installation lead times.

As an internet service provider, Converge remains committed to providing quality fiber internet connectivity, which includes providing world-class customer service. The Company's continued investment in customer service have resulted in significant improving internal customer experience metrics. The trouble ticket index decreased from 0.26% in 3Q2022 to 0.22% for 4Q2022, registering a quarterly low for FY2022.

In view of improving internal business processes, Converge streamlined various back-office functions with the rollout of a Business Support System ("BSS") and Operations Support System ("OSS"). The transition from legacy systems to OSS and BSS results in various organizational benefits across the value chain – some of which include more streamlined supplier and inventory management, easier trouble ticket tracking and management, more optimized service repairmen dispatching, and faster customer onboarding cycle times.

Converge continues to make strides in Sustainability in 2022

In the last three months of 2022, Converge worked on various sustainability initiatives in line with its Sustainability Commitment to better observe industry practices. Some of the key initiatives include:

- *Launch of Child Online Safeguarding Policy* to combat online threats targeting children and build effective prevention and control measures within Converge's network. The policy was established to signify the Company's commitment to act on negative impacts brought about by misuse and abuse of digital space, specifically targeting children.

- *Creation of Energy Management Policy* which states Converge's commitment to ensure that it utilizes proper energy management strategies in the conduct of its operations in accordance with the Company's Sustainability Commitment, ISO 50001 Standards, and any applicable local energy legislation.

- *Became a member of the Private Sector Alliance for Disaster Resilient Societies* which is a network of private sector entities led by the United Nations Office for Disaster Risk Reduction. The network commits to support and implement the Sendai Framework, which is a UN General Assembly endorsed framework that aims to prevents new and existing disaster risk through the reduction of hazard exposure and increased disaster risk preparedness.

- *Publication of Commitment to Stakeholder Statement* wherein Converge publicly stated its commitment to identify actual and potential impacts on stakeholders arising from its operations, and actively engage with stakeholders regarding these impacts and sustainability related decisions, actions, and performance. Additionally, the statement includes the Company's commitment to adhere to AccountAbility principles as defined in the AA1000 AccountAbility Principles Standard (2018).

Additionally, Converge formally created a Chief Sustainability Officer role in early 2023, whose task is to oversee the implementation of the company's sustainability commitment and roadmap, as well as compliance to sustainability reporting requirements. Also, the Company formally engaged a third party auditor to externally assure its upcoming 2022 Sustainability Report. Further details of such shall be disclosed in said report.

Earlier throughout the year, Converge continued to deliver on its Sustainability Commitment by undertaking various initiatives such as the following:

- *Engagement with ESG rating agencies such as CDP, S&P, and Sustainalytics*. As a means of being transparent with Converge's key stakeholders, especially on ESG topics, the Company proactive engaged with various 3rd party ESG rating agencies. These agencies assess the Company's exposure to various ESG related risks and initiatives the Company is undertaking to address them. Subsequently, these are made available to various institutional investors for their perusal.

- *Establishment of Human Rights Policy* to further elevate operational standards to adhere to best practices of ethics and integrity, pursuant to the United Nations Guiding Principles on Business and Human Rights, International Bill of Human Rights, and International Labor Organization's declaration on fundamental principles and rights at work. The policy covers key topics such as child labor, human rights, human rights due diligence, and social justice.

- *Establishment of Safety, Health, Environmental, and Security ("SHES") Committee* to further prevent workplace hazards and implement procedures to mitigate, reduce, or control SHES related risks.

Further details of the Company's various Sustainability related initiatives will be disclosed in the Company's upcoming 2022 Sustainability Report.

2023 Consolidated Outlook

With its targeted expansion in key growth areas in Visayas and Mindanao, the Company expects to spend approximately ₱12 billion -15 billion in capital expenditures in 2023, which will focus on port deployment in key expansion areas in Visayas and Mindanao, and modems to be installed with new subscribers. Other key capital expenditure initiatives in FY2023 will include investments into international subsea cables, and acquisition of core network equipment to further bolster the redundancy of our domestic fiber network.

Converge expects that strong demand from key expansion areas in the Visayas and Mindanao area, as well demand for new products such as its prepaid fiber broadband service, will result in continuous growth of its residential revenues by around 10% for FY2023. The Company also projects demand from enterprise customers to grow by around 25% for FY2023 as the economy reopens and enterprises further undertake a modular shift to an on-site work arrangement. On the back of continued growth from the residential and enterprise segments, consolidated revenue is expected to grow between 10% to 15% for FY2023.

Driven by prudent cost management and increased economies of scale, the Company believes that it will be able maintain industry leading EBITDA margins between 55% and 57% for FY2023. The Company also expects to maintain double-digit ROIC levels between 13% and 14% supported by its strategic network roll-out in key expansion areas.

As Converge enters its third financial year as a publicly listed company, with well-established financial operations and control processes, the Company would like to extend its appreciation to Mr. Matthias Vukovich, who after three fruitful years of providing advisory services to Converge has mutually agreed with the Company to conclude his consultancy contract which ends on March 31, 2023, in order to pursue new challenges.

Mr. Vukovich was engaged as consultant and advisor to assist the Company with its IPO process and immediate post-IPO programs. Three years after the Company's IPO, Mr. Vukovich and the Company believe the objectives of his engagement has been fulfilled. "*I am bidding farewell to Converge with peace of mind knowing that the Company is well capitalized and on a trajectory of sustained growth, well equipped to handle the intricacies and complexities of being a listed company in the Philippine Stock Exchange*," said Mr. Vukovich.

"*Grace and I would like to express our gratitude to Matthias for his valuable contributions to Converge. His advice and counsel were instrumental in bringing the Company public and providing guidance on post-IPO programs including last year's inaugural bond and other financing activities to support the growth of our business. We wish him all the best in his future endeavors*," Mr. Uy said.

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.

For questions, please contact:

Owen Kieffer Ocampo
Vice President – Head of Investor Relations
Email: investors.relations@convergeict.com

Jay-Anne Encarnado
Vice President – Head of Corporate Communications and Public Relations
Email: corpcomm@convergeict.com

ANNEX

Exhibit 1: Summary Statement of Comprehensive Income

	For the twelve months ended December 31				For the three months ended December 31			
	2022	2021	YoY Change	YoY Change%	2022	2021	YoY Change	YoY Change%
In PHP millions								
Revenues	33,696	26,479	7,217	27%	9,215	7,648	1,567	20%
Residential	*29,462*	*23,129*	*6,333*	*27%*	*8,100*	*6,755*	*1,345*	*20%*
Enterprise	*4,233*	*3,350*	*884*	*26%*	*1,115*	*893*	*222*	*25%*
Cost of services	(13,438)	(10,507)	(2,930)	28%	(3,788)	(3,046)	(742)	24%
Gross profit	20,258	15,971	4,287	27%	5,427	4,602	825	18%
General and administrative expenses	(6,601)	(4,771)	(1,831)	38%	(1,965)	(1,498)	(467)	31%
Provision for impairment of trade and other receivables	(1,660)	(1,005)	(655)	65%	(467)	(227)	(239)	105%
Other income (loss), net	(409)	(157)	(252)	160%	(436)	(25)	(411)	N/M
Profit from operations	11,588	10,039	1,549	15%	2,558	2,851	(292)	-10%
Finance costs	(1,732)	(486)	(1,246)	257%	(551)	(38)	(513)	N/M
Profit before income tax	9,856	9,553	302	3%	2,008	2,813	(806)	-29%
Income tax expense	(2,416)	(2,395)	(21)	1%	(676)	(853)	178	-21%
Profit after income tax for the year / period	7,439	7,158	281	4%	1,332	1,960	(628)	-32%
Other comprehensive income	1	36	(34)	-96%	1	35	(34)	-96%
Total comprehensive income	**7,441**	**7,194**	**247**	**3%**	**1,333**	**1,995**	**(662)**	**-33%**

Profit after income tax	7,439	7,158	281	4%	1,332	1,960	(628)	-32%
Finance costs	1,732	486	1,246	257%	551	38	513	1365%
Income taxes	2,416	2,395	21	1%	676	853	(178)	-21%
Depreciation and amortization - COS	6,063	3,748	2,315	62%	1,781	1,184	597	50%
Depreciation and amortization - GAE	495	337	158	47%	114	179	(65)	-36%
Amortization of deferred contract costs - SAQ	1,207	679	529	78%	454	218	236	108%
EBITDA	**19,353**	**14,803**	**4,550**	**31%**	**4,908**	**4,432**	**476**	**11%**
EBITDA %	**57.4%**	**55.9%**			**53.3%**	**58.0%**		

Exhibit 2: Quarterly Operational Performance Summary

	2021				2022				QoQ Growth
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4Q22 vs 4Q21
Residential									
Revenues	**4,797**	**5,415**	**6,162**	**6,754**	**6,818**	**7,272**	**7,278**	**8,100**	**11%**
FTTH	4,086	4,771	5,571	6,215	6,299	6,800	6,853	7,620	23%
HFC	711	644	590	539	513	472	424	480	-11%
Customers	**1,181,723**	**1,355,079**	**1,576,759**	**1,691,550**	**1,802,202**	**1,817,115**	**1,845,162**	**1,877,361**	**11%**
FTTH	964,644	1,139,290	1,363,681	1,476,223	1,591,832	1,622,115	1,652,977	1,692,205	15%
HFC	217,079	215,789	213,078	215,327	210,370	195,000	192,185	185,156	-14%
Homes Passed	**7,172,033**	**8,303,553**	**9,610,861**	**10,917,537**	**12,200,921**	**13,493,993**	**14,316,633**	**14,940,769**	**37%**
FTTH[1]	6,330,536	7,462,056	8,768,296	10,063,064	11,350,120	12,643,192	13,456,376	14,089,968	40%
HFC[2]	841,497	841,497	842,565	854,473	850,801	850,801	850,801	850,801	0%
Ports	**4,006,765**	**4,572,525**	**5,226,713**	**5,886,005**	**6,6525,861**	**7,172,397**	**7,583,717**	**7,895,785**	**34%**
FTTH[3]	3,165,268	3,731,028	4,384,148	5,031,532	5,675,060	6,321,596	6,732,916	7,044,984	40%
HFC[4]	841,497	841,497	842,565	854,473	850,801	850,801	850,801	850,801	0%
Household Coverage[5] (%)	**28.3%**	**32.5%**	**37.6%**	**42.7%**	**47.5%**	**52.1%**	**53.0%**	**56.2%**	**32%**
ARPU[6]	**1,390**	**1,372**	**1,346**	**1,304**	**1,243**	**1,278**	**1,263**	**1,239**	**-5%**
FTTH	1,481	1,455	1,424	1,380	1,301	1,351	1,334	1,307	-5%
HFC	1,014	967	891	806	790	701	663	632	-22%
Customer Churn[7] (%)	**1.16**	**1.11**	**1.32**	**0.99**	**1.47**	**2.49**	**1.96**	**1.75**	**76%**
FTTH	1.14	0.97	1.32	0.78	1.48	2.43	2.09	1.78	74%
HFC	1.27	1.79	1.34	0.77	1.37	2.98	0.83	1.43	86%
Port Utilization[8] (%)	**29.5**	**29.6**	**30.2**	**28.7**	**27.6**	**25.3**	**24.3**	**23.8**	**-17%**
FTTH	30.5	30.5	31.1	29.5	28.5	25.7	24.6	24.0	-19%
HFC	25.8	25.6	25.3	25.2	21.7	22.9	22.7	21.8	-14%
Enterprise									
Revenues	**750**	**819**	**887**	**892**	**935**	**1,034**	**1,149**	**1,115**	**25%**
Customers	**12,400**	**17,539**	**21,425**	**26,038**	**29,723**	**31,886**	**35,324**	**37,742**	**45%**
ARPU[9]	**21,269**	**18,247**	**15,175**	**12,510**	**11,224**	**11,139**	**11,370**	**10,169**	**-19%**
Customer Churn[10] (%)	**0.72**	**0.35**	**1.42**	**1.15**	**1.99**	**2.19**	**0.90**	**0.91**	**-21%**

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 twelve months ended December 31				For the three months ended December 31			
	2022	2021	YoY Change	YoY Change%	2022	2021	YoY Change	YoY Change%
In PHP millions								
Depreciation and amortization	6,063	3,748	2,315	62%	1,781	1,184	597	50%
Amortization of deferred contract costs	2,823	1,760	1,064	60%	1,013	539	473	88%
Network materials and supplies used	1,172	1,798	(625)	-35%	272	252	21	8%
Repairs and maintenance	1,004	647	357	55%	261	488	(227)	-47%
Bandwidth and leased line costs	829	1,007	(178)	-18%	70	244	(173)	-71%
Service fees	493	532	(39)	-7%	111	83	28	34%
Rent	457	413	44	11%	134	156	(22)	-14%
Personnel costs	326	439	(113)	-26%	41	48	(7)	-14%
Utilities	240	126	114	91%	89	43	46	107%
Retirement benefit expense	8	11	(3)	-24%	0	7	(7)	-99%
Others	21	27	(5)	-20%	16	3	13	362%
Total cost of services	**13,438**	**10,507**	**2,930**	**28%**	**3,788**	**3,046**	**742**	**24%**
Gross profit	**20,258**	**15,971**	**4,287**	**27%**	**5,427**	**4,602**	**825**	**18%**
Gross profit margin	**60.1%**	**60.3%**			**58.9%**	**60.2%**		

	For the twelve months ended December 31				For the three months ended December 31			
	2022	2021	YoY Change	YoY Change%	2022	2021	YoY Change	YoY Change%
In PHP millions								
Personnel costs	1,435	1,254	181	14%	134	224	(90)	-40%
Managed service fees [1]	1,186	736	450	61%	418	120	297	247%
Outside services	1,203	526	677	129%	557	163	394	242%
Promotions	594	534	60	11%	221	328	(108)	-33%
Depreciation and amortization	495	337	158	47%	114	179	(65)	-36%
Repairs and maintenance	470	220	250	114%	173	74	99	134%
Taxes and licenses	423	394	29	7%	121	114	7	6%
Meals and transportation	200	82	118	145%	58	30	27	90%
Utilities	160	116	43	37%	61	40	21	53%
Other G&A	435	572	(137)	-24%	109	225	(116)	-52%
Total G&A expenses	**6,601**	**4,771**	**1,831**	**38%**	**1,965**	**1,498**	**467**	**31%**
Provisions for impairment of receivables	1,660	1,005	655	65%	467	227	239	105%
Other expense (income), net	409	157	252	160%	436	25	411	N/M
Operating profit	**11,588**	**10,039**	**1,549**	**15%**	**2,558**	**2,851**	**(292)**	**-10%**
Operating profit margin	**34.4%**	**37.9%**			**27.8%**	**37.3%**		

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			
	2022	2021	YoY Change	YoY Change%	2022	2021	YoY Change	YoY Change%
In PHP millions								
Net foreign exchange loss / (gain)	(27)	270	(298)	N/M	(49)	48	(97)	N/M
Loss on transfer of network materials	10	(19)	29	N/M	(8)	1	(10)	N/M
Loss on sale of assets	707	-	707	N/M	694	-	694	N/M
Interest income	(44)	(44)	-	0%	-	-	-	N/M
Miscallenous income (expenses)	(236)	(50)	(186)	372%	(200)	(24)	(176)	N/M
Other (income) expenses, net	**409**	**157**	**252**	**160%**	**436**	**25**	**411**	**N/M**

Exhibit 5: Summary Balance Sheet

	As of the period			
	Dec 31 2022	Sep 30 2022	Change	Change %
	(in ₽ millions)			
Current assets	**22,593**	**26,910**	**(4,316)**	**-16%**
Cash and cash equivalent	10,214	11,788	(1,574)	-13%
Trade and other receivables, net	3,337	3,674	(337)	-9%
Network materials and supplies	4,385	5,150	(765)	-15%
Other current assets	4,657	6,298	(1,641)	-26%
Noncurrent assets	**75,505**	**73,664**	**1,841**	**2%**
Property, plant and equipment, net	62,534	59,310	3,225	5%
Right-of-use assets	3,294	3,390	(97)	-3%
Intangible assets, net	2,385	2,263	121	5%
Other noncurrent assets	7,293	8,701	(1,408)	-16%
Total assets	**98,098**	**100,574**	**(2,475)**	**-2%**
Current liabilities	**24,723**	**26,592**	**(1,869)**	**-7%**
Trade and other payables	17,055	19,194	(2,139)	-11%
Loans payable, current portion	3,240	2,119	1,121	53%
Other current liabilities	4,428	5,280	(851)	-16%
Noncurrent liabilities	**37,264**	**39,210**	**(1,945)**	**-5%**
Bonds payable, net of current portion	9,872	9,866	6	0%
Loans payable,	25,111	26,685	(1,574)	-6%
Other noncurrent liabilities	2,282	2,659	(378)	-14%
Total liabilities	**61,988**	**65,802**	**(3,815)**	**-6%**
Total equity	**36,111**	**34,772**	**1,339**	**4%**
Total liabilities and equity	**98,098**	**100,574**	**(2,475)**	**-2%**

Exhibit 6: Summary Cash Flow

	For the twelve months ended December 31			
	2022	2021	YoY change	YoY change %
	(in ₱ millions)			
Cash flow from operating activities				
Profit before income tax	9,856	9,553	302	3%
Adjustments for operating income	(13,238)	(7,652)	(5,586)	73%
Adjustments for assets and liabilities	(8,120)	(7,576)	(544)	7%
Cash from operations	14,973	9,628	5,345	56%
Interest received and income taxes paid	(3,368)	(1,980)	(1,388)	70%
Net cash from operating activities	**11,605**	**7,648**	**(3,957)**	**52%**
Cash flow from investing activities				
Acquisition of property, plant, and equipment	(18,398)	(18,147)	(251)	1%
Others	(1,009)	(1,733)	724	-42%
Net cash (used in) investing activities	**(19,407)**	**(19,879)**	**472**	**-2%**
Cash flow from financing activities				
Proceeds from borrowings	21,500	10,818	10,682	99%
Payment of borrowings	(2,976)	(2,286)	(690)	30%
Acquisition of treasury shares	(6,499)	-	(6,499)	N/M
Others	(2,375)	(1,208)	(1,167)	97%
Net cash from/(used in) financing activities	**9,650**	**7,325**	**2,325**	**32%**
Net increase/(decrease) in cash and cash equivalents	**1,848**	**(4,906)**	**6,754**	**-138%**
Cash and cash equivalents, beginning	8,084	12,957	(4,874)	-38%
Effects of exchange rate changes in cash and cash equivalents	282	33	250	N/M
Cash and cash equivalents, ending	**10,214**	**8,084**	**2,130**	**26%**

Exhibit 7: Liquidity and Capital Resources

	December 31, 2022	September 30, 2022	Change (%)
Balance Sheet Data (in ₱ millions)			
Total Assets	97,098	100,574	-2%
Total Debt[1]	38,222	38,669	-1%
Total Stockholders' Equity	36,057	34,772	4%
Financial Ratios			
Total Debt to EBITDA (gross)	2.0x	2.1x	
Total Debt to EBITDA (net)	0.8x	1.4x	
Debt Service Coverage[2]	3.9x	4.0x	
Interest Coverage (gross) [3]	11.2x	15.5x	
Debt to Equity (gross) [4]	1.1x	1.1x	
Debt to Equity (net) [5]	0.8x	0.8x	
Return on Invested Capital [6]	15.7%	16.6%	

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) 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, 2022	Dec 31, 2021	YoY Change	YoY Change %
	(in millions)			
Total additions to property, plant and equipment	**21,907**	**25,570**	**(3,663)**	**-14%**
Total cash capital expenditures[1]	**19,446**	**19,522**		
Cash capital expenditures[1] / Revenue	**-58%**	**-74%**		

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

# # #