



**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. August 11, 2022  
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 Y.O.Y. REVENUE GROWTH FOR 1H2022 AT 36.3%,  
ACHIEVING AN EBITDA OF ₱9.2Bn (57.2% EBITDA MARGIN) AND ₱3.7Bn NET  
INCOME (22.8% NET INCOME MARGIN) WHILE MAINTAINING ITS STRONG  
BALANCE SHEET**

**1H2022 Key Highlights**

- **Converge achieved solid revenue growth in 1H2022 of 36.3% vs 1H2021**
- **EBITDA margins expanded from 55.1% in 1H2021 to 57.2% in 1H2022**
- **Net income after tax grew by 21.5% to ₱3,951 million in 1H2022 from ₱3,252 million in 1H2021**
- **Residential revenue grew 37.9% YoY in 1H2022 driven by growing subscriber base**
- **Residential subscriber count reached 1.82 million as of June 2022**
- **FTTH port roll-out of more than 646,000 in 2Q2022 resulted to 52.1% household coverage across the Philippines, in line with target of 55.0% by 2023**
- **Maintained industry leading ROIC of 16.3% in 1H2022**

*MANILA, Philippines, August 11, 2022* – The Philippines’ only pure-play high-speed fixed broadband operator, Converge Information and Communications Technology Solutions, Inc. (PSE: CNVRG) (“**Converge**”) ended June 2022 with 1,817,115 residential subscribers, a 36.1% increase from June 2021. The Company deployed 646,536 new fiber-to-the-home (“FTTH”) ports during 2Q2022, increasing Converge’s nationwide network reach to more than 13.5 million homes passed as of June 30, 2022. In line with the Company’s mission to bring affordable high speed fiber broadband connectivity to the unserved and underserved in the country, Converge achieved a 52.1% nationwide household coverage, on track to reach the Company’s accelerated target to cover approximately 55.0% of households in the Philippines by 2023.

**Industry-leading Trifecta with 36.3% YoY Revenue Growth from 1H2021 to 1H2022, 57.2% EBITDA Margin and 16.3% ROIC**

*Residential Business Continues Growth*

Consolidated revenues grew by 36.3% from ₱11,781 million in 1H2021 to ₱16,054 million in 1H2022. Revenues from our residential business grew by 37.9% from ₱10,212 million to ₱14,084 million during the same period, driven by a 36.1% YoY growth in our subscriber base. The monthly Average Revenue per User (“ARPU”) of the residential segment improved YoY to ₱1,278 in 2Q2022. Enterprise revenue growth continued to accelerate, growing by 25.5% YoY, from ₱1,569 million to ₱1,970 million during the same period, with solid growth across all enterprise segments such as small and medium enterprise (“SME”), large enterprises, and wholesale.

Converge ended June 30, 2022 with 1,817,115 residential subscribers. Gross additions in Visayas and Mindanao (collectively referred to as “VisMin”) improved significantly as the Company continues its expansion in these key regions. In 2Q2022, 19.1% of gross adds came from VisMin, compared to only 2.8% in 2Q2021.

In last few months of 2021, Converge started to waive upfront payments for new subscribers across all its nationwide markets. While this allowed Converge to capture 150,185 gross adds in 2Q2022, this resulted in higher delinquencies than in the past, explaining the unusually high monthly churn rate of 2.49% for the quarter. To better manage churn, Converge has reinstated advance payment requirements for new residential subscribers starting June 2022.

As the economy of the Philippines continues to recover from the impact of the Covid pandemic, revenues from our enterprise business during the first six months of the year grew by 25.5% YoY, marking the fifth consecutive quarter of accelerated quarterly revenue growth rates. The SME business continues to grow with a 106.8% increase in revenue in 1H2022 on the back of a growing customer

base. Compared to June 30, 2021, SME customers more than doubled, reaching 28,250 customers as of June 30, 2022. Large enterprise segment also grew significantly during the first half of the year with 14.4% revenue growth on the back of additional key customer wins. Similarly, the Company's wholesale segment grew by 18.4% as we increasingly monetize capacity on our vast domestic fiber network and our international cables, with wholesale customers such as telecommunication carrier clients and international over-the-top media services ("OTTs").

*Maintained Strong Profitability in 1H2022 driven by Increased Scale and Prudent Cost Management*  
Converge achieved an EBITDA of ₱9,186 million in 1H2022, 41.5% higher from the previous year. As a result, Converge's consolidated EBITDA margin reached 57.2% in the first six months of the year, higher than the 55.1% in 1H2021.

Network materials and supplies costs declined in 1H2022 compared to 1H2021, reducing the account's cost margin from 8% to 4% of consolidated revenues. This was driven by a combination of fewer installations compared to 1H2021 and lower unit costs of our network materials and supplies as we continue to optimize our last mile roll-out cost. This was offset by increases in Repairs and maintenance, Outside services, and Promotions. Repairs and maintenance increased due to increase in headcount for operations and maintenance to support subscriber line repairs and maintenance of our expanded network base. Costs of Outside services, on the other hand, increased as the Company boosted the number of contact agents to improve responsiveness. Lastly, Promotions were intensified during the first half of the year as the Company relating to brand enhancement activities in new areas across Visayas and Mindanao.

Net income after tax grew from ₱3,252 million in 1H2021 to ₱3,951 million in 1H2022, resulting in Net Income margins of 24.6%. As expected, depreciation and amortization increased by 71% year-on-year due to the aggressive expansion of the Company's fiber network infrastructure in the previous years. Depreciation and amortization margins grew from 14.7% to 18.5% from 1H2021 to 1H2022. Finance cost margins also grew from 2.2% to 4.3% due to bank drawdowns and the ₱10 billion bond issued during 2Q2022 – mainly used for the aforementioned infrastructure expansion.

*Industry Leading ROIC and Strong Balance Sheet*

Return on Invested Capital ("ROIC") remained high with 16.3% for the first six months of 2022. 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 June 30, 2022 was at 25.3%. Of the 1H2022 FTTH ports deployed, around 20% 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 June 30, 2022, the Company had achieved an average utilization of 22.3% on all FTTH ports deployed nationwide in the month of June 2021 (12 months after deployment) and an average utilization of 41.7% on all FTTH ports deployed in the month of December 2020 (18 months after deployment).

Converge continues to have strong balance sheet and cash flows with ample liquidity and gearing comfortably within bank covenants, as the Company drew down from available facilities to finance the significant network expansion done during the first six months of the year. The Company's net debt position (as measured by total financial debt less cash and cash equivalents) was ₱26,031 million as of June 30, 2022. The Company availed almost ₱11,500 million in new bank debt in 1H2022 and issued ₱10,000 million worth of fixed-rate peso bonds offset by repayments and amortizations amounting to ₱1,028 million during the first half of the year. The Company also bought back almost 260 million shares in May 2022 or approximately 3.5% of the Company's pre-transaction outstanding share capital.

Despite the higher debt levels, the Company's debt service coverage ratio ("DSCR") remains healthy at 5.5x, well within our strictest DSCR covenant of 1.2x. Converge still has enough room for further

drawdowns if needed with a gross debt to equity ratio of 1.2x, significantly below the 2.3x financial covenant. Converge's total undrawn bank debt facilities amounted to ₱8,500 million (~US\$170 million) as of June 30, 2022.

Our weighted average cost of debt from outstanding debt facilities (bank loans and bonds) increased from 4.6% in March 2022 to 5.0% as of June 2022, driven by the higher base interest rates of the additional drawdown during 2Q2022.

### **Doubled the Speed of FiberX Plan 1500 Subscribers**

Since June 1, 2022, Converge has permanently boosted the speed of its FiberX Plan 1500 for existing and potential subscribers to 100Mbps, doubling from 50Mbps, without any increase in price or incremental capital expenditures. With this free upgraded offering, Converge stays true to its commitment of providing world-class ICT services to Filipinos. The "10-for-99" add-on for the FiberX Plan 1500 was also improved to "25-for-99," giving an additional 25Mbps for ₱99. This speed boost allows our residential subscribers to simultaneously enjoy more high-bandwidth activities from multiple devices.

"We at Converge know how essential it is to have fast and consistent internet connection for work, school, and even personal use. We've expanded our network and equipped it with the latest technology, to ensure Filipinos get the quality internet connection they deserve. We are pleased to announce that we are doubling the speed of our base plan for existing and potential subscribers. With this, we will be able to give our *kababayans* a better experience for everyday productivity," said Jesus C. Romero, Chief Operations Officer of Converge.

### **Continued Expansion in Enterprise Business Fueled by SME Growth and Key Wins from Large Enterprises and Wholesale**

Our Enterprise business continued to accelerate revenue growth, growing significantly by 25.5% YoY in 1H2022 and reaching the milestone of more than ₱1 billion in quarterly revenues during 2Q2022. A significant growth subsegment is the small-medium enterprises due to the reopening of the economy. Compared to SME revenue contribution of ₱112 million in 2Q2021, the contribution has doubled to ₱222 million with more SME businesses requiring reliable and affordable high speed fiber internet connectivity. SME customers reached more than 28,000 as of June 2022, more than doubling the number of SME customers as of June 2021.

Large Enterprises and Corporates are still the largest contributors to this segment with more than ₱686 million revenue. This subsegment grew 14% YoY from 2Q2021 from completion of projects with the public sector and securing high bandwidth contracts from financial services customers during 1H2022. Wholesale has also grown YoY with 17% revenue growth from 2Q2021 on the back of winning contracts from global customers such as international telecom carriers and OTT players during the first six months of 2022.

### **Customer-Focused Initiatives Resulting in Recognition as Top-Rated Fixed Network in the Country**

Converge was awarded by Ookla as the Top-Rated Fixed Network in the Philippines for the first half of 2022, reflecting the results from consumer-initiated ratings during the six-month period.

"We are honored to be recognized for his achievement that reflects customer sentiment. Being the people's choice of network means we are directing effort and investments in the right place. There's nothing more important than giving people the service they deserve and I'm glad this is reflected in the top ISP ratings," said Dennis Anthony Uy, CEO and Co-Founder of Converge.

In 2Q2022, Converge has consistently made efforts to improve the quality of customer experience. The Company has continued to expand its contact agent base, with 2Q2022 having the most added seats since Converge listed its shares in the Philippine Stock Exchange. With almost 1,500 contact agents as of June 2022, our team can address more calls with less waiting time for the callers. The average subscriber count per contact agent ended at around 1,230, the lowest proportion in the last two years – reflecting the Company’s continued commitment to its subscribers.

Converge has also improved its online multiplatform customer service by implementing new capabilities for social listening and social customer service. The Company understand the need to adapt to the digitalization lifestyle where subscribers are most often using social media, including voicing complaints. As such, Converge has developed an efficient and comprehensive system wherein complaints from social media platforms are flagged, tracked, and ticketed so that these can be addressed by the Company’s growing number of contact agents.

### Revised 2022 Consolidated Outlook

In the first half of 2022, Converge accelerated its network roll-out by deploying 1.2 million new FTTH ports nationwide, putting the Company on track to reach its adjusted goal of approximately 55% nationwide household coverage by 2023, two years earlier than promised during the IPO. On the back of this accelerated network roll-out and driven by further capex efficiencies, the Company expects to spend approximately ₱21-23 billion in capital expenditures in 2022, which is ₱5 billion lower than the Company’s initial guidance range of ₱26-28 billion. This will also reduce the need for Converge to draw further debt during this high interest rate environment.

We expect that strong demand for reliable high-speed broadband will result in continuous growth of our residential subscriber base to approximately 2.0 million by the end of 2022, lower than our initial guidance of approximately 2.4 million, due to higher than expected churn in 1H2022. Converge continues to be on track to deliver enterprise revenue growth of c. 20% YoY, in line with our initial guidance. The revised outlook for our residential business results in a consolidated YoY revenue growth guidance of c. 25-30% 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% and at least maintain ROIC levels at c. 17% 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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## ANNEX

### Exhibit 1: Summary Statement of Comprehensive Income

	For the six months ended June 30				For the three months ended June 30			
	2022	2021	YoY change	YoY change %	2022	2021	YoY change	YoY change %
<b>Revenues</b> .....	16,054	11,781	4,273	36%	8,306	6,235	2,072	33%
<i>Residential</i> .....	14,084	10,212	3,872	38%	7,272	5,415	1,857	34%
<i>Enterprise</i> .....	1,970	1,569	401	26%	1,034	819	215	26%
Cost of services.....	(6,330)	(4,825)	1,505	31%	(3,309)	(2,495)	(815)	33%
<b>Gross profit</b> .....	9,724	6,956	2,767	40%	4,997	3,740	1,257	34%
General and administrative expenses.....	(3,077)	(2,125)	(952)	45%	(1,640)	(1,189)	(450)	38%
Provision for impairment of trade and other receivables....	(808)	(524)	(283)	54%	(435)	(273)	(163)	60%
Other income (loss), net .....	(117)	178	(294)	(166%)	(87)	112	(199)	N/M
<b>Profit from operations</b> .....	5,722	4,485	1,237	28%	2,835	2,390	445	19%
Finance costs .....	(686)	(264)	(422)	160%	(442)	(131)	(312)	239%
<b>Profit before income tax</b> .....	5,037	4,222	815	19%	2,393	2,259	134	6%
Income tax expense .....	(1,086)	(970)	(116)	12%	(412)	(556)	144	-26%
<b>Profit after income tax for the year/ period</b>	<b>3,951</b>	<b>3,252</b>	<b>699</b>	<b>21%</b>	<b>1,981</b>	<b>1,703</b>	<b>278</b>	<b>16%</b>
Other comprehensive income.....	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b> .....	3,951	3,252	669	21%	1,981	1,703	278	16%
Profit after income tax .....	3,951	3,252	699	21%	1,981	1,703	278	16%
Finance costs .....	686	264	422	160%	442	131	312	239%
Income taxes .....	1,086	970	116	12%	412	556	144	-26%
Depreciation and amortization – cost of services .....	2,706	1,628	1,078	66%	1,407	849	557	66%
Depreciation and amortization – general and administrative expenses.....	262	103	159	155%	134	54	80	148%
Amortization of subscriber acquisition costs .....	495	277	218	79%	252	149	103	69%
<b>EBITDA</b>	<b>9,186</b>	<b>6,494</b>	<b>2,692</b>	<b>41%</b>	<b>4,628</b>	<b>3,442</b>	<b>1,185</b>	<b>34%</b>
<b>EBITDA Margin</b>	<b>57.2%</b>	<b>55.1%</b>			<b>55.7%</b>	<b>55.2%</b>		

## Exhibit 2: Quarterly Operational Performance Summary

	2021				2022		YoY Change %
	1Q	2Q	3Q	4Q	1Q	2Q	2Q2022 vs 2Q2021
<b>Residential</b>							
<b>Revenues</b>	<b>4,797</b>	<b>5,415</b>	<b>6,162</b>	<b>6,754</b>	<b>6,812</b>	<b>7,272</b>	<b>34%</b>
FTTH	4,086	4,771	5,571	6,215	6,299	6,800	43%
HFC	711	644	590	539	513	472	-27%
<b>Customers</b>	<b>1,181,723</b>	<b>1,355,079</b>	<b>1,576,759</b>	<b>1,691,550</b>	<b>1,802,202</b>	<b>1,817,115</b>	<b>34%</b>
FTTH	964,644	1,139,290	1,363,681	1,476,223	1,591,472	1,622,115	42%
HFC	217,079	215,789	213,078	215,327	210,370	195,000	-10%
<b>Homes Passed</b>	<b>7,172,033</b>	<b>8,303,553</b>	<b>9,610,861</b>	<b>10,913,865</b>	<b>12,200,921</b>	<b>13,493,993</b>	<b>63%</b>
FTTH	6,330,536	7,462,056	8,768,296	10,063,064	11,350,120	12,643,192	69%
HFC	841,497	841,497	842,565	850,801	850,801	850,801	1%
<b>Ports</b>	<b>4,006,765</b>	<b>4,572,525</b>	<b>5,226,713</b>	<b>5,882,333</b>	<b>6,525,861</b>	<b>7,172,397</b>	<b>57%</b>
FTTH	3,165,268	3,731,028	4,384,148	5,031,532	5,675,060	6,321,596	69%
HFC	841,497	841,497	842,565	850,801	850,801	850,801	1%
<b>Household Coverage (%)</b>	<b>28.3%</b>	<b>32.5%</b>	<b>37.6%</b>	<b>42.7%</b>	<b>47.5%</b>	<b>52.1%</b>	
<b>ARPU</b>	<b>1,390</b>	<b>1,372</b>	<b>1,346</b>	<b>1,304</b>	<b>1,243</b>	<b>1,278</b>	<b>-7%</b>
FTTH	1,481	1,455	1,424	1,380	1,301	1,351	-7%
HFC	1,014	967	891	806	790	701	-28%
<b>Customer Churn (%)</b>	<b>1.16</b>	<b>1.11</b>	<b>1.32</b>	<b>0.99</b>	<b>1.47</b>	<b>2.49</b>	<b>124%</b>
FTTH	1.14	0.97	1.32	1.02	1.48	2.43	151%
HFC	1.27	1.79	1.34	0.77	1.37	2.98	66%
<b>Port Utilization (%)</b>	<b>29.5</b>	<b>29.6</b>	<b>30.2</b>	<b>28.7</b>	<b>27.6</b>	<b>25.3</b>	<b>-15%</b>
FTTH	30.5	30.5	31.1	29.3	28.5	25.7	-16%
HFC	25.8	25.6	25.3	25.2	21.7	22.9	-11%
<b>Enterprise</b>							
<b>Revenues</b>	<b>750</b>	<b>819</b>	<b>887</b>	<b>892</b>	<b>935</b>	<b>1,034</b>	<b>26%</b>
<b>Customers</b>	<b>12,400</b>	<b>17,539</b>	<b>21,425</b>	<b>26,038</b>	<b>29,723</b>	<b>31,886</b>	<b>82%</b>
<b>ARPU</b>	<b>21,269</b>	<b>18,247</b>	<b>15,175</b>	<b>12,510</b>	<b>11,195</b>	<b>11,114</b>	<b>-39%</b>
<b>Customer Churn (%)</b>	<b>0.72</b>	<b>0.35</b>	<b>1.42</b>	<b>1.15</b>	<b>1.98</b>	<b>2.19</b>	<b>526%</b>

### Notes:

(1) FTTH homes passed is derived from the number of homes within a 300-meter radius from a network access point ("NAP") that we have installed in a coverage area. Each NAP has eight or sixteen ports, and one port serves one home.

(2) HFC homes passed refers to the number of homes and other residential units that are within a 200-meter radius from our HFC ports, and can be connected to our network.

(3) The number of FTTH ports installed represents both activated FTTH connections and ports available for immediate activation once a new subscription is approved.

(4) The number of HFC ports installed refers to a slot on a network device allowing for the transmission of data between our HFC network and the equipment at the customer premises.

(5) Household coverage is calculated as total homes passed over total number of homes in the Philippines, which is estimated at 25.6 million as of June 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 six months ended June 30				For the three months ended June 30			
	2022	2021	YoY change	YOY change %	2022	2021	YoY change	YoY change %
	(in ₱ millions)							
Depreciation and amortization .....	2,706	1,628	1,078	66%	1,407	850	557	66%
Network materials and supplies used.....	681	994	(313)	-32%	333	535	(202)	-38%
Amortization of deferred contract cost.....	1,206	748	458	61%	616	398	218	55%
Bandwidth and leased line costs.....	519	516	3	1%	261	238	22	9%
Service fees.....	250	316	(66)	-21%	124	149	(25)	-17%
Personnel costs.....	210	289	(78)	-27%	114	162	(48)	-29%
Rent .....	201	148	148	36%	114	95	19	20%
Repairs and maintenance expense.....	462	120	342	284%	288	36	253	N/M
Utilities.....	86	47	47	85%	49	25	23	93%
Retirement benefit expense .....	6	3	3	92%	3	1	1	92%
Others .....	2	16	(14)	-88%	1	6	(4)	-76%
<b>Total cost of services</b>	<b>6,330</b>	<b>4,825</b>	<b>1,505</b>	<b>31%</b>	<b>3,309</b>	<b>2,495</b>	<b>815</b>	<b>33%</b>
<b>Gross profit</b>	<b>9,724</b>	<b>6,956</b>	<b>2,767</b>	<b>40%</b>	<b>4,997</b>	<b>3,740</b>	<b>1,257</b>	<b>34%</b>
<b>Gross profit margin</b>	<b>60.6%</b>	<b>59.0%</b>			<b>60.2%</b>	<b>60.0%</b>		

	For the six months ended June 30				For the three months ended June 30			
	2022	2021	YoY change	YOY change %	2022	2021	YoY change	YoY change %
	(in ₱ millions)							
Personnel costs .....	942	719	223	31%	506	424	82	19%
Commission expense .....	464	335	128	38%	265	215	50	23%
Outside services .....	372	208	164	79%	190	122	68	56%
Taxes and licenses.....	263	190	72	38%	134	119	15	13%
Depreciation and amortization .....	262	103	159	155%	134	54	80	148%
Promotions .....	234	87	147	169%	113	45	68	150%
Repairs and maintenance.....	191	82	109	133%	105	44	61	136%
Professional fees.....	40	80	(40)	-50%	23	15	7	47%
Office supplies.....	57	40	17	42%	28	24	4	16%
Utilities.....	56	49	7	15%	31	24	7	29%
Other general and administrative expenses..	197	231	(34)	-15%	112	102	10	10%
<b>Total G&amp;A expenses</b>	<b>3,077</b>	<b>2,125</b>	<b>952</b>	<b>45%</b>	<b>1,640</b>	<b>1,189</b>	<b>450</b>	<b>38%</b>
Provision for impairment of receivables.....	(808)	(524)	(283)	54%	(435)	(273)	(163)	60%
Other income/(expenses).....	(117)	178	(294)	-166%	(87)	112	(199)	-177%
<b>Operating profit</b>	<b>5,723</b>	<b>4,485</b>	<b>1,237</b>	<b>28%</b>	<b>2,835</b>	<b>2,390</b>	<b>445</b>	<b>19%</b>
<b>Operating profit margin</b>	<b>35.6%</b>	<b>38.1%</b>			<b>34.1%</b>	<b>38.3%</b>		



### Exhibit 4: Other Income/(Expenses) Statement Items

	For the six months ended June 30				For the three months ended June 30			
	2022	2021	YoY change	YoY change %	2022	2021	YoY change	YoY change %
	(in ₱ millions)							
Net foreign exchange gain/(loss).....	(186)	116	(302)	N/M	(131)	70	(201)	N/M
Equity in net gain of associates and joint ventures	57	6	51	N/M	46	6	39	N/M
Gain on transfer of network materials.....	8	13	(5)	N/M	8	2	6	245%
Interest income.....	9	32	(23)	N/M	5	28	(23)	N/M
Miscellaneous income (expense).....	(5)	11	(16)	N/M	(15)	5	(20)	N/M
<b>Total Other income, net</b>	<b>(117)</b>	<b>178</b>	<b>(294)</b>	<b>N/M</b>	<b>(87)</b>	<b>112</b>	<b>(199)</b>	<b>N/M</b>
Operating profit .....	5,723	4,485	1,237	28%	2,835	2,390	445	19%
Finance cost.....	(686)	(264)	422	160%	(442)	(131)	312	239%
Profit before income tax.....	5,037	4,222	815	19%	2,393	2,259	135	6%
Income tax expense.....	(1,086)	(970)	116	12%	(412)	(556)	(144)	-26%
<b>Net income</b>	<b>3,951</b>	<b>3,252</b>	<b>699</b>	<b>22%</b>	<b>1,981</b>	<b>1,703</b>	<b>278</b>	<b>16%</b>
<b>Net income margin</b>	<b>24.6%</b>	<b>27.6%</b>			<b>23.8%</b>	<b>27.3%</b>		

### Exhibit 5: Summary Balance Sheet

	As of the period			
	Jun 30 2022	Dec 31 2021	Change	Change %
	(in ₱ millions)			
<b>Current assets</b>	<b>28,527</b>	<b>21,040</b>	<b>7,487</b>	<b>36%</b>
Cash and cash equivalent	14,115	8,084	6,031	75%
Trade and other receivables, net	3,471	3,033	439	15%
Network materials and supplies	4,492	3,485	1,007	29%
Other current assets	6,449	6,439	10	0%
<b>Noncurrent assets</b>	<b>70,732</b>	<b>60,824</b>	<b>9,908</b>	<b>16%</b>
Property, plant and equipment, net	56,491	48,341	8,150	17%
Right-of-use assets	3,489	3,446	42	1%
Intangible assets, net	2,243	1,969	274	14%
Other noncurrent assets	8,510	7,068	1,442	17%
<b>Total assets</b>	<b>99,259</b>	<b>81,864</b>	<b>17,395</b>	<b>21%</b>
<b>Current liabilities</b>	<b>26,780</b>	<b>26,884</b>	<b>(103)</b>	<b>0%</b>
Trade and other payables	17,895	18,598	(613)	-3%
Loans payable, current portion	3,000	2,999	1	0%
Other current liabilities	5,795	5,286	509	10%
<b>Noncurrent liabilities</b>	<b>39,881</b>	<b>19,869</b>	<b>20,011</b>	<b>101%</b>
Loans payable, net of current portion	27,280	16,847	10,433	62%
Other noncurrent liabilities	12,600	3,022	9,578	76%
<b>Total liabilities</b>	<b>66,661</b>	<b>46,753</b>	<b>19,908</b>	<b>43%</b>
<b>Total equity</b>	<b>32,598</b>	<b>35,111</b>	<b>(2,513)</b>	<b>-7%</b>
<b>Total liabilities and equity</b>	<b>99,259</b>	<b>81,864</b>	<b>17,395</b>	<b>21%</b>

## Exhibit 6: Summary Cash Flow

For the six months ended June 30				
	2022	2021	YoY change	YoY change %
	(in ₱ millions)			
<b>Cash flow from operating activities</b>				
Profit before income tax.....	5,037	4,222	815	19%
Adjustments for operating income.....	5,785	3,109	2,676	86%
Adjustments for assets and liabilities.....	(4,353)	(1,935)	(2,418)	125%
Cash from operations.....	6,468	5,396	1,072	20%
Interest received and income taxes paid.....	(1,535)	(747)	(788)	106%
<b>Net cash from operating activities</b>	<b>4,933</b>	<b>4,649</b>	<b>284</b>	<b>6%</b>
<b>Cash flow from investing activities</b>				
Acquisition of property, plant, and equipment.....	(11,112)	(11,569)	457	-4%
Others.....	(478)	(624)	146	-23%
<b>Net cash (used in) investing activities</b>	<b>(11,591)</b>	<b>(12,194)</b>	<b>603</b>	<b>-5%</b>
<b>Cash flow from financing activities</b>				
Proceeds from loans payable.....	11,463	2,900	8,563	295%
Proceeds from issuance of convertible preferred shares.....	-	-	-	-
Payment of loans payable.....	(1,028)	(1,805)	777	-43%
Others.....	2,158	(419)	2,577	N/M
<b>Net cash from/(used in) financing activities</b>	<b>12,592</b>	<b>676</b>	<b>11,916</b>	<b>N/M</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,934</b>	<b>(6,869)</b>	<b>12,803</b>	<b>-187%</b>
Cash and cash equivalents, beginning.....	8,084	12,957	(4,514)	-36%
Effects of exchange rate changes in cash and cash equivalents.....	96	(18)	115	N/M
<b>Cash and cash equivalents, ending</b>	<b>14,115</b>	<b>6,070</b>	<b>8,045</b>	<b>133%</b>

## Exhibit 7: Liquidity and Capital Resources

	June 30, 2022	December 31, 2021	Change (%)
<b>Balance Sheet Data (in ₱ millions)</b>			
Total Assets	99,259	81,864	21%
Total Debt <sup>(1)</sup>	40,146	19,846	103%
Total Stockholders' Equity	32,598	35,111	-7%
<b>Financial Ratios</b>			
Total Debt to EBITDA (gross)	2.3x	1.3x	
Total Debt to EBITDA (net)	1.5x	0.8x	
Debt Service Coverage <sup>(2)</sup>	5.5x	4.4x	
Interest Coverage (gross) <sup>(3)</sup>	19.3x	30.5x	
Debt to Equity (gross) <sup>(4)</sup>	1.2x	0.6x	
Debt to Equity (net) <sup>(5)</sup>	0.8x	0.3x	
Return on Invested Capital <sup>(6)</sup>	16.3%	20.9%	

Notes:

(1) Total Debt is the sum of current and noncurrent loans payable and bonds 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 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			
	June 30, 2022	June 30, 2021	YoY Change	YoY Change %
	(in millions)			
<b>Total additions to property, plant and equipment</b>	<b>11,234</b>	<b>12,150</b>	<b>(917)</b>	<b>-8%</b>
<b>Total cash capital expenditures<sup>(1)</sup></b>	<b>11,585</b>	<b>11,830</b>	<b>(245)</b>	<b>-2%</b>
<b>Cash capital expenditures<sup>(1)</sup> / Revenue</b>	<b>-72%</b>	<b>-100%</b>		

Notes:

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

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