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 10, 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 LAUNCHES FULL PRODUCT PORTFOLIO TO SERVE HOUSEHOLDS WITH VARIOUS INCOME LEVELS

MAINTAINS STRONG OVERALL RESIDENTIAL NET ADDS OVER THE SIX MONTHS AT 92,302 WITH PREPAID SUBSCRIBER NET ADDS DOUBLING FROM 1Q2023

INDUSTRY-LEADING TRIFECTA WITH CONSOLIDATED REVENUES GROWING YOY BY 8.1%, EBITDA MARGIN EXPANDING TO 57.9%, AND ROIC GROWING TO 15.4%

1H2023 Key Highlights

- **Converge's consolidated revenues of ₱17.4 billion, higher by 8.1% from 1H2022**
- **Residential revenues grew 5.6% YoY with net additional subscribers reaching 92,302**
- **Enterprise revenues reached ₱2.5Bn, a growth of 26.2% YoY**
- **EBITDA grew to a quarterly record of ₱10.1Bn with margins reaching 57.9% for 1H2023, higher than the 57.2% from previous year**
- **1H2023 net income after tax improved by 8.5% to reach ₱4.3 billion from 1H2022**
- **Residential subscriber net additions for the quarter reached a total of 49,302 on both postpaid and prepaid plans – sustained positive trend since 2Q2022**
- **Improved industry-leading ROIC to 15.4% during the first half**
- **Positive free cash flow to the firm[1] reached ₱2,866 million in 1H2023**

MANILA, Philippines, August 10, 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 the first half of 2023 with a total of 1,969,663 subscribers. This is comprised of 1,915,502 postpaid subscribers and 54,161 prepaid subscribers. Net additional subscribers reached 92,302 in the first half. Surf2Sawa prepaid subscribers grew to almost double its subscriber base since March 2023

The Company's free cash flows to firm (FCFF)[1] remains positive at ₱2,866 million. This 2023 is the first year that Converge expects to be full-year FCFF positive given the stable growth in operating cash flows with the lower capital expenditures for the year.

With the deepening of its presence in new areas, particularly in North Luzon, Visayas, and Mindanao, and its introduction of new products catering to low income households which comprised the broader segment of the market as well as the innovative solutions for enterprises, especially for small and medium enterprises (SMEs), the Company continued to see various potential for subscriber growth in the coming quarters and years as it is well-positioned to connect more underserved and unserved customers given its extensive infrastructure and innovative packages.

Residential Subscriber Base Continues Its Growth Momentum Supported by Stable Adds from FiberX and Strong Take-up of Surf2Sawa

During the second quarter of 2023, Converge garnered 49,302 net adds, continuing a quarter-on-quarter net adds growth. FiberX garnered net adds of 20,459. The lower-cost postpaid flanker brand Bida Fiber[2] had net adds of 9,567, or more than 14 times its contribution last quarter. The Surf2Sawa subsegment (or "prepaid") contributed 25,166 net adds during 2Q2023, which is 77% higher than 1Q2023. The Company ended June with an active residential subscriber count of 1,969,663. In the second half of the

[1] Free cash flow to the firm is the difference of net cash from operating activities and net cash used in investing activities

[2] Bida Fiber will be discussed in more detail in page 4.

year, Converge will leverage on the stable growth of FiberX and the momentum of Surf2Sawa to contribute to our full year targets.

Consolidated revenues grew by 8.1% from ₱16,053.9 million in 1H2022 to ₱17,362.1 million in 1H2023. Revenues from the residential business grew from ₱14,084.3 million in 1H2022 to ₱14,875.5 million in 1H2023. On the other hand, enterprise revenues grew from ₱1,969.6 million to ₱2,486.5 million during the same period, due to the strong overall revenue growth of all subsegments – small and medium enterprises ("SMEs"), large enterprise and corporates, and wholesale.

Across the board, enterprise subsegments continued to deliver outstanding growth in 1H2023. The SME segment continued to lead growth with YoY revenues increasing by 41.5%, followed by wholesale segment increasing by 28.6% in the same period. Revenues from large enterprise customers, making up the largest subsegment, grew by 18.5% YoY.

1H2023 EBITDA margin expansion to 57.9% driven by growing scale, proactive cost management, and change in accounting recognition

Converge achieved an EBITDA of ₱10,055.9 million in 1H2023, representing an increase of 9.5% from the previous year. As a result, Converge was able to improve its consolidated EBITDA margin to 57.9% in 1H2023, higher than the 57.2% in 1H2022.

Compared with 1H2022, network materials and supplies costs decreased by 92.4%. This is due to an improved capability to properly segregate costs of network materials and supplies according to usage. As such, network materials and supplies used in 1H2023 for last mile connections were deferred and amortized over the contract period with the subscriber. This partly contributed to the increase in EBITDA margin for the quarter.[3]

Additionally, as a result of Converge continuing to draw down on its international capacity from the Telstra Indefeasible Right of Use contract, bandwidth and leased line costs decreased by 35.4% YoY, resulting in a corresponding decrease in cost margin from 3.2% to 1.9% over the same period. Amortization of deferred contract costs also declined by 13.0% due to the full recognition of the unamortized portion for churned accounts starting in 4Q2022. With increased operating leverage and transition to a managed services model in certain operating areas, Converge was also able to reduce the cost margin of total personnel costs from 7.2% in 1H2022 to 5.3% in 1H2023. Correspondingly, Managed Service Fees increased from 2.9% cost margin to 5.5% in the same comparative period. Rent and utilities expenses both grew due to the network expansion of our serviceable areas. These pertain to the rental of poles in new serviced areas, as well as electricity costs for new nodes installed.

Industry Leading ROIC and Strong Balance Sheet
Industry-leading Return on Invested Capital ("ROIC") improved to 15.4% with capital expenditures mostly attributable to the 800,000 new fiber ports deployed. This industry-leading performance is a result of the Company's disciplined approach in deploying capital to expand its fiber network and improve its overall services.

Depreciation and amortization slightly decreased from ₱2,967.9 million in 1H2022 to ₱2,878.3 million in 1H2023. Net income after tax grew to ₱4,284.9 million in 1H2023 from ₱3,950.7 million in 1H2022, resulting in a net income margin of 24.7% for 1H2023.

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) decreased from ₱26,602 million as of March 31, 2023, to ₱26,271 million as of June 30, 2023. The Company repaid a portion of its financial debt, reducing the

[3] Please see following section for more details

balance to ₱37,531 million as of June 30, 2023, from ₱38,162 million on March 31, 2023. The Company's debt service coverage ratio ("DSCR") was 3.7x and the net debt-to-total equity was at 0.6x, well within the required financial covenants from its debt facilities. The weighted average cost of debt from drawn debt facilities remained at 5.1% as of June 2023.

Reminder of the Change in Recognition/Estimates: Network Materials and Supplies Recognition and Inside Plant and Facilities Equipment Useful Life

As mentioned, starting 1Q2023, Converge has employed an improved capability to properly segregate costs of network materials and supplies according to usage. As such, network materials and supplies used in 1H2023 for last mile connections were deferred and amortized over the contract period with the subscriber. Prior to 2023, all Network Materials and Supplies are expensed outright. Starting 1Q2023, only incidental materials beyond standard installation costs paid for by customers are expensed outright.

Also, the estimated useful life of Inside Plant and Facilities Equipment was extended from five years to eight years starting 1Q2023. This was due to a significant portion of the asset class being deemed useable beyond the original estimated five-year life. Upon reevaluation, the Company estimates eight years as a reasonable length of usage period for Inside Plant and Facilities Equipment. This translates to approximately 15% less depreciation in 2023.

Our Multi-segment Approach to Residential Broadband

According to the Philippine Statistics Authority's 2021 Family Income and Expenditure Survey, the country has approximately 26.4 million households with 70% at the lower income segments, which are still highly underpenetrated with reliable fixed broadband. As such, Converge has been working on a multi-segment strategy with tailored brands to cater to the unique needs of each segment of the residential market, while still maintaining the more premium features of the FiberX brand targeting upper- and middle-income households.

The Company launched the Surf2Sawa prepaid offering to cater to the Class D2 market of approximately 9 million households. Surf2Sawa is the lowest-priced prepaid fiber-to-the-home plan with various top-up options, for as low as ₱50 per day up to ₱700 for a 30-day unlimited connectivity. The modem limits concurrent users to only six devices, unlike the postpaid FiberX plans with no such limitations.

Alternatively, lower income households with a more consistent income can choose to avail of Bida Fiber, Converge's economical postpaid brand targeting the Class D1 market composed of approximately 8 million households. This product is priced at ₱888 per month with the same limit of six concurrent devices. This limitation on features, as well as speed difference, creates significant product differentiation between Bida Fiber and FiberX.

Meanwhile, we continue our efforts to deepen our penetration of upper- and middle-income households through targeted offerings such as XCLSV (premium experience and personalized customer support), The Game Changer (specialized plans for gamers), and HomeBase (for home-based microbusinesses).

The Company believes that this segment of the market remains underpenetrated with quality fixed connectivity. With its nationwide backbone and more than eight million ports deployed across the country, Converge is well-positioned to capitalize on this opportunity with its expansive infrastructure.

Customer Stickiness Remains a Key Focus of Converge with Launch of BlastTV

In collaboration with prominent media and entertainment company TapDMV, Converge launched BlastTV on August 8, 2023. BlastTV is a streaming television service designed to elevate the entertainment, lifestyle, and sports viewing experiences for all Converge residential subscribers.

BlastTV will be made available to every Converge residential subscriber as a complementary value-added service indefinitely under the first in the market "Watch Now, Pay Zero" initiative.

"*BlastTV marks our latest stride in transforming the digital entertainment landscape in the Philippines*," stated Dennis Anthony Uy, Co-Founder and CEO of Converge. "*We're delighted to collaborate with TapDMV on this initiative, delivering a broad array of dynamic and high-quality content directly to our subscribers' screens at no additional cost, as long as they are subscribed to any Converge fiber broadband plan*."

Global content partners of BlastTV include NBCUniversal, Paramount Pictures, Sony Pictures, MGM Television, and Lionsgate. Plus, in a first in Southeast Asia, BlastTV will be the streaming home of Studio Universal, launching for the first time in the Philippines on September 15, 2023. This partnership between NBCUniversal International Networks & Direct-to-Consumer and TapDMV will boast hundreds of blockbuster movie titles each year.

Converge is not expected to incur any material operational or capital expenditures in this collaboration.

Multiple Network Improvement Projects In Place To Improve Overall Reliability and Maintenance Process

In June 2022, the Company initiated its Backbone 6Sigma project that aimed to reduce service-affecting ticket incidents experienced by subscribers. This program included aerial and underground redundancies and reducing potential single points of failure that will critically affect the service reliability of the network. Compared to 1H2022, unique customers affected by service outages were reduced by 28%. These continuous preventive and corrective measures allow our network to function and serve customers despite localized outages.

In addition, since the first quarter of this year, Converge has been developing its Network Intelligence and Automation Platform aimed to reduce time to escalate and repair infrastructure damages. The platform allows Converge to identify the exact location of network damage and raise this concern to the appropriate service team with minimal lead time. As a result, backbone mean-time-to-restore improved by 20% and outside plant mean-time-to-restore improved by more than 33% compared to 2022 average. Field network operations team was also able to repair damaged equipment 46% faster due to this initiative.

Converge has been prioritizing customer experience to improve take-up and reduce churn. Service reliability and overall customer experience are deemed as important metrics for customers when deciding on a provider. The Company will continue its efforts in pushing for network reliability improvements and making sure that the Company’s network performance is best-in-class.

Topped Opensignal and Netflix Speed Ratings

Opensignal released its independent industry analysis last July where they noted Converge as the top local provider in terms of nationwide broadband download and upload speeds. Also, the Company topped in terms of Broadband Video Experience, Broadband Success Rate and Broadband Upload Speed in key areas – Metro Manila, Cebu City, and Davao City.

Converge also maintained its spot as the best internet service provider (ISP) for Netflix users based on the video streaming giant’s most recent ISP speed index report, tracking its performance for the first half of 2023. Netflix also ranked Converge as the top internet provider last year for having the fastest internet speeds based on its monthly speed ratings, garnering a full-year average of 3.42 Mbps.

Embedding Sustainability Commitment into its Operations

Converge has been progressively embedding the management of its key sustainability impacts into its day-to-day operations. In an effort to continuously improve its Quality Management System (QMS), the results of stakeholder consultations and materiality assessment were used to identify risks and opportunities to be addressed by QMS processes. It is envisaged that this will strengthen adherence to the ISO9001:2015 standard.

Supporting the digitalization initiatives of the government and UN targets for universal and meaningful connectivity, the Company powered-up its first airport passenger terminal with free fiber WiFi. Converge fiber-powered NAIA Terminal 4 in Manila with 1Gbps bandwidth. The Company has signed an agreement with the Department of Transportation and the airport authorities to provide free WiFi to a total of nine airports across the country.

Converge is also keen on ensuring that diversity celebrated and encouraged in the Company. CEO Dennis Anthony Uy signed the Statement of Support for the Women Empowerment Principles (WEPs), signifying its commitment to promote gender equality and women empowerment. On top of this, during its most recent Annual Stockholders' Meeting, Converge appointed former Senior Associate Justice Estela M. Perlas-Bernabe as an independent non-executive director to its Board of Directors, raising the percentage of females on the Board to approximately 29%. Chairman Jose de Jesus noted that the appointment of another qualified female member to the Converge Board improves its diversity and reflects the Company's stance on gender equality.

In June, the Company launched the second phase of its #CountdownToZeroWaste campaign, targeting plastic waste in the workplace after its initial focus on e-waste. With its #BawalAngPlastik advocacy, employees were encouraged to use less plastic in the office. Used plastic bottles were also collected and recycled by its partner Green Antz Builders which produces construction materials from the plastic bottle. Initially targeting electronic waste, the Countdown to Zero Waste campaign is a company-wide initiative to reach its goal of zero solid waste to landfill by 2030.

Recently, Converge was awarded the Broadband Telecom Company of the Year at the Asian Telecom Awards 2023. The recognition marks the company's second consecutive year of being recognized as the Philippines' choice of network.

"*We are honored to once again receive this accolade from the Asian Telecom Awards. This recognition is given at a very pivotal moment in our company's journey towards digital democracy. Right now we are expanding the access of low income classes to digitalization through prepaid products, and awards such as this motivate us on our mission to bridge the digital divide and make sure that when it comes to world-class connectivity, we will leave no one behind*," said Converge CEO and Co-Founder Dennis Anthony Uy.

On top of these, the Company scored higher on Environment, Social, and Governance (ESG) metrics being tracked by global investment research firm MSCI in its latest review. Converge received a rating of 'A' (on a scale of AAA - CCC) in the MSCI ESG Ratings assessment from 'BBB' previously.

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 six months ended June 30			
	2023	2022	YoY change	YoY change %
	(in P millions)			
Revenues	17,362	16,054	1,308	8%
Residential	14,876	14,084	791	6%
Enterprise	2,487	1,970	517	26%
Cost of services	(5,671)	(6,330)	659	-10%
Gross profit	11,691	9,724	1,967	20%
General and administrative expenses	(3,642)	(3,077)	(565)	18%
Provision for impairment of trade and other receivables	(1,140)	(808)	(332)	41%
Other income (expenses), net	(187)	(117)	(70)	60%
Profit from operations	6,722	5,722	1,000	17%
Finance costs	(1,092)	(686)	(406)	59%
Profit before income tax	5,631	5,037	594	12%
Income tax expense	(1,346)	(1,086)	(260)	24%
Profit after income tax	**4,285**	**3,951**	**334**	**8%**
Other comprehensive income	-	-	-	-
Total comprehensive income	4,285	3,951	334	8%
Profit after income tax	4,285	3,951	334	8%
Finance costs	1,092	686	406	59%
Income taxes	1,346	1,086	260	24%
Depreciation and amortization – cost of services	2,764	2,706	58	2%
Depreciation and amortization – general and administrative expenses	114	262	(148)	-57%
Amortization of subscriber acquisition costs	455	495	(40)	-8%
EBITDA	**10,056**	**9,186**	**870**	**9%**
EBITDA Margin	***57.9%***	***57.2%***		

Exhibit 2: Quarterly Operational Performance Summary

	2021			2022				2023		YoY Change %
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	2Q2023 vs 2Q2022
Residential										
Revenues (In PHP millions)	**5,415**	**6,162**	**6,754**	**6,812**	**7,272**	**7,278**	**8,100**	**7,399**	**7,477**	**3%**
FTTH	4,771	5,571	6,215	6,299	6,800	6,853	7,605	7,089	7,181	6%
HFC	644	590	539	513	472	424	480	311	291	-38%
Customers	**1,355,079**	**1,576,759**	**1,691,550**	**1,802,202**	**1,817,115**	**1,845,162**	**1,877,361**	**1,920,361**	**1,969,663**	**8%**
FTTH	1,139,290	1,363,681	1,476,223	1,591,472	1,622,115	1,652,977	1,692,205	1,740,666	1,795.858	11%
HFC	215,789	213,078	215,327	210,370	195,000	192,185	185,156	179,695	173,805	-11%
Homes Passed	**8,303,553**	**9,610,861**	**10,913,865**	**12,200,921**	**13,493,993**	**14,316,633**	**14,940,769**	**15,917,481**	**16,560,337**	**23%**
FTTH	7,462,056	8,768,296	10,063,064	11,350,120	12,643,192	13,456,376	14,089,968	15,066,680	15,709,536	24%
HFC	841,497	842,565	850,801	850,801	850,801	850,801	850,801	850,801	850,801	0%
Ports	**4,572,525**	**5,226,713**	**5,882,333**	**6,525,861**	**7,172,397**	**7,583,717**	**7,895,785**	**8,384,141**	**8,705,569**	**21%**
FTTH	3,731,028	4,384,148	5,031,532	5,675,060	6,321,596	6,732,916	7,044,984	7,533,340	7,854,768	24%
HFC	841,497	842,565	850,801	850,801	850,801	850,801	850,801	850,801	850,801	0%
Household Coverage (%)	**32.5%**	**37.6%**	**42.7%**	**47.5%**	**52.1%**	**53.0%**	**56.2%**	**59.9%**	**62.3%**	20%
ARPU	**1,372**	**1,346**	**1,304**	**1,243**	**1,278**	**1,261**	**1,240**	**1,219**	**1,208**	**-5%**
FTTH	1,455	1,424	1,380	1,301	1,351	1,323	1,309	1,297	1,277	-5%
HFC	967	891	806	790	701	663	632	562	543	-23%
Customer Churn (%)	**1.11**	**1.32**	**0.99**	**1.47**	**2.49**	**1.96**	**1.75**	**1.89**	**2.04**	**-18%**
FTTH	0.97	1.32	1.02	1.48	2.43	2.12	1.78	2.09	2.12	-13%
HFC	1.79	1.34	0.77	1.37	2.98	0.83	1.43	1.16	1.19	-60%
Port Utilization (%)	**29.6**	**30.2**	**28.7**	**27.6**	**25.3**	**24.4**	**23.8**	**22.9**	**22.6**	**-11%**
FTTH	30.5	31.1	29.3	28.5	25.7	24.6	23.9	23.1	22.9	-11%
HFC	25.6	25.3	25.2	21.7	22.9	22.7	21.8	21.1	20.4	-11%
Enterprise										
Revenues (In PHP millions)	**819**	**887**	**892**	**935**	**1,034**	**1,149**	**1,115**	**1,243**	**1,244**	**20%**
Customers	**17,539**	**21,425**	**26,038**	**29,723**	**31,886**	**35,324**	**37,563**	**40,683**	**42,797**	**34%**
ARPU	**18,247**	**15,175**	**12,510**	**11,195**	**11,114**	**11,430**	**11,076**	**10,398**	**10,130**	**-9%**
Customer Churn (%)	**0.35**	**1.42**	**1.15**	**1.98**	**2.19**	**2.69**	**2.73**	**1.58**	**1.27**	**-42%**

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 six months ended June 30			
	2023	2022	YoY change	YoY change %
	(in P millions)			
Depreciation and amortization	2,764	2,706	58	2%
Amortization of deferred contract cost	1,049	1,206	(157)	-13%
Repairs and maintenance expense	570	462	108	23%
Bandwidth and leased line costs	335	519	(184)	-35%
Rent	263	201	62	31%
Service fees	236	250	(14)	-5%
Utilities	174	86	88	102%
Personnel costs	170	210	(40)	-19%
Network materials and supplies used	52	681	(630)	-92%
Others	56	7	49	653%
Total cost of services	**5,671**	**6,330**	**(659)**	**-10%**
Gross profit	**11,691**	**9,724**	**1,967**	**20%**
Gross profit margin	***67.3%***	***60.6%***		
Managed service fees	953	464	489	105%
Outside services	842	372	470	126%
Personnel costs	746	942	(196)	-21%
Promotions	223	234	(11)	-5%
Taxes and licenses	201	263	(61)	-23%
Depreciation and amortization	114	262	(148)	-57%
Other general and administrative expenses	562	541	21	4%
Total G&A expenses	**3,642**	**3,077**	**565**	**18%**
Provision for impairment of receivables	1,140	808	332	41%
Other (income)/expenses	187	117	70	60%
Operating profit	**6,722**	**5,722**	**1,000**	**17%**
Operating profit margin	***38.7%***	***35.6%***		

Exhibit 4: Other Income/(Expenses) Statement Items

	For the six months ended June 30			
	2023	**2022**	**YoY change**	**YoY change %**
	(in P millions)			
Loss on write-off of property, plant and equipment	(226)	-	(226)	-
Net foreign exchange gain/(loss)	(103)	(186)	83	-45%
Interest income	70	9	61	683%
Equity in net gain of associates and joint ventures	21	57	(36)	-63%
Miscellaneous income (expense)	50	3	47	1578%
Total Other income (expense), net	**(187)**	**(117)**	**(70)**	**60%**
Operating profit	6,722	5,722	1,000	17%
Finance cost	(1,092)	(686)	(406)	59%
Profit before income tax	5,631	5,037	594	12%
Income tax expense	(1,346)	(1,086)	(260)	24%
Profit after income tax	**4,285**	**3,951**	**334**	**8%**
Profit after income tax margin	***24.7%***	***24.6%***		

Exhibit 5: Summary Balance Sheet

	As of the period			
	June 30, 2023	**Dec 31, 2022**	**Change**	**Change %**
	In P millions			
Current assets				
Cash and cash equivalents	11,261	10,214	1,046	10%
Trade and other receivables, net	4,256	3,337	918	28%
Due from related parties, net, current portion	881	609	272	45%
Network materials and supplies, net	5,074	4,385	689	16%
Deferred contract costs, current portion	972	1,007	(34)	-3%
Other current assets	2,772	3,046	(274)	-9%
Non-current assets				
Property, plant and equipment, net	64,328	62,534	1,794	3%
Right-of-use assets, net	3,070	3,294	(224)	-7%
Intangible assets, net	2,357	2,385	(28)	-1%
Due from related parties, net of current portion	154	157	(4)	-2%
Advances to fixed assets suppliers	4,146	4,317	(171)	-4%
Retirement benefit assets, net	60	-	60	N/M
Other non-current assets	3,312	2,813	498	18%
Total assets	**102,641**	**98,098**	**4,543**	**5%**
Current liabilities				
Trade and other current liabilities	18,519	17,055	1,463	9%
Due to related parties	197	111	86	78%
Borrowings, current portion	4,318	3,240	1,079	33%
Lease liabilities, current portion	568	616	(47)	-8%
Other current liabilities	3,337	3,701	(365)	-10%
Non-current liabilities			-	
Borrowings, net of current portion	33,213	35,000	(1,787)	-5%
Retirement benefit obligation, net	-	153	(153)	-100%
Other non-current liabilities	2,058	2,111	(53)	-2%
Total liabilities	**62,211**	**61,988**	**223**	**0%**
Total equity	**40,430**	**36,111**	**4,319**	**12%**
Total liabilities and equity	**102,641**	**98,098**	**4,543**	**5%**

Exhibit 6: Summary Cash Flow

	For the six months ended June 30			
	2023	**2022**	**YoY change**	**YoY change %**
		(in P millions)		
Cash flow from operating activities				
Profit before income tax	5,631	5,037	594	12%
Adjustments for operating income	6,355	5,785	571	10%
Adjustments for assets and liabilities	(4,082)	(4,353)	271	-6%
Cash from operations	7,904	6,468	1,435	22%
Interest received and income taxes paid	(1,803)	(1,535)	(268)	17%
Net cash from operating activities	**6,100**	**4,933**	**1,167**	**24%**
Cash flow from investing activities				
Acquisition of property, plant, and equipment and intangibles	(3,017)	(11,112)	8,095	-73%
Others	(217)	(478)	262	-55%
Net cash (used in) investing activities	**(3,234)**	**(11,591)**	**8,357**	**-72%**
Cash flow from financing activities				
Proceeds from loans payable	500	21,328	(20,828)	-98%
Payment of loans payable	(1,162)	(1,028)	(134)	13%
Others	(1,164)	(7,708)	6,544	-85%
Net cash from/(used in) financing activities	**(1,826)**	**12,592**	**(14,418)**	**-114%**
Net increase/(decrease) in cash and cash equivalents	**1,041**	**5,934**	**(4,893)**	**-82%**
Cash and cash equivalents, beginning	10,214	8,084	2,130	26%
Effects of exchange rate changes in cash and cash equivalents	6	96	(91)	-94%
Cash and cash equivalents, ending	**11,261**	**14,115**	**(2,854)**	**-20%**

Exhibit 7: Liquidity and Capital Resources

	June 30, 2023	December 31, 2022	Change (%)
Balance Sheet Data (in P millions)			
Total Assets	101,580	98,098	4%
Total Debt	38,162	38,240	0%
Total Stockholders' Equity	38,300	36,111	6%
Financial Ratios			
Total Debt to EBITDA (gross)	2.0x	2.0x	
Total Debt to EBITDA (net)	1.4x	1.4x	
Debt Service Coverage	3.7x	3.9x	
Interest Coverage (gross)	11.8x	11.2x	
Debt to Equity (gross)	0.9x	1.1x	
Debt to Equity (net)	0.7x	0.8x	
Return on Invested Capital	15.4%	15.7%	

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			
	June 30, 2023	June 30, 2022	YoY Change	YoY Change %
	(in millions)			
Total additions to property, plant and equipment	**4,672**	**11,234**	**(6,562)**	**-58%**
Total cash capital expenditures[1]	**3,234**	**11,585**	**(8,352)**	**-72%**
Cash capital expenditures[1] / Revenue	**19%**	**72%**		

Notes:
(1) Include acquired property, plant and equipment, intangibles, and right-of-use assets and advances to fixed asset suppliers as of report date.

# # #