

# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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### COMPANY NAME

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m	e		a	n	d		S	t	y	l	e	:		P	T	&	T	)																					

### PRINCIPAL OFFICE (No./Street/Barangay/City/Town/ Province)

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Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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### COMPANY INFORMATION

Company's Email Address

legal@ptt.com.ph

Company's Telephone Number

(02) 8815-996

Mobile Number

0917 893 8601

No. of Stockholders

3,641

Annual Meeting (Month / Day)

Last Friday of June

Calendar Year (Month / Day)

December 31

### CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Kenneth Maceren

Email Address

kjmaceren@ptt.com.ph

Telephone Number

(02) 8815-996

Mobile Number

0917 893 8601

### CONTACT PERSON'S ADDRESS

6<sup>th</sup> Floor SCC Bldg. 106 Carlos Palanca St., Legaspi Village, Makati City

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.

SEC Number 21817

FILE Number \_\_\_\_\_



**PT&T CORP.**

**Formerly Philippine Telegraph and Telephone Corporation**

(Company's Full Name)

**Spirit of Communications Centre.**

**106 C. Palanca Jr. St., Legaspi Village, Makati City**

(Company's Address)

**(632) 8815-9961**

(Telephone Number)

**December 31**

(Calendar Year Ending)

(month & day)

**Form 17-A**

Form Type

\_\_\_\_\_  
Amended Designation (if applicable)

**December 31, 2024**

Period Ended Date

\_\_\_\_\_  
(Secondary License Type and File No.)

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-A, AS AMENDED**

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND  
SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES**

1. For the calendar year ended **December 31, 2024**
2. SEC Identification Number **21817**
3. BIR Tax Identification No. **000-530-631**
4. **PT&T CORP.**  
Exact name of issuer as specified in its charter:
5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **Spirit of Communication Centre Building,**  
**106 Carlos Palanca Jr. St., Legaspi Village, Makati City**  
Address of principal office
8. **(632) 8815-9961 to 65**  
Issuer's telephone number, including area code
9. **Philippine Telegraph and Telephone Corporation**  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of each class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock	Php1.00 par value 1,500,000,000 shares

11. Are any or all of these securities listed on a Philippine Stock Exchange?  
Yes ☒ No ☐  
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:  
**Philippine Stock Exchange (PSE) – Common Stock**

12. Indicate by check mark whether the issuer:  
(a) has filed all reports required to be filed by Section 17 of the SRC and the SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):  
Yes ☒ No ☐  
(b) has been subject to such filing requirements for the past ninety (90) days.  
Yes ☒ No ☐
13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

**Not Applicable (PSE trading of PT&T common stock has been voluntarily suspended since December 13, 2004)**

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.  
Yes ☒ No ☐

**PT&T CORP.**  
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## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

#### Overview

PT&T Corp. (Doing business under the name and style: PT&T) (the Company) was incorporated on November 14, 1962, under the laws of the Philippines as a diversified telecommunications entity catering to the corporate, small and medium business and residential segments. The Company is also a grantee of a franchise and holds various licenses to establish, install, maintain, operate and lease telecommunications systems, lines and circuits, wire or services, throughout the Philippines and other countries.

On November 3, 2023, the Securities and Exchange Commission (SEC) approved the following amendments to the Company's Articles of Incorporation:

- a. change of corporate name from Philippine Telegraph and Telephone Corporation to PT&T Corp. (Doing business under the name and style: PT&T);
- b. include the sale and distribution of information technology products, software, and services, and to provide shared services to subsidiaries, affiliates, and other companies in the Company's primary purpose; and
- c. increase of the authorized capital stock from ₱3,800.0 million to ₱12,600.0 million in line with the Company's Corporate Rehabilitation Plan (Rehab Plan) (see Note 14).

The Company's registered office address is at the 6<sup>th</sup> Floor SCC Bldg. 106, Carlos Palanca St., Legaspi Village, Makati City and is domiciled in the Philippines.

#### **Legislative Franchise and Other Licenses**

##### *Legislative Franchise*

On June 20, 1964, the Company was granted a 25-year national legislative franchise under Republic Act (RA) No. 4161, as amended by RA Nos. 5048 and 6970, allowing the Company to establish, install, maintain and operate wire and/or wireless telecommunications systems, lines, circuits and stations throughout the Philippines for public domestic and international communications, and to provide domestic record communications services which consisted of telex, telegraph, and private leased circuits. On July 21, 2016, the Company was granted an extension of its franchise for another 25 years under RA No. 10894, *An Act Extending to Another Twenty-Five (25) Years the Franchise Granted to the Philippine Telegraph & Telephone Corporation (PT&T) to Establish, Install, Maintain and Operate Wire and/or Wireless Telecommunications Systems, Lines, Circuits and Stations Throughout the Philippines for Public Domestic and International Communications under RA No. 4161, as Amended*.

On August 25, 2017, Republic Telecommunications Holdings, Inc. (RETELCOM) and Menlo Capital Corporation (MENLO) entered into a Sale and Transfer Agreement wherein RETELCOM agreed to sell and transfer 560,000,000 common shares, representing 37.33% ownership interest of the Company in favor of MENLO. On February 20, 2018, the Subcommittee on Oversight (Legislative Franchise) (the "Subcommittee") of the House of Representatives conducted a public hearing on the alleged sale of the Company's ownership interest to MENLO without Congressional approval. Pursuant to Section 14 of RA No. 10894, a franchise grantee shall not sell its controlling interest without the prior approval of the Congress of the Philippines.

The Company submitted a Position Paper on March 7, 2018 followed by a Supplemental Position Paper on March 21, 2018 to clarify all concerns on the compliance by the Company of the provisions of its franchise. As at the date of the approval of these financial statements, the Company has yet to receive any response or resolution from the Subcommittee on Oversight (Legislative Franchise). Considering the facts and the applicable laws involved in this inquiry, the management, in consultation with its legal counsel, has assessed that this matter does not and will not have an impact on the Company's operations.

##### *Licenses with National Telecommunications Commission (NTC)*

The Company has various Certificates of Public Convenience and Necessities (CPCNs) granted by the NTC which enable the Company to (a) provide data communications (Datacom) services, (b) implement its expansion and improvement programs covering among others the installation, operation, and maintenance of an integrated digital network in the National Capital Region (NCR), and (c) install, operate and maintain a national packet data network with the accompanying authority to charge rates for said services.

Aside from the NTC-authorized Datacom services, the Company was granted a CPCN that enables the Company to participate in the government's liberalization of telecommunications industry as mandated under Executive Order (EO) No. 109. While beforehand the Company was already operating as an inter-exchange carrier pursuant to the NTC Case No. 90-129 which enabled the Company to provide inter-exchange trunk facilities to connect with local exchange carriers (LEC) and public calling offices for long distance toll service, the said EO 109 thereafter enabled the Company to become a LEC operator authorized under NTC Case No. 94-022. As a LEC operator, the Company was granted Region IV-A comprising of the provinces of Aurora, Laguna, Marinduque, Quezon, Rizal, and Romblon for LEC services. The Company, along with its related party, Capitol Wireless, Inc. (CWI), has been granted the CPCN to establish, operate and maintain international gateway facilities to/from foreign countries as authorized under NTC Case Nos. 93-144 and 94-022.

The Company also has ongoing applications with the NTC to upgrade its existing CPCNs for additional service areas to complement the Company's plan of nationwide network rollout. As at the date of the approval of these financial statements, these applications are pending with the NTC.

The Company is also registered as a value-added service (VAS) provider with the NTC which allows the Company to offer internet access service; virtual private network, electronic mail service, messaging services, web hosting, electronic commerce, firewall service, e-learning, business application, network security, business resiliency, and data and analytics. The Company's VAS license is valid until September 5, 2026.

#### **Status of the Shares Listing in the Philippine Stock Exchange (PSE)**

On January 10, 1990, the Company listed its common shares in the PSE. On December 10, 2004, the Company requested the voluntary suspension of the trading of its shares which was approved by the PSE on December 13, 2004. The Company, however, continues to comply with the reportorial requirements of the SEC, the PSE, and the Bureau of Internal Revenue (BIR).

In 2017, the Company requested for the lifting of the voluntary suspension of the trading of its shares with the PSE. Accordingly, the Company submitted an Amended Registration Statement and other required reports to the Markets and Securities Regulation Department (MSRD) of the SEC.

After the Company's full compliance with the SEC requirements, the Company Registration and Monitoring Department of the SEC issued a certification relating to the Company's good standing with the SEC on April 29, 2021. Subsequently, the MSRD issued an Order dated August 4, 2021, lifting the suspension of the Company's Registration Statement.

The Company continues to update the PSE on its implementation of the court-approved rehabilitation plan (the "Rehab Plan") as it evaluates the request for the lifting of the voluntary suspension of the trading of its shares. As at the date of the approval of these financial statements, the result of the said evaluation is still pending with the PSE.

#### **Status of Corporate Rehabilitation**

On August 20, 2009, the Company, RETELCOM, Philippine Wireless, Inc. (PWI), Capitol Wireless, Inc. (CWI), and Wavenet Philippines, Inc. (WPI) collectively referred to as the "RETELCOM Group" jointly filed a petition for Corporate Rehabilitation (Corp Rehab) and Suspension of Payments pursuant to the *Rules of Procedure on Corporate Rehabilitation* (A.M. No. 00-8-10-SC). On August 24, 2009, the rehabilitation court (Rehab Court) issued an order staying enforcement of all claims, whether for money or otherwise against the RETELCOM Group (Stay Order) and appointing a rehabilitation receiver (Rehab Receiver).

On April 1, 2011, the Rehab Court approved the RETELCOM Group's Rehab Plan which was immediately executory. However, during the same year, certain creditors whose claims constitute a minority of the Company's total liabilities filed before the Court of Appeals (CA) a petition assailing the Rehab Court's approval of the Rehab Plan. On May 19, 2017, the CA rendered a decision reversing the Rehab Court's approval of the Company's Rehab Plan. On December 4, 2017, the RETELCOM Group filed a Petition for Review before the Supreme Court (SC). The result of the said review, however, is still pending with the SC at the date of these financial statements.

On July 27, 2018, the Company requested the Rehab Court that it be allowed to exit from rehabilitation subject to certain requirements which was approved by the Rehab Court on August 6, 2018. These requirements include, among others, the increase of the authorized capital stock which will allow the Company to settle its liabilities through debt-to-equity conversion as mandated by the approved Rehab Plan.

On November 3, 2023, the SEC approved the Company's increase in authorized capital stock to accommodate the debt-to-equity conversion of deposits for future stock subscriptions amounting to ₱8,709.6 million in accordance with the Rehab Plan and partially settled its statutory obligations, salaries, wages and other employee benefits out of its escrow accounts as at December 31, 2023.

Under the Corp Rehab Plan, however, the Company still has to request for a temporary exemptive relief from the SEC under the Securities Regulation Code (SRC) Rule 72.2, and the PSE to lift the suspension of the trading of the Company's common shares, without any sanctions or penalties, and for the Company to comply with all the applicable rules and regulations of the SEC and PSE so that the trading of all the authorized shares of the Company shall not in any way be suspended or restricted except as provided by law. Moreover, the Company has to enroll and list all its authorized redeemable shares as freely "tradable" shares with PSE.

In the meantime, any sale or disposition of the petitioner's properties, whether real or personal, is subject to the Rehab Court's evaluation and approval, and all unpaid obligations to claimants covered by the Rehab Plan are subject to legal interest of 6% from the approval of the Rehab Plan until full payment.

#### **Status of Operations**

The Company has incurred a deficit of ₱11,646.7 million and ₱11,665.0 million as at December 31, 2024 and 2023, respectively, and is still under Corp Rehab. These factors indicate a material uncertainty which may cast doubt on the Company's ability to continue as a going concern.

The Company also partially paid its statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2024 and 2023. As of date, the company is in the process of complying with all the directives in its Corp Rehab Plan and the management is optimistic to complete the same and exit the Corp Rehab in April 2025.

To further improve its financial position, sustain operations, and exit from the Corp Rehab status, the Company is expanding its digital infrastructure network and diversifying its service offerings through a combination of own build and strategic partnerships.

To expand its fiber footprint, achieve incremental connectivity targets and reduce maintenance costs, the Company also completed notable infrastructure projects such as, node and building ports utilization, fiber upgrade, and pole attachments and access cable rehabilitation.

In December 2023, the BOD approved the Company's plan to upgrade its existing CPCNs and apply for additional service areas with the NTC to support the Company's expected nationwide network roll-out. The Company engaged the services of one of the world's largest financial advisory group to raise the necessary funds for the network expansion and roll-out.

#### **Joint Venture (JV) Agreement**

On August 6, 2024, the Company entered into a JV agreement with Netlinks Global Services (Aust & NZ) PTY Limited, a company organized and existing under the laws of Australia, to form a joint venture company in the Philippines. On November 27, 2024, a separate vehicle was incorporated under the operating name of SecureLink Networks Incorporated (SecurLink). The authorized capital stock shall be the Philippine peso equivalent of USD 475,000 or ₱26.7 million, divided into ₱1.00 par value a share.

Under the JV agreement, the Company will own 51% equity ownership of the joint venture in exchange for service, property and other operating expenses during the operational transition period equivalent to ₱13.6 million or USD 242,000. Netlinkz Global Services (Aust & NZ) PTY Limited, on the other hand, will own 49% equity ownership for a cash consideration of ₱13.1 million or USD 233,000. The Company will account for its investment in SecureLink as investment in a subsidiary. As at the reporting date, the Company has not made any capital contribution yet to the joint venture.

SecureLink will operate and distribute Starlink satellite internet equipment and services. This joint venture will serve as the Philippines' hub for Netlinkz' cutting-edge products, featuring the advanced Virtual Secure Network Plus (VSN+). Additionally, it will leverage on the availability of broadband connectivity provided by smaller, portable and mobile satellite dishes offering broadband internet to previously inaccessible regions. Through this partnership, enterprises throughout the country, particularly in areas historically underserved by traditional fibre internet providers, will gain access to this high-speed, low-latency connectivity with enterprise grade network security. The Company offers StarLink services which includes, the Starlink kit, enterprise solutions for fixed broadband services, mobile application, maritime and data volume-based services. The joint venture will expand and solidify the market base for Starlink services in the Philippines.

#### **Approval of the Financial Statements**

The financial statements as at and for the years ended December 31, 2024 and 2023 (with comparative figures for 2022) were approved and authorized for issue by the BOD, as approved and endorsed by the Audit Committee, on April 11, 2025.

## **Item 2. Properties**

### **A. Description of Property**

The principal properties of the Company which consists of land, buildings, other land improvements, telecommunication equipment, machinery and equipment, and office equipment are located at the main office of the Company which is situated at 106 C. Palanca Jr. St., Legaspi Village, Makati City.

The Company's real properties as of December 31, 2024 are as follows:

	<b>Property Location</b>	<b>Address</b>	<b>Lot Area</b>
1	SCC Bldg. Carlos Palanca, Makati	106 SCC Bldg., C. Palanca Street, Legaspi Village, Makati City	858 sqm lot with 7-storey bldg.
2	Cavinti, Laguna	Caliraya	3,725 sqm
3	Tuba, Benguet	Mountain of Sto Tomas, Tuba, Benguet	2,000 sqm
4	Sta. Cruz, Laguna	Lot 1568 - A Bagumbayan, Sta. Cruz, Laguna	1,839 sqm
5	Calauan, Laguna	Kaunlaran Road, Calauan, Laguna	972 sqm
6	Carmen, North Cotabato	North Cotabato	949 sqm
7	San Pablo City Laguna	National Highway, Brgy. San Roque, San Pablo, Laguna	944 sqm
8	Mabalacat, Pampanga	Lot #018 McArthur Highway, Brgy. Camachile Malabalacat Pampanga	665 sqm
9	Paete, Laguna	J.P Rizal Street, Brgy. Macumbo, Paete, Laguna	479 sqm
10	Tacloban City, Anibong Dist	Lot 1713, Barrio of San Jose, City of Tacloban, Leyte	400 sqm

### **B. Mortgage, lien or encumbrance.**

The Company's property, plant and equipment are pooled under a mortgage trust indenture (the MTI) which is managed by the MTI Trustee, Export Industry Bank – Trust as successor of Philippine National Bank – Trust Group. Mortgage participation certificates are given by the MTI

Trustee to secured creditors principally as security for their long-term loans to the Company, representing their respective pro-rata interest over the collateral pool.

However, pursuant to the Rehab Order, the obligations to the secured creditors have been settled already by way of their conversion to 12-year Series "A" redeemable preferred shares. Consequently, it is the Company's contention that there are no more MTI liens and encumbrances over the Company's property, plant and equipment.

The Rehab Court, per its Order dated August 2, 2018, clarified that the 12-year payment plan under the Serial Redeemable Preferred Shares shall be counted from the issuance of the corresponding 12-year redeemable preferred stock certificates to the Claimants concerned. Likewise in the same Order, the Rehab Court granted the Company's Motion for Leave to Sell and/or Dispose Certain Assets dated October 12, 2015, and that all records of the PT&T-Mortgage Trust dated December 1991 including the owner's duplicate original of the Transfer Certificate of Title (TCT) and the chattel and other related documents under the custody of the MTI Trustee be transferred and released to the custody of the Rehab Receiver.

### **C. Lease Agreements**

The company has entered into various lease agreements on office space, cell sites telecommunications equipment locations and car rentals. The operating lease agreements age for periods ranging from 1 to 5 years from the date of contracts.

The Company's investment properties consist of land and improvements in various locations in NCR and Region 4. Some of the land with improvements, which are not being used by the Company for its operations, are rented out in the ordinary course of business for a fee to third parties for one (1) to five (5) years lease term and are renewable subject to mutual consent of both parties, while others are held for capital appreciation.

## **Item 3. Legal Proceedings**

The Company is a respondent in several labor cases. Majority of these labor cases stemmed from the financial difficulties experienced by the Company which led to the filing of a Petition for Rehabilitation in 2009. As a consequence of the Stay Order issued by the Rehabilitation Court, proceedings in all these labor cases were suspended. In compliance with the Rehabilitation Plan, the Company is currently undertaking the settlement of these labor cases. The possible liability of the Company arising from the labor disputes is indicated in Note 3 of the Company's Audited Financial Statements.

The Company is likewise a party in several collection cases. These collection cases were due to non-payment of obligations as a direct consequence of the financial difficulties experienced by the Company. This difficulty ultimately led to the filing by the Company of a Petition for Rehabilitation in 2009. The proceedings in these cases were likewise suspended pursuant to the Stay Order issued by the Rehabilitation Court. The amount involved in these cases are part of or are included in the obligations mentioned in the Audited Financial Statements which are to be settled through debt-to-equity conversion and the issuance of Series "A", "B" and "C" Serial Redeemable Preferred Stocks. Conducting a debt-to-equity conversion was mandated under the Company's Rehabilitation Plan which was approved by the Rehabilitation Court in an Order dated 01 April 2011.

The Company also filed before the Court of Appeals a petition against the NTC assailing the amount of the Supervision and Regulatory Fee ("SRF") the NTC is collecting from the Company. The Court of Appeals partially granted the petition of the Company but remanded the case to the NTC for the re-computation of the SRF. The Company filed a Motion for Partial Reconsideration while the NTC filed its own Motion for Reconsideration. The Company's Motion for Partial Reconsideration and the NTC's Motion for Reconsideration were denied by the Court of Appeals in a Resolution dated August 20, 2020.

On October 20, 2020, the company filed a Petition for Review with the Supreme Court to assail the Decision and Resolution of the Court of Appeals. The NTC likewise filed its own Petition for Review with the Supreme Court.

As of the date of this report, the said petitions are still pending with the Supreme Court.

The Company likewise filed a petition with the Supreme Court against the NTC and several entities questioning the selection process and the award of the New Major Player in the Philippine Telecommunications Market. The parties have already filed their respective pleadings and are awaiting further directive from the Supreme Court.

## **Item 4. Submission of Matters to a Vote of Security Holders**

Except for matters taken up during the annual meeting of stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

#### A. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

##### 1. Market Information

Out of the current 1,500,000,000 common stocks of the company, 800,000,000 thereof are listed with the PSE. However, the trading of the listed stocks is currently suspended as a result of the Company's request for voluntary suspension of trading last December 10, 2004. The request of the Company to suspend the trading of its stocks was approved by the PSE last December 13, 2004.

The Company has also issued a total of 8,781,248,451 non-voting preferred stocks.

##### 2. Holders

##### Common Stocks

The number of voting and common shareholders of record as of December 31, 2024, is 3,641.

The top 20 voting and common shareholders as of same date and presented also in the Company's General Information Sheet are the following:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Menlo Capital Corporation	Filipino	559,999,998	37.33%
2. Telectronic Systems, Inc.	Filipino	300,000,241	20.00%
3. Republic Telecommunications Holdings, Inc.	Filipino	278,873,526	18.59%
4. PCD Nominee Corporation	Filipino	149,267,825	9.99%
5. Timco Holdings, Inc.	Filipino	121,126,474	8.08%
6. PCD Nominee Corporation	Non-Filipino	7,370,664	0.50%
7. Pioneer Insurance and Surety Corporation	Filipino	2,148,000	0.14%
8. Tan, Felix L.	Filipino	1,808,500	0.12%
9. Knights of Columbus Fraternal Association of the Philippines	Filipino	986,664	0.07%
10. G&L Sec. Co., Inc.	Filipino	923,667	0.06%
11. David Go Securities Corporation	Filipino	855,830	0.06%
12. Yan, Lucio W.	Filipino	850,000	0.06%
13. Pioneer Intercontinental Insurance Corp.	Filipino	850,000	0.06%
14. Santiago, Severina M.	Filipino	818,260	0.06%
15. Caedo, Jose Jr. P.	Filipino	811,963	0.05%
16. Camarines Minerals Inc.	Filipino	800,000	0.05%
17. Lopez-Santiago, Eleanor M.	Filipino	729,926	0.05%
18. Santiago, Virginia M.	Filipino	729,926	0.05%
19. Others (3,621)	Filipino	71,048,536	4.69%

##### Preferred Stocks

The number of shareholders of Serial Cumulative Convertible Redeemable Stock (Preferred 1) as of December 31, 2024 are as follows:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Menlo Capital Corporation	Filipino	37,139,068	51.81%
2. Republic Telecommunications Holdings, Inc.	Filipino	13,000,000	18.14%
3. Telectronic Systems, Inc.	Filipino	7,282,012	10.16%
4. Jose Luis Santiago	Filipino	5,574,183	7.78%
5. Timco Holdings, Inc.	Filipino	5,482,642	7.65%
6. El Jovir Redecor	Filipino	2,019,828	2.82%
7. Claudette Santiago	Filipino	806,719	1.13%
8. Consultronix Systems, Inc.	Filipino	256,911	0.36%
9. Claudio Holdings Corp.	Filipino	53,000	0.07%

10. Ideal Coco	Filipino	42,043	0.06%
11. Tesco Services, Inc.	Filipino	19,952	0.07%

The Top 20 shareholders of Series "A" Serial Redeemable Preferred Stock (Series A) as of December 31, 2024 are as follows:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Menlo Capital Corporation	Filipino	2,225,427,809	33.09%
2. Bank Leumi Le-Israel B.M. (Assignee of ECI ELECOM Ltd)	Non-Filipino	1,337,473,884	19.88%
3. Ssangyong Singapore Pte., Ltd. (Ssangyon Corp.)	Non-Filipino	441,565,160	6.56%
4. Tranche 1(SPV-AMC), Inc. (Philippine National Bank)	Filipino	306,561,982	4.56%
5. Frank Huang	Non-Filipino	288,000,000	4.28%
6. Onshore Strategic Assets(SPV-AMC)(UOB Formerly Westnut Bank)	Filipino	271,377,500	4.03%
7. Asset Pool A(Spv-Amc) Inc. (Ucpb)	Filipino	225,486,923	3.35%
8. JP Morgan Chase (Formerly Chemical Bank)	Non-Filipino	170,994,250	2.54%
9. Kookmin Bank (Formerly Korea Long Term Bank)	Non-Filipino	170,994,250	2.54%
10. Lehman Brothers Asean Opportunity Limited(Assignee Of First Commercial Bank)	Non-Filipino	170,994,250	2.54%
11. Woori Bank	Non-Filipino	170,994,250	2.54%
12. Asia Recovery Corp. And Camaron Granville 2 Asset Mgt., Inc.	Filipino	157,428,569	2.34%
13. Philippine Investment One (SPV-AMC) Inc. C/O CSAP, Inc.	Filipino	147,172,414	2.19%
14. International Exchange Bank	Filipino	146,566,500	2.18%
15. Steven Chiu	Non-Filipino	100,000,000	1.49%
16. Celia Chao	Non-Filipino	73,040,000	1.09%
17. Landbank	Filipino	68,965,517	1.03%
18. STAR (SPV-AMC) PHILIPPINE, INC (PDB Merged With PDB Leasing Corp)	Filipino	49,758,621	0.74%
19. Philippine Investment One (SPV-AMC), Inc. (Equitable Pcbank)	Filipino	40,201,147	0.60%
20. Government Service Insurance System	Filipino	40,000,000	0.59%

The Top 20 shareholders of Series "B" Serial Redeemable Preferred Stock (Series B) as of December 31, 2024 are as follows:

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. Tranche 1 (SPV-AMC) Inc. (Philippine National Bank)	Filipino	475,213,881	26.93%
2. Asset Pool A (SPV-AMC) Inc.	Filipino	325,218,151	18.43%
3. Tomen Corporation (Assigned to Deutsche Bank AG, London)	Filipino	126,945,299	7.19%
4. Asia Recovery Corp. and Cameron Granville 2 Asset Mgt., Inc.	Filipino	125,820,438	7.13%
5. Land Bank of the Philippines	Filipino	68,103,448	3.86%
6. Digital Telecommunications Phils., Inc.	Filipino	53,657,324	3.04%
7. Advent Capital and Finance Corp.	Filipino	49,983,342	2.83%
8. Penta Capital Investment Corp.	Filipino	49,325,083	2.79%
9. Ris (SPV-AMC) Inc. (Asiitrust Development Bank)	Filipino	48,300,001	2.74%
10. Philippine Investment One (SPV-AMC) Inc. c/o CSAP, Inc.)	Filipino	46,966,240	2.66%
11. Security Bank & Trust Company	Filipino	46,057,390	2.61%
12. East Asia (Aea) Capital Corp.	Filipino	42,110,000	2.39%
13. Manulife Financials	Filipino	26,000,000	1.47%
14. Meralco	Filipino	23,295,667	1.32%
15. International Exchange Bank	Filipino	20,000,000	1.13%
16. Philippine Investment One (SPV-AMC) Inc. (RCBC)	Filipino	20,000,000	0.98%

17. PLDT	Filipino	17,295,456	0.92%
18. Reach Network Phils. Inc.	Non-Filipino	16,208,797	0.85%
19. Bank of Commerce (Formerly Traders Royal Bank)	Filipino	15,000,000	0.84%
20. Export and Industry Bank	Filipino	14,757,699	8.88%

The shareholders of Series "C" Serial Redeemable Preferred Stock (Series C)

NAME	CITIZENSHIP	NO. OF SHARES	PERCENTAGE
1. TIMCO Holdings, Inc.	Filipino	154,894,243	70.95%
2. Teletronic Systems, Inc.	Filipino	32,978,101	15.11%
3. Tesco Services, Inc.	Filipino	26,508,836	12.14%
4. El Jovir Redecor	Filipino	1,623,585	0.74%
5. Consultronix System, Inc.	Filipino	1,601,175	0.73%
6. Fast Stock Transfer, Inc.	Filipino	443,349	0.20%
7. Atronics Integrated Marketing Corp	Filipino	252,265	0.12%

No acquisition, business combination or reorganization was implemented that would have affected the amount or percentage of the current holdings of the Company's common equity beneficially owned by more than 5% of the beneficial owners, each director and nominee and all directors as a group.

### 3. Dividends

The Company has not declared any dividends for its common equity in the last two (2) fiscal years. The Company is not in a position to declare dividends due to its accumulated deficits amounting to ₱11,646,690,522 as of December 31, 2024. Moreover, the Company is undergoing rehabilitation and should first settle its obligations before it can declare any dividends to its stockholders.

### 4. Recent Sales of Unregistered Securities

There are no recent sale of unregistered securities or exempt securities or recent issuance of securities constituting an exempt transaction.

## B. Description of Registrant's Securities

### Capital stock

The Company's authorized capital stock as of December 31, 2024, is ₱12,600,000,000.00 broken down as follows:

	Shares	Amount
Common Stock - ₱1.00 per share	1,500,000,000	₱1,500,000,000
Preferred 1 (Serial, Cumulative, Convertible and Redeemable)- ₱10.00 per share	230,000,000	2,300,000,000
Preferred 2 (Serial and Redeemable)		
Series A - ₱1.00 per share	6,750,000,000	6,750,000,000
Series B - ₱1.00 per share	1,800,000,000	1,800,000,000
Series C - ₱1.00 per share	250,000,000	250,000,000
	<b>10,530,000,000</b>	<b>₱12,600,000,000</b>

The Company's issued and subscribed capital stock as of December 31, 2024, consists of

	Shares	Amount
Common Stock - ₱1.00 per share	1,500,000,000	₱1,500,000,000
Preferred 1 (Serial, Cumulative and Redeemable) - ₱10.00 per share	71,676,358	716,763,580
Preferred 2 (Serial and Redeemable)		
Series A - ₱1.00 per share	6,726,392,237	6,726,392,237
Series B - ₱1.00 per share	1,764,878,303	1,764,878,303
Series C - ₱1.00 per share	218,301,553	218,301,553
	<b>10,281,248,451</b>	<b>₱10,926,335,673</b>

Pursuant to the Corp Rehab Plan, the BOD and stockholders approved the increase in the Company's authorized capital stock (ACS) from ₱3,800.0 million, divided into 1,500.0 million common stock at ₱1 par value a share and 230.0 million serial, cumulative, convertible and redeemable preferred stock at ₱10 par value a share, to ₱12,600.0 million, divided into 1,500.0 million common stock at ₱1 par value a share, 230.0 million serial, cumulative, convertible and redeemable preferred stock at ₱10 par value a share and 8,800.0 million serial-and redeemable preferred stock (Series "A", "B" and "C") at ₱1 par value a share. On November 3, 2023, the SEC approved the increase in the ACS.

### Preferred 1 (Serial, Cumulative, Convertible and Redeemable)

In 2023, the BOD approved the conversion of advances from MENLO amounting to ₱371.8 million, the debt-in-possession amounting to ₱371.8 million, the debt-in-possession amounting to ₱215.0 million and DFFS amounting to ₱130.0 million into ₱71,676,868 Preferred 1 shares, or equivalent to ₱716.8 million.

Preferred 1 shares rights and features are as follows:

1. Has no voting rights or right to be voted except as provided by law.
2. Entitled to cumulative and non-participating dividends.
3. Issued into different series and at different dividend rates as determined by the BOD.
4. Convertible into common shares as determined by the BOD.
5. Redemption period shall be fixed by the BOD and may be re-issued upon redemption as preferred or as common stock at the option of the BOD.

### Preferred 2 (Serial and Redeemable)

In Rehab Plan, the Company was required to issue Series "A", "B" and "C" Serial Redeemable Preferred Stocks through debt-to-equity conversion to pay the debts of the Company in an amount indicated in Note 15 of the Company's Audited Financial Statement under respective classifications as shown below:

Type of Redeemable Serial Preferred Shares	Type of obligation
Series "A"	Secured obligations
Series "B"	Unsecured obligations
Series "C"	Obligations to affiliated companies

Following SEC's approval of the increase in ACS in 2023, Deposit for future stock amounting to ₱8,709,6 million were converted into Preferred 2 shares. Details are as follows:

	Number of shares	Amount
<b>Authorized</b>		
Series A	6,750,000,000	₱6,750,000,000
Series B	1,800,000,000	1,800,000,000
Series C	250,000,000	250,000,000
<b>Increase and balance at end of year</b>	<b>8,800,000,000</b>	<b>₱8,800,000,000</b>
<b>Subscribed</b>		
Series A	6,726,392,237	₱6,726,392,237
Series B	1,764,878,303	1,764,878,303
Series C	218,301,553	218,301,553
<b>Subscription and balance at end of year</b>	<b>8,709,572,093</b>	<b>₱8,709,572,093</b>

## Item 6. Management's Discussion and Analysis and Plan of Operation

### A. Management Discussion and Analysis

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and the related notes as at December 31, 2024 and 2023 included elsewhere in this Annual Report. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements.

In the Company's Annual Stockholders' Meeting held on September 20, 2018, the stockholders approved and ratified the amendment to the Company's By-Laws pertaining to change of accounting period from a fiscal year starting July 1 and ending on June 30 the following to calendar year commencing on January 1 and ending on December 31 of the same year.

We believe that the discussion and analysis of our financial condition and results of operations should reflect comparative financial statements on a calendar year basis in order to have more meaningful information and insight. Nonetheless, we ensure that these figures tie up to the audited financial statements released and issued for the previous periods.

#### Results of Operations based on Audited Financial Statements

	Audited	Audited	Audited	Audited	Audited
	One-year period	One-year period	One-year period	One-year period	One-year period
	December 31,	December 31,	December 31,	December 31,	December 31,
(in '000 Philippine pesos)	2024	2023	2022	2021	2020
<b>REVENUES</b>	536,294	528,711	542,271	497,405	408,344
<b>OTHER INCOME</b>	7,925	88,670	41,606	23,343	30,374
	<b>544,219</b>	<b>617,381</b>	<b>583,877</b>	<b>520,748</b>	<b>438,717</b>
Core expenses					
SG&A	326,614	385,694	364,003	321,629	292,613
Leased channel	12,301	12,197	11,007	7,674	19,452
Cost of sales	121,659	81,819	99,865	92,513	36,925
<b>CORE EXPENSES</b>	<b>460,574</b>	<b>479,710</b>	<b>474,875</b>	<b>421,816</b>	<b>348,990</b>
<b>CORE EBITDA</b>	<b>83,645</b>	<b>137,671</b>	<b>109,002</b>	<b>98,933</b>	<b>89,727</b>
<b>CORE EBITDA %</b>	<b>15.37%</b>	<b>22.30%</b>	<b>18.67%</b>	<b>19.00%</b>	<b>20.45%</b>
Depreciation and amortization	37,089	69,390	76,048	73,202	53,885
Interest expense	7,355	4,876	4,360	4,908	3,352
<b>CORE EARNINGS</b>	<b>39,201</b>	<b>63,800</b>	<b>28,594</b>	<b>20,823</b>	<b>32,490</b>
Non-core charges					
Penalties and fines	170	394	-	41	3,990
Non-core expense	-	21,476	9,500	9,402	19,350
Rehab interest expense	18,211	34,023	33,342	35,134	36,676
Non-core income	-	-	-	-	-
<b>NON-CORE CHARGES</b>	<b>18,380</b>	<b>55,894</b>	<b>42,842</b>	<b>44,577</b>	<b>60,016</b>
<b>TOTAL EARNINGS (LOSSES)</b>	<b>20,820</b>	<b>7,907</b>	<b>(14,248)</b>	<b>(23,754)</b>	<b>(27,526)</b>
Income tax expense/benefit	2,543	-	-	(969)	3,795
<b>NET INCOME (LOSS)</b>	<b>18,277</b>	<b>7,907</b>	<b>(14,248)</b>	<b>(22,785)</b>	<b>(31,321)</b>

**Financial Highlights based on calendar year financial statements.**

	December 31, 2024				December 31, 2023				December 31, 2022			
(in '000 Philippine pesos)	Broadband Services	IT Services	Others		Broadband Services	IT Services	Others		Broadband Services	IT Services	Others	
<b>REVENUES<sup>1</sup></b>	432,405	103,889	-	536,294	461,409	67,302	-	528,711	453,046	89,225	-	542,271
<b>OTHER INCOME</b>	-	-	7,925	7,925	-	-	88,670	88,670	-	-	41,606	41,606
<b>Core expenses</b>	432,405	103,889	7,925	544,219	461,409	67,302	88,670	617,381	453,046	89,225	41,606	583,877
SG&A	300,411	26,203	-	326,614	350,054	35,245	394	385,054	316,019	46,085	1,898	364,002
Leased channel <sup>2</sup>	12,301	-	-	12,301	12,197	-	-	12,197	11,007	-	-	11,007
Cost of sales	46,837	74,822	-	121,659	45,741	36,078	-	81,819	40,621	59,245	-	99,866
<b>CORE EXPENSES</b>	359,549	101,025	-	460,574	407,993	71,323	394	479,710	367,647	105,330	1,898	474,875
<b>CORE EBITDA<sup>1</sup></b>	72,856	2,864	7,925	83,645	53,416	(4,021)	88,276	137,671	85,399	(16,105)	39,708	109,002
<b>CORE EBITDA %</b>	16.85%	2.76%	100.0%	15.37%	11.58%	-5.97%	99.56%	22.30%	18.85%	-18.05%	95.44%	18.67%
Depreciation	35,594	1,495	-	37,089	67,910	1,481	-	69,391	71,073	4,975	-	76,048
Interest expense	7,355	-	-	7,355	3,507	1,369	-	4,876	3,945	415	-	4,360
<b>CORE EARNINGS</b>	29,907	1,369	7,925	39,201	(18,001)	(6,871)	88,276	63,404	10,381	(21,494)	39,708	28,594
<b>Non-core charges</b>												
Penalties and fines	-	-	170	170	-	-	-	-	-	-	-	-
Non-core expense	-	-	18,211	18,211	-	-	21,476	21,476	-	-	9,501	9,501
Rehab interest expense	-	-	-	-	-	-	34,023	34,023	-	-	33,342	33,342
Non-core income	-	-	-	-	-	-	-	-	-	-	-	-
<b>NON-CORE CHARGES</b>	-	-	18,381	18,381	-	-	55,499	55,499	-	-	42,843	42,843
<b>TOTAL EARNINGS (LOSSES)</b>	29,907	1,369	(10,456)	20,820	(18,001)	(6,871)	32,777	7,907	10,831	(21,494)	(3,135)	(14,248)
Income tax expense	2,543	-	-	2,543	-	-	-	-	-	-	-	-
<b>NET INCOME (LOSS)</b>	27,364	1,369	(10,456)	18,277	(18,001)	(6,871)	(32,777)	7,907	10,831	(21,494)	(3,135)	(14,248)

<sup>1</sup>Revenue allocation among segments has been adjusted in the prior years to improve comparability.

<sup>2</sup>Leased channel allocation among segments has been adjusted in the prior years to improve comparability.

<i>Results of Operations (in '000 Philippine pesos)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>REVENUES</b>	536,294	528,711	542,271
<b>OTHER INCOME</b>	7,925	88,670	41,606
	544,219	617,381	583,877
<b>Core expenses</b>			
Selling, general and administrative expenses	326,614	385,054	364,002
Leased channel and interconnect cost	12,301	12,197	11,007
Cost of sales	121,659	81,819	99,866
<b>CORE EXPENSES</b>	460,574	479,710	474,875
<b>CORE EBITDA</b>	83,645	137,671	109,002
<b>CORE EBITDA %</b>	15.37%	22.30%	18.67%
Depreciation and amortization	37,089	69,391	76,048
Interest expense	7,355	4,876	4,360
<b>CORE EARNINGS</b>	39,201	63,404	28,594
Non-core charges			
Penalties and fines	170	-	-
Non-core expense	18,211	21,476	9,501
Rehab interest expense	-	34,023	33,342
Non-core income	-	-	-
<b>NON-CORE CHARGES</b>	18,381	55,499	42,843
<b>TOTAL EARNINGS (LOSSES)</b>	20,820	7,907	(14,248)
Income tax expense/benefit	2,543	-	-
<b>NET INCOME (LOSS)</b>	18,277	7,907	(14,248)

#### *Revenue*

For the year ended December 31, 2024, the Company's operating revenues is ₱536.2 million compared to ₱528.7 million and ₱542.2 million in 2023 and 2022, respectively. Fixed broadband business is still the main revenue stream of the Company, contributing 81% or ₱432.4 million.

Additionally, new revenue stream from IT Services made a significant impact on the revenue performance as the Company was able to generate an additional 103.8M in revenues. IT Services is expected to provide new opportunities for the Company in the coming years.

#### *Cost and expenses*

For the year ended December 31, 2024, personnel related expenses amounted to ₱228.7 million. In 2024, personnel related expenses decreased to ₱228.7 million from ₱268.0 million in 2023, mainly driven by lower headcount. The number of personnel decreased from 248 at the start of the year to 217 at year-end.

Premises-related expenses slightly increased to ₱25.7 million in 2024 from ₱25.4 million in 2023 and ₱24.5 million in 2022. In 2024, other selling, general and administrative expenses amounted to ₱97.8 million, higher than the previous year at ₱91.5 million since the Company has invested in software to streamline its processes in the last 2 years. Due to the increasing bandwidth requirement of its clients, the Company's upstream connections and international connectivity increased to ₱12.3 million from ₱12.2 million in 2023. Lastly, cost of sales contributed ₱121.6 million in core expenses, indicating more product offerings provided by the Company to its growing customer base.

#### *Profitability Performance*

Over the past three years, the Company has produced core EBITDA during the years 2024, 2023 and 2022 in the respective amounts of ₱83.6 million, ₱138.1 million and ₱110.9 million. The Company posted ₱18.2 million net income for the year ended December 31, 2024, compared to net loss of ₱7.9 million in 2023.

<b>Financial Condition</b> <b>(in '000 Philippine pesos)</b>	<b>December 31, 2024</b>	December 31, 2023	December 31, 2022
Current assets	<b>444,778</b>	383,639	319,450
Non-current assets	<b>733,109</b>	730,018	725,744
<b>ASSETS</b>	<b>1,177,887</b>	1,113,657	1,045,194
Current liabilities	<b>980,583</b>	951,017	1,426,806
Non-current liabilities	<b>134,910</b>	125,289	8,952,719
<b>LIABILITIES</b>	<b>1,115,493</b>	1,076,307	10,379,526
Share capital	<b>11,556,310</b>	11,556,310	2,224,255
Retained deficit	<b>(11,646,690)</b>	(11,664,968)	(11,672,875)
Other equity items	<b>152,775</b>	146,008	114,287
<b>EQUITY</b>	<b>62,394</b>	37,350	(9,334,332)
<b>LIABILITIES AND EQUITY</b>	<b>1,177,887</b>	1,113,657	1,045,194

The Company's total assets amounted to ₱1,177.8 million as of December 31, 2024, compared to ₱1,113.6 million and ₱1,045.1 million as of December 31, 2023, and December 31, 2022, respectively. The increase in assets is driven by an increase in working capital from growth in fixed broadband operations and new IT Services business, and investments in fixed and plant assets to support the expansion of the Company's business.

The increase in total liabilities pertains to payable to suppliers and other accrued operating expenses and accrued interest payable under the rehabilitation plan.

## **B. Plan of Operation**

PT&T believes that information and communication technologies are the backbone of innovation. But no innovation can occur without the high-speed broadband network. The future of countries, businesses and individuals will depend more than ever on whether they embrace technology and many of those who stand to gain the most are not yet connected.

The Company holds an optimistic view on the Philippines' broadband industry through our efforts to improve coverage and spur subscriber growth. PT&T aims to expand coverage and upgrade its network infrastructure, which will help it to cope with the growing demand and ensure that network congestion will be minimized.

The Philippines has made huge investment in the national broadband network and ramping up network modernization investments in order to take advantage of the huge data opportunities in a fast-growing nation. The Company continues to believe that the market can accommodate more players, which would be beneficial to innovations and long-term growth. The local economy's remarkable momentum will continue fueled by strong sequential gains in investment activity and private consumption.

PT&T also aims to help shape the high-speed internet connection as a true and open platform and as a driver of economic development and social progress.

In order to achieve these objectives, the Company has several projects lined up which will expand PT&T's capability to provide telecommunications services throughout the country.

PT&T is currently serving Metro Manila and the nearby CALABARZON. In order to increase its subscribers' base, PT&T is in the process of completing its plan to expand its existing telecommunications network. The network expansion will initially focus on key cities in the National Capital Region, CALABARZON and parts of Northern Luzon. Once fully implemented, the expanded network will be capable of servicing at least 40% of the Philippine population.

Our connectivity strategic focal points are:

- *Organic Expansion and WiFi projects.* PT&T will upgrade and use existing network in CALABARZON with a potential of additional 39,800 fiber kilometers and implement last mile (including WiFi) projects. Capital expenditure to complete the project is ₱1,340 million. The residential business is an important facet of the Company's future growth as a major telco player and will be a key undertaking in its network expansion plans. To enable the Company's growth aspirations in this segment, the Company have established pilot areas in a few communities in NCR so it can build a scalable model which PT&T plans to deploy upon rollout particularly in CALABARZON where

demand continues to be underserved. In addition to these investments, the Company is also developing the process and systems that will allow for a simple customer journey for its residential service.

- *Nationwide Network Backbone.* PT&T aims to build a nationwide backbone for both enterprise and wholesale and carrier markets with a potential of additional 51,800 fiber kilometers, requiring future capital expenditure of ₱5,790 million. This development may take time, but the Company have built the foundations required to scale the Company's business successfully. Included here are plans which will allow us to serve an even larger market with much-needed, improved internet services in the country. In the near-term, the Company is prioritizing network rollout inside industrial parks in CALABARZON such as Calamba Premiere International Park, Cavite Export Processing Zone Authority, First Philippine Industrial Park, and in new buildings within the Central Business District areas (Makati, Ortigas, and Bonifacio Global City) targeting SMEs and large enterprises.

PT&T is also teaming up with strategic partners for domestic backbone expansion covering Luzon, Visayas and Mindanao as well as international presence in Asia and in the US.

Innovation is increasingly based on digital technologies and business models, which can drive economic and social gains from ICT if channeled in a smart way. The way businesses adopt ICT is key for leveraging them for development, so encouraging businesses to fully embrace the powers of digital technologies is a priority of PT&T. The Company aims to step up efforts to invest in innovative digital solutions to drive economic growth and social impact. This will include building capabilities in cyber security, Internet of Things and smart cities.

PT&T's IT Services business unit will focus on projects, services, and applications such as but not limited to:

- Offer a "One Stop E-Center". Another large project in *the Company's* pipeline is providing a common IT infrastructure to host all kinds of e-services. This includes e-learning, e-government, e-commerce, telemedicine and applications in order to fully support the government's initiatives as well as the increasing requirements and demands of the private sector.
- Build Data Centers. Over time, data centers have evolved from traditional vendor-specific hardware and software appliances to common-off-the-shelf server hardware and open-source software hosting individual network functions and services. Accordingly, *the Company* is building data centers that will shelter fixed broadband, IT, and mobile telecom infrastructure for contents, applications, and other network services. PT&T will employ the latest data center technology to reduce total cost of ownership across the different network domains and to offer end-to-end services to its customers. Specifically, *the Company* plans to deploy software through Network Function Virtualization (NFV), and for virtualization to scale, *the Company* will set up a cloud environment that will enable automated network operations and can save significant operational costs. And because the service is implemented entirely in software, the Company will be able to innovate more rapidly and drive new service revenues. New IT Services offerings will include co-location / hosting services, cloud solutions such as Infrastructure-As-A-Service (IaaS), Software-As-A-Service (SaaS), DR-As-A-Service (DRaaS) and other Managed Services.
- Offer Security and "Cyber Security" Services and Applications. PT&T aims to dramatically simplify IT security and compliance with best-in-class solutions that leverage next generation SIEM platform combined with crowdsourced global intelligence. The combination of this infrastructure with PT&T security experts provides enterprises unparalleled security protection and threat awareness. The Company have partnered with the leading security services provider with a complete set of security tools and services offering a variety of flexible delivery options that allow us to serve customers of all sizes and complexity. *The Company's* various alliances with global IT Security experts aim to develop and maintain an ecosystem of best-of-breed technology partnerships and alliances that result in a world-class IT Security solution stack and consulting services that offers best-fit technology and supports the requirements of its customers.

Lastly, despite the rapidly evolving technology, PT&T is still keen on its interests to provide mobile services in the Philippines since the smartphone penetration continues to grow and the advent of 5G technology provides an ability for PT&T to enhance various applications.

PT&T is likewise exploring and studying the latest network concepts in implementing "virtualization" of network components into data centers. This will expectedly reduce the number of network elements deployed throughout the country and substantially reduce the cost and implementation period.

As of December 31, 2024, the Company has a total of 217 employees and the Company projects that the said number will increase to 265 by the end of 2025.

### C. Key Performance Indicators

Key Performance Indicators	Full year ended December 31, 2024	Full year ended December 31, 2023	Full year ended December 31, 2022
Net income (loss)	18,277,240	7,906,864	(14,248,202)
Core EBITDA	83,644,526	138,066,593	110,875,669 <sup>1</sup>
Core EBITDA %	15.37%	22.36%	19.25%
Operating Revenue Growth	1.43.%	-2.50%	9.02%
Operating Revenue	536,294,026	528,712,081	542,270,875
Number of Active Circuits	1,780	1,920	2,120
ARPU (in ₱)	22,708	19,928	16,271
Recurring Revenue (in ₱)	476,669,910	459,135,897	413,926,497

<sup>1</sup>Non-core items include fees for the rehab-related initiatives.

<sup>2</sup>Non-core items include accrued penalties, rehab-related initiatives and third telco initiatives.

#### Net income

Net income is a key performance metric that indicates how well the Company performed after all costs of the business have been considered.

PT&T made significant investments in network and operations to build sustainable growth in recent years. These investments to rehabilitate and its network and improve the Company's operational capabilities have resulted in improved profitability.

#### Core EBITDA and Core EBITDA Margin

Core EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) is calculated as operating revenues and income fewer operating expenses attributable to the core business of the Company. Non-core expenditures pertain to those that are not related to the core business of the Company but are connected to improve PT&T's financial condition (e.g., rehab-related expenses, SEC fees for increase in capital stock for rehab exit, etc.). This metric provides an indication of how well the core business of the Company is performing before considering those initiatives being subsidized by operations. Core EBITDA has been adjusted for prior years to reflect changes in accounting standards to improve comparability.

Core EBITDA remains positive throughout the years. Impact of restrictions due to the pandemic lowered the core EBITDA in 2022 but was able to achieve almost 22% growth in 2023. This growth is attributable to the increase in revenues and savings in operating expenses. This continued in 2024 as the Company experienced a 15.37% growth in Core EBITDA.

#### Operating Revenue Growth

Revenue growth provides an indication of how well the Company generates revenue to support its operations and initiatives versus the comparative period.

For the past 3 years, the Company has consistently achieved positive revenue growth. In 2022, it experienced a steady revenue growth of 9% mainly due to the impact of the COVID-19 pandemic. Revenue growth in 2023 and 2024 is -2.5% and 1.43% respectively, as the Company continues its operations to bridge the technological gap of connectivity and IT solutions.

#### Number of billable/active circuits

Number of billable/active circuits pertain to the number of subscription lines or customers in the PT&T network.

The number of subscribers decreased slightly by 7% due to the implementation of stricter automatic disconnection due to non-payment. Enterprise subscribers comprise 86% of subscribers and are the main source of fixed broadband revenue.

#### Average revenue per unit (ARPU)

Average revenue per unit measures the recurring revenue generated for each circuit connected to the PT&T network. This is computed by dividing the recurring revenue for the period by the average number of active circuits and then dividing the resulting amount by the number of months in the period.

The Company's ARPU has slowly increased since 2023 indicating an increase in value of newly acquired subscribers.

## **Item 7. Financial Statements**

The Audited Financial Statements for the year ended December 31, 2024, are attached for reference.

## **Item 8. Information on Independent Auditors and Other Related Matters**

### **Independent Auditors' Fees and Services**

The external auditor of the Company is the audit firm of Reyes Tacandong & Co. (RT & Co.). The Board appointed RT & Co. as the Company's independent auditor for 2024 in the meeting conducted last July 26, 2024. The appointment of RT& Co. as the Company's independent auditor was approved by the stockholders in the stockholders meeting conducted last September 27, 2024.

The company paid ₱1,045,000 for the audit of the financial statements for full year ending December 31, 2023. In the same manner, the company accrued ₱1,100,000 for its December 31, 2024, calendar year audit.

### **Changes in and Disagreements with Independent Auditors on Accounting and Financial Disclosure**

To the best of our knowledge, there are no disagreements on any matter of accounting principles or practices, financial statement disclosure or accounting scope or procedure with the Company's external auditor.

## PART III - CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers

#### A. Directors, Executive Officers, Promoters and Control Persons

As of December 31, 2024, the name, age, citizenship and period of service of each of the current directors, including independent directors, of PT&T, are as follows:

Name of Director	Age	Citizenship	Period of service
Roberto B. Ortiz	72	Filipino	July 30, 2018 to present
James G. Velasquez	59	Filipino	March 1, 2018 to present
Salvador B. Zamora II	78	Filipino	August 10, 2017 to present
Bryan Joseph P. Santiago	51	Filipino	Since November 29, 2022 to present
Ma. Cristina Z. Borra	50	Filipino	Since September 25, 2020 to present
Richard Alan P. Santiago	56	Filipino	Since November 29, 2022 to present
Bienvenido S. Santos	67	Filipino	Since June 28, 2019 to present
Serafin C. Ledesma, Jr.	83	Filipino	Since July 30, 2018 to present
Carlos Andres V. Reyes	49	Filipino	Since September 25, 2020 to present
Elmer B. Serrano	57	Filipino	Since November 29, 2022 to present
Kristine B. Cuenca	38	Filipino	Since September 27, 2024 to present

As of December 31, 2024, the name, age, position, citizenship and period of service of the executive officers of PT&T are as follows:

Name of Officer	Position	Age	Citizenship	Period Served
James G. Velasquez	President and Chief Executive Officer	59	Filipino	Since March 1, 2018 (as Director) Since July 2, 2018 (as President & CEO)
Concepcion D.S. Roxas	SVP-Chief People & Culture Officer	64	Filipino	Since July 2, 2018
Patrick Vincent G. Pena	EVP – Chief Operating Officer	59	Filipino	Since July 2, 2018
Angel S. Mercado	SVP-Chief Revenue Officer	62	Filipino	Since August 1, 2024
Jeffrey E. Julian	VP- Chief Technical Officer	50	Filipino	Since June 1, 2019
Anthony Gil G. Jose	VP - IT Services	49	Filipino	Since May 2, 2022
Ray Anthony C. Chan	AVP – Finance, Log & Admin	30	Filipino	Since December 2, 2024
Kenneth Joey H. Maceren	AVP- CAG, Corporate Secretary	45	Filipino	Since February 1, 2018
Kyra Kae B. Diola	Asst. Corporate Secretary	32	Filipino	Since February 27, 2023

The names of the incumbent Directors and Executive Officers of the Company and their respective current positions held, periods of service and business experience during the past five years are as follows:

#### **Roberto B. Ortiz**

Chairman and Independent Director

Mr. Ortiz has served as Chairman of PT&T since September 2021. He has been an Independent Director of the Company since July 2018. He has over 27 years of experience in Finance, Corporate Governance, and Investment Banking.

Mr. Ortiz worked for Price Waterhouse (now Price Waterhouse Coopers) from 1987-1994. He was the former Vice-President for Finance of Consolidated Industrial Gases Inc. from 1994-2003. From 2003-2009, Mr. Ortiz was the Chief Finance Officer of All Asian Countertrade Inc. and its subsidiaries: Sweet Crystals Integrated Sugar Mill Corporation and Basecom Inc.

Since 2010, he is a Director and Chief Finance Officer of Total Nutrition Corporation.

Currently, Mr. Ortiz is a Director and CFO of Premiere Horizon Alliance Corporation (PHA) formerly Premiere Entertainment Philippines, Inc. He is also the Chairman of the Board of Goshen Land Capital Inc., a major real property developer in Baguio and Benguet. Due to his expertise and extensive experience in finance, he also serves as a financial advisor of various companies engaged in fintech and stock market investment.

Mr. Ortiz received his B.S. in Management Engineering from Ateneo de Manila University in 1973.

**James G. Velasquez**

Director, President and Chief Executive Officer

Mr. Velasquez was a Senior Executive for IBM Global Technology Services, Asia Pacific with 30 years' experience in running several business units in the Philippines, ASEAN and in Asia Pacific focusing on P&L, IT business management, Operations, IT Infrastructure Management and Regional Sales. He was previously the President and Country General Manager for IBM Philippines where he was responsible for the overall IBM business operations and led both domestic and global delivery growth.

He previously served as Chairman of IBM Philippines and associated IBM subsidiaries, Board of Trustee of the PBSP, Board Member of the Management Association of the Philippines, Director of Asia Pacific College and Board Trustee of UST Engineering Alumni Association.

He is currently a board member of Disaster Recovery Institute of the Philippines.

He was a recipient of the following recognition: UST Engineering Centennial Award for Industry Leadership, UST's The Outstanding Alumni Award for Business Management and Letran Alumni Award for Industry. He also received the CEO EXCel Awards in 2011 in addition to garnering various recognition for IBM in the Philippines in the areas of Corporate Social Responsibility, Marketing Excellence, HR and ICT.

**Salvador B. Zamora II**

Director

Mr. Salvador "Buddy" Zamora II is a renowned Philippine industry player. He is the Chairman and Chief Executive Officer of Tranzen Group Inc., a wholly owned Filipino holding company engaged in renewable energy generation, agro industries, and resort development.

Buddy was educated in the Ateneo de Manila University in the Philippines and in New York University, USA where he received his Master's in Business Administration.

Mr. Zamora carved a name in the Philippine mining industry in the 1970's by establishing Nickel Asia Corporation, the largest lateritic nickel ore producer in the Philippines and one of the largest in the world. Mr. Zamora was the former president of Nickel Asia Corporation's operational sites: Hinatuan Mining Corporation, Taganito Mining Corporation and Cagdianao Mining Corporation. From 2006 to 2009, Mr. Zamora served as the President and Chief Executive Officer of Nickel Asia Corporation.

In 2008, Mr. Zamora formed Tranzen Group Inc. with a vision to become a leading diversified conglomerate in the country. Tranzen Group along with Carbon Assets Fund of Cayman Island built the Philippines' first methane production plant in Rizal. Also, in Tranzen Group's pipeline are significant projects in hydro power generation and mining interest in Dinagat Island.

Mr. Zamora is also the Chairman of the following companies Philippine Phosphate Fertilizer Corporation, Bacavalley Energy, Inc., One Pacstar Realty Corporation, Two Pactstar Realty Corporation, Agusan Power Corporation, Philphos Trading Inc., Lear Aero Ltd., Inc., Libjo Mining Corporation, and Lake Mainit Hydro Holdings Corporation.

**Ma. Cristina Z. Borra**

Director

Ms. Borra's work experience spans 24 years. She started her career in 1996 as a part-time Executive Assistant at Hinatuan International Inc. In 1998, she conducted research on both and international political issues and institutional policies for the Zamora Research Group. She started teaching Literature classes in 2000 for freshmen, sophomore, and graduate students at the University of Asia & the Pacific (UA&P). Deepening her career in teaching, she moved to Manresa School in 2015 as a full-time English Teacher. Most recently, Ms. Borra taught a fully online class for the Junior Academic Assistance Program of UA&P under Wordprime Reading Lab where she guided students in writing academic essays.

Ms. Borra received her Bachelor of Arts Degree in Humanities from the Center for Research and Communication – College of Arts and Sciences (CRC-CAS), now University of Asia & the Pacific. She took her master's degree in liberal studies under the Draper Program of New York University.

**Bryan Joseph P. Santiago**

Director

Mr. Santiago is the President & CEO of Telectronic Systems, Inc. (TSI). He has been a Director of TSI since 2012 and was appointed as President & CEO in 2019. Mr. Santiago started his career in the telecoms industry in 1996 with then sister company, PWI and PT&T where he also served as Director from 2012 to 2017. Concurrently, he also serves as a Director of other TSI affiliates under the TSI Group of Companies. Mr. Bryan Santiago completed his B.A. in English at the University of California, Berkeley in 1996.

**Richard Alan P. Santiago**

Director

Mr. Santiago is the President & CEO of Tesco Services, Inc. (TESCO). He has been involved in the telecommunications industry since 1989 in various operational capacities, having started his career with TESCO's parent-holding company, Telectronic Systems, Inc. (TSI) and it's the affiliate company, PT&T, and other affiliates in the TSI Group of Companies and RETELCOM, from 1989 to the present. Concurrently, he also serves as Director of TSI, RETELCOM, TIMCO and other affiliated companies, such as the GVM Private Security, Inc. and El Jovir Realty Development Corp. Mr. Richard Santiago finished his B.A. Economics at the University of California, Los Angeles (UCLA) in 1989.

**Bienvenido S. Santos**

Independent Director

Mr. Santos received his Bachelor of Science Degree in Management Engineering from Ateneo de Manila University. He is the Chairman of several corporations including, among others, BC Net, Asian Carmakers Corporation, GND Holdings, Beebelee. He is also the Vice-Chairman of Sta. Rosa Motor Works, Inc., Eurobrands Distributor Inc., Columbian Motors Corporation, Columbian Manufacturing Corporation, and Subic Air, Inc. Mr. Santos is also a Director and President of several corporations operating different businesses in the Philippines.

**Serafin C. Ledesma, Jr**

Independent Director

Mr. Ledesma is from Davao City. He was a former Station Manager, News Director and Program Director of various radio stations and news agencies in Mindanao. He was a Branch Manager of Telefast Communications from 1976-1978. He was also an Area Manager of Philippine Telegraph and Telephone Corporation from 1978-1982 and later on, the company's Vice-President for Mindanao from 1982-2001. From 1986-2001, he was a Co-Chairman of the Technical Working Group for the Interconnection of Telecommunications Network in Mindanao.

He also served as a Director of Davao City Water District from 2014-2016 and is currently a columnist and opinion writer, respectively, of Sun Star Davao and Philippine News Agency.

Mr. Ledesma is likewise active in various civic organizations being the former President of the following organizations. Davao Integrated Press Club (1974-1977). Media Dabaw (1978-1980) and Rotary Club of Davao (1997-1998).

Mr. Ledesma received his B.S. in Natural Science from the Mindanao Colleges (now University of Mindanao) in 1964.

**Carlos Andres V. Reyes**

Independent Director

Mr. Reyes has been an Independent Director of PT&T since September of 2020. He is currently the Assistant Vice President for Metro Manila Sales of Bluefire LPG Marketing.

Mr. Reyes received his Bachelor of Science Degree in Business Administration Major in Marketing Management from De La Salle College of Saint Benilde.

**Elmer B. Serrano**

Independent Director

Atty. Serrano is a practicing lawyer specializing in corporate law and is Managing Partner of Serano Law. He is the Corporate Secretary of SM Investments Corporation, SM Prime Holdings, Inc. Premium Leisure Corp, Atlas Consolidated Mining and Development Corporation and subsidiaries of BDO Unibank, Inc.

He is a Certified Associate Treasury Professional and was among the top graduates of the Trust Institute of the Philippine in 2001.

He holds a Juris Doctor degree from Ateneo de Manila University and a B.S. Legal Management degree from the same university.

**Kristine B. Cuenca**

Ms. Cuenca received her degree in Advertising and Public Relations from Universidad De Navarra in 2010. In 2016, she obtained a Digital Marketing Certificate from General Assembly in New York.

Since 2019, she has held the position of IT Director of 5G Security Inc.

**Concepcion D.S. Roxas**

SVP - Chief People & Culture Officer

Ms. Roxas is an experienced human resource practitioner. She was employed by companies in various corporations in the field of human resources: Supervisor, Manager, Recruitment Manager, Senior Manager, Consultant, Senior Consultant and HR Director.

In the field of telecommunications, she worked for Smart Communications, Inc. from 1994-2005 where she held the following positions: Recruitment Consultant, Recruitment Manager and Senior Manager. After leaving Smart Communications, Inc. she returned to said company last 2015 as its Senior HR Consultant for Organizational Development. Before joining PT&T, Recie was the HR Director of Conduit Global.

Ms. Roxas is a graduate of the University of Sto. Tomas where she received her B.S. in Psychology.

**Patrick Vincent G. Peña**

EVP – Chief Operating Officer

Mr. Peña's experience in the telecommunications industry started in 1996 when he worked for Smart Communications, Inc. His work focused primarily on sales and marketing.

From 2000-2006, he was the Vice-President for Sales and Marketing for Meridian Telekoms, Inc., spending the last two years from 2004-2006 establishing Meridian's Broadband Wireless Product for the PLDT Group.

In 2007 he was named as the Vice-President and later, the Senior Vice-President, for Postpaid, Broadband, New Business and Marketing Services of Digital Mobile Phils., Inc. (Sun Cellular).

Mr. Peña received his B.S. in Industrial Engineering from the University of the Philippines, Diliman where he remains active as the incumbent President of the UP IE Alumni Association.

**Angel S. Mercado**

SVP – Chief Revenue Officer

Mr. Mercado joins PT&T as SVP-CRO, bringing over 30 years of experience, including 25 years in the Telecom industry. He is a commercial executive with extensive experience in telecom and financial sectors. Mercado's career began at Smart Communications, where he held various key leadership roles from 1996 to 2006, culminating as VP of Consumer Sales. He later served as VP of Commercial at PT Smartfren Communications Inc. and President and COO of Philstocks Financial Corp.

Most recently, Mercado contributed to the rapid growth of DITO Telecommunity as Sales Director, playing a key role in shaping the company's market presence and sales strategies.

**Jeffrey E. Julian**

Chief Technical Officer

Mr. Julian has 21-years of experience in telecommunications industry having worked in various capacities in different telecommunications companies in the Philippines and abroad. His prior experience includes stints as Senior Project Manager, Senior Consultant, Project Director and National Project Head in various telecommunications projects with Nextel, Sun Cellular, Huawei, Ericsson and Fiber Home.

Mr. Julian received his B.S. in Electronics and Communications Engineering from the University of Santo Tomas, Manila.

**Anthony Gil G. Jose**

VP - IT Services

Mr. Jose has been PT&T's VP for IT Services since May 2022. He has almost 30 years of sales experience with expertise in cost containment, market plan execution, and business development.

Mr. Jose previously served as VP in Strategic Synergy Inc. where he developed strategic business plans to promote revenue, profitability growth, market reach expansion, new name customer acquisition and customer satisfaction.

Prior to that, he served the following positions: Director for Product Development of Eastern Telecommunications Philippines Inc., VP and General Manager of Scala Business Solutions Inc., and VP of Systems Standards Inc.

Mr. Jose received his Bachelor of Science in Computer Science with a Degree in Information Technology from De La Salle University.

**Ray Anthony C. Chan**

AVP – Finance, Logistics and Administration

Mr. Chan is a Certified Public Accountant. His background in finance includes controllership, tax operations and external audit. He began his career at SGV & Co. before moving into the utilities sector.

Mr. Chan received his B.S in Accountancy from the University of Santo Tomas and his M.S. in Finance from the University of the Philippines.

**Kenneth Joey H. Maceren**

Corporate Secretary

Atty. Maceren is a lawyer with litigation and corporate practice. For his litigation practice, he handles criminal, civil, and labor cases. His corporate practice includes business organization restructuring, corporate housekeeping, and administrative compliance. He was the former Legal Counsel of Megawide Construction Corporation and the former Corporate Secretary of MRC Allied, Inc., both publicly listed companies. He also worked for Makati based law firms immediately after passing the Bar Examinations.

He is a graduate of San Beda University College of Law (Mendiola, Manila) and was admitted to Philippine Bar in 2007.

**Kyra Kae B. Diola**

Assistant Corporate Secretary

Atty. Kyra Kae B. Diola is a corporate lawyer and is the Assistant Corporate Secretary of PT&T. She reports directly to PT&T's Legal Counsel and Corporate Secretary, Atty. Kenneth Joey H. Maceren.

Atty. Diola's core experience includes corporate structuring and taxation; mergers & acquisitions; legal due diligence, customs advisory, tax assessments and refund claims. She likewise represented clients in a wide range of industry sectors before the Court of Appeals, trial courts, and quasi-judicial bodies.

Before joining PT&T, Atty. Diola worked as an assistant tax manager at Isla Lipana & Co., and as a senior legal advisor at Cabrera & Co., both member firm of PriceWaterhouseCoopers(PwC).

She earned her Law Degree at San Beda College – Manila and was admitted to the Bar in 2017.

**B. Significant Employees**

There is not a person who is not an Executive Officer expected by the Company to make a significant contribution to the business.

**C. Family Relationship**

Ma. Cristina Z. Borra is the daughter of Salvador Zamora II.

Other than this, there are no other family relationships known to the Company.

**D. Involvement of Directors and Officers in Certain Legal Proceedings**

During the past five (5) years and until the date of distribution of this Information Statement, the members of the Board of Directors and the Executive Officers:

- a. have not filed any bankruptcy petitions or have not had bankruptcy petitions filed against them;
- b. have not been convicted by final judgment or have any pending criminal cases;
- c. have not been subject to any order, judgment or decree, or any court of competent jurisdiction (in a civil action), not subsequently reversed or vacated limiting its involvement in any type of business, securities, commodities or banking activities;
- d. have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission ("SEC") or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law.

## Item 10. Executive Compensation

The following are the five (5) highest compensated officers of the Company:

Name of Executive Officer	Position
James G. Velasquez	President and Chief Executive Officer
Miguel Marco A. Bitanga	Chief Operating Officer and Treasurer
Concepcion D.S. Roxas	Chief People & Culture Officer
Patrick Vincent G. Pena	SVP – Corporate Affairs
Angel S. Mercado	Chief Revenue Officer

The aggregate amount of compensation paid or accrued during the last three fiscal years to: (1) the Chief Operations Officer and four highest compensated officers and other officers of key management personnel (as a group unnamed) are as follows:

	Year	Salary	Bonus	Other Annual Compensation Income
CEO and three (4) compensated officers.	2025 Projected	23,553,400	none	2,367,999
CEO and four (4) compensated officers.	2024 Actual	23,914,404	none	2,383,667
	2023 Actual	28,303,945	none	1,836,000
All other officers and directors as a group unnamed	2025 Projected	14,617,681	none	1,095,984
	2024 Actual	12,040,099	none	659,109
	2023 Actual	16,168,750	none	888,000

## Item 11. Security Ownership of Certain Beneficial Owners and Management

### A. Security Ownership of Certain Record and Beneficial Owners

Class	Name, Address of Owner and Relationship with the Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Common Shares	Menlo Capital Corporation Eurovilla 4 Bldg., Arnaiz Avenue, Makati City, Stockholder of Record	Same <sup>1</sup>	Filipino	560,000,000	37.33%
Common Shares	Telectronic Systems Inc. Spirit of Communications Center, 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same <sup>2</sup>	Filipino	300,000,241	20.00%
Common Shares	Republic Telecommunications Holdings, Inc. 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same <sup>3</sup>	Filipino	278,873,526	18.59%
Common Shares	PCD Nominee Corporation 37 Tower 1 The Enterprise Center, 6766 Ayala Avenue, Makati City	Various Stockholders	Filipino	149,267,825	9.99%
Common Shares	TIMCO Holdings, Inc. 106 C. Palanca St., Legaspi Village, Makati City, Stockholder of Record	Same <sup>4</sup>	Filipino	121,126,474	8.08%

### B. Security Ownership of Management

Class	Name of the Beneficial Owner	Amount and Nature of the Beneficial Ownership	Citizenship	Percentage
Common Stock	Roberto B. Ortiz (Chairman of the Board)	Direct: 1	Filipino	NIL
Common Stock	James G. Velasquez (Member, President and Chief Executive Officer)	Direct: 1	Filipino	NIL
Common Stock	Salvador B. Zamora II (Member)	Direct: 1	Filipino	NIL
Common Stock	Bryan Joseph P. Santiago (Member)	Direct: 10	Filipino	NIL
Common Stock	Ma. Cristina Z. Borra (Member)	Direct: 1	Filipino	NIL
Common Stock	Richard Allan P. Santiago (Member)	Direct: 8,000	Filipino	NIL
Common Stock	Bienvenido S. Santos (Independent Director)	Direct: 1	Filipino	NIL
Common Stock	Serafin C. Ledesma Jr. (Independent Director)	Direct: 1	Filipino	NIL
Common Stock	Carlos Andres V. Reyes (Independent Director)	Direct: 1	Filipino	NIL
Common Stock	Elmer B. Serrano (Independent Director)	Direct: 6	Filipino	NIL
Common Stock	Kristine B. Cuenca (Member)	Direct: 1	Filipino	NIL

### C. Voting Trust Holders of 5% or More

The Board of Directors and Management of the Company have no knowledge of any person who, as of the Record Date, was directly or indirectly the beneficial owner of, or who has voting power with respect to, shares comprising more than 5% of shares of common stock.

<sup>1</sup> The Board of Directors of Menlo Capital Corporation has the power to decide how its shares in the Company are to be voted.

<sup>2</sup> The Board of Directors of Telectronic Systems Inc. has the power to decide how its shares in the Company are to be voted.

<sup>3</sup> The Board of Directors of Republic Telecommunications Holdings, Inc. has the power to decide how its shares in the Company are to be voted.

<sup>4</sup> The Board of Directors of Timco Holdings, Inc. has the power to decide how its shares in the Company are to be voted.

#### **D. Changes in Control**

On August 8, 2017, Republic Telecommunications Holdings, Inc. ("Retelcom") sold 560,000,000 common shares to Menlo Capital Corporation ("Menlo") which is equivalent to 37.33% of ownership in the Company. While Retelcom lost its control over the Company as a consequence of Menlo's acquisition, Menlo was not able to acquire control over the Company insofar as the number of shares it acquired is concerned.

#### **Item 12. Certain Relationships and Related Transactions**

The Company or any of its subsidiaries, for the last two (2) years, is not involved in any transaction or series similar transaction with any of its director, executive officer, or stockholder owning 10% or more of total outstanding shares and members of their immediate family who may have a direct or indirect material interest in such transaction.

### **PART IV - CORPORATE GOVERNANCE**

#### **Item 13. Corporate Governance**

In compliance with its Manual on Corporate Governance, the Company has established and organized the following committees to perform certain management functions and achieve sound corporate governance.

1. Executive Committee
2. Nomination Committee
3. Audit Committee
4. Compensation and Remuneration Committee,
5. Risk Oversight Committee,
6. Related Party Transactions Committee, and
7. Corporate Governance Committee

Should it be necessary or depending on the decision of the current management, the Company may revise or improve the existing Manual.

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### **PART V - EXHIBITS AND SCHEDULES**

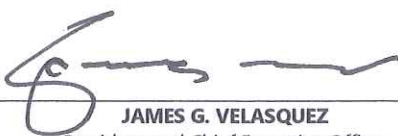
#### **Item 14. Exhibits and Reports on SEC Form 17-C.**

Please refer to accompanying Index to Exhibit and Reports on SEC Form 17-C.

## SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati, Metro Manila, Philippines on **APR 11 2025**.

By: **PT&T CORP.**  
Issuer

  
**JAMES G. VELASQUEZ**  
President and Chief Executive Officer

  
**CONCEPCION D.S. ROXAS**  
CFO - Chief Finance Officer


  
**KENNETH JOEY H. MACEREN**  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this **APR 11 2025** day of \_\_\_\_\_ 2024 affiant(s) exhibiting to me his/their government issued ID's, as follows:

NAMES	PASSPORT NO.
James G. Velasquez	P7618208B
Concepcion D.S. Roxas	P8098089B

NAMES	DRIVERS LICENSE NO.
Kenneth Joey H. Maceren	NO1-19-021235

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Series of : 2025

  
**ATTY. GILA ROSE A. DECUMBIS-DE ANTON**  
Notary Public for Makati City  
Appointment No. M-126  
Until December 31, 2025  
Roll No. 83861 / 6-14-2022  
PTR No. 10468128/01-03-25/Makati City  
IBP O.R. No. 486017/12-20-2024/Pasig City  
MCLE Compliance No. VIII-0004097 valid until 04-14-2025  
Notary Public

**PT&T CORP.**  
**INDEX TO FINANCIAL STATEMENTS**

**FORM 17-A, Item 7**

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Outlook

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## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **PT&T Corp.** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2024, and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to the Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

**ROBERTO B. ORTIZ**  
Chairman of the Board

**JAMES G. VELASQUEZ**  
President / Chief Executive Officer

**CONCEPCION D.S. ROXAS**  
OIC – Chief Financial Officer

Signed this 11 day of April 2025.

SUBSCRIBED AND SWORN to before me this 11 day of April 2025 affiants exhibiting to me their government issued IDs, as follows:

NAMES	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Roberto B. Ortiz	P8784505B	January 27, 2022	Manila
James G. Velasquez	P7618208B	September 16, 2021	Manila
Concepcion D.S. Roxas	P8098089B	November 06, 2021	Manila

NOTARY PUBLIC

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Series of : 2025

**ATTY. GILA ROSE A. DEGUMBIS-DE GUZMAN**  
Notary Public for Makati City  
Appointment No. M-126  
Until December 31, 2025  
Roll No. 83861 / 6-14-2022  
PTR No. 10468128/01-03-25/Makati City  
IBP O.R. No. 486017/12-20-2024/Pasig City  
MCLE Compliance No. VIII-0004097 valid until 04-14-2025



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE  
BUREAU OF INTERNAL REVENUE**

The Stockholders and the Board of Directors  
PT&T Corp.  
6th Floor SCC Bldg. 106  
Carlos Palanca St., Legaspi Village  
Makati City

We have audited the accompanying financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (the Company) as at and for the years ended December 31, 2024 and 2023, on which we have rendered our report dated April 11, 2025.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

**REYES TACANDONG & Co.**

EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782/P-004; Valid until June 6, 2026

BIR Accreditation No. 08-005144-005-2022

Valid until October 16, 2025

PTR No. 10467104

Issued January 2, 2025, Makati City

April 11, 2025  
Makati City, Metro Manila

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **PT&T Corp.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

**Reyes Tacandong & Co.**, the independent auditor appointed by the Stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



**ROBERTO B. ORTIZ**  
Chairman of the Board



**JAMES G. VELASQUEZ**  
Chief Executive Officer



**CONCEPCION D.S. ROXAS**  
OIC - Chief Financial Officer

Signed this 11 day of April 2025

SUBSCRIBED AND SWORN to before me this 11 day of April 2025 affiants exhibiting to me their government issued IDs, as follows:

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Notary Public for Makati City  
Appointment No. M-126  
Until December 31, 2025  
Roll No. 83861 / 6-14-2022

PTR No. 10468128/01-03-25/Makati City  
IBP O.R. No. 486017/12-20-2024/Pasig City  
MCLE Compliance No. VIII-0004097 valid until 04-14-26



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
PT&T Corp.  
6th Floor SCC Bldg. 106  
Carlos Palanca St., Legaspi Village  
Makati City

### *Opinion*

We have audited the accompanying financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

As discussed in Note 1 to the financial statements, the Company has incurred a deficit of ₱11,646.7 million and ₱11,665.0 million as at December 31, 2024 and 2023, respectively, because of significant operating losses incurred in prior years and is still under Corporate Rehabilitation Plan (Corp Rehab). As of date, the Company is in the process of complying with all the directives in its Corp Rehab Plan and the management is optimistic to complete the same and exit the Corp Rehab in April 2025.

Moreover, in 2018, the Company was subjected to a congressional inquiry regarding its compliance with the provisions of its legislative franchise on the sale of the Company's ownership interest to Menlo Capital Corporation. The Company has submitted a position paper in March 2018 to clarify all concerns on its compliance. The resolution on the inquiry, however, is still pending as of date.

These factors indicate a material uncertainty which may cast doubt on the Company's ability to continue as a going concern.



The Company, however, has a positive equity of ₱62.4 million and ₱37.3 million as at December 31, 2024 and 2023, respectively, and has partially settled statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2024 and 2023.

To further improve its financial position, sustain operations, and exit from the Corp Rehab status, the Company is expanding its digital infrastructure network and diversifying its service offerings through a combination of own build and strategic partnerships, which include: (a) entering into business ventures with a foreign supplier to offer Starlink satellite internet equipment and other complementary services in the Philippines; (b) undertaking significant infrastructure projects to expand customer base; and (c) upgrading of its existing licenses to complement the Company's network expansion and roll-out. The Company is also engaging the services of one of the world's largest financial advisory group to raise funds for the Company's network expansion and roll-out. These business development initiatives are discussed further in Note 1 to the financial statements.

Management and its legal counsel have assessed that the congressional inquiry will be resolved favorably and will not have an impact on its operations.

Our opinion is not modified in respect of these matters.

#### *Key Audit Matter*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



*Other Matter*

The financial statements of the Company as at and for the years ended December 31, 2022 were audited by another auditor whose report dated April 11, 2023 expressed an unmodified opinion on those financial statements. The opinion of such auditor, however, excluded the restatements to the financial statements.

As part of our audit of the financial statements as at and for the year ended December 31, 2023, we also audited the adjustments described in Note 24 that were applied to restate the financial statements as at and for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedure to the Company's financial statements as at and for the year ended December 31, 2022 other than with respect to the adjustments and accordingly, we do not express an opinion or any other form of assurance on the financial statements as at and for the year ended December 31, 2022 taken as a whole.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Emmanuel V. Clarino.

**REYES TACANDONG & Co.**

EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782/P-004; Valid until June 6, 2026

BIR Accreditation No. 08-005144-005-2022

Valid until October 16, 2025

PTR No. 10467104

Issued January 2, 2025, Makati City

April 11, 2025

Makati City, Metro Manila

**PT&T Corp.**  
(Doing business under the name and style: PT&T)

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2024 AND 2023**

**(With Comparative Figures for 2022)**

	Note	2024	2023	2022
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	4	₱16,705,152	₱11,251,479	₱17,411,489
Receivables	5	162,212,730	147,202,196	129,158,954
Due from related parties	19	242,397,561	206,045,285	158,220,032
Other current assets	6	23,462,972	19,140,017	14,659,668
Total Current Assets		444,778,415	383,638,977	319,450,143
<b>Noncurrent Assets</b>				
Property and equipment	7			
At cost		145,929,575	164,593,114	161,141,263
At revalued amount		403,260,000	403,260,000	371,085,000
Investment properties	8	40,814,018	40,814,018	79,311,918
Right-of-use (ROU) assets	20	24,894,948	23,546,838	26,436,465
Other noncurrent assets	6	118,210,474	97,803,797	87,769,712
Total Noncurrent Assets		733,109,015	730,017,767	725,744,358
		₱1,177,887,430	₱1,113,656,744	₱1,045,194,501
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	9	₱269,340,841	₱254,462,449	₱290,048,121
Statutory liabilities	10	601,705,924	579,923,028	420,036,573
Due to related parties	19	100,837,039	99,220,426	689,409,109
Current portion of:				
Lease liabilities	20	7,528,820	13,739,948	21,949,135
Loans payable	11	1,170,354	3,671,620	5,363,494
Total Current Liabilities		980,582,978	951,017,471	1,426,806,432
<b>Noncurrent Liabilities</b>				
Deposits for future stock subscriptions (DFFS) in accordance with the Corporate Rehabilitation Plan	13	2,164,488	2,164,488	8,841,736,581
Retirement benefits liability	12	60,625,666	58,449,800	46,516,085
Noncurrent portion of:				
Lease liabilities	20	33,074,158	26,117,013	7,656,126
Loan payable	11	—	—	25,526,586
Net deferred tax liabilities	18	39,045,588	38,557,989	31,284,612
Total Noncurrent Liabilities		134,909,900	125,289,290	8,952,719,990
Total Liabilities		₱1,115,492,878	₱1,076,306,761	₱10,379,526,422

(Forward)

	Note	2024	2023	2022
<b>Equity</b>				
Capital stock	13	<b>₱10,926,335,673</b>	₱10,926,335,673	₱1,500,000,000
Additional paid-in capital	13	<b>629,974,041</b>	629,974,041	724,255,313
Deficit		<b>(11,646,690,522)</b>	(11,664,967,762)	(11,672,874,626)
Other comprehensive income		<b>152,775,360</b>	146,008,031	114,287,392
Total Equity		<b>62,394,552</b>	37,349,983	(9,334,331,921)
		<b>₱1,177,887,430</b>	₱1,113,656,744	₱1,045,194,501

*See accompanying Notes to Financial Statements.*

**PT&T Corp.**

(Doing business under the name and style: PT&T)

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(With Comparative Figures for 2022)**

	Note	2024	2023	2022
<b>REVENUES</b>	15	<b>₱536,294,026</b>	₱528,712,081	₱542,270,875
<b>COSTS OF SALES AND SERVICES</b>	16	<b>(315,620,650)</b>	(291,343,264)	(275,358,496)
<b>GROSS PROFIT</b>		<b>220,673,376</b>	237,368,817	266,912,379
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	16	<b>(182,213,086)</b>	(279,233,026)	(285,063,691)
<b>OTHER INCOME (CHARGES)</b>				
Interest expense	21	<b>(25,565,207)</b>	(38,898,638)	(37,702,468)
Other income - net	17	<b>7,924,706</b>	29,832,611	4,596,636
Gain on sale of investment properties	8	<b>–</b>	58,837,100	37,008,942
		<b>(17,640,501)</b>	49,771,073	3,903,110
<b>INCOME (LOSS) BEFORE INCOME TAX</b>		<b>20,819,789</b>	7,906,864	(14,248,202)
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	18			
Current		<b>4,311,904</b>	3,600,911	4,360,009
Deferred		<b>(1,769,355)</b>	(3,600,911)	(4,360,009)
		<b>2,542,549</b>	–	–
<b>NET INCOME (LOSS)</b>		<b>18,277,240</b>	7,906,864	(14,248,202)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Not to be reclassified to profit or loss in subsequent periods</i>				
Remeasurement gain (loss) on retirement benefits liability - net of tax	12	<b>6,770,862</b>	(447,863)	4,339,033
Unrealized loss on financial asset at fair value through other comprehensive income (FVOCI)		<b>(3,533)</b>	(6,498)	(84,645)
Revaluation surplus - net of tax	7	<b>–</b>	32,175,000	–
		<b>6,767,329</b>	31,720,639	4,254,388
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>₱25,044,569</b>	₱39,627,503	(₱9,993,814)
<b>BASIC/DILUTED EARNINGS (LOSS) PER SHARE</b>	14	<b>₱0.012</b>	₱0.005	(₱0.009)

See accompanying Notes to Financial Statements.

**PT&T Corp.**  
(Doing Business Under the Name and Style: PT&T)

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(With Comparative Figures for 2022)

	Note	2024	2023	2022
<b>CAPITAL STOCK</b>				
	13			
Balance at beginning of year		<b>₱10,926,335,673</b>	₱1,500,000,000	₱1,500,000,000
Issuances		–	9,426,335,673	–
Balance at end of year		<b>10,926,335,673</b>	10,926,335,673	1,500,000,000
<b>ADDITIONAL PAID-IN CAPITAL</b>				
Balance at beginning of year		<b>629,974,041</b>	724,255,313	724,255,313
Stock issuance costs	13	–	(94,281,272)	–
Balance at end of year		<b>629,974,041</b>	629,974,041	724,255,313
<b>DEFICIT</b>				
Balance at beginning of year, as previously reported		<b>(11,664,967,762)</b>	(11,887,647,954)	(11,873,399,752)
Adjustments	24	–	214,773,328	214,773,328
Balance at the beginning of year, as restated		<b>(11,664,967,762)</b>	(11,672,874,626)	(11,658,626,424)
Net income (loss)		<b>18,277,240</b>	7,906,864	(14,248,202)
Balance at end of year		<b>(11,646,690,522)</b>	(11,664,967,762)	(11,672,874,626)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Revaluation surplus - net of tax</b>				
Balance at beginning of year		<b>141,570,000</b>	109,395,000	109,395,000
Addition	7	–	32,175,000	–
Balance at end of year		<b>141,570,000</b>	141,570,000	109,395,000
<b>Cumulative remeasurement gains on retirement benefits liability - net of tax</b>				
	12			
Balance at beginning of year		<b>4,718,642</b>	5,166,505	827,472
Remeasurement gain (loss)		<b>6,770,862</b>	(447,863)	4,339,033
Balance at end of year		<b>11,489,504</b>	4,718,642	5,166,505
<b>Cumulative unrealized losses on financial asset at FVOCI</b>				
	6			
Balance at beginning of year		<b>(280,611)</b>	(274,113)	(189,468)
Unrealized loss		<b>(3,533)</b>	(6,498)	(84,645)
Balance at end of year		<b>(284,144)</b>	(280,611)	(274,113)
		<b>152,775,360</b>	146,008,031	114,287,392
		<b>₱62,394,552</b>	₱37,349,983	(₱9,334,331,921)

See accompanying Notes to Financial Statements.

**PT&T Corp.**  
(Doing Business Under the Name and Style: PT&T)

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(With Comparative Figures for 2022)

	Note	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income (loss) before income tax		<b>₱20,819,789</b>	<b>₱7,906,864</b>	<b>(₱14,248,202)</b>
Adjustments for:				
Depreciation and amortization	7	<b>37,089,905</b>	69,390,420	76,047,894
Interest expense	21	<b>25,565,207</b>	38,898,638	37,702,468
Retirement benefit cost	12	<b>13,025,217</b>	12,080,311	12,422,702
Provision for expected credit loss	5	<b>5,903,360</b>	11,612,530	4,436,921
Gain on sale of property and equipment	17	<b>(395,021)</b>	—	—
Dividend income	17	<b>(8,550)</b>	(18,468)	(12,825)
Interest income	4	<b>(8,382)</b>	(14,891)	(26,714)
Gain on sale of investment properties	8	—	(58,837,100)	(37,008,942)
Reversal of liabilities	17	—	(27,504,326)	(4,877,301)
Unrealized foreign exchange loss	17	—	—	886,637
Operating income before working capital changes		<b>101,991,525</b>	53,513,978	75,322,638
Increase in:				
Receivables		<b>(20,913,894)</b>	(29,655,772)	(31,810,467)
Other current assets		<b>(8,634,859)</b>	(7,782,684)	(23,632,669)
Increase (decrease) in:				
Trade and other payables		<b>14,623,736</b>	(8,558,691)	(10,043,946)
Statutory liabilities		<b>3,572,259</b>	31,582,225	8,609,609
Net cash generated from operations		<b>90,638,767</b>	39,099,056	18,445,165
Interest paid		<b>(4,251,680)</b>	(2,039,648)	(1,670,596)
Retirement benefits paid	12	<b>(1,821,535)</b>	(743,747)	(7,955,892)
Interest received		<b>8,382</b>	14,891	26,714
Net cash provided by operating activities		<b>84,573,934</b>	36,330,552	8,845,391
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in:				
Due from related parties		<b>(36,352,276)</b>	(47,825,253)	(114,959,385)
Other noncurrent assets		<b>(21,905,410)</b>	(11,346,200)	(16,659,449)
Acquisitions of:				
Property and equipment	7	<b>(9,091,980)</b>	(23,614,825)	(6,372,672)
Intangible assets	6	—	(175,000)	(4,830,000)
Proceeds from:				
Sale of property and equipment	7	<b>2,100,000</b>	—	639,496
Dividends received	17	<b>8,550</b>	18,468	12,825
Sale of investment properties	8	—	97,335,000	129,681,292
Net cash provided by (used in) investing activities		<b>(₱65,241,116)</b>	<b>₱14,392,190</b>	<b>(₱12,487,893)</b>

(Forward)

	Note	2024	2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments of:				
Lease liabilities	20	<b>(P12,994,492)</b>	(P26,239,188)	(P37,633,101)
Loans	11	<b>(2,501,266)</b>	(27,218,460)	(3,943,627)
Net increase (decrease) in due to related parties		<b>1,616,613</b>	(3,425,104)	(665,401)
Proceeds from availment of loans	11	—	—	30,000,000
Net cash used in financing activities		<b>(13,879,145)</b>	(56,882,752)	(12,242,129)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>				
		—	—	145,256
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>5,453,673</b>	(6,160,010)	(15,739,375)
<b>CASH AT BEGINNING OF YEAR</b>		<b>11,251,479</b>	17,411,489	33,150,864
<b>CASH AT END OF YEAR</b>		<b>P16,705,152</b>	P11,251,479	P17,411,489
<b>NONCASH FINANCIAL INFORMATION</b>				
Additions to ROU assets and lease liabilities	20	<b>P10,892,275</b>	P34,132,202	P10,651,506
Conversion of DFFS and liabilities into capital stock	13	—	9,426,335,673	—
Reclassification of assets held for sale to property and equipment		—	—	368,594,244
Additions to property and equipment paid for by a related party on behalf of the Company		—	—	14,961,726

See accompanying Notes to Financial Statements.

**PT&T Corp.**  
**(Doing Business Under the Name and Style: PT&T)**

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**NOTES TO FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(With Comparative Figures for 2022)**

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**1. Corporate Information**

PT&T Corp. (Doing business under the name and style: PT&T) (the Company) was incorporated on November 14, 1962 under the laws of the Philippines as a diversified telecommunications entity catering to the corporate, small and medium business and residential segments. The Company is also a grantee of a franchise and holds various licenses to establish, install, maintain, operate and lease telecommunications systems, lines and circuits, wire or services, throughout the Philippines and other countries.

On November 3, 2023, the Securities and Exchange Commission (SEC) approved the following amendments to the Company's Articles of Incorporation:

- a. change of corporate name from Philippine Telegraph and Telephone Corporation to PT&T Corp. (Doing business under the name and style: PT&T);
- b. include the sale and distribution of information technology products, software, and services, and to provide shared services to subsidiaries, affiliates, and other companies in the Company's primary purpose; and increase of the authorized capital stock from ₱3,800.0 million to ₱12,600.0 million in line with the Company's Corporate Rehabilitation (Corp Rehab) Plan (see Note 13).

The Company's registered office address is at the 6<sup>th</sup> Floor SCC Bldg. 106, Carlos Palanca St., Legaspi Village, Makati City and is domiciled in the Philippines.

**Legislative Franchise and Other Licenses**

*Legislative Franchise*

On June 20, 1964, the Company was granted a 25-year national legislative franchise under Republic Act (RA) No. 4161, as amended by RA Nos. 5048 and 6970, allowing the Company to establish, install, maintain and operate wire and/or wireless telecommunications systems, lines, circuits and stations throughout the Philippines for public domestic and international communications, and to provide domestic record communications services which consisted of telex, telegraph, and private leased circuits. On July 21, 2016, the Company was granted an extension of its franchise for another 25 years under RA No. 10894, *An Act Extending to Another Twenty-Five (25) Years the Franchise Granted to the Philippine Telegraph & Telephone Corporation (PT&T) to Establish, Install, Maintain and Operate Wire and/or Wireless Telecommunications Systems, Lines, Circuits and Stations Throughout the Philippines for Public Domestic and International Communications under RA No. 4161, as Amended*.

On August 25, 2017, Republic Telecommunications Holdings, Inc. (RETELCOM) and Menlo Capital Corporation (MENLO) entered into a Sale and Transfer Agreement wherein RETELCOM agreed to sell and transfer 560,000,000 common shares, representing 37.33% ownership interest of the Company in favor of MENLO. On February 20, 2018, the Subcommittee on Oversight (Legislative Franchise) (the "Subcommittee") of the House of Representatives conducted a public hearing on the alleged sale of the Company's ownership interest to MENLO without Congressional approval. Pursuant to Section 14 of RA No. 10894, a franchise grantee shall not sell its controlling interest without the prior approval of the Congress of the Philippines.

The Company submitted a Position Paper on March 7, 2018 followed by a Supplemental Position Paper on March 21, 2018 to clarify all concerns on the compliance by the Company of the provisions of its franchise. As at the date of the approval of these financial statements, the Company has yet to receive any response or resolution from the Subcommittee on Oversight (Legislative Franchise). Considering the facts and the applicable laws involved in this inquiry, the management, in consultation with its legal counsel, has assessed that this matter will be resolved favorably and will not have an impact on the Company's operations.

*Licenses with the National Telecommunications Commission (NTC)*

The Company has various Certificates of Public Convenience and Necessities (CPCNs) granted by the NTC which enable the Company to (a) provide data communications (Datacom) services, (b) implement its expansion and improvement programs covering among others the installation, operation, and maintenance of an integrated digital network in the National Capital Region (NCR), and (c) install, operate and maintain a national packet data network with the accompanying authority to charge rates for said services.

Aside from the NTC-authorized Datacom services, the Company was granted a CPCN that enables the Company to participate in the government's liberalization of the telecommunications industry as mandated under Executive Order (EO) No. 109. While beforehand the Company was already operating as an inter-exchange carrier pursuant to the NTC Case No. 90-129 which enabled the Company to provide inter-exchange trunk facilities to connect with local exchange carriers (LEC) and public calling offices for long distance toll service, the said EO 109 thereafter enabled the Company to become a LEC operator authorized under NTC Case No. 94-022. As a LEC operator, the Company was granted Region IV-A comprising of the provinces of Aurora, Laguna, Marinduque, Quezon, Rizal, and Romblon for LEC services. The Company, along with its related party, Capitol Wireless, Inc. (CWI), has been granted the CPCN to establish, operate and maintain international gateway facilities to/from foreign countries as authorized under NTC Case Nos. 93-144 and 94-022.

The Company also has ongoing applications with the NTC to upgrade its existing CPCNs for additional service areas to complement the Company's plan of nationwide network rollout. As at the date of the approval of these financial statements, these applications are still pending with the NTC.

The Company is also registered as a value-added service (VAS) provider with the NTC which allows the Company to offer internet access service; virtual private network, electronic mail service, messaging services, web hosting, electronic commerce, firewall service, e-learning, business application, network security, business resiliency, and data analytics. The Company's VAS license is valid until September 5, 2026.

**Status of the Shares Listing in the Philippine Stock Exchange (PSE)**

On January 10, 1990, the Company listed its common shares in the PSE. On December 10, 2004, the Company requested the voluntary suspension of the trading of its shares which was approved by the PSE on December 13, 2004. The Company, however, continues to comply with the reportorial requirements of the SEC, the PSE, and the Bureau of Internal Revenue (BIR).

In 2017, the Company requested for the lifting of the voluntary suspension of the trading of its shares with the PSE. Accordingly, the Company submitted an Amended Registration Statement and other required reports to the Markets and Securities Regulation Department (MSRD) of the SEC.

After the Company's full compliance with the SEC requirements, the Company Registration and Monitoring Department of the SEC issued a certification relating to the Company's good standing with the SEC on April 29, 2021. Subsequently, the MSRDC issued an Order dated August 4, 2021, lifting the suspension of the Company's Registration Statement.

The Company continues to update the PSE on its implementation of the Corp Rehab Plan as it evaluates the request for the lifting of the voluntary suspension of the trading of its shares. As at the date of the approval of these financial statements, the result of the said evaluation is still pending with the PSE.

#### **Status of Corporate Rehabilitation**

On August 20, 2009, the Company, RETELCOM, Philippine Wireless, Inc. (PWI), CWI, and Wavenet Philippines, Inc. (WPI) collectively referred to as the "RETELCOM Group" jointly filed a petition for Corporate Rehabilitation (Corp Rehab) and Suspension of Payments pursuant to the *Rules of Procedure on Corporate Rehabilitation* (A.M. No. 00-8-10-SC). On August 24, 2009, the rehabilitation court (Rehab Court) issued an order staying enforcement of all claims, whether for money or otherwise against the RETELCOM Group (Stay Order) and appointing a rehabilitation receiver (Rehab Receiver).

On April 1, 2011, the Rehab Court approved the RETELCOM Group's Corp Rehab Plan which was immediately executory. However, during the same year, certain creditors whose claims constitute a minority of the Company's total liabilities, filed before the Court of Appeals (CA) a petition assailing the Rehab Court's approval of the Corp Rehab Plan. On May 19, 2017, the CA rendered a decision reversing the Rehab Court's approval of the Company's Corp Rehab Plan. On December 4, 2017, the RETELCOM Group filed a Petition for Review before the Supreme Court (SC). The result of the said review, however, is still pending with the SC as at the date of these financial statements.

On July 27, 2018, the Company requested the Rehab Court that it be allowed to exit from rehabilitation subject to certain requirements which was approved by the Rehab Court on August 6, 2018. These requirements include, among others, the increase of the authorized capital stock which will allow the Company to settle its liabilities through debt-to-equity conversion as mandated by the approved Corp Rehab Plan.

On November 3, 2023, the SEC approved the Company's increase in authorized capital stock to accommodate the debt-to-equity conversion of deposits for future stock subscriptions amounting to ₱8,709.6 million in accordance with the Corp Rehab Plan (see Note 13) and partially settled its statutory obligations, salaries, wages and other employee benefits out of its escrow accounts as at December 31, 2023 (see Note 10).

Under the Corp Rehab Plan, however, the Company still has to request for a temporary exemptive relief from the SEC under the Securities Regulation Code (SRC) Rule 72.2, and the PSE to lift the suspension of the trading of the Company's common shares, without any sanctions or penalties, and for the Company to comply with all the applicable rules and regulations of the SEC and PSE so that the trading of all the authorized shares of the Company shall not in any way be suspended or restricted except as provided by law. Moreover, the Company has to enroll and list all its authorized redeemable shares as freely "tradable" shares with the PSE.

In the meantime, any sale or disposition of the petitioner's properties, whether real or personal, is subject to the Rehab Court's evaluation and approval, and all unpaid obligations to claimants covered by the Corp Rehab Plan are subject to legal interest of 6% from the approval of the Corp Rehab Plan until full payment (see Note 10).

### **Status of Operations**

The Company has incurred a deficit of ₱11,646.7 million and ₱11,665.0 million as at December 31, 2024 and 2023, respectively, and is still under Corp Rehab. These factors indicate a material uncertainty which may cast doubt on the Company's ability to continue as a going concern.

However, the Company has a positive equity of ₱62.4 million and ₱37.3 million as at December 31, 2024 and 2023, respectively (see Note 13). The Company also partially paid its statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2024 and 2023. As of date, the Company is in the process of complying with all the directives in its Corp Rehab Plan and the management is optimistic to complete the same and exit the Corp Rehab in April 2025.

To further improve its financial position, sustain operations, and exit from the Corp Rehab status, the Company is expanding its digital infrastructure network and diversifying its service offerings through a combination of own build and strategic partnerships.

To expand its fiber footprint, achieve incremental connectivity targets and reduce maintenance costs, the Company also completed notable infrastructure projects such as, node and building ports utilization, fiber upgrade, and pole attachments and access cable rehabilitation (see Note 7).

In December 2023, the BOD approved the Company's plan to upgrade its existing CPCNs and apply for additional service areas with the NTC to support the Company's expected nationwide network roll-out. The Company engaged the services of one of the world's largest financial advisory group to raise the necessary funds for the network expansion and roll-out.

### **Joint Venture (JV) Agreement**

On August 6, 2024, the Company entered into a JV agreement with Netlinkz Global Services (Aust & NZ) PTY Limited, a company organized and existing under the laws of Australia, to form a joint venture company in the Philippines. On November 27, 2024, a separate vehicle was incorporated under the operating name of SecureLink Networks Incorporated (SecureLink). The authorized capital stock shall be the Philippine Peso equivalent of USD 475,000 or ₱26.7 million, divided into ₱1.00 par value a share.

Under the JV agreement, the Company will own 51% equity ownership of the joint venture in exchange for service, property and other operating expenses during the operational transition period equivalent to ₱13.6 million or USD 242,000. Netlinkz Global Services (Aust & NZ) PTY Limited, on the other hand, will own 49% equity ownership for a cash consideration of ₱13.1 million or USD 233,000. The Company will account for its investment in SecureLink as investment in a subsidiary. As at the reporting date, the Company has not made any capital contribution yet to the joint venture.

SecureLink will operate and distribute Starlink satellite internet equipment and services. This joint venture will serve as the Philippines' hub for Netlinkz' cutting-edge products, featuring the advanced Virtual Secured Network Plus (VSN+). Additionally, it will leverage on the availability of broadband connectivity provided by smaller, portable and mobile satellite dishes offering broadband internet to previously inaccessible regions. Through this partnership, enterprises throughout the country, particularly in areas historically underserved by traditional fibre internet providers, will gain access to this high-speed, low-latency connectivity with enterprise grade network security. The Company will offer Starlink services which includes, the Starlink kit, enterprise solutions for fixed broadband services, mobile application, maritime and data volume-based services. The joint venture will expand and solidify the market base for Starlink services in the Philippines.

### **Approval of the Financial Statements**

The financial statements as at and for the years ended December 31, 2024 and 2023 (with comparative figures for 2022) were approved and authorized for issue by the BOD, as approved and endorsed by the Audit Committee, on April 11, 2025.

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## **2. Summary of Material Accounting Policy Information**

### **Basis of Preparation and Statement of Compliance**

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards issued and approved by the Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

### **Measurement Bases**

The financial statements are presented in Philippine Peso (Peso), which is the Company's functional currency. All values are stated in absolute amounts, except when indicated.

The financial statements of the Company have been prepared on the historical cost basis, except for the following accounts:

- land measured at revalued amount;
- investment in equity securities measured at fair value;
- lease liabilities initially measured at the present value of future lease payments; and
- retirement benefit liabilities measured at the present value of estimated future cash outflows.

Historical cost is generally based on the fair value of the consideration given in exchange for an asset or the fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair value is included in Note 23, *Financial Instruments*.

#### **Adoption of Amendments to PFRS Accounting Standards**

The material accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS effective January 1, 2024:

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

#### **Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted**

Relevant amendments to PFRS Accounting Standards, which is not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11 -
  - Amendments to PFRS 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to ‘*transaction price as defined by PFRS 15, Revenue from Contracts with Customers*’ to ‘*the amount determined by applying PFRS 15*’ to remove potential confusion. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing amendment to PFRS Accounting Standards is not expected to have any material effect on the financial statements. Additional disclosures will be included in the financial statements, as applicable.

### **Financial Assets and Liabilities**

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of a financial instrument.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

*"Day 1" Difference.* Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

### ***Financial Assets***

In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

The Company's does not have financial assets measured at FVPL. As at December 31, 2024 and 2023, the Company's investment in equity shares was classified as financial asset at FVOCI.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

This category includes cash, receivables (excluding contract asset and advances to suppliers), due from related parties and refundable security deposits (see Notes 4, 5, 6 and 19).

*Financial Asset at FVOCI.* Financial asset at FVOCI which are not held for trading may be irrevocably designated at initial recognition under the FVOCI category.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, financial assets at FVOCI are measured at fair value with unrealized gains or losses recognized under "Other comprehensive income" account in the equity section of the statements of financial position.

These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods. On disposal of these equity securities, any cumulative valuation gains or losses will be reclassified to retained earnings. Dividends earned on these equity securities are recognized in profit or loss upon declaration.

Classified under this category is the investment in shares which is being traded in the PSE (see Note 6).

*Impairment.* The Company recognizes an allowance for expected credit loss (ECL) for all debt instruments not measured at FVPL. Expected credit loss is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flow from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company has applied the simplified approach in measuring ECL. Simplified approach requires that ECL should always be based on the lifetime expected credit losses. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For other financial assets at amortized cost, the Company applies the general approach in measuring the expected credit losses. The Company assessed that cash are deposited with reputable counterparty banks that possess good credit ratings. For notes and other receivables, the Company considered the financial capacity of the debtor to pay when the credit becomes due and demandable. For security deposits, the Company considered the financial capacity of the counterparties to refund the deposits once the agreement has been terminated.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there are no reasonable expectations of recovering the contractual cash flows.

The Company re-assesses the ECL on financial assets at amortized cost every reporting date.

*Reclassification.* The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

*Derecognition.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

### **Financial Liabilities**

*Classification.* The Company classifies its financial liabilities at initial recognition under the following categories: (a) financial liabilities at amortized cost, (b) financial liabilities at FVPL.

As at reporting date, the Company does not have financial liabilities measured at FVPL.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

This category includes trade and other payables (excluding nonrefundable other payables), loans payable, due to related parties and lease liabilities (see Notes 9, 11, 19 and 20).

*Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

### **Offsetting of Financial Assets and Liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

### **Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

### **Contract Balances**

*Contract Assets.* A contract asset represents the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than a passage of time. Contract assets are reclassified to trade receivables when payment from the customers becomes due.

*Contract Liabilities.* A contract liability represents the Company's obligation to transfer goods to a customer for which the Company has received consideration from the customer. Contract liabilities are recognized as revenue when the Company performs its obligations under the contract.

### **Property and Equipment**

Property and equipment (except land) are stated at cost less accumulated depreciation, and any accumulated impairment in value. Cost includes expenditures that are directly attributable to bringing the property and equipment to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

Land is initially recognized at cost. Subsequent to initial recognition, land is measured at revalued amounts, which represent fair value at date of revaluation less any accumulated impairment in value.

Valuations are performed frequently enough to ensure that the fair value of a revalued property and equipment does not significantly differ from its carrying value. The increase of the carrying value of the land as result of a revaluation is credited directly to other comprehensive income under "revaluation surplus" account, unless it reverses a revaluation decrease previously recognized as an expense, in which case it is credited in profit or loss. A revaluation decrease is charged directly against any related revaluation surplus, with any excess being recognized as an expense in profit or loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the property and equipment. The useful life of each of the Company's property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

Estimated useful lives of the Company's property and equipment are as follows:

	Number of Years
Buildings and improvements	25
Telecommunications equipment:	
Cable and wire facilities	14
Network equipment	5
Other work equipment	5

The carrying amounts of the assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The assets' useful lives and depreciation method are reviewed periodically, and adjusted if appropriate, at each reporting year-end.

Fully-depreciated assets are retained as property and equipment until these are no longer in use.

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss in the year the item is derecognized.

#### **Investment Properties**

Investment properties are carried at cost less any impairment in value. When the investment properties are sold or retired, the cost less any impairment in value are eliminated from the accounts and any resulting gain or loss is recognized in profit or loss.

The carrying amounts of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property, the deemed cost of property for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investment properties are derecognized when either they have been disposed of or when permanently withdrawn from use and no future economic benefit expected from the disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

### **Other Assets**

*Creditable Withholding Tax (CWT).* CWT represents the amount withheld by the Company's customers in relation to its income. CWT is deducted from income tax payable in the same year the revenue was recognized. CWT in excess of income tax payable are carried forward to the succeeding year.

*Prepayments.* Prepayments are expenses paid in advance and recorded as an asset before these are utilized. These are carried at cost and are amortized on a straight-line basis over the period of expected usage, which is equal to or less than twelve months or within the normal operating cycle. Prepayments are classified as current asset when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, these are classified as noncurrent assets.

*Advances to Suppliers.* Advances to suppliers are recognized at cost. These are non-refundable down payment made for future acquisition of capital asset which will be applied as part of payments upon execution of sale.

*Plant Supplies.* Plant supplies are stated at cost less accumulated impairment in value, if any. Cost of plant supplies comprise all costs of purchase and other costs incurred in bringing the plant supplies to their present location and condition. A regular review is undertaken to determine the extent of any provision for obsolescence. The Company provides allowance for impairment losses when the asset becomes obsolete.

*Deposit.* Deposit is recognized at cost. This is a non-refundable down payment made for future acquisition of capital asset which will be applied as part of payments upon execution of sale.

*Software and Licenses.* Software and licenses are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives, which does not exceed five (5) years.

Software and licenses with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit or loss in the expense category that is consistent with the function of the intangible assets.

Software and licenses are derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit or loss.

### **Impairment of Nonfinancial Assets**

The Company assesses at each reporting date whether there is an indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Any impairment loss is recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount to the extent of the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### **Deposits for Future Stock Subscriptions**

Deposits for future stock subscriptions represent funds received from existing and/or prospective stockholders or liabilities converted by the Company to be applied as payment for stock subscriptions on unissued shares or shares from the increase in authorized capital stock.

Under Financial Reporting Bulletin No. 6 as issued by the Philippine SEC, the Company shall classify a contract to deliver its own equity instruments under equity as a separate account from outstanding capital stock, if and only if, all of the following elements are present as at reporting date:

- a. The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- b. There is BOD and stockholders approval on the proposed increase in the authorized capital stock (for which a deposit was received by the corporation);
- c. There is stockholders' approval of the proposed increase; and
- d. The application for the approval of the proposed increase has been filed with the Philippine SEC.

If the above conditions are not met, the "Deposits for future stock subscription" is presented as a noncurrent liability.

### **Equity**

*Preferred Stock.* Preferred stock is classified as equity if it is non-redeemable, or redeemable only at the option of the Company, and any dividends are discretionary at the option of the Company. Dividends thereon are recognized as distributions upon approval by the BOD of the Company.

*Common Stock.* Common stock is measured at par value of the issued and outstanding common shares.

*Additional Paid-in Capital (APIC).* APIC represents proceeds and/or fair value of considerations received in excess of par value of the issued shares. Transaction costs directly attributable to the issuances of capital stock are recognized as a deduction from APIC.

#### **Deficit**

Deficit represents the accumulated results of operations of the Company.

#### **Other Comprehensive Income (Loss)**

Other comprehensive income (loss) comprises items of income and expenses (including items previously presented under the statement of changes in equity) that are not recognized in profit or loss for the year. This pertains to the revaluation surplus, cumulative remeasurement gains on retirement benefits liability and cumulative unrealized losses on financial asset at FVOCI.

#### **Earnings (Loss) Per Share**

*Basic.* Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to ordinary stockholders of the Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Company and held as treasury shares.

*Diluted.* Diluted earnings (loss) per share is calculated by dividing the net income (loss) attributable to ordinary stockholders of the company by the weighted average number of common shares outstanding, adjusted for any stock dividends declared during the year plus weighted average number of ordinary shares that would be issued on the conversion of all potentially dilutive common shares during the period.

#### **Revenue Recognition**

##### **Revenue from Contract with Customers**

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

The Company's revenue from contracts with customers generally include broadband internet access service contracts which are either offered separately or bundled with other services, information technology services and other services.

Broadband internet access services ranging from shared access to fully redundant (first to last mile) high availability service. These include fiber optic dedicated internet, e-line or shared broadband internet, wireless dedicated or shared broadband access and customized and value-added services.

Services may be rendered separately or bundled with other services. The specific recognition criteria are as follows:

Service arrangements may include fixed monthly charges (including excess of consumable fixed monthly service fees) generated from fixed line and other network services primarily through broadband and leased line services, which the Company recognizes on a straight-line basis over the customer's subscription period. Services provided to customers are billed throughout the month according to the billing cycles. Services availed by customers in addition to these fixed fee arrangements are charged separately at their stand-alone selling prices and recognized as the additional service is provided or as availed by the customers.

Installation fees for services are not capable of being distinct from the sale of modem since the customer obtains benefit from the combined output of the installation services and the device and is recognized upon delivery of the modem and performance of modem installation. The related incremental costs are recognized in the same manner in profit or loss.

Revenues from shared lines or shared access are recognized net of content provider's share in revenue. Revenue is recognized upon service availment. Revenue from server hosting, co-location services, and customer support services are recognized at point in time as the services are performed.

Upon signing of subscription agreement, customers are required to make payments equivalent to two (2) months advance and one (1) month deposit of internet broadband monthly subscription fee. These customers' deposits are refundable and/or to be applied to unpaid receivables of the customers. The Company recognized these advance payments and deposit as contract liability and "Customers' deposits" as part of liabilities.

The Company also provides IT services and products from IT infrastructure, applications, network security, and others.

Revenue from sale of IT infrastructure is recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery of the equipment or software at the customer's location. Revenue from services is recognized when the service to the customer is performed, generally via milestone achievement.

#### **Other Sources of Revenue**

The following specific recognition criteria must be met before revenue is recognized:

*Rental Income.* Rent income is recognized on a straight-line basis over the term of the lease. The Company does not provide any ancillary services to the tenants of the investment property. The lease payments therefore relate entirely to rental and are recognized as rent income. It was not necessary to separate the considerations between lease and non-lease components on the adoption of PFRS Accounting Standards 15.

*Other Income.* Other income is recognized when there is an incidental economic benefit that will flow to the Company through an increase in asset or reduction in liability and that can be measured reliably.

### **Cost and Expenses Recognition**

Costs and expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability, other than distributions to equity participants, has arisen that can be measured reliably.

*Cost of Services.* Cost of services are direct costs incurred in relation to broadband services and installation of software licenses. These are recognized as the services are rendered.

*Cost of Sales.* Cost of sales mainly pertains to purchases of software licenses. These are generally recognized when related goods are sold.

*General and Administrative Expenses.* General and administrative expenses constitute costs of administering the business and costs incurred to sell and market the services. These are expensed as incurred.

*Interest Expense.* Interest expense arising from borrowed funds are recognized in profit or loss using the effective interest method.

### **Employee Benefits**

*Short-term Benefits.* Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

*Retirement Benefits.* The Company has a noncontributory defined benefit plan covering all regular and permanent employees. The retirement liability is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs and interest costs in profit or loss.

Current service costs pertain to the increase in the present value of a defined benefit obligation resulting from employee service in the current period.

Interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurements comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

### **Leases**

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- ii. the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term. The Company also assesses whether a contract contains a lease for each potential separate lease component.

*The Company as a Lessee.* At the commencement date, the Company recognizes right-of-use (ROU) assets and lease liabilities for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value, in which case the lease payments associated with those leases are recognized as an expense in profit or loss on a straight-line basis.

For leases with lease terms of 12 months or less but with an option to extend the lease, the management assesses whether there is reasonable certainty that the Company will extend the lease, by considering all relevant facts and circumstances that create an economic incentive for the lessee to extend or terminate the lease, to determine the appropriate lease term.

*ROU Assets.* At commencement date, the Company measures ROU assets at cost, which are comprised of the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- an estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets.

*Lease Liabilities.* At commencement date, the Company measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability consist of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees; and

- the exercise price under a purchase option that the Company is reasonably certain to exercise; lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

*The Company as a Lessor.* Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the end of the reporting period.

*Deferred Tax.* Deferred tax is provided on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) to the extent probable that there will be a taxable profit against which deductible temporary differences can be utilized, whereas deferred tax liabilities and for all taxable temporary differences, except when the deferred tax asset or liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at tax rates expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the end of the reporting period.

Income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **Value-Added Tax (VAT)**

VAT represents the net amount of VAT recoverable from the taxation authority. Revenue, expenses and assets are recognized net of the amount of VAT except:

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT payable to the taxation authority is included as part of “Statutory liabilities” account in the statement of financial position.

*Deferred Input VAT.* Deferred input VAT represents the unamortized amount of input VAT on capital goods and input VAT on the unpaid portion of availed goods and services.

In accordance with Revenue Regulations (RR) No. 16-2005, input VAT on purchases or imports of the Company of capital goods (depreciable assets for income tax purposes) made prior to January 1, 2022 with an aggregate acquisition cost (exclusive of VAT) in each of the calendar months exceeding ₱1.0 million is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT that is expected to be realized within 12 months after the financial reporting period is classified as current asset. Otherwise, it is classified as noncurrent asset.

Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million or if the purchase was made on or after January 1, 2022, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

### **Related Party Relationships and Transactions**

A related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

A related party transaction is a transfer of resources, services or obligation between a reporting entity and a related party.

### **Foreign Currency Transactions**

Transactions in foreign currencies are recorded using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the rate of exchange prevailing at the reporting date. Foreign exchange differences between rate at transaction date and the rate at settlement date or financial statement date are credited to or charged against current operations.

### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When some or all the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

### **Contingencies**

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

### **Events After the Reporting Date**

Post year-end events that provide additional information about the Company's financial position at the end of the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

### **Comparative**

When necessary, comparative figures has been reclassified to conform to the changes in the presentation of the current year.

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## **3. Significant Judgment, Accounting Estimates and Assumptions**

The preparation of the financial statements in compliance with PFRS Accounting Standards requires management to exercise judgment, make estimates and use assumptions that affect the amounts reported in the financial statements. The judgment, estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Judgment**

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations which have the most significant effect on the amounts recognized in the financial statements.

*Assessment of the Company's Ability to Continue as a Going Concern.* The Company has incurred recurring losses that resulted to a deficit amounting to ₱11,646.7 million and ₱11,665.0 million as at December 31, 2024 and 2023, respectively. These factors indicate material uncertainties which may cast doubt on the Company's ability to continue as a going concern.

With the Company's significant progress in fulfilling its obligations under the Corp Rehab and the corporate initiatives as discussed in Note 1, management has assessed that the Company has the ability to continue to operate on a going concern basis.

*Revenue Recognition.* The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

1. *Identifying Performance Obligations.* The Company identifies performance obligations by considering whether the promised services in the contract are distinct services. A service is distinct when the customer can benefit from the service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the service to the customer is separately identifiable from the other promises in the contract.

Revenues earned from multiple element arrangements offered by the Company's fixed line and wireless businesses are split into separately identifiable performance obligations based on their relative stand-alone selling price in order to reflect the substance of the transaction. The transaction price represents the best evidence of standalone selling price for the services the Company offers since this is the observable price being charge if the services are sold separately.

2. *Timing of Revenue Recognition.* The Company recognizes revenue from contracts with customers over time or at a point in time depending on the evaluation of when the customer obtains control of the promised services and based on the extent of progress towards completion of the performance obligation. For the telecommunication service which is generally provided over the contract period of two years, because control is transferred over time, revenue is recognized monthly as the Company provides the service.
3. *Identifying Methods for Measuring Progress of Revenue Recognized Over Time.* The Company determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

Revenue from telecommunication services is recognized through the use of input method wherein recognition is over time based on the customer subscription period since the customer simultaneously receives and consumes the benefits as the seller renders the services.

*Classification of Preferred Stock.* The Company has preferred shares which are redeemable and convertible at the option of the Company with no defined period or date over which redemption can take place.

Management has assessed that the preferred stock should be classified as equity as there are no defined period over which conversion or redemption can take place and the Company has control that no preferred shareholders will convert or redeem the shares in the foreseeable future. Moreover, as discussed in Note 1, the Company should list its authorized redeemable preferred shares as freely “tradable” shares with the PSE pursuant to the Rehab Order.

*Assessment of the Lease Term of Contracts with Renewal and Terminal Options – The Company as a Lessee.* The Company determined the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company included the renewal period as part of the lease term for leases of office premises, network equipment, and service vehicles with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be significant negative effect on production if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

*Distinction between Property and Equipment and Investment Properties.* The Company determines whether a property qualifies as property and equipment or an investment property. In making this judgment, for investment properties, the Company considers whether the property generates cash flows largely independent of the other assets and is held primarily to earn rentals or for capital appreciation. Property and equipment are held for use in the supply of services or for administrative purposes. The Company considers each property separately in making its judgment.

*Legal Contingencies.* The Company is involved in certain legal proceedings which are ongoing or pending decision by the proper judicial or regulatory bodies. Management, in consultation with legal counsels handling these matters, believes that the outcome of these proceedings will be resolved favorably and will not have significant effect on the financial statements.

### **Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below.

*Assessment of the Impairment of Financial Assets at Amortized Cost.* In assessing ECL, the Company uses historical credit loss experience adjusted for forward-looking factors, as appropriate. For trade receivables, ECL is computed on a lifetime basis using a provision matrix. For other financial assets at amortized cost, ECL is computed on a 12-month or lifetime basis using historical loss experience determined based on the default accounts.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment and including forward-looking information. A significant increase in credit risk can be measured by comparing the probability of default of the borrower from the initial recognition and the result of the current probability of default. When the result shows an upward movement of the probability of default, the change is considered as significant increase in credit risk.

While cash is subject to impairment, the Company has assessed that the ECL is not material because these are transacted with reputable banks that possess good credit ratings. The Company has also assessed that the Company's trade and other receivables and security deposits have minimal credit risk.

Provision for ECL recognized in 2024, 2023 and 2022 are disclosed in Note 5.

The carrying amounts of financial assets at amortized cost subject to ECL as at December 31, 2024 and 2023 are disclosed in Notes 4, 5, 6 and 19.

*Estimation of Retirement Benefits.* The costs of defined retirement benefits as well as the present value of the provision for retirement benefits are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, retirement benefits liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of each reporting period.

Retirement benefits costs in 2024, 2023 and 2022 are disclosed in Note 12. Retirement benefits liability as at December 31, 2024 and 2023 are disclosed in Note 12.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit retirement liability. Further details about the assumptions used are provided in Note 12.

*Assessment of the Impairment of Nonfinancial Assets.* The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- significant underperformance of a business in relation to expectations;
- significant negative industry or economic trends; and
- significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Recoverable amount represents the value in use, determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Management has assessed that there were no indications that the Company's nonfinancial assets are not recoverable as at reporting date; hence, no impairment loss was recognized in 2024, 2023 and 2022.

The carrying amounts of the Company's nonfinancial assets as at December 31, 2024 and 2023 are disclosed in Notes 5, 6, 7, 8 and 20.

*Assessment of the Realizability of Deferred Tax Assets.* The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces the amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized in the future. The amount of deferred tax assets that are recognized is based upon the likely timing and level of future taxable profits together with future tax planning strategies to which the deferred tax assets can be utilized.

Deferred tax assets as at December 31, 2024 and 2023 are disclosed in Note 18.

*Estimation of Provisions and Contingencies on Legal Proceedings.* The Company is currently involved in various legal proceedings which are pending resolution in view of the Company's ongoing Corp Rehab. The estimate of the probable costs for the resolution of these claims has been developed in consultation with in-house and outside counsels handling the Company's defense in these matters and is based upon an analysis of potential results. The Company's management and legal counsels have made judgment that, while the proceedings are legally defensible, they cannot anticipate with certainty the progress and the outcome of the legal proceedings, the appreciation of the available evidence by the relevant courts or tribunal involved and the evolution of jurisprudence or similar cases that will be decided by the highest court, which will be relevant to these pending cases. The Company currently assessed that these proceedings will not have a material adverse effect on its financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

No provisions were made in relation to these ongoing legal proceedings as at December 31, 2024 and 2023.

*Estimation of Accrued Interest Based on Corp Rehab Plan.* The Company determines the accrued interest based on the outstanding balances of its unpaid obligations to all claimants listed in the Corp Rehab Plan. These obligations are subject to 6% legal interest in accordance with the court-approved Rehab Plan (see Note 1). The management believes that the accrued interest recognized by the Company is reasonable and appropriate following the interpretation of the Corp Rehab Plan.

As at December 31, 2024 and 2023, accrued interest on these obligations are disclosed in Note 9.

Interest expense recognized in 2024, 2023 and 2022 are disclosed in Note 21.

The Company settled labor-related statutory obligations covered by Corp Rehab in 2024 and 2023 as disclosed in Note 10.

#### 4. Cash

This account consists of:

	2024	2023
Cash on hand	<b>₱315,000</b>	₱315,000
Cash in banks	<b>16,390,152</b>	10,936,479
	<b>₱16,705,152</b>	₱11,251,479

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱8,382 and ₱14,891 in 2024 and 2023, respectively (₱26,714 in 2022) (see Note 17).

#### 5. Receivables

This account consists of:

	Note	2024	2023
Trade:			
Third parties		<b>₱193,603,528</b>	₱178,341,771
Related parties	19	<b>24,280,420</b>	21,479,149
Advances to suppliers		<b>6,356,361</b>	5,217,748
Contract assets		<b>3,259,121</b>	6,408,580
Others		<b>10,525,199</b>	5,663,487
		<b>238,024,629</b>	217,110,735
Allowance for ECL		<b>(75,811,899)</b>	(69,908,539)
		<b>₱162,212,730</b>	₱147,202,196

Trade receivables are unsecured, noninterest-bearing and are normally collected within 30 to 60 days.

Advances to suppliers pertain to advance payments for promotional materials, and IT solutions, networks and telecommunications, and will be applied against the subsequent billings.

Contract assets arise from the Company's sale of broadband service contracts bundled with software licenses or gadgets wherein the Company has established its right to consideration in exchange for software or gadgets already delivered to the customers before payments are due.

Movements in allowance for ECL are as follows:

		2024		
	Note	Trade	Others	Total
Balance at beginning of year		<b>₱69,838,400</b>	<b>₱70,139</b>	<b>₱69,908,539</b>
Provision for ECL	16	<b>5,903,360</b>	–	<b>5,903,360</b>
Balance at end of year		<b>₱75,741,760</b>	<b>₱70,139</b>	<b>₱75,811,899</b>

		2023		
	Note	Trade	Others	Total
Balance at beginning of year		<b>₱58,225,870</b>	<b>₱70,139</b>	<b>₱58,296,009</b>
Provision for ECL	16	<b>11,612,530</b>	–	<b>11,612,530</b>
Balance at end of year		<b>₱69,838,400</b>	<b>₱70,139</b>	<b>₱69,908,539</b>

## 6. Other Assets

### Current

This account consists of:

	2024	2023
CWT	<b>₱16,868,674</b>	₱12,023,526
Deferred input VAT	<b>3,601,867</b>	3,601,867
Prepayments	<b>2,992,431</b>	3,514,624
	<b>₱23,462,972</b>	<b>₱19,140,017</b>

CWT pertains to taxes withheld by the Company's customers and can be utilized as payment for income taxes subject to the prevailing tax rules.

Prepayments pertain to unamortized portion of software licenses, marketing fees, association dues, registration fees, and insurance.

### Noncurrent

This account consists of:

	Note	2024	2023
Plant supplies		<b>₱76,006,362</b>	₱54,266,180
Deposits		<b>23,266,667</b>	23,266,667
Refundable security deposits	20	<b>15,782,167</b>	15,623,208
Software and licenses		<b>2,933,833</b>	4,429,033
Financial asset at FVOCI		<b>221,445</b>	218,709
		<b>₱118,210,474</b>	<b>₱97,803,797</b>

Plant supplies pertain to cables and wires used for the installation network facilities which are carried at cost. No provision for impairment was recognized in 2024, 2023 and 2022.

Deposit pertains to down payments made for possible purchase of a capital asset which will be applied as part of purchase price upon execution of the acquisition.

Refundable security deposits represent deposits on various space rental for central office equipment and telecommunication nodes (see Note 20).

Movements of software and licenses are as follows:

	Note	2024	2023
<b>Cost</b>			
Balance at beginning of year		<b>₱7,476,000</b>	₱7,301,000
Additions		–	175,000
Balance at end of year		<b>7,476,000</b>	7,476,000
<b>Accumulated Amortization</b>			
Balance at beginning of year		<b>3,046,967</b>	1,566,350
Amortization	7	<b>1,495,200</b>	1,480,617
Balance at end of year		<b>4,542,167</b>	3,046,967
<b>Carrying Amount</b>		<b>₱2,933,833</b>	₱4,429,033

Financial asset at FVOCI pertain to investment in shares which is being traded in the PSE. The fair values of the financial assets are determined by reference to published price quotations in an active market and has been categorized as Level 1. Cumulative unrealized losses on financial asset at FVOCI amounted to ₱0.3 million as at December 31, 2024 and 2023.

Dividend income from the financial asset at FVOCI amounted to ₱8,550 and ₱18,468 in 2024 and 2023, respectively (₱12,825 in 2022) (see Note 17).

## 7. Property and Equipment

### At Cost

Movements in this account are as follows:

	2024					
	Cable and Wire Facilities	Network Equipment	Buildings and Improvements	Other Work Equipment	Construction in progress	Total
<b>Cost</b>						
Balances at beginning of year	<b>₱299,878,582</b>	<b>₱253,615,160</b>	<b>₱24,032,998</b>	<b>₱64,586,373</b>	<b>₱–</b>	<b>₱642,113,113</b>
Additions	<b>4,717,481</b>	<b>2,771,143</b>	–	<b>570,987</b>	<b>1,032,369</b>	<b>9,091,980</b>
Disposals	–	–	–	<b>(2,759,352)</b>	–	<b>(2,759,352)</b>
Balances at end of year	<b>304,596,063</b>	<b>256,386,303</b>	<b>24,032,998</b>	<b>62,398,008</b>	<b>1,032,369</b>	<b>648,445,741</b>
<b>Accumulated Depreciation</b>						
Balances at beginning of year	<b>179,913,038</b>	<b>249,760,918</b>	<b>7,929,649</b>	<b>39,916,394</b>	–	<b>477,519,999</b>
Depreciation	<b>16,444,850</b>	<b>3,005,083</b>	<b>396,367</b>	<b>6,204,240</b>	–	<b>26,050,540</b>
Disposals	–	–	–	<b>(1,054,373)</b>	–	<b>(1,054,373)</b>
Balances at end of year	<b>196,357,888</b>	<b>252,766,001</b>	<b>8,326,016</b>	<b>45,066,261</b>	–	<b>502,516,166</b>
<b>Carrying Amount</b>	<b>₱108,238,175</b>	<b>₱3,620,302</b>	<b>₱15,706,982</b>	<b>₱17,331,747</b>	<b>₱1,032,369</b>	<b>₱145,929,575</b>

	2023					
	Cable and Wire Facilities	Network Equipment	Buildings and Improvements	Other Work Equipment		Total
<b>Cost</b>						
Balances at beginning of year	<b>₱280,508,351</b>	<b>₱253,513,660</b>	<b>₱23,950,378</b>	<b>₱60,525,899</b>		<b>₱618,498,288</b>
Additions	<b>19,370,231</b>	<b>101,500</b>	<b>82,620</b>	<b>4,060,474</b>		<b>23,614,825</b>
Balances at end of year	<b>299,878,582</b>	<b>253,615,160</b>	<b>24,032,998</b>	<b>64,586,373</b>		<b>642,113,113</b>
<b>Accumulated Depreciation</b>						
Balances at beginning of year	<b>163,965,574</b>	<b>243,150,291</b>	<b>7,171,627</b>	<b>32,344,533</b>		<b>446,632,025</b>
Depreciation	<b>15,947,464</b>	<b>6,610,627</b>	<b>758,022</b>	<b>7,571,861</b>		<b>30,887,974</b>
Balances at end of year	<b>179,913,038</b>	<b>249,760,918</b>	<b>7,929,649</b>	<b>39,916,394</b>		<b>477,519,999</b>
<b>Carrying Amount</b>	<b>₱119,965,544</b>	<b>₱3,854,242</b>	<b>₱16,103,349</b>	<b>₱24,669,979</b>		<b>₱164,593,114</b>

Depreciation and amortization charged to the statements of comprehensive income consist of the following:

	Note	2024	2023	2022
Depreciation of property and equipment		<b>₱26,050,540</b>	₱30,887,974	₱40,498,861
Amortization of ROU assets	20	<b>9,544,165</b>	37,021,829	34,487,833
Amortization of intangible assets	6	<b>1,495,200</b>	1,480,617	1,061,200
		<b>₱37,089,905</b>	₱69,390,420	₱76,047,894

Depreciation and amortization were charged to the following (see Note 16):

	2024	2023	2022
Cost of sales and services	<b>₱17,486,760</b>	₱30,129,952	₱33,020,688
General and administrative expenses	<b>19,603,145</b>	39,260,468	43,027,206
	<b>₱37,089,905</b>	₱69,390,420	₱76,047,894

Service vehicles, presented under Other Work Equipment, with carrying value of ₱1.7 million and ₱2.2 million as at December 31, 2024 and 2023, respectively, serve as collaterals for bank loans (see Note 11).

In 2024, the Company sold a service vehicle, presented under Other Work Equipment, with a carrying amount of ₱1.7 million for ₱2.1 million, resulting to a gain on sale of property and equipment amounting to ₱0.4 million (see Note 17).

In 2022, the Company sold a service vehicle, presented under Other Work Equipment, at the same amount of its net book value of ₱0.6 million.

The cost of fully depreciated properties still in use amounted to ₱405.7 million and ₱277.1 million as at December 31, 2024 and 2023, respectively.

#### **At Revalued Amount**

The Company's land with an acquisition cost of ₱261.7 million is measured using the revaluation model. In 2023, the land was revalued by an independent appraiser using the Sales Comparison Approach method, which considers the sales of similar or substitute properties and related market data, then establishes a value estimate by processes involving comparison.

Details are as follows:

	2024	2023
<b>Cost</b>	<b>₱261,690,000</b>	₱261,690,000
<b>Revaluation Surplus:</b>		
Balance at beginning of year	<b>141,570,000</b>	109,395,000
Addition	—	32,175,000
Balance at end of year	<b>141,570,000</b>	141,570,000
<b>Revalued Amount</b>	<b>₱403,260,000</b>	₱403,260,000

Fair value measurement was categorized as Level 3 and the significant unobservable input used in determining fair values for 2024 and 2023 is discussed as follows:

Price per square meter	₱470,000
Value adjustments	(5%)

Price per square meter pertains to the estimated value prevailing in the real estate market depending on the location, area and time element. Value adjustments are adjustments made to bring the comparative values in approximation to the properties taking into account internal factors such as marketability, location, terrain, size, shape and development.

*Sensitivity Analysis.* The following factors were considered in determining the market value of the subject property:

- property location and neighborhood data;
- present use of the property is commercial utility;
- quantitative market value adjustments based on internal factors; and,
- highest and best use (commercial utility)

Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

As at December 31, 2024 and 2023, there were no transfers between levels in the fair value hierarchy.

## 8. Investment Properties

Movements in this account are as follows:

	2024	2023
Balance at beginning of year	₱40,814,018	₱79,311,918
Disposals	—	(38,497,900)
Balance at end of year	₱40,814,018	₱40,814,018

The Company's investment properties consist of land located in NCR, and Regions 3 and 4, which are held for rentals and for capital appreciation.

The Company sold investment properties costing ₱38.5 million for ₱97.3 million in 2023 (and ₱92.7 million for ₱129.7 million in 2022). These resulted to gain on sale of ₱58.8 million in 2023 (and ₱37.0 million in 2022).

### **Fair Value**

The fair value of the investment properties based on management's assessment using the sales comparison approach amounted to ₱88.7 million as at December 31, 2024 and 2023. Fair value measurement was categorized as Level 3 and the significant unobservable input used in determining fair values for 2024 and 2023 is discussed as follows:

Price per square meter	₱900 to ₱22,500
Value adjustments	(5%) to (15%)

Price per square meter pertains to the estimated value prevailing in the real estate market depending on the location, area and time element. Value adjustments are adjustments made to bring the comparative values in approximation to the properties taking into account internal factors such as marketability, location, terrain, size, shape and development.

Significant increase (decrease) in price per square meter would result in a significantly higher (lower) fair value measurement. Significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

## **9. Trade and Other Payables**

This account consists of:

	<b>2024</b>	<b>2023</b>
Trade	<b>₱208,674,218</b>	₱182,166,422
Customers' deposits	<b>37,940,233</b>	35,948,772
Advances from customers	<b>22,726,390</b>	36,347,255
	<b>₱269,340,841</b>	₱254,462,449

Trade payables are non-interest bearing and are settled on a 30 to 120 days' term, and include accrued interest payable under Corp Rehab as at December 31, 2024 and 2023. The Company reversed long-outstanding liabilities of ₱27.5 million in 2023 (₱4.9 million in 2022) because management assessed that no further claims will be made for these payables (see Note 17).

Customers' deposits are refundable upon expiration and/or termination of the subscription.

Advances from customers, equivalent to two months subscription fee, will be applied as payment upon the expiration and/or termination of the subscription.

## 10. Statutory Liabilities

This account consists of:

	2024	2023
<b><i>Covered by Corp Rehab</i></b>		
Labor-related	<b>₱75,200,678</b>	₱76,131,049
NTC	<b>48,724,945</b>	48,724,945
Home Development Mutual Fund (HDMF)	<b>28,448,186</b>	28,448,186
Social Security System (SSS)	<b>15,101,233</b>	15,101,233
Philippine Health Insurance Corporation (PHIC)	<b>12,145,658</b>	12,145,658
National Home Mortgage Finance Corp. (NHFMC)	<b>1,132,874</b>	1,132,874
	<b>180,753,574</b>	181,683,945
<b><i>Outside Corp Rehab</i></b>		
BIR and other government agencies	<b>176,846,436</b>	154,800,737
NTC	<b>150,430,559</b>	149,762,991
Separation pay	<b>93,675,355</b>	93,675,355
	<b>420,952,350</b>	398,239,083
	<b>₱601,705,924</b>	₱579,923,028

### *Covered by Corp Rehab*

As discussed in Note 1, all outstanding obligations covered by the Corp Rehab are subject to the legal interest of 6% from the approval of the Plan. Interest expense arising from liabilities covered by the Corp Rehab amounted to ₱16.5 million and ₱21.5 million in 2024 and 2023, respectively (₱21.6 million in 2022) (see Note 21).

Labor-related pertains to unpaid salaries and wages of employees, and National Labor Relation Commission fees.

NTC represents unpaid Supervision and Regulation Fee and Spectrum User Fees charged by the NTC to a telecommunications company with a valid legislative franchise.

HDMF, SSS, PHIC and NHFMC pertain to unremitted employer and employees' contributions.

### *Outside Corp Rehab*

Statutory obligations outside the Corp Rehab are current obligations payable to regulatory agencies. These are usually settled within the succeeding month.

As disclosed in Note 1, the Company has been under Corp Rehab since 2011. Pursuant to the Corp Rehab orders, the Company may put on hold the benefits of separated employees for service rendered prior to August 24, 2009 Stay Order. As at December 31, 2024 and 2023, the Company has outstanding liabilities attributable to separated employees amounting to ₱99.3 million and ₱93.7 million, respectively.

## 11. Loans Payable

Movements in this account are as follows:

	2024	2023
Balance at beginning of year	<b>₱3,671,620</b>	₱30,890,080
Payments	<b>(2,501,266)</b>	(27,218,460)
Balance at end of year	<b>₱1,170,354</b>	₱3,671,620

### Loans from Bank

The Company obtained several loans from a local bank to finance the purchase of transportation equipment. These loans bear annual interest rates ranging from 11% to 19% and have maturity dates from December 2022 to May 1, 2026.

The carrying value of service vehicles pledged as collaterals for the loan amounted to ₱1.7 million and 2.2 million as at December 31, 2024 and 2023, respectively.

Interest expense recognized related to the loans amounted to ₱0.3 million and ₱0.5 million in 2024 and 2023, respectively (₱0.5 million in 2022) (see Note 21).

### Loans from a Related Party

In 2022, the Company obtained loans from a related party amounting to ₱30.0 million with an interest rate of 8.75% per annum, and payable in equal monthly amortization up to July 2027. As at December 31, 2022, the carrying amount of loan from a related party amounted to ₱25.5 million. These were fully paid in 2023.

Interest expense recognized related to the loans amounted to ₱1.4 million in 2023 (₱1.1 million in 2022) (see Note 21).

## 12. Retirement Benefits Liability

The Company has a noncontributory defined benefit plan covering all regular and permanent employees. The latest actuarial valuation report as at December 31, 2024 is determined using the projected unit credit actuarial cost method.

The following tables summarize the retirement benefits liability recognized in the statements of financial position and the components of retirement benefits costs recognized in the statements of comprehensive income for the retirement plan:

Retirement benefits costs are as follows:

	2024	2023	2022
Current service cost	<b>₱9,789,384</b>	₱8,991,008	₱10,015,887
Interest expense on defined benefit plan	<b>3,235,833</b>	3,089,303	2,406,815
	<b>₱13,025,217</b>	₱12,080,311	₱12,422,702

Retirement benefit cost attributable to key management personnel amounted to ₱7.0 million and ₱7.1 million in 2024 and 2023, respectively (₱7.3 million in 2022) (see Note 19).

Changes in the present value of the retirement benefits liability are as follows:

	2024	2023
Balance at beginning of year	<b>₱58,449,800</b>	₱46,516,085
Current service cost	<b>9,789,384</b>	8,991,008
Interest expense	<b>3,235,833</b>	3,089,303
Benefits paid from company operating funds	<b>(1,821,535)</b>	(743,747)
Remeasurement (gain) loss	<b>(9,027,816)</b>	597,151
Balance at end of year	<b>₱60,625,666</b>	58,449,800

Movements in the cumulative remeasurement gains on retirement benefits liability, net of tax, follows:

	2024	2023
Balance at beginning of year	<b>₱4,718,642</b>	₱5,166,505
Remeasurement gain (loss)	<b>6,770,862</b>	(447,863)
Balance at end of year	<b>₱11,489,504</b>	₱4,718,642

The principal actuarial assumptions used to determine pension for the Company are as follows:

	2024	2023
Discount rate	<b>6.10%</b>	6.11%
Salary increase rate	<b>5.00%</b>	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation, assuming all other assumptions were held constant:

	Increase (Decrease)	2024	2023
Discount rates	7.11% (Actual + 1.00%)	<b>₱59,446,426</b>	₱57,182,917
	6.10%	<b>60,625,666</b>	58,449,800
	5.11% (Actual - 1.00%)	<b>61,976,286</b>	59,902,228
Salary increase rate	6.00% (Actual +1.00%)	<b>62,083,498</b>	59,999,162
	5.00%	<b>60,625,666</b>	58,449,800
	4.00% (Actual - 1.00%)	<b>59,330,425</b>	57,075,554

Shown below is the maturity analysis of the Company's undiscounted benefit payments as at December 31:

	2024	2023
Less than 1 year	<b>₱31,525,847</b>	₱14,353,286
1 to less than 5 years	<b>18,571,866</b>	27,587,713
5 to less than 10 years	<b>42,709,752</b>	42,815,196
10 to less than 15 years	<b>26,574,566</b>	36,375,165
15 to less than 20 years	<b>58,676,351</b>	67,585,856
20 years and above	<b>122,746,141</b>	145,096,048
	<b>₱300,804,523</b>	₱333,813,264

The average duration of the retirement benefits liability as at December 31, 2024 and 2023 are 6.23 years and 7.1 years, respectively.

### 13. Equity

#### **Capital Stock**

The Company's capital stock comprises of preferred and common stock, broken down as follows:

	2024		2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorized</b>				
Preferred 1 (Serial, Cumulative, Convertible and Redeemable) - ₱10.00 par value	230,000,000	₱2,300,000,000	230,000,000	₱2,300,000,000
Preferred 2 (Serial and Redeemable) - ₱1.00 par value	8,800,000,000	8,800,000,000	8,800,000,000	8,800,000,000
Common - ₱1.00 par value	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	<b>10,530,000,000</b>	<b>₱12,600,000,000</b>	<b>10,530,000,000</b>	<b>₱12,600,000,000</b>
<b>Subscribed</b>				
Preferred 1 (Serial, Cumulative, Convertible and Redeemable)	71,676,358	₱716,763,580	71,676,358	₱716,763,580
Preferred 2 (Serial and Redeemable)	8,709,572,093	8,709,572,093	8,709,572,093	8,709,572,093
Common	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	<b>10,281,248,451</b>	<b>₱10,926,335,673</b>	<b>10,281,248,451</b>	<b>₱10,926,335,673</b>

Pursuant to the Corp Rehab Plan (see Note 1), the BOD and stockholders approved the increase in the Company's authorized capital stock (ACS) from ₱3,800.0 million, divided into 1,500.0 million common stock at ₱1 par value a share and 230.0 million serial, cumulative, convertible and redeemable preferred stock at ₱10 par value a share, to ₱12,600.0 million, divided into 1,500.0 million common stock at ₱1 par value a share, 230.0 million serial, cumulative, convertible and redeemable preferred stock at ₱10 par value a share and 8,800.0 million serial and redeemable preferred stock (Series "A", "B" and "C") at ₱1 par value a share. DFFS related to the increase in ACS aggregated ₱8,709.6 million, resulting to remaining DFFS of ₱2.2 million as at December 31, 2024 and 2023. On November 3, 2023, the SEC approved the increase in the ACS.

#### *Preferred 1 (Serial, Cumulative, Convertible and Redeemable)*

In 2023, the BOD approved the conversion of advances from MENLO amounting to ₱371.8 million, the debt-in-possession amounting to ₱215.0 million and DFFS amounting to ₱130.0 million into 71,676,858 Preferred 1 shares, or equivalent to ₱716.8 million.

Preferred 1 shares rights and features are as follows:

1. Has no voting rights or right to be voted except as provided by law.
2. Entitled to cumulative and non-participating dividends.
3. Issued into different series and at different dividend rates as determined by the BOD.
4. Convertible into common shares as determined by the BOD.
5. Redemption period shall be fixed by the BOD and may be re-issued upon redemption as preferred or as common stock at the option of the BOD.

*Preferred 2 (Serial and Redeemable)*

As disclosed in Note 1, the Rehab Court requires the Company to settle its liabilities through a debt conversion to 12-year serial and redeemable preferred stock, under the following classifications:

Type of Serial and Redeemable Preferred Stock	Type of Obligation
Series "A"	Secured obligations
Series "B"	Unsecured obligations
Series "C"	Obligations to affiliate companies

Following the SEC's approval of the increase in ACS in 2023, DFFS amounting to ₱8,709.6 million were converted into Preferred 2 shares. Details are as follows:

	Number of shares	Amount
<b>Authorized</b>		
Series A	6,750,000,000	₱6,750,000,000
Series B	1,800,000,000	1,800,000,000
Series C	250,000,000	250,000,000
Increase and balance at end of year	8,800,000,000	₱8,800,000,000
<b>Subscribed</b>		
Series A	6,726,392,237	₱6,726,392,237
Series B	1,764,878,303	1,764,878,303
Series C	218,301,553	218,301,553
Subscription and balance at end of year	8,709,572,093	₱8,709,572,093

**APIC**

Movements in the Company's APIC follows:

	2024	2023	2022
Balance at beginning of year	₱629,974,041	₱724,255,313	₱724,255,313
Stock issuance costs	—	(94,281,272)	—
Balance at end of year	₱629,974,041	₱629,974,041	₱724,255,313

Stock issuance costs pertain to the documentary stamp taxes on the subscriptions of shares in 2023.

**14. Basic and Diluted Earnings (Loss) Per Share**

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to stockholders of the Company by the weighted average number of ordinary shares in issue during the year/period, excluding ordinary shares purchased by the Company and held as treasury shares.

Earnings (loss) per share are as follows:

	2024	2023	2022
Net income (loss)	₱18,277,240	₱7,906,864	(₱14,248,202)
Weighted average number of common shares	1,500,000,000	1,500,000,000	1,500,000,000
Basic/diluted earnings (loss) per share	₱0.012	₱0.005	(₱0.009)

There were no potential dilutive shares in 2024 and 2023.

## 15. Revenues

This account consists of:

	2024	2023	2022
Broadband services	<b>₱432,405,047</b>	₱459,135,897	₱455,393,245
Information Technology (IT) services	<b>103,888,979</b>	69,576,184	86,877,630
	<b>₱536,294,026</b>	₱528,712,081	₱542,270,875

Disaggregation of the Company's contracts with customers is presented below:

	2024	2023	2022
Service fees - <i>over a period of time</i>	<b>₱429,556,066</b>	₱435,197,462	₱457,583,660
Sale of goods - <i>at a point in time</i>	<b>106,737,960</b>	93,514,619	84,687,215
	<b>₱536,294,026</b>	₱528,712,081	₱542,270,875

### **Facilities Exchange and Revenue Sharing Agreement with Teletronic Systems, Inc. (TSI)**

The Company and TSI, a related party, has a Memorandum of Understanding where both parties agree to exchange usufruct including, but not limited to, the Company's fiber facilities, capacities, and upgrades which were funded by TSI, TSI's multiplex and other equipment upgrades. These facilities shall be used to provide data transport facilities to customers for which the Company and TSI shall share revenue based on gross receipts. TSI and the Company's revenue sharing varies from 30:70, 40:60, and 50:50, respectively. TSI shall be an authorized reseller of the Company's data transport services (see Note 19). The Memorandum of Understanding shall be effective for a period of 15 years starting February 13, 2013.

## 16. Costs and Expenses

### **Cost of Sales and Services**

This account consists of:

	Note	2024	2023	2022
Personnel cost		<b>₱121,435,877</b>	₱147,647,983	₱110,127,166
IT equipment and software		<b>74,821,987</b>	36,078,326	59,244,760
Upstream internet connectivity		<b>59,138,255</b>	57,937,880	51,627,315
Depreciation and amortization	7	<b>17,486,760</b>	30,129,952	33,020,688
Taxes and licenses		<b>11,693,646</b>	600,294	2,297,666
Professional and other contracted services		<b>10,704,238</b>	4,421,136	5,518,720
Utilities		<b>7,369,579</b>	5,593,317	6,141,229
Outside services		<b>7,110,925</b>	4,414,440	1,301,749
Others		<b>5,859,383</b>	4,519,936	6,079,203
		<b>₱315,620,650</b>	₱291,343,264	₱275,358,496

### **General and Administrative Expenses**

This account consists of:

	Note	2024	2023	2022
Personnel cost		<b>₱107,350,939</b>	₱120,431,301	₱134,599,869
Depreciation and amortization	7	<b>19,603,145</b>	39,260,468	43,027,206
Utilities		<b>14,643,370</b>	19,632,566	20,476,547
Taxes and licenses		<b>6,407,942</b>	41,563,735	23,510,519
Provision for ECL	5	<b>5,903,360</b>	11,612,530	4,436,921
Software licenses		<b>4,555,724</b>	3,903,087	7,671,285
Repair and maintenance		<b>4,403,257</b>	6,233,461	3,712,424
Professional and other contracted services		<b>3,980,348</b>	16,508,742	20,607,176
Outside services		<b>3,301,619</b>	7,108,869	10,719,613
Marketing and commissions		<b>2,814,822</b>	6,586,351	6,868,908
Others		<b>9,248,560</b>	6,391,916	9,433,223
		<b>₱182,213,086</b>	₱279,233,026	₱285,063,691

Personnel cost consists of:

	Note	2024	2023	2022
Salaries, wages and other short-term benefits		<b>₱215,761,599</b>	₱255,998,973	₱232,304,333
Retirement benefit costs	12	<b>13,025,217</b>	12,080,311	12,422,702
		<b>₱228,786,816</b>	₱268,079,284	₱244,727,035

### **17. Other Income (Charges)**

This account consists of:

	Note	2024	2023	2022
Service income		<b>₱7,435,876</b>	₱2,242,394	₱779,299
Gain on sale of property and equipment	7	<b>395,021</b>	—	—
Realized foreign exchange gain (loss)		<b>76,877</b>	52,532	(212,866)
Dividend income	6	<b>8,550</b>	18,468	12,825
Interest income	4	<b>8,382</b>	14,891	26,714
Reversal of liabilities	9	—	27,504,326	4,877,301
Unrealized foreign exchange loss		—	—	(886,637)
		<b>₱7,924,706</b>	₱29,832,611	₱4,596,636

## 18. Income Taxes

The provision for current income tax pertain to MCIT in 2024, 2023 and 2022.

The reconciliation of the provision for income tax computed at statutory income tax rate to the benefit from income tax shown in the statements of comprehensive income follows:

	2024	2023	2022
Provision for (benefit from) income tax computed at statutory rate	<b>₱5,204,947</b>	₱1,976,716	(₱3,562,051)
Change in unrecognized deferred taxes	<b>(5,203,376)</b>	32,473,371	8,217,463
Tax effects of:			
Nontaxable income	<b>(2,095)</b>	(14,712,998)	(9,262,121)
Nondeductible expenses	<b>524</b>	63,430	581,982
Expired MCIT	<b>2,542,549</b>	3,769,799	2,873,472
Stock issuance costs charged to APIC	—	(23,570,318)	—
Expired NOLCO	—	—	1,151,255
	<b>₱2,542,549</b>	<b>₱—</b>	<b>₱—</b>

The Company's net deferred tax liabilities are as follows:

	2024	2023	2022
<b>Deferred tax asset -</b>			
Excess MCIT over RCIT	<b>₱12,272,824</b>	₱10,503,469	₱6,902,558
<b>Deferred tax liabilities:</b>			
Revaluation surplus	<b>48,912,170</b>	48,912,170	35,935,841
Net retirement benefit liability	<b>2,406,242</b>	149,288	2,249,263
Unrealized foreign exchange gain	—	—	2,066
	<b>51,318,412</b>	49,061,458	38,187,170
<b>Net deferred tax liabilities</b>	<b>₱39,045,588</b>	<b>₱38,557,989</b>	<b>₱31,284,612</b>

The following deferred tax assets were not recognized because management has assessed that it is not probable that there will be sufficient taxable income against which these deferred tax assets can be utilized.

	2024	2023	2022
Accrued interests	<b>₱87,669,202</b>	₱83,552,768	₱75,493,442
Retirement benefits costs	<b>43,046,410</b>	39,790,106	36,770,029
NTC outside Court Rehabilitation	<b>37,607,640</b>	37,440,748	37,273,856
Provision for ECL on receivables	<b>9,693,277</b>	8,217,437	5,314,304
Excess of ROU assets over lease liabilities	<b>3,962,871</b>	4,113,394	828,062
NOLCO	<b>4,961,746</b>	19,030,069	—
Unrealized foreign exchange loss	—	—	221,659
	<b>186,941,146</b>	192,144,522	155,901,352
Excess MCIT over RCIT	—	—	3,769,799
	<b>₱186,941,146</b>	<b>₱192,144,522</b>	<b>₱159,671,151</b>

In 2024, the Company applied the NOLCO amounting to ₱56.2 million. The remaining NOLCO in 2023 amounting to ₱19.8 million can be claimed until 2026 as deduction to future taxable income.

Details of excess MCIT over RCIT are as follows:

Year incurred	Amount	Incurred	Expired	Balance at end of year	Valid until
2024	P–	P 4,311,904	P–	P4,311,904	2027
2023	3,600,911	–	–	3,600,911	2026
2022	4,360,009	–	–	4,360,009	2025
2021	2,542,549	–	2,542,549	–	2024
	<b>P10,503,469</b>	<b>P4,311,904</b>	<b>P2,542,549</b>	<b>P12,272,824</b>	

## 19. Related Party Transactions

The Company, in the normal course of business, has the following transactions with related parties:

	Nature of Transaction	Transaction during the year			Outstanding balances	
		2024	2023	2022	2024	2023
<b>Receivables (see Note 5)</b>	Resell of data transport	<b>P4,693,165</b>	<b>P1,253,450</b>	<b>P7,584,589</b>	<b>P24,280,420</b>	<b>P21,479,149</b>
<b>Due from related parties</b>						
Stockholder		<b>P10,644,975</b>	<b>P47,141,992</b>	<b>P115,642,645</b>	<b>P219,414,670</b>	<b>P198,993,472</b>
Entities under common control	Advances	<b>33,642,784</b>	<b>683,280</b>	<b>467,808</b>	<b>22,982,891</b>	<b>7,051,813</b>
					<b>P242,397,561</b>	<b>P206,045,285</b>
<b>Due to related parties</b>						
Stockholders		<b>P39,287,763</b>	<b>P1,654,240</b>	<b>P493,739</b>	<b>P43,600,269</b>	<b>P68,795,323</b>
Entities under common control	Advances	<b>3,625,489</b>	<b>–</b>	<b>375,622,202</b>	<b>57,236,770</b>	<b>30,425,103</b>
					<b>P100,837,039</b>	<b>P99,220,426</b>
<b>Loans (see Note 11)</b>						
Entity under common control	Loan	<b>P–</b>	<b>P–</b>	<b>P30,000,000</b>	<b>P–</b>	<b>P–</b>

### Terms and Conditions of Transactions with Related Parties

*Due To and From Related Parties.* Outstanding balances with related parties as at year-end include unsecured, interest and noninterest-bearing, payable on demand and are expected to be settled in cash. Due to entities under common control bear legal interest of 6% a year. Interest expense amounted to P1.7 million in 2024 and P12. 6 million in 2023 (P11.8 million in 2022) (see Note 21).

*Loans.* These are unsecured loans with a related party bearing an interest rate of 8.75% per annum, and payable in equal monthly amortization up to July 2027 (see Note 11). These were fully paid in 2023.

### Compensation of Key Management Personnel

Compensation of key management personnel of the Company are as follows:

	Note	2024	2023	2022
Short-term employee benefits		<b>P27,086,814</b>	<b>P30,662,985</b>	<b>P31,167,212</b>
Retirement benefit cost	12	<b>7,017,363</b>	<b>7,103,957</b>	<b>7,333,991</b>
		<b>P34,104,177</b>	<b>P37,766,942</b>	<b>P38,501,203</b>

## 20. Leases

### Company as Lessee

The Company has lease contracts for various network equipment for cell sites telecommunications equipment locations and leased poles and other work equipment for car rentals used in its operations which generally have lease terms between one (1) and ten (10) years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. The Company is required to pay the lessor two (2) to three (3) months advance security deposits which shall be refunded at the end of the lease term. Refundable security deposits amounted to ₱15.8 million and ₱15.6 million, presented as other noncurrent assets in the statements of financial position (see Note 6). There are several lease payments which are further discussed below.

Movements in ROU assets are as follows:

	Note	2024	2023
<b>Cost</b>			
Balance at beginning of year		<b>₱162,570,392</b>	₱128,438,190
Additions		<b>10,892,275</b>	34,132,202
Termination		<b>(113,762,572)</b>	–
Balance at end of year		<b>59,700,095</b>	162,570,392
<b>Accumulated Amortization</b>			
Balance at the beginning of year		<b>139,023,554</b>	102,001,725
Amortization	7	<b>9,544,165</b>	37,021,829
Termination		<b>(113,762,572)</b>	–
Balance at end of year		<b>34,805,147</b>	139,023,554
<b>Carrying Amount</b>		<b>₱24,894,948</b>	₱23,546,838

Movements in lease liabilities are as follows:

	Note	2024	2023
Balance at beginning of year		<b>₱39,856,961</b>	₱29,605,261
Additions		<b>10,892,275</b>	34,132,202
Payments		<b>(12,994,492)</b>	(26,239,188)
Accretion of interest	21	<b>2,848,234</b>	2,358,686
Balance at end of year		<b>40,602,978</b>	39,856,961
Less current portion		<b>7,528,820</b>	13,739,948
Noncurrent portion		<b>₱33,074,158</b>	₱26,117,013

Future minimal rentals payments as at December 31 are as follows:

	2024	2023
Within one year	<b>₱9,863,672</b>	₱6,584,236
After one year but not more than five years	<b>24,562,042</b>	18,858,649
More than five years	<b>47,486,806</b>	19,140,323
	<b>₱81,912,520</b>	₱44,583,208

## 21. Interest Expense

This account consists of:

	Note	2024	2023	2022
Corp Rehab obligations	10	<b>₱16,465,736</b>	₱21,470,622	₱21,581,592
Lease liabilities	20	<b>2,848,234</b>	2,358,686	2,794,106
Due to related parties	19	<b>1,744,901</b>	12,552,336	11,760,473
Bank loans	11	<b>254,656</b>	477,346	500,941
Loans from a related party	11	—	1,368,819	1,064,343
Others		<b>4,251,680</b>	670,829	1,013
		<b>₱25,565,207</b>	₱38,898,638	₱37,702,468

Others pertain to interest expenses paid by the Company to various suppliers.

## 22. Segment Reporting

The Company has only one operating segment which is the broadband internet access services which include, among others: (a) fiber optic dedicated, e-line or shared broadband; (b) wireless dedicated or shared broadband; (c) very small aperture terminal; and (d) gateway peering. Revenues derived from these services consist of fixed monthly subscription rate plus installation charges and other one-time fees associated with the customer service.

The Company shifted its products and services from LEC to broadband data services, fixed wireless services Point to Point and Point to Multipoint Wireless Communications Services and Network Operations Center using the same LEC Network (see Note 1).

## 23. Financial Instruments

### **Financial Risk Management Objectives and Policies**

The Company's principal financial instruments are cash, trade and other receivables (excluding advances to employees), due from related parties, security deposits, trade and other payables (excluding advance rent and statutory payables), loans payable, lease liabilities and refundable deposits. The main purpose of these financial instruments is to raise funds for the Company's operations. It is the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The general policies for managing each of these risks are summarized below:

#### *Credit Risk*

The Company's credit risk is primarily attributable to its cash in bank and trade and other receivables and due from related parties. The Company has adopted stringent procedure in extending credit terms to customers and in monitoring its credit risk.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company manages the level of credit risk it accepts through comprehensive credit risk policy setting out assessment and determination of what constitutes credit risk for the Company; setting up exposure limits by each counterparty or group of counterparties, geographical and industry segments; guidelines on obtaining collateral and guarantees; reporting of credit risk exposures and breaches to the monitoring authority; monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment.

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the exposure to bad debts is not significant.

The exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of its financial instruments.

There are no significant concentrations of credit risk within the Company.

The table below shows the maximum exposure to credit risk for the components of the 2024 and 2023 statements of financial position. The maximum exposure is shown gross, without taking into account collateral and other credit enhancement.

	2024	2023
Cash in banks	<b>₱16,390,152</b>	₱10,936,479
Receivables*	<b>228,409,147</b>	205,484,407
Due from related parties	<b>242,397,561</b>	206,045,285
Refundable security deposits	<b>15,782,167</b>	15,623,208
Financial asset at FVOCI	<b>221,445</b>	218,709
	<b>₱503,200,472</b>	₱438,308,088

\*Excluding advances to suppliers and contract assets

The tables below show the credit quality by class of financial asset based on the rating system of the Company as at December 31, 2024 and 2023:

	2024			
	Neither Past Due nor Impaired		Impaired	Total
	High Grade	Standard Grade		
Cash in banks	<b>₱16,390,152</b>	₱—	₱—	<b>₱16,390,152</b>
Receivables*	—	<b>152,597,248</b>	<b>75,811,899</b>	<b>228,409,147</b>
Due from related parties	—	<b>242,397,561</b>	—	<b>242,397,561</b>
Refundable security deposits	—	<b>15,782,167</b>	—	<b>15,782,167</b>
Financial asset at FVOCI	—	<b>221,445</b>	—	<b>221,445</b>
	<b>₱16,390,152</b>	<b>₱410,998,421</b>	<b>₱75,811,899</b>	<b>₱503,200,472</b>

\*Excluding advances to suppliers and contract assets.

	2023			
	Neither Past Due nor Impaired		Impaired	Total
	High Grade	Standard Grade		
Cash in banks	<b>₱10,936,479</b>	₱—	₱—	<b>₱10,936,479</b>
Receivables*	—	<b>135,575,868</b>	<b>69,908,539</b>	<b>205,484,407</b>
Due from related parties	—	<b>206,045,285</b>	—	<b>206,045,285</b>
Refundable security deposits	—	<b>15,623,208</b>	—	<b>15,623,208</b>
Financial asset at FVOCI	—	<b>218,709</b>	—	<b>218,709</b>
	<b>₱10,936,479</b>	<b>₱357,463,070</b>	<b>₱69,908,539</b>	<b>₱438,308,088</b>

\*Excluding advances to suppliers and contract assets.

The Company evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparties. The Company determines if credit risk have increased significantly when financial assets are more than 30 days past due.

For trade receivables, the Company has adopted a lifetime expected loss allowance in estimating ECL to receivables through the use of a provisions matrix using fixed rates of credit loss provisioning based on recent historical collection rates after incorporating forward-looking information.

For other financial assets at amortized cost, the Company has adopted a 12-month expected loss allowance in estimating ECL to other financial assets at amortized cost, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date.

Due from related parties have sufficient liquid asset to pay and the risk of default is assessed to be minimal.

Generally, receivables are written off if collection cannot be made despite exhausting all extra-judicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Company does not hold collateral as security.

#### *Liquidity Risk*

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of contractual obligation; or inability to generate cash inflows as anticipated.

The Company manages liquidity through a liquidity risk policy which determines what constitutes liquidity risk for the Company; specifies minimum proportion of funds to meet emergency calls; setting up contingency funding plans; specify the sources of funding and the vents that would trigger the plan, concentration of funding sources; reporting of liquidity risk exposures and breaches to the monitoring authority; monitoring compliance with liquidity risk policy and review of liquidity risk policy for pertinence and changing environment.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated funds.

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company manages this risk through daily and periodically monitoring of cash flows in consideration of future payment due dates and daily collection amounts. The Company also ensures that there are sufficient, available, and approved working capital lines that it can draw from anytime.

The Company maintains an adequate amount of cash and cash equivalents in the event of unforeseen interruption of its cash collections. The Company also maintains accounts with several relationship banks to avoid significant concentration of cash with one institution.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

2024				
	On demand	Within one year	More than one year	Total
Trade and other payables*	P=	P246,614,451	P=	P246,614,451
Due to related parties	—	100,837,039	—	100,837,039
Lease liabilities	—	7,528,820	33,074,158	40,602,978
Loans payable	—	1,170,354	—	1,170,354
	P=	P356,150,664	P33,074,158	P389,224,822

\*Excluding advances from customers amounting to P22.7 million.

2023				
	On demand	Within one year	More than one year	Total
Trade and other payables*	P=	P218,115,194	P=	P218,115,194
Due to related parties	—	99,220,426	—	99,220,426
Lease liabilities	—	13,739,948	26,117,013	39,856,961
Loans payable	—	3,671,620	—	3,671,620
	P=	P334,747,188	P26,117,013	P360,864,201

\*Excluding advances from customers amounting to P36.4 million.

#### **Fair Value of Financial Assets and Financial Liabilities**

The table below represents the carrying values and fair values of the Company's financial assets and financial liabilities as of December 31, 2024 and 2023.

	Carrying Amount		Fair Value	
	2024	2023	2024	2023
<b>Financial Assets</b>				
Cash	P16,705,152	P11,251,479	P16,705,152	P11,251,479
Receivables*	152,597,248	135,575,868	152,597,248	135,575,868
Due from related parties	242,397,561	206,045,285	242,397,561	206,045,285
Refundable security deposits	15,782,167	15,623,208	15,782,167	15,623,208
Financial asset at FVOCI	221,445	218,709	221,445	218,709
	P427,703,573	P368,714,549	P427,703,573	P368,714,549

\*Excluding advances to suppliers and contract assets

	Carrying Amount		Fair Value	
	2024	2023	2024	2023
<b>Financial Liabilities</b>				
Trade and other payables*	P246,614,451	P218,115,194	P246,614,451	P218,115,194
Due to related parties	100,837,039	99,220,426	100,837,039	99,220,426
Lease liabilities	40,602,978	39,856,961	68,172,572	49,756,361
Loans payable	1,170,354	3,671,620	1,170,354	3,671,620
	P389,224,822	P360,864,201	P416,794,416	P370,763,601

\*Excluding advances from customers

*Cash, Receivables, Trade Payables and Accrued Expenses.* The carrying amounts of cash, trade receivables and trade payables and accrued expenses approximate their fair value due to their short-term maturity.

*Due to/from Related Parties.* Advances to related parties have no definite fixed terms and are not expected to be realized within the next 12 months. Accordingly, the fair values are not determinable, as the timing of future cash flows cannot be estimated reliably.

*Lease Liabilities.* The fair value of the current portion of lease liabilities approximates their carrying value due to the short-term maturities of these liabilities. The fair value of the noncurrent portion of lease liabilities is based on the discounted value of future cash flows using the prevailing interest rate ranging from 7.03% to 7.07% in 2024 and 2023.

*Security and Refundable Deposits.* The fair value of security and refundable deposits are based on discounted value of future cash flows using the applicable market interest rates. Discount rate ranging from 4.57% to 4.73% were used in calculating the fair values of deposits in 2024 and 2023.

### **Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going concern, while maximizing the return on investments of stockholders.

The Company considers the following as its capital:

	2024	2023	2022
Capital stock	<b>₱10,926,335,673</b>	₱10,926,335,673	₱1,500,000,000
APIC	<b>629,974,041</b>	629,974,041	724,255,313
Other comprehensive income	<b>152,775,360</b>	146,008,031	114,287,392
Deficit	<b>(11,646,690,522)</b>	(11,664,967,762)	(11,672,874,626)
DFFS in accordance with the court-approved rehabilitation plan	<b>2,164,488</b>	2,164,488	8,841,736,581
	<b>₱64,559,040</b>	₱39,514,471	(₱492,595,340)

The Company monitors the operating results based on earnings before interest, taxes and depreciation and amortization (EBITDA).

The Company's EBITDA are as follows:

	Note	2024	2023	2022
Net income (loss)		<b>₱18,277,240</b>	₱7,906,864	(₱14,248,202)
Add:				
Interest expense	21	<b>25,565,207</b>	38,898,638	37,702,468
Taxes		<b>2,542,549</b>	—	—
Depreciation and amortization	7	<b>37,089,905</b>	69,390,420	76,047,894
		<b>₱83,474,901</b>	₱116,195,922	₱99,502,160

## **24. Prior Period Adjustments**

The financial statements as at and for the year ended December 31, 2022 have been restated to reflect the reversal of long-outstanding trade payables statutory obligations which have already been settled, recognition of property and equipment which was paid for by a related party on behalf of the Company, reversal of income tax payable which was already paid, write-off of receivables and other noncurrent assets which were previously provided with an allowance for impairment loss.

The net effects of the prior period adjustments and reversal of the Company's financial statements as at December 31, 2022 are as follows:

	As at December 31, 2022		
	As Previously Reported	Effect of Restatement	As Restated
Receivables	₱166,736,870	(₱37,577,916)	₱129,158,954
Property and equipment	523,731,006	8,495,257	532,226,263
Trade and other payables	603,143,741	(313,095,620)	290,048,121
Statutory obligations	618,283,048	(198,246,475)	420,036,573
Due to related parties	318,018,427	371,390,682	689,409,109
Income tax payable	9,257,523	(9,257,523)	–
Deficit	(11,887,647,954)	214,773,328	(11,672,874,626)

## 25. Notes to Statements of Cash Flows

The following are the financing activities resulting to changes in the Company's liabilities:

2024	Beginning of year	Cashflows	Others	End of year
Due to related parties	₱99,220,426	₱–	₱1,616,613	₱100,837,039
Lease liabilities	39,856,961	(12,994,492)	13,740,509	40,602,978
Loans payable	3,671,620	(2,501,266)	–	1,170,354
	₱142,749,007	(₱15,495,758)	₱15,357,122	₱142,610,371

2023	Beginning of year	Cashflows	Others	End of year
Due to related parties	₱689,409,109	(₱3,425,104)	(₱586,763,579)	₱99,220,426
Lease liabilities	29,605,261	(26,239,188)	36,490,888	39,856,961
Loans payable	30,890,080	(27,218,460)	–	3,671,620
	₱749,904,450	(₱56,882,752)	(₱550,272,691)	₱142,749,007

**PT&T Corp.**  
**(Doing business under the name and style: PT&T)**

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**SUPPLEMENTARY INFORMATION REQUIRED BY**  
**THE BUREAU OF INTERNAL REVENUE (BIR)**  
**DECEMBER 31, 2024**

The information for 2024 required by the above regulation is presented below:

**Output VAT**

Output VAT declared for the year ended December 31, 2024 and the sales upon which the same was based consist of:

	Gross revenue	Output VAT
VATable Sales	₱339,016,257	₱40,681,951
Sale to Government	23,705,493	2,844,659
Exempt sales	11,247,861	—
Output VAT payments		(12,066,316)
Input VAT applied against output VAT		(25,122,960)
		₱6,337,334

Under the Ease of Paying Taxes (EOPT) Act, the gross revenue for VAT purposes is based on the gross sale regardless of whether the sale is for goods or for services effective April 27, 2024.

Net output VAT payable is included as part of “Statutory Liabilities” account in the statement of financial position.

Movements in input VAT claimed for the year ended December 31, 2024 are as follows:

Balance at beginning of year	₱—
Add: Current year’s domestic purchases of goods	
other than capital goods	1,693,420
Importation of goods other than capital goods	160,759
Domestic purchase of services	20,424,123
Input tax on sale to Government	1,659,385
Total available input VAT	23,937,687
Less: VAT withheld on sales to Government	1,185,273
Input VAT applied against output VAT	(25,122,960)
Balance at end of year	₱—

**Other Local and National Taxes**

All other local and national taxes paid and accrued by the Company for the year ended December 31, 2024 consist of:

Business permits and licenses	₱14,481,399
Real property taxes	1,073,272
Others	2,546,917
	<u>₱18,101,588</u>

The above local and national taxes are recorded as part of “Taxes and licenses” line item under “Costs and Expenses” account in the statement of comprehensive income.

**Withholding taxes**

The Company paid and accrued withholding taxes amounting to ₱23.3 million and ₱3.2 million, respectively, for the year ended December 31, 2024.

**Tax Assessments and Tax Cases**

The Company has no outstanding tax assessments and tax cases as at and for the year ended December 31, 2024.



## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
PT&T Corp.  
6<sup>th</sup> Floor SCC Bldg. 106  
Carlos Palanca St., Legaspi Village  
Makati City

We have audited in accordance with Philippine Standards on Auditing the basic financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (the Company) as at and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated April 11, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplementary Schedules are the responsibility of the Company's management. These supplementary schedules include the following:

- Supplementary Schedules as Required by Part II of the Revised Securities Regulation Code (SRC) Rule 68
- Reconciliation of Retained Earnings Available for Dividends Declaration

These schedules are presented for the purpose of complying with the Revised SRC Rule 68 and are not part of the basic financial statements. The information in these supplementary schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### REYES TACANDONG & Co.

EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782/P-004; Valid until June 6, 2026

BIR Accreditation No. 08-005144-005-2022

Valid until October 16, 2025

PTR No. 10467104

Issued January 2, 2025, Makati City

April 11, 2025  
Makati City, Metro Manila

**PT&T Corp.**  
(Doing business under the name and style: PT&T)

**SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II OF THE REVISED SRC RULE 68**  
**December 31, 2024**

Schedule	Description	Page
A	Financial Assets*	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)**	N/A
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	N/A
D	Long-Term Debt	N/A
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)***	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	1
H	Conglomerate Map	2

\* There are no outstanding financial assets which constitute 5% or more of the total current assets as at December 31, 2024.

\*\* There are no amounts to whom the aggregate indebtedness is ₱1.0 million or 1% of total assets as at December 31, 2024.

\*\*\* Indebtedness to related parties are classified as current as at December 31, 2024.

**PT&T Corp.**  
**(Doing business under the name and style: PT&T)**

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**SCHEDULE G – CAPITAL STOCK**

**December 31, 2024**

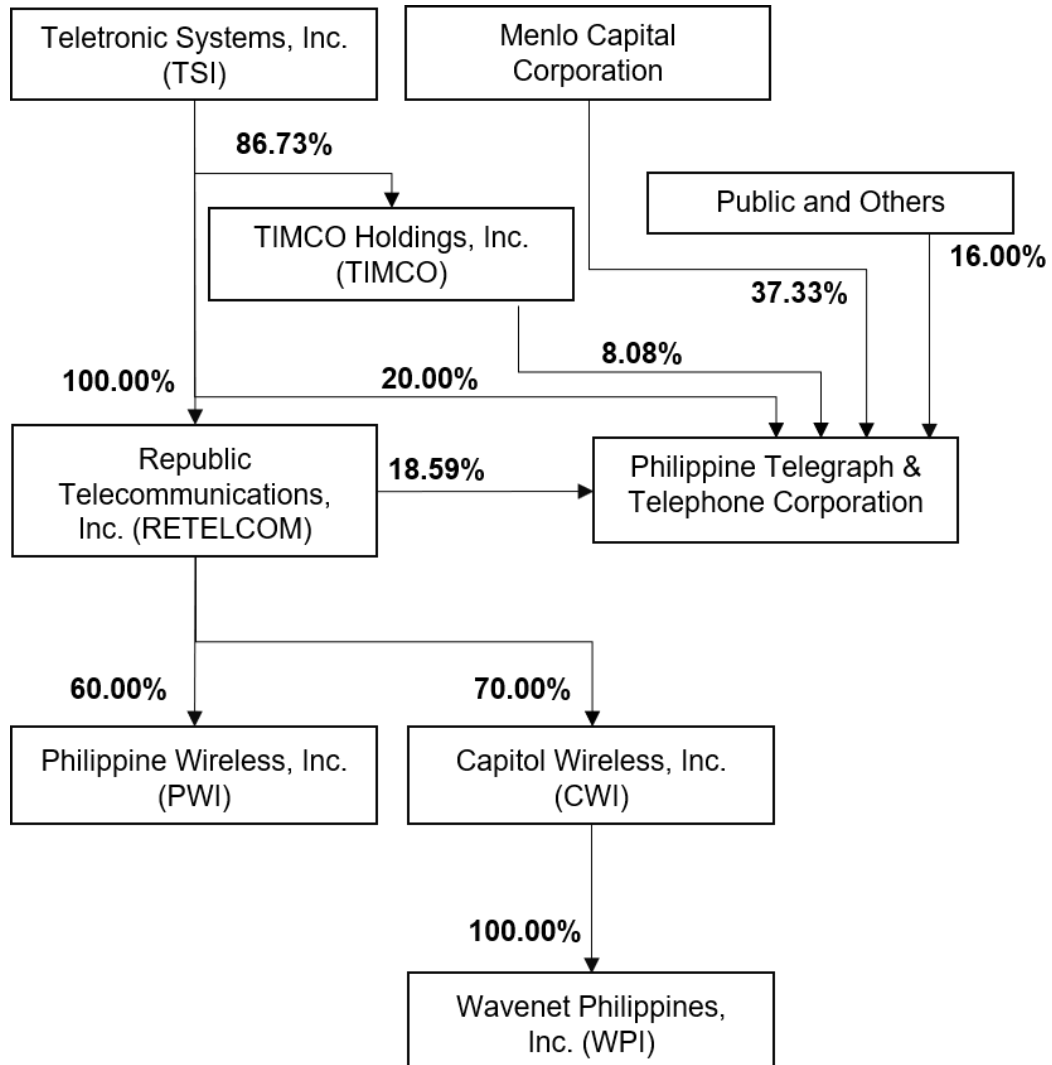
<b>Title of Issue</b>	<b>Number of Shares authorized</b>	<b>Number of shares issued and outstanding as shown under related balance sheet caption</b>	<b>Number of shares reserved for captions, warrants, conversion and other rights</b>	<b>Number of shares held by related parties</b>	<b>Number of shares held by directors, officers and employees</b>	<b>Others</b>
Common shares	1,500,000,000	1,500,000,000	–	1,162,500,000	1,337,500,300	–
Serial RPS	230,000,000	71,636,358	–	–	71,636,358	–
Series (A,B,C) RPS	8,800,000,000	8,709,572,093	–	2,225,427,809	–	6,487,144,284

**PT&T Corp.**  
(Doing business under the name and style: PT&T)

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**SCHEDULE H – CONGLOMERATE MAP**

December 31, 2024



**PT&T Corp.**

(Doing business under the name and style: PT&T)

**SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE  
FOR DIVIDEND DECLARATION**

**December 31, 2024**

	Amount
Deficit, beginning of reporting period	(P11,664,967,762)
Add: Net Income for the current year	18,277,240
Add: <u>Category F</u> : Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—
<b>Total deficit available for dividend declaration at end of year</b>	<b>(P11,646,690,522)</b>



**INDEPENDENT AUDITORS' REPORT ON  
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
PT&T Corp.  
6<sup>th</sup> Floor SCC Bldg. 106  
Carlos Palanca St., Legaspi Village  
Makati City

We have audited in accordance with Philippines Standards on Auditing, the accompanying financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (the Company) as at and for the years ended December 31, 2024 and 2023, and have issued our report dated April 11, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at and for the years then ended December 31, 2024 and 2023, and no material exceptions were noted.

**REYES TACANDONG & Co.**

EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782/P-004; Valid until June 6, 2026

BIR Accreditation No. 08-005144-005-2022

Valid until October 16, 2025

PTR No. 10467104

Issued January 2, 2025, Makati City

April 11, 2025  
Makati City, Metro Manila

**PT&T Corp.**  
(Doing business under the name and style: PT&T)

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
December 31, 2024 and 2023

Ratio	Formula	2024	2023
<b>Current/Liquidity Ratio</b>			
	Current assets	<b>₱444,778,415</b>	₱383,638,977
	Divided by: Current liabilities	<b>980,582,978</b>	951,017,471
	Current/Liquidity ratio	<b>0.45:1.00</b>	0.40:1.00
<b>Solvency Ratio</b>			
	Net income before depreciation and amortization	<b>₱55,367,145</b>	₱77,297,284
	Divided by: Total liabilities	<b>1,115,492,878</b>	1,076,306,761
	Solvency ratio	<b>0.05:1.00</b>	0.07:1.00
<b>Debt-to-Equity Ratio</b>			
	Total liabilities	<b>₱1,115,492,878</b>	₱1,076,306,761
	Divided by: Total equity	<b>62,394,552</b>	37,349,383
	Debt-to-Equity ratio	<b>17.88:1.00</b>	28.82:1.00
<b>Asset-to-Equity Ratio</b>			
	Total assets	<b>₱1,177,887,430</b>	₱1,113,656,744
	Divided by: Total equity	<b>62,394,552</b>	37,349,983
	Asset-to-Equity ratio	<b>18.88:1.00</b>	29.82:1.00
<b>Interest Rate Coverage Ratio</b>			
	Income before interest and taxes	<b>₱46,384,996</b>	₱46,805,502
	Divided by: Interest expense	<b>25,565,207</b>	38,898,638
	Interest Rate Coverage ratio	<b>1.81:1.00</b>	1.20:1.00
<b>Return on Assets Ratio</b>			
	Net income	<b>₱18,277,240</b>	₱7,906,864
	Divided by: Total assets	<b>1,177,887,430</b>	1,113,656,744
	Return on Assets ratio	<b>0.02:1.00</b>	0.01:1.00
<b>Return on Equity Ratio</b>			
	Net income	<b>₱18,277,240</b>	₱7,906,864
	Divided by: Total equity	<b>62,394,552</b>	37,349,983
	Return on Equity ratio	<b>0.29:1.00</b>	0.21:1.00
<b>Net Profit Margin</b>			
	Net income	<b>₱18,277,240</b>	₱7,906,864
	Divided by: Revenues	<b>536,294,026</b>	528,712,081
	Net Profit Margin	<b>0.03:1.00</b>	0.01:1.00

**PT&T Corp.**

(Doing business under the name and style: PT&T)

**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR  
FEE-RELATED INFORMATION  
DECEMBER 31, 2024**

	2024	2023
<b>Total Audit Fees</b>	<b>₱1,150,000</b>	<b>₱1,100,000</b>
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
<b>Total Non-audit Fees</b>	<b>₱—</b>	<b>₱—</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱1,150,000</b>	<b>₱1,100,000</b>

**PT&T CORP**  
**LIST OF SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024**

<b>Supplementary Schedules</b>	<b>Page No.</b>
<b>Independent Auditors' Report on Supplementary Schedules</b>	
<b>Schedule I</b>	Reconciliation of Retained Earnings Available for Dividend Declaration* 1
<b>Schedule II</b>	Schedule Showing Financial Soundness 2
<b>Schedule III</b>	A Map Showing the Relationship Between and Among the Company and its Ultimate Parent Company, Middle Parent and its Co-Subsidiaries 4
<b>Schedule IV</b>	Supplementary Schedules Required under Annex 68-E
<b>Schedule A</b>	Financial Assets* 5
<b>Schedule B</b>	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) * 6
<b>Schedule C</b>	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements* 7
<b>Schedule D</b>	Long-term Debt 8
<b>Schedule E</b>	Indebtedness to Related Parties (Long-term Loans from Related Companies) * 9
<b>Schedule F</b>	Guarantees of Securities of Other Issuers* 10
<b>Schedule G</b>	Capital Stock 11

**SUSTAINABILITY REPORT**

**Exhibit I**

\*These schedules, which are required by Revised SRC Rule 68, have been omitted because they are either not required, not applicable or the information required to be presented is included/shown in the related financial statements or in the notes thereto.

**PT&T CORP.  
INDEX TO EXHIBITS**

**FORM 17-A**

<b><u>No.</u></b>		<b><u>Page No.</u></b>
<b>(3)</b>	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession	*
<b>(5)</b>	Instruments Defining the Rights of Security Holders, including Indentures	*
<b>(8)</b>	Voting Trust Agreement	*
<b>(9)</b>	Material Contracts	*
<b>(10)</b>	Annual Report to Security Holders, Form 17-Q or Quarterly Report to Security Holders	*
<b>(13)</b>	Letter re: Change in Certifying Accountant	*
<b>(16)</b>	Report Furnished to Security Holders	*
<b>(18)</b>	Subsidiaries of the Registrant	*
<b>(19)</b>	Published Report Regarding Matters submitted to Vote of Security Holders	*
<b>(20)</b>	Consent of Experts and Independent Counsel	*
<b>(21)</b>	Power of Attorney	*
<b>(29)</b>	Additional Exhibits	*

\* These Exhibits are either not applicable to the Company or require no answer.

PT&T CORP.

Sustainability Report

December 31, 2024

CONTEXTUAL INFORMATION

Company Details	
Name of Organization	PT&T Corp. (previously known as Philippine Telegraph & Telephone Corporation)
Location of Headquarters	Spirit of Communications Centre, 106 Carlos Palanca St. Legaspi Village, Makati City, Metro Manila, 1229 Philippines
Location of Operations	NCR, Region III, Region IV
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	None
Business Model, including Primary Activities, Brands, Products, and Services	PT&T is a diversified telecommunications entity catering to the public sector, corporate, small/medium business, and residential segments across the country.
Reporting Period	January 01, 2024 to December 31, 2024
Highest Ranking Person responsible for this report	Jhonna Cañeja AVP – Investor Relations and Corporate Communications Head

MATERIALITY PROCESS

PT&T undertook a comprehensive materiality assessment as the foundation for this Sustainability Report, aligning with the Global Reporting Initiative (GRI) Standards and the Sustainable Development Goals (SDGs). This process was conducted with the full endorsement of the Board of Directors and Senior Management, affirming the Company's commitment to transparency, stakeholder inclusivity, and sustainable value creation.

The assessment aimed to identify and prioritize sustainability issues that are most relevant to PT&T's business operations and stakeholders. Our process considered a broad range of stakeholder groups—including investors, employees, customers, suppliers, business partners, local communities, regulators, and representatives of environmental and economic sectors.

Informed by robust internal discussions and external consultations, PT&T evaluated 14 sustainability topics across three pillars: Economic, Environmental, and Social. Each issue was assessed based on two critical dimensions: (1) Significance of the three pillars, and (2) Influence on Stakeholder Assessments and Decisions.

The result of this analysis is presented in PT&T's Materiality Matrix, which maps the prioritized issues based on their dual impact on the Company and its stakeholders. High-priority issues include Economic Impact and Financial Performance, Leadership and Governance, Business Continuity, and Employee Training and Development, among others.

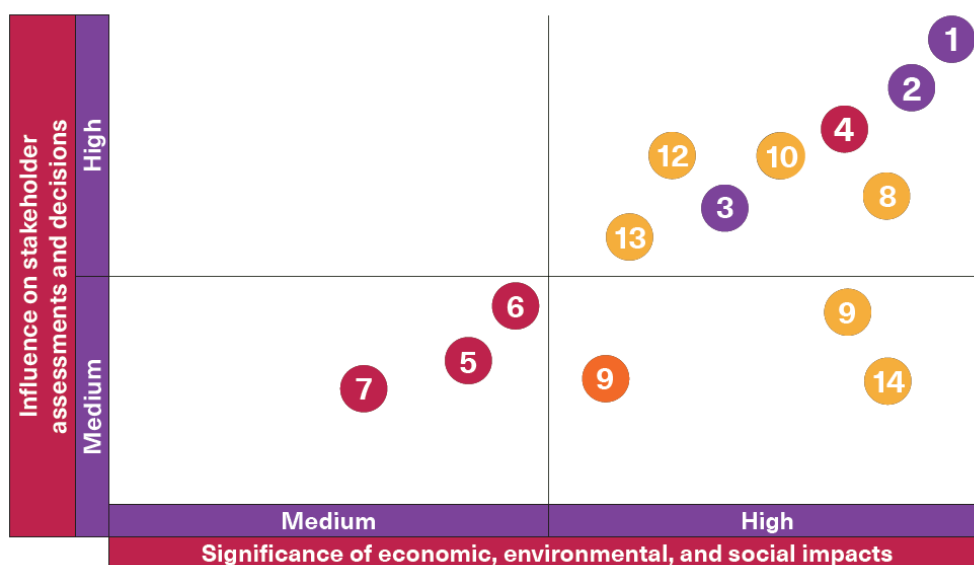
These material topics serve as the basis for our sustainability strategy, ensuring relevance, accountability, and alignment with global sustainability frameworks. The prioritization guides PT&T's resource allocation, performance monitoring, and continuous improvement initiatives across all sustainability dimensions.

FINANCIAL PERFORMANCE	LEADERSHIP AND GOVERNANCE <sup>1</sup>	BUSINESS CONTINUITY	PEOPLE AND CULTURE <sup>2</sup>
Strengthening financial viability, including risk management towards effective business strategies and efficient decision-making	promoting sound corporate governance and business integrity, upholding transparency, and compliance	preparedness to deal and protect assets in the event of business and operational disruptions	a holistic approach to professional development and welfare of its workforce

<sup>1</sup>Commitment to ethical business operations can be found in the Code of Business Conduct and Ethics available at the PT&T web page [www.ptt.com.ph/code-of-business-conduct-and-ethics/](http://www.ptt.com.ph/code-of-business-conduct-and-ethics/).

<sup>2</sup>Commitment to employees, contractors, local community, and environment can be found in company policies available at the PT&T web page [www.ptt.com.ph/policies/](http://www.ptt.com.ph/policies/).

### Materiality Matrix for Sustainability Issues



#### ECONOMIC

- 1 Economic Impact and Financial Performance
- 2 Leadership and Governance
- 3 Procurement Practices

#### ENVIRONMENTAL

- 4 Business Continuity and Crisis Management
- 5 Materials and Efficiency
- 6 GHG Emissions
- 7 Waste and Effluents Management

#### SOCIAL

- 8 Employee Training and Development
- 9 Occupational Health and Safety
- 10 Supply Chain Management
- 11 Community Relations
- 12 Customer Service and Retention
- 13 Marketing and Labelling
- 14 Customer Privacy and Data Security

## SUSTAINABILITY FRAMEWORK

As PT&T forges ahead in its strategic growth, sustainability remains integral to our long-term vision. We have adopted a structured Sustainability Framework that reflects our steadfast commitment to addressing Environmental, Social, and Governance (ESG) considerations across all levels of our operations.

This framework is anchored in our Mission, Vision, and Core Values, serving as a compass for responsible business conduct and informed decision-making. It enables us to proactively manage emerging risks, seize new opportunities, and ensure value creation for our stakeholders in a rapidly evolving landscape.

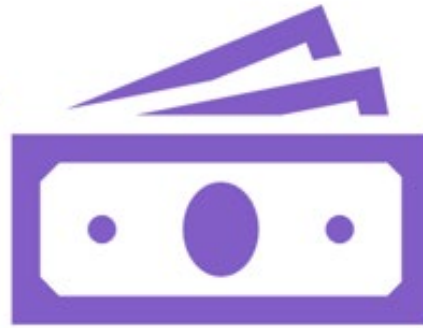
Our sustainability agenda is organized across three fundamental pillars:

1. **ECONOMIC:** We focus on driving sustainable financial performance, strengthening governance, and embedding ethical and responsible procurement practices. This ensures business resilience, sound leadership, and the efficient allocation of resources.
2. **ENVIRONMENTAL:** We are committed to reducing our environmental footprint through responsible resource use, climate resilience, and crisis preparedness. Our priorities include managing greenhouse gas (GHG) emissions, improving material efficiency, and ensuring effective waste and effluent management.
3. **SOCIAL:** We champion inclusive growth by investing in our people, strengthening workplace health and safety, and enhancing stakeholder engagement. Our initiatives encompass employee development, community relations, customer service, and supply chain integrity, as well as upholding data privacy and security.

By integrating this framework into our enterprise-wide strategy, we ensure that sustainability is not a parallel track—but a fundamental driver of innovation, resilience, and stakeholder trust. It is through this lens that we uphold our responsibility to current and future generations, reinforcing PT&T's role as a purpose-driven and future-ready organization.

## ECONOMIC

- Economic Impact and Financial Performance
- Leadership and Governance
- Procurement Practices



## ENVIRONMENTAL

- Business Continuity and Crisis Management
- Materials and Efficiency
- GHG Emissions
- Waste and Effluents Management



## SOCIAL

- Employee Training and Development
- Occupational Health and Safety
- Supply Chain Management
- Community Relations
- Customer Service and Retention
- Marketing and Labeling
- Customer Privacy and Data Security

## STAKEHOLDER ENGAGEMENT

At PT&T, we recognize that trust is the foundation of long-term value creation, and this trust is built on the integrity, transparency, and accountability of our business practices. Central to our sustainability strategy is our unwavering commitment to delivering high-quality products and services, maintaining robust corporate governance, and engaging meaningfully with our stakeholders—both internal and external.

We believe that proactive and inclusive stakeholder engagement is essential to understanding expectations, addressing concerns, and co-creating sustainable solutions. To this end, we have established multiple formal and informal platforms to facilitate two-way communication, gather feedback, and build enduring relationships. These efforts are guided by our core values and are embedded within our governance and sustainability frameworks.

For a detailed overview of our performance in relation to these engagements, please refer to the Sustainability Performance section of this report.

### Employees

Our people are central to the achievement of PT&T's strategic goals. The knowledge, innovation, and dedication of our workforce fuel our growth and resilience. To support them, our People and Culture (P&C) Team drives initiatives that foster a safe, inclusive, fair, and empowering workplace environment.

Our approach to employee engagement is both policy-driven and experience-focused. We have institutionalized a suite of policies to ensure our commitments to integrity, fairness, safety, and inclusivity are upheld. These include:

1. Trustlight (Whistleblowing) Policy
2. Conflict of Interest Policy
3. Insider Trading Policy
4. Related Party Transactions Policy
5. Employee Health, Safety, and Welfare Policy (including company-sponsored training)
6. Non-Discrimination and Anti-Harassment Policy

Beyond compliance, we cultivate a high-performance culture through our People Agenda, which aligns employee experience with corporate values and performance targets. Engagement initiatives include:

1. Onboarding sessions and team meetings
1. Training programs and performance reviews
2. Focus group discussions and employee surveys
3. Internal social platform (PT&T CHAINS Facebook group)
4. PT&T Academy online learning portal
5. Company events and wellness campaigns

These channels promote collaboration, learning, and recognition, while reinforcing our belief that a vibrant, values-driven culture is key to business success.

### Customers

Customer satisfaction is both a business imperative and a reflection of our organizational values. While our operations span a national footprint, we approach every customer interaction as an opportunity to build lasting trust and loyalty.

Our Customer Service Division (CSD) plays a vital role in ensuring prompt and responsive customer care. Through

dedicated hotlines and digital platforms, the CSD provides accessible support and resolution services. Additionally, we conduct regular client satisfaction surveys to identify service gaps and continuously refine our offerings. By placing customers at the heart of our operations, we remain responsive to their evolving needs and committed to delivering seamless, reliable, and high-quality service experience.

### **Suppliers and Service Providers**

Suppliers and contractors are critical enablers of PT&T's transformation journey. We value our partnerships and strive to build collaborative, transparent, and mutually beneficial relationships that support innovation and operational excellence.

We engage our suppliers and service providers through a variety of platforms, including:

1. Regular consultations and business reviews
2. Workshops and capacity-building sessions
3. Participation in trade and industry associations

To ensure alignment with our ethical standards, all vendors undergo a stringent accreditation process that requires their commitment to PT&T's Code of Business Conduct and Ethics. Once onboard, they are expected to:

1. Fulfill all contractual obligations with professionalism and transparency
2. Adhere to applicable laws, regulations, and industry standards
3. Uphold principles of integrity, fairness, and accountability

Through these engagements, we aim to embed responsible practices across our value chain, mitigate operational and reputational risks, and co-create shared value.

### **Investors**

While PT&T is not currently listed on the Philippine Stock Exchange, we maintain proactive engagement with our investors and financial stakeholders. Transparency and timely communication remain at the core of our investor relations approach. Investor engagement activities include:

1. One-on-one and group meetings (both physical and virtual)
2. Regular regulatory filings, including annual and quarterly financial reports and disclosures
3. Annual Stockholders' Meetings
4. Facility tours and site visits
5. Strategic updates through our corporate website

These channels allow us to articulate our growth strategy, performance results, and future direction, while providing a forum to receive valuable insights from the investment community.

### **General Public**

Our broader community engagement is built on transparency, information-sharing, and digital accessibility. We utilize diverse platforms to reach the public and ensure timely access to relevant updates on PT&T's initiatives, progress, and impact. Public engagement tools include:

1. Website updates and investor-focused microsites
2. Official press releases and media advisories
3. Active social media presence on Facebook, LinkedIn, and YouTube

These efforts allow us to uphold public trust, promote corporate transparency, and strengthen PT&T's reputation as a responsive and responsible enterprise.

# SUSTAINABILITY PERFORMANCE

## OUR ECONOMIC PERFORMANCE

### Direct Economic Value Generated and Distributed

<i>Disclosure</i> <i>(amounts in '000 Philippine pesos)</i>	2024
<i>Direct economic value generated</i>	
a. Revenue	536,294
b. Other income	7,924
<i>Direct economic value distributed</i>	
a. Operating costs	181,252
b. Employee wages and benefits	262,599
c. Payments to suppliers, other operating costs	118,944
d. Dividends given to stockholders and interest payments to loan providers	25,565
e. Taxes given to government	7,780
f. Investments to community (e.g. donations, CSR)	-
<i>Economic value retained</i>	20,819

### Our Business and Leadership

As a key player in the telecommunications and IT services industry, PT&T is deeply committed to advancing inclusive and sustainable economic growth. Our core operations—centered on delivering high-speed broadband connectivity and enterprise-grade IT solutions—serve as critical enablers of social progress, business resilience, and digital transformation across the Philippines.

We recognize that digital infrastructure plays an essential role in both public and private sector advancement. In the government sector, our services facilitate the efficient delivery of essential public services, including healthcare, education, safety, and security. By enabling seamless communication across agencies, we support the modernization of public administration and the realization of national development goals.

In the private sector, PT&T empowers businesses of all sizes to improve productivity, expand market reach, and enhance service delivery. Our robust connectivity backbone and tailored IT solutions help enterprises accelerate innovation, build operational resilience, and compete in an increasingly digital economy.

However, our commitment extends beyond connectivity. PT&T aspires to be a responsible corporate citizen and an active contributor to nation-building. Since the transition to new leadership in 2017, we have placed a strong emphasis on integrating economic sustainability into our corporate strategy. Guided by our Board of Directors and Senior Management, we have developed and implemented forward-looking business plans underpinned by sound risk management and transparent governance. All strategic efforts are aligned with our Mission, Vision, and Core Values, ensuring that our growth trajectory is both inclusive and sustainable.

In 2024, PT&T generated a total direct economic value of ₱544.2 million, comprising ₱536.3 million in revenue and ₱7.9 million from other income sources. We distributed a significant portion of this value to our key stakeholders, reinforcing our role as a driver of shared prosperity:

1. ₱262.6 million was allocated to employees through wages and benefits, highlighting our investment in human capital and workforce development.
2. ₱181.3 million was spent on operating costs, enabling the continuity of our services and infrastructure.

3. ₱118.9 million was paid to suppliers and service providers, supporting a network of partners and local businesses.
4. ₱25.6 million was distributed to capital providers, including dividends to shareholders and interest payments on financial obligations.
5. ₱7.8 million was contributed to the government through tax payments, helping fund national programs and public infrastructure.

The economic value retained by the company totaled ₱20.8 million, which is reinvested to further enhance operational efficiency, expand services, and deliver long-term stakeholder value.

## Our Governance

We firmly uphold that strong corporate governance is the foundation of sustainable business performance and long-term stakeholder trust. We view governance not merely as a regulatory obligation, but as a strategic asset that drives ethical conduct, transparent decision-making, and responsible corporate citizenship across the organization.

Our commitment to governance excellence is deeply embedded in our corporate DNA. We continuously align our practices with evolving regulatory requirements, industry benchmarks, and global standards to ensure resilience, agility, and accountability.

### *Governance Framework and Policies*

To institutionalize these commitments, PT&T has adopted a comprehensive governance framework anchored by two core documents:

1. **The Revised Manual on Corporate Governance** – This serves as a cornerstone of our governance structure, setting out the key principles, responsibilities, and accountabilities of the Board of Directors, senior management, and various governance units. It guides the company in achieving transparency, fairness, accountability, and integrity in all business dealings.
2. **The Code of Business Conduct and Ethics** – This codifies the behavioral standards and ethical expectations for all employees, officers, directors, and third-party partners. It provides detailed guidance on the following key areas:
  - Compliance with laws and regulations
  - Fair and respectful treatment of business partners and stakeholders
  - Prevention and management of conflicts of interest
  - Confidentiality and protection of sensitive information
  - Enterprise risk management and internal controls
  - Transparency in shareholder and investor relations
  - Advocacy for corporate social responsibility and sustainability

Both documents are published on our website and are regularly communicated to stakeholders through onboarding programs, refresher trainings, and internal awareness campaigns. These policies form the ethical backbone of our operations and reinforce a unified culture of integrity across the organization.

### *Board Oversight and Ethical Leadership*

Our Board of Directors plays a vital role in safeguarding the principles of good governance. Through dedicated board committees—including Audit, Risk Oversight, Corporate Governance, and Nomination & Remuneration—the Board ensures that the company remains compliant, resilient, and forward-looking.

Regular assessments, risk reviews, and performance evaluations are conducted to uphold board effectiveness and strengthen decision-making processes. We maintain a strong emphasis on independent oversight, diversity of thought, and strategic alignment with sustainability and stakeholder priorities.

### *Anti-Corruption and Compliance Integrity*

We maintain a zero-tolerance stance on bribery, corruption, and unethical practices. This commitment is operationalized through mandatory ethics training, regular compliance briefings, and a robust whistleblowing mechanism known as Trustlight. Employees and stakeholders are empowered to report concerns anonymously and without fear of retaliation.

In 2024, PT&T reported zero confirmed incidents of corruption—a testament to our collective vigilance, strong internal controls, and culture of accountability. This clean record reinforces our position as a trustworthy business partner and a responsible steward of resources.

### **Training on Anti-corruption Policies and Procedures**

<i>Disclosure</i>	
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%
Percentage of directors and management that have received anti-corruption training	100%
Percentage of employees that have received anti-corruption training	100%

### **Incidents of Corruption**

<i>Disclosure</i>	
Number of incidents in which directors were removed or disciplined for corruption	None
Number of incidents in which employees were dismissed or disciplined for corruption	None
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None
Number of incidents in which directors were removed or disciplined for corruption	None

PT&T recognizes its critical role in enabling socio-economic development through the delivery of reliable and accessible telecommunications infrastructure and digital services. As a trusted provider, we are committed not only to bridging the digital divide but also to advancing digital inclusion by promoting digital literacy, cybersecurity awareness, and responsible technology use within the communities we serve.

Central to this commitment is our Information Security Management System (ISMS) framework, which governs the establishment, implementation, and continual improvement of our information security practices. This framework ensures that we proactively protect critical business and customer data, manage risks effectively, and comply with evolving legal and regulatory requirements. Our dedication to maintaining the highest standards of cybersecurity was formally recognized in 2022, when we achieved ISO/IEC 27001:2013 certification—an internationally recognized benchmark for information security.

Our pursuit of operational excellence extends beyond data protection to include the quality and governance of our products, services, and internal processes. In 2024, PT&T successfully attained re-certification for ISO 9001:2015, reaffirming our commitment to delivering customer-centric solutions while continuously improving the efficiency and effectiveness of our quality management systems.

These certifications serve as tangible proof points of PT&T's customer trust, risk governance, and operational resilience—ensuring that we remain a dependable partner in an increasingly complex digital landscape.

### **Our Approach to Procurement**

Procurement is more than a transactional function—it is a strategic lever that directly impacts service delivery, cost efficiency, innovation, and long-term value creation. Our procurement practices are guided by a firm

commitment to fairness, accountability, integrity, and transparency, which reflect our core values and underpin every supplier relationship.

We have instituted a robust Procurement Policy supported by our Vendor Accreditation Framework, which ensures that all supplier engagements are aligned with the company's standards of excellence, risk management, and sustainability objectives. These policies promote equal opportunity through transparent, competitive bidding and vendor selection processes.

*Supplier Accreditation and Selection*

Before entering into any contractual agreement, all suppliers must undergo a rigorous accreditation process, designed to verify their capabilities, compliance with regulatory and technical standards, and alignment with PT&T's performance expectations. The Accreditation Policy serves as the foundation for this process, outlining clear guidelines for vendor eligibility, documentation, service quality, and compliance requirements.

Contracts are awarded exclusively to qualified and accredited vendors who demonstrate consistent delivery, cost-effectiveness, and alignment with our strategic priorities. Every procurement decision is informed by structured market intelligence, cost-benefit analysis, and alignment with PT&T's technological, operational, and risk frameworks.

*Ongoing Vendor Evaluation and Local Sourcing*

To maintain high standards of performance and relevance, PT&T implements an annual vendor re-evaluation program. This process assesses supplier compliance with ISO standards, contract performance, ethical business conduct, and adaptability to evolving business needs. It ensures that only trusted and high-performing suppliers remain in our ecosystem.

In 2024, we successfully accredited a total of 176 suppliers, with an impressive 97% of them being local companies. This underscores our commitment to supporting local businesses and fostering economic growth within our communities while maintaining the highest standards of procurement excellence.

**Proportion of spending on local suppliers**

<i>Disclosure</i> <i>(amounts in '000 Philippine pesos)</i>	
Procurement budget used for significant locations of operations that is spent on local suppliers	₱110,731

As we continue to enhance our procurement strategy, PT&T is exploring opportunities to integrate environmental and social sustainability criteria into our sourcing practices. We recognize the importance of working with suppliers who share our values on human rights, labor practices, environmental stewardship, and ethical governance. Through continuous improvement and collaborative partnerships, we aim to build a resilient, responsible, and future-ready supply chain.

**Our Risk Management and Business Continuity**

PT&T remains steadfast in its commitment to operational excellence and service continuity-even amid disruption. The onset of the global pandemic tested organizations across all sectors, but our ability to sustain uninterrupted operations and serve our clients throughout mandated quarantines reflects the resilience, adaptability, and foresight embedded in our risk management strategy.

Our Risk Management framework is designed to anticipate, assess, and respond to a wide range of risks that could impact the achievement of our strategic and operational objectives. This proactive approach allows us to remain agile in navigating uncertainties, mitigating financial impacts, and maintaining stakeholder confidence. The PT&T Risk Management framework covers a broad spectrum of risk categories, including:

1. Operational risks - business disruptions, supply chain issues, and service outages

2. Cybersecurity risks - data breaches, network threats, and privacy violations
3. Technology risks - obsolescence, innovation gaps, and integration failures
4. Competitive risks - market displacement and customer attrition
5. Regulatory risks - non-compliance with national and industry-specific laws
6. Reputational risks - negative public perception, brand impact, and stakeholder dissatisfaction
7. Climate-related risks - physical and transitional risks associated with climate change

Our framework is continuously refined through real-time intelligence gathering, including emerging market trends, shifts in government policy, and climate projections. This allows us to implement pre-emptive mitigation strategies and safeguard the company's long-term viability.

#### *Business Continuity Planning*

At the heart of our risk management strategy is a comprehensive Business Continuity Plan (BCP). This serves as a structured roadmap to ensure rapid recovery, minimum disruption, and sustained operations in the face of unforeseen events.

The BCP outlines contingency procedures across various risk scenarios—ranging from health emergencies and natural disasters to infrastructure failures and cyber incidents. Its implementation is overseen by the Board Risk Oversight Committee (BROC), with operational execution led by senior executives including the Head of Corporate Affairs, AVP for Finance, Logistics, and Administration, Chief Operating Officer, and Chief Technical Officer. Key BCP components include:

1. Emergency response protocols and simulation drills
2. Deployment of contingency vehicles and business continuity responders
3. IT and network recovery processes
4. Safeguards for employee health and welfare, including full medical insurance coverage

These initiatives ensure that PT&T remains ready to respond to disruptions efficiently, with minimal impact to operations or customer service.

#### *Resilience to Climate-Related Risks*

Recognizing the escalating threats posed by climate change, PT&T has begun the development of a Crisis Management Plan specifically focused on climate-related scenarios, such as severe weather events, heatwaves, and infrastructure vulnerabilities.

We are also enhancing employee preparedness through training and regular drills, while ensuring that business-critical assets are protected through climate-resilient infrastructure investments.

Resilience is a shared responsibility. By embedding risk awareness and response capabilities across all functions of the organization, we foster a culture of preparedness, agility, and accountability. These measures affirm our unwavering commitment to upholding stakeholder trust and delivering consistent, reliable service—even in the most challenging circumstances.

## OUR ENVIRONMENTAL PERFORMANCE

At PT&T, we recognize that environmental responsibility is not a choice—it is a duty we owe to future generations. As a digital infrastructure and IT services provider, we are fully aware of our environmental footprint and are committed to embedding sustainability into every facet of our operations. Through responsible resource management, proactive compliance, employee involvement, and continuous innovation, we aim to reduce our ecological impact and contribute meaningfully to global environmental goals.

Our environmental strategy is anchored in three key pillars:

1. Regulatory Compliance and Beyond
2. Environmental Risk Mitigation in Operations
3. Continuous Improvement and Climate Consciousness

### **Project GREENOVATION: Sustaining a Greener Workplace in 2024**

In 2024, PT&T continued to advance its environmental sustainability efforts through the implementation of Project GREENOVATION—a three-pillar program focused on creating a cleaner, safer, and more eco-conscious work environment. Aligned with our commitment to reduce our ecological footprint and foster a culture of sustainability, GREENOVATION plays a vital role in promoting collective environmental action within the workplace.

This project builds on the importance of maintaining organized and energy-efficient office space. By encouraging simple habits—such as switching off lights and electronic devices when not in use, minimizing paper consumption, and proper waste segregation—we aim to reduce carbon emissions, lower electricity consumption, and contribute to a healthier work environment.

More than just a workplace initiative, Project GREENOVATION supports PT&T's broader advocacy to inspire environmental responsibility among employees. The program's three core pillars—Conservation, Clean-up & Maintenance, and Beautification—guide our actions throughout the year. Activities include:

1. Office energy-saving campaigns and green tips
2. Workplace decluttering drives and weekly clean-up routines
3. Proper segregation, reuse, and recycling programs
4. Visual improvements to create an uplifting and wellness-focused workspace

Launched in support of World Environment Month, the 2024 run of Project GREENOVATION culminated with renewed employee engagement and reinforced awareness around the impact of small, everyday actions. The initiative encourages everyone at PT&T to take part in making our offices not only visually appealing but also environmentally responsible spaces that reflect our core values.

Through GREENOVATION and similar programs, we continue to promote sustainability at the grassroots level—empowering our teams to help shape a better environment today, and for generations to come.

### **Environmental Compliance and Certification**

PT&T reaffirmed its commitment to strong environmental governance by maintaining full compliance with all applicable environmental laws and regulations. As part of this commitment, the Environmental Management Bureau (EMB) of the Department of Environment and Natural Resources (DENR) issued PT&T a Certificate of Non-Coverage (CNC), validating that all of our operational activities fall within the category of minimal environmental risk and are therefore exempt from the requirement of an Environmental Compliance Certificate (ECC).

Despite this exemption, PT&T continues to uphold the highest standards of environmental responsibility. We

proactively assess our operational impact—particularly in relation to our network connection and field activities—to ensure we maintain public trust and preserve the integrity of the communities and ecosystems we serve. This includes embedding environmental considerations into planning, execution, and monitoring phases of our projects.

Importantly, PT&T goes beyond regulatory compliance. While the CNC affirms our low-risk environmental profile, we remain committed to environmental due diligence and the adoption of practices that exceed statutory requirements. This forward-looking approach reflects our dedication to sustainability, transparency, and continuous improvement in environmental stewardship.

*Operational Practices with Environmental Safeguards*

To uphold our commitment to environmental protection, we have institutionalized operational protocols that integrate environmental stewardship across our business units, particularly in fieldwork and infrastructure deployment:

- 1. Mandatory Health, Safety, and Security (HSS) briefings before and after site operations
- 2. Strict guidelines on vegetation management, including the prohibition of indiscriminate tree-cutting during infrastructure development
- 3. Proper handling and disposal of fiber-optic cable waste and other non-biodegradable materials to avoid environmental degradation
- 4. Field activity assessments to minimize disturbance to local ecosystems and communities

Our teams are trained to identify, monitor, and mitigate potential environmental risks, ensuring that all fieldwork is conducted with minimal impact on surrounding environments.

*Employee Engagement and Environmental Awareness*

PT&T believes that environmental sustainability is a shared responsibility. Through our internal programs, we actively engage employees in sustainability awareness initiatives and instill a culture of environmental accountability:

- 1. Participation in Earth Hour and community clean-up drives
- 2. Internal campaigns promoting paperless operations and energy efficiency
- 3. Awareness sessions on proper e-waste disposal and resource conservation

Such initiatives not only enhance environmental consciousness within the organization but also empower employees to become advocates of sustainability in their personal and professional lives.

*Commitment to Ongoing Improvement and Future Outlook*

Looking ahead, PT&T is committed to continually evaluating and enhancing our environmental performance. We are exploring the integration of ISO 14001: Environmental Management Systems as part of our roadmap to formalize and improve environmental controls and monitoring mechanisms.

We also intend to align with global sustainability frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and Science-Based Targets (SBTi) to further embed climate resilience into our long-term business strategy.

By adopting a forward-looking approach and fostering cross-functional collaboration, PT&T aims to become a catalyst for environmental stewardship in the digital infrastructure sector—minimizing harm, maximizing efficiency, and supporting a more sustainable future for all.

**Non-compliance with Environmental Laws and Regulations**

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	Php

No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

### Consumption: Responsible Resource Management

Environmental sustainability is embedded in how we manage the energy and water resources that support our operations. By continuously monitoring our consumption patterns and promoting efficient practices, we strive to minimize our environmental footprint while enhancing operational efficiency and resilience. Our resource management approach is rooted in accountability, continuous improvement, and alignment with global sustainability goals.

#### *Energy Consumption and Management*

In 2024, PT&T recorded a total electricity consumption of 412,320.00 kWh at our head office. Fuel consumption from our operational fleet totaled 21,740.43 liters of diesel and 6,996.53 liters of gasoline, while we reported zero usage of LPG and renewable energy during the reporting year.

We recognize that managing energy responsibly is key to both environmental performance and cost control. To address this, our Logistics and Administration team implements proactive energy conservation measures. These include the time-based switching off of lights, air-conditioning units, and workstations, particularly during off-peak hours, holidays, and weekends. These daily operational practices are complemented by a company-wide culture of energy awareness and responsibility.

In support of low-carbon mobility, PT&T encourages carpooling for business trips and fieldwork, helping to reduce fuel consumption and greenhouse gas emissions associated with our fleet operations. While reported energy reductions for 2024 remain minimal, these foundational efforts contribute to our long-term roadmap for improving energy performance and reducing our carbon footprint.

#### Energy consumption within the organization

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
Energy consumption (renewable sources)	None	GJ
Energy consumption (gasoline)	6,996.53	Liters
Energy consumption (LPG)	None	GJ
Energy consumption (diesel)	21,740.43 <sup>1</sup>	Liters
Energy consumption (electricity)	412,320.00 <sup>2</sup>	kWh

<sup>1</sup>2024 Annual fuel consumption of PT&T's fleet.

<sup>2</sup>2024 Annual electricity consumption at PT&T's head office.

#### Reduction of energy consumption

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
Energy reduction (gasoline)	Minimal	GJ
Energy reduction (LPG)	None	GJ
Energy reduction (diesel)	Minimal	GJ
Energy reduction (electricity)	Minimal	kWh

#### *Remote Work and Carbon Reduction*

The continuation of our Work-from-Anywhere (WFA) policy throughout 2024 further supported our sustainability goals. Originally adopted in 2020 in response to the COVID-19 pandemic, this flexible work arrangement has proven to be a valuable tool for reducing emissions associated with employee commuting and in-office energy use. By allowing qualified employees to work remotely, we have significantly lowered our scope 2 emissions and reduced operational resource demands—delivering both environmental and financial benefits.

### Water Conservation Efforts

Water is another critical resource we manage with care. In 2024, PT&T reported a total water consumption of 6,712 cubic meters at its head office. While we do not currently withdraw water from natural sources or reuse wastewater, we have implemented conservation initiatives aimed at reducing consumption and promoting efficient use:

1. Installation of low-flow fixtures and adjustments to water pressure in all restrooms
2. Monthly inspections of plumbing systems to quickly identify and fix leaks
3. Awareness campaigns through signage and internal communications encouraging water-saving behavior

These initiatives were developed in response to Metro Manila's 2019 water supply crisis and have since become integral to our daily operations.

### Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	None	Cubic meters
Water consumption	6,712 <sup>1</sup>	Cubic meters
Water recycled and reused	None	Cubic meters
Energy reduction (electricity)	Minimal	kWh

<sup>1</sup>2024 Annual water consumption at PT&T's head office.

PT&T is committed to further enhancing its resource efficiency through the adoption of clean technologies, data-driven monitoring systems, and the setting of performance-based reduction targets. We are exploring the potential integration of ISO 14001: Environmental Management Systems to strengthen our governance structure and accountability around resource use. By embedding sustainability into our operational culture, we reaffirm our role as a responsible corporate citizen and active contributor to the global effort to conserve natural resources and protect the environment for future generations.

### Materials Used: Promoting Responsible and Sustainable Use

At PT&T, we recognize that the materials we use in our operations have a direct impact on both our environmental footprint and the sustainability of our value chain. As part of our commitment to responsible resource management, we prioritize the use of materials that are not only high-performing but also abundant, renewable, and less harmful to the environment.

A cornerstone of our infrastructure deployment is the use of fiber-optic cables composed primarily of silica, a compound derived from quartz sand. Silica is widely known for its abundant availability and rapid natural replenishment, making it a preferred alternative to finite and non-renewable materials. Our selection of silica-based fiber-optic cables supports PT&T's broader sustainability goals by reducing our reliance on scarce natural resources, enhancing network performance, and contributing to long-term environmental resilience.

### Safe Handling and Workforce Readiness

While fiber-optic technology offers significant advantages in durability, speed, and efficiency, we also recognize the potential operational and environmental risks that may arise from improper handling and installation. To mitigate these risks, we place a strong emphasis on workforce training and operational safety.

Through our comprehensive training programs, PT&T ensures that all employees involved in the handling, installation, and maintenance of fiber-optic cables are equipped with the technical skills, safety protocols, and environmental awareness needed to perform their roles effectively. These programs cover best practices in:

1. Cable storage and installation techniques
2. Safe handling procedures to avoid breakage or injuries
3. Proper use of tools and personal protective equipment (PPE)

#### 4. Environmental considerations and regulatory compliance

By proactively investing in our people, we reduce the likelihood of workplace accidents, promote operational excellence, and contribute to a safer and more sustainable work environment.

##### *Waste Minimization and End-of-Life Cable Management*

Our environmental responsibility extends beyond material selection and usage to include the end-of-life management of fiber-optic cables. PT&T instituted strict protocols for the collection, segregation, and disposal of unused, defective, or damaged fiber-optic materials. These waste management practices are designed to:

1. Prevent improper disposal that could harm the environment
2. Ensure full compliance with national and local environmental regulations
3. Reduce landfill contributions and promote responsible disposal through authorized service providers
4. Maintain a clean and safe working environment in all operational sites

Through these actions, we seek to minimize the lifecycle impact of the materials we use and prevent the accumulation of non-biodegradable waste in our operational areas.

##### *Commitment to Continuous Improvement*

As we continue to grow our network and digital infrastructure, PT&T remains committed to advancing sustainable material use by:

1. Exploring eco-friendly alternatives and innovations in cable technology
2. Enhancing our waste tracking and reporting systems
3. Collaborating with suppliers to integrate environmental criteria into material procurement
4. Expanding employee training to include circular economy principles and resource efficiency

By combining responsible sourcing, operational training, and robust waste management, PT&T demonstrates its unwavering commitment to safety, sustainability, and environmental stewardship across the entire materials lifecycle.

#### **Materials used by the organization**

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
Materials used by weight or volume		
• renewable (batteries)	50	kg/month
• non-renewable (fiber-optic cables)	50	kg/month
Percentage of recycled input materials used to manufacture the organization's primary products and services	10	%

#### **Ecosystems and Biodiversity (whether in upland/watershed or coastal/marine)**

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None <sup>1</sup>	
Habitats protected or restored	None	ha
IUCN <sup>17</sup> Red List species and national conservation list species with habitats in areas affected by operations	None	

<sup>1</sup>Prior to setting up fiber-optic cables, DICT/NTC carves out protected areas as per the National Integrated Protected Areas System of DENR.

Environmental Impact Management

Managing the environmental impact of our operations requires a deliberate and proactive approach—particularly when it comes to energy-intensive systems such as air conditioning. Cooling systems, while essential for workplace comfort and equipment performance, also contribute to greenhouse gas (GHG) emissions through the release of refrigerants such as chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs)—both of which are known to contribute to global warming and ozone layer depletion.

As of 2024, our head office operated 57 air conditioning units, comprising a mix of window-type, wall-mounted, and floor-standing models, typically in use during standard business hours from 8:00 AM to 5:00 PM. These systems form a notable part of our environmental footprint, particularly in relation to energy consumption and refrigerant emissions.

Mitigation Measures and Operational Controls

To reduce the environmental impact of these systems, our Logistics and Administration Team has put in place robust protocols focused on usage optimization, emissions prevention, and system longevity. Key actions include:

- 1. Scheduled operation controls, ensuring that units are only active when necessary and shut off during low-occupancy hours
- 2. Regular maintenance and servicing, including refrigerant leak checks and cleaning of filters, coils, and vents to ensure maximum efficiency
- 3. Energy audits to assess and improve overall HVAC system performance

These measures not only help minimize electricity waste and reduce indirect emissions from energy use but also prevent harmful refrigerants from escaping into the atmosphere.

Transitioning to Climate-Safe Refrigerants

Although we currently do not have consolidated data on our direct greenhouse gas emissions, PT&T is taking proactive steps to lower its environmental impact by improving the sustainability profile of our cooling systems. Moving forward, we are prioritizing the procurement of AC units that utilize low-impact refrigerants, such as newer HCFC or HFC blends with lower ozone depletion and global warming potentials (ODP and GWP) compared to legacy CFC-based systems.

This transition aligns with global efforts under the Montreal Protocol and Kigali Amendment, and reflects our intent to comply with evolving national regulations from the Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB).

Commitment to Climate Action

Our ongoing efforts in AC systems management and refrigerant transition form part of our broader environmental commitment to reduce our carbon footprint, improve energy efficiency, and contribute to the global response to climate change and ozone layer protection.

As we continue to strengthen our data collection systems and adopt more advanced technologies, PT&T is working toward greater transparency in emissions accounting, with the goal of incorporating GHG inventories and science-based targets into future reporting cycles.

Through these actions, we reinforce our role as an environmentally responsible organization—balancing operational needs with climate-conscious solutions and contributing to a safer, healthier planet for future generations.

Air Emissions (GHG)

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Data not yet available <sup>1</sup>	Tonnes CO2e

Energy indirect (Scope 2) GHG Emissions	Data not yet available <sup>1</sup>	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	Data not yet available <sup>1</sup>	Tonnes

<sup>1</sup>Although these are not yet included in PT&T's environmental performance index, the Company assures that moving forward, data for GHG will be tracked for Sustainability reporting purposes.

## Air Pollutants

Disclosure	Quantity	Units
NOx	None	kg
SOx	None	kg
Persistent organic pollutants (POPs)	None	kg
Volatile organic compounds (VOCs)	None	kg
Hazardous air pollutants (HAPs)	None	kg
Particulate matter (PM)	None	kg

## Solid and Hazardous Waste

We acknowledge that responsible waste management is a cornerstone of environmental protection and public health. Improper handling and disposal of waste not only contribute to pollution and ecosystem degradation but also pose serious risks to human health. As part of our environmental stewardship efforts, we are committed to systematic, compliant, and sustainable waste management practices that reduce our environmental footprint and contribute to a cleaner, safer future.

We strictly adhere to national and local waste management regulations, including the Ecological Solid Waste Management Act of 2000 (RA 9003), and ensure that our practices align with both regulatory requirements and internal sustainability goals. Our approach covers the entire waste lifecycle—from segregation and collection to recycling and responsible disposal.

### *Solid Waste Segregation and Reduction*

Across our facilities, PT&T has a structured solid waste segregation system. Biodegradable food waste is separated from non-biodegradables and recyclables at source, ensuring proper classification and handling from the outset. Recyclable materials—including paper, cardboard, plastic bags, and PET bottles—are collected, sorted, and either:

1. Repurposed for internal use, such as packaging or documentation
2. Sold to accredited third-party recyclers, promoting resource recovery and contributing to the circular economy

These practices significantly reduce the volume of waste sent to landfills and support our broader objective of resource conservation and pollution prevention.

## Solid Waste

Disclosure	Quantity	Units
Total solid waste generated (Food Waste, Cardboards, Papers, Plastic Bottles)	45	kg/month
Reusable (Cardboards, Papers, Plastic Bottles)	6	kg/month
Recyclable (Cardboards, Papers, Plastic Bottles)	10	kg/month
Composted	None	kg
Incinerated	None	kg
Residuals/Landfilled	None	kg

### *Hazardous Waste Handling and Regulatory Compliance*

PT&T also recognizes the importance of managing hazardous wastes, particularly from the use of batteries, electronic equipment, and certain cleaning materials or solvents used in maintenance operations. While our

operations generate only limited amounts of hazardous waste, we follow strict protocols to ensure:

1. Proper labeling, storage, and documentation of all hazardous materials
2. Use of DENR-accredited waste transporters and treatment facilities
3. Regular staff training on the safe handling and disposal of electronic and hazardous waste
4. Full compliance with the Toxic Substances and Hazardous and Nuclear Wastes Control Act (RA 6969)

Through these actions, we mitigate the risk of soil, air, and water contamination, while safeguarding the health of our employees, service providers, and communities.

#### **Hazardous Waste**

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
Total weight of hazardous waste generated	None	kg
Total weight of hazardous waste transported	None	kg

#### **Effluents**

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
Total volume of water discharges	None	Cubic meters
Percent of wastewater recycled	None	%

#### *Building a Culture of Waste Consciousness*

At the heart of our waste management strategy is employee education and engagement. PT&T regularly conducts internal awareness campaigns to instill sustainable habits, such as:

1. Proper waste bin use and segregation techniques
2. Reduction of single-use plastics in the workplace
3. Promotion of digital workflows to minimize paper consumption
4. Safe e-waste disposal practices and reporting procedures

These initiatives help build a culture of environmental responsibility across our organization and empower employees to take part in the collective effort to minimize waste.

#### *Commitment to Continuous Improvement*

Looking ahead, PT&T is exploring more advanced and measurable waste management solutions, including:

1. Establishing material recovery and donation partnerships with local recyclers and NGOs
2. Improving waste tracking systems for better data transparency and reporting
3. Evaluating opportunities for waste-to-energy technologies or green procurement policies to reduce waste generation at source

By adopting a forward-looking approach and fostering a culture of sustainability, PT&T reaffirms its dedication to responsible waste management, community safety, and the preservation of our shared environment.

## OUR SOCIAL PERFORMANCE

Empowering Filipinos and bridging communities through digital connectivity is not only a business goal—it is a social mission that defines PT&T’s identity. This commitment has driven our continuous investment in programs that uplift lives, promote equitable access, and deliver digital inclusion across underserved and developing areas in the Philippines.

From 2017 to 2024, PT&T underwent a transformative journey—emerging with a revitalized management team, strategic ownership, and significantly expanding our nationwide reach. As of 2024, our network coverage spanned approximately 40% of the Philippine population, focusing on high-growth, developing regions that have historically been underserved by traditional providers. This expansion reinforced our role as a catalyst for social progress through digital empowerment.

### Employee Management

People are at the heart of PT&T’s success. Our workforce fuels innovation, delivers exceptional service, and embodies the Company’s mission to drive meaningful change. Guided by this belief, we uphold human rights, dignity, and equality throughout the employee lifecycle—from recruitment to retention and leadership development.

Our Human Resource Management framework is built on principles of fairness, non-discrimination, and inclusivity. Every policy and practice is designed to eliminate bias, prevent exploitation, and foster an environment where all employees feel respected, supported, and empowered to thrive. Employment decisions are based on merit, with hiring criteria grounded in educational qualifications, professional skills, and relevant experience, ensuring a transparent and equitable selection process.

PT&T strictly complies with national labor laws, including Republic Act No. 10911 (Anti-Age Discrimination in Employment Act), and enforces its Code of Conduct to protect against any form of harassment or workplace discrimination.

#### *Workforce Growth and Gender Diversity in 2024*

In 2024, PT&T welcomed 43 new employees, reinforcing our strategic focus on organizational growth and capability-building. Of the new hires, 37% were female and 63% male, reflecting broader national workforce participation trends. While the current gender distribution mirrors industry-wide dynamics, PT&T remains committed to advancing gender equality across all levels of the organization. This includes:

1. Mentoring and leadership pathways for women, particularly in tech and operations roles
2. Promotion of inclusive hiring practices that ensure a level playing field for all candidates
3. Integration of gender equity and anti-bias training into employee onboarding and development programs

Through these initiatives, we aim to nurture a diverse, empowered, and purpose-driven workforce that mirrors the communities we serve.

PT&T continues to evolve as a values-led organization—where social equity, digital inclusion, and employee wellbeing are integral to long-term business success. By investing in people and communities, we reinforce our pledge to be a force for inclusive and sustainable development across the Philippines.

### Employee data

Disclosure	Quantity	Units
Total number of employees <sup>1</sup>	218	#
a. Number of female employees	72	#
b. Number of male employees	146	#

Attrition rate <sup>2</sup>	33.96	rate
Ratio of lowest paid employee against minimum wage	N/A	ratio

<sup>1</sup>Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

<sup>2</sup> Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

## Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	33%	%
% of male workers in the workforce	67%	%
Number of employees from indigenous communities and/or vulnerable sector <sup>1</sup>	1	#

<sup>1</sup>Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Remuneration at PT&T is designed to reflect the company's core values of fairness, inclusivity, and long-term value creation. Our compensation structure is closely aligned with our business objectives and stakeholder expectations, ensuring that employees are recognized not only for their contributions but also supported in their professional and personal well-being.

The company's compensation and benefits program goes beyond statutory obligations by offering a competitive total rewards package that caters to the evolving needs of employees and their families. All regular employees receive access to the following key benefits:

1. Competitive base salary
2. Medical coverage for employees and their legal dependents (spouses/children)
3. Annual medical check-ups
4. Life and accident insurance
5. Paid vacation leave (15 days annually)
6. Paid sick leave (16 days annually)
7. Maternity benefit in compliance with government mandates
8. Salary loan access
9. Calamity fund assistance
10. Flexible working arrangement options

This holistic benefits package reflects the organization's ongoing commitment to employee security, health, and long-term resilience.

Utilization of these benefits for the year 2024 has been summarized in the table below.

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	2.78%	3.31%
PhilHealth	Y	0.58%	0.34%
Pag-ibig	Y	1.51%	1.71%
Parental leaves	Y	1.16%	0.46%
Vacation leaves	Y	46.58%	51.20%
Sick leaves	Y	49.13%	47.94%
Medical benefits (aside from PhilHealth)	Y	N/A	N/A
Housing assistance (aside from Pag-ibig)	N	N/A	N/A

Retirement fund (aside from SSS)	N	N/A	N/A
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A
Telecommuting	Y	6.72%	4%
Flexible-working Hours	Y	N/A	N/A
CoViD Leave	Y	N/A	N/A
Bereavement Assistance	Y	0.46%	0.17%
Bereavement Leave	Y	0.46%	0.29%

#### *Flexible Work and Employee Well-being*

In response to the ongoing evolution of the post-pandemic workforce, PT&T transitioned from a limited once-a-week remote work arrangement to a comprehensive Work-from-Anywhere (WFA) policy. This shift acknowledges the changing nature of work and offers employees increased flexibility while maintaining productivity, collaboration, and service excellence.

Roles across the organization were reassessed to distinguish between those requiring physical presence and those conducive to remote delivery. As a result, all employees now benefit from the WFA policy, promoting work-life balance, safety, and operational adaptability.

For roles that require on-site presence, PT&T has implemented shuttle services to ensure safe and reliable transportation. This initiative reflects our broader emphasis on employee safety, accessibility, and well-being as integral components of workforce management in the new normal.

#### **Employee Training and Development**

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
Total training hours provided to employees	11,429	hours
a. Female employees	3,775	hours
b. Male employees	7,654	hours
Average training hours provided to employees	52.4	hours
a. Female employees	17.32	hours/employee
b. Male employees	35.11	hours/employee

#### *Talent Development and Equal Opportunity*

Securing the right talent and fostering continuous growth are key to PT&T's ability to deliver on its mission. Recruitment and talent management strategies are centered on hiring based on skills, qualifications, and potential, while development programs are structured to support career progression, leadership readiness, and workforce adaptability.

In 2024, a total of 218 employees participated in various training and development initiatives, encompassing business acumen, leadership development, technical skills, and behavioral competencies. Both male and female employees recorded an average of 52.4 training hours each, reinforcing our commitment to gender equality and inclusive learning opportunities across all functions and levels.

Professional growth is supported through internal learning platforms, targeted upskilling, mentorship, and external certifications, creating an environment where employees can confidently shape their career paths with organizational support.

#### **Labor-Management Relations**

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
% of employees covered with Collective Bargaining Agreements	None	%

Number of consultations conducted with employees concerning employee-related policies	None	#
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#### *Labor Relations and Employee Engagement*

A culture of open communication and mutual respect forms the backbone of labor-management relations at PT&T. The company maintains an environment where feedback is encouraged, collaboration is cultivated, and shared goals drive productivity.

Despite not operating under Collective Bargaining Agreements, the company ensures that the voice of every employee is heard through a variety of online and offline engagement platforms, regular touchpoints with leadership, and open-door policies that promote dialogue and inclusivity. In 2024, no labor disputes or grievances were reported, reflecting the strength of our proactive employee relations strategy.

By fostering transparency, adaptability, and continuous growth, PT&T ensures that its people remain empowered, supported, and fully engaged—ready to contribute meaningfully to the company's long-term success and shared sustainability goals.

#### **Workplace Conditions, Labor Standards, and Human Rights**

Upholding the dignity, safety, and well-being of employees is a fundamental responsibility that informs all aspects of PT&T's operations. In alignment with both national labor laws and international human rights instruments, the company ensures that its workplace policies reflect a culture of respect, fairness, and proactive care.

In full compliance with government regulations and international frameworks—including the Philippine Constitution, the Labor Code of the Philippines, and the Universal Declaration of Human Rights—the company maintains a strict stance against all forms of forced labor, child labor, and workplace discrimination. These principles are embedded in PT&T's corporate governance, ethics, and operational procedures.

To support the overall health and resilience of its workforce, PT&T provides comprehensive health and wellness services focused on both physical and mental well-being. Preventive healthcare is prioritized through company-sponsored initiatives such as:

1. Annual medical check-ups and full medical insurance coverage
2. Health and wellness campaigns promoting disease prevention, nutrition, and exercise
3. Drug abuse prevention programs and workplace safety briefings
4. Educational sessions on personal financial management, mental health, and spiritual well-being

These programs are designed not only to prevent illness but to enhance employees' quality of life and create a workplace where people can thrive personally and professionally.

#### *Commitment to Human Rights and Labor Advocacy*

PT&T recognizes the need for clear, actionable policies that reinforce its commitment to human rights. As part of this commitment, the company explicitly denounces forced and child labor in its internal policies and public communications. In addition, the organization actively engages with multi-sectoral groups, labor agencies, and advocacy organizations to strengthen its approach to labor standards and ensure alignment with global human rights best practices.

Employee protections are codified in the company's Policy and Data Relating to Health, Safety, and Welfare of Employees Including Company-Sponsored Trainings, available at: <https://ptt.com.ph/governance/policies-and-practices/#health-safety-welfare>

This policy covers not only physical safety and occupational health, but also provisions for fair wages, training access, equal opportunity, and mechanisms for reporting grievances—ensuring that employees are protected, empowered, and able to work in an environment free from coercion or fear.

PT&T continues to evolve its human rights and labor standards framework through ongoing policy reviews, employee consultations, and engagement with external stakeholders. By fostering a workplace that values human dignity, proactive care, and legal compliance, the company contributes to a more just, ethical, and sustainable work environment—both within its organization and across its value chain.

**Occupational Health and Safety**

Disclosure	Quantity	Units
Safe Man-Hours	3,723,308	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	1	#

<sup>1</sup>Since new management took over in August 2017.

**Labor Laws and Human Rights**

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	#

**Relationship with Community**

As industries and communities continued to navigate the gradual recovery from the global health crisis, the need for reliable, responsive, and personalized connectivity solutions became more critical than ever. Recognizing this, PT&T’s Customer Service Division (CSD) intensified efforts to elevate service delivery, foster meaningful relationships, and cultivate long-term brand loyalty through data-informed strategies and tailored service models.

To build on the momentum of 2022’s customer-centric initiatives, the Special Care Program was further expanded in 2024. This initiative assigns dedicated Customer Experience (CX) Specialists to key VIP accounts, ensuring that high-value clients receive seamless, real-time support. Through this direct line of communication, VIP clients are empowered to escalate service requests, technical concerns, and administrative queries with the assurance of personalized, prompt, and effective response handling.

This concierge-style approach not only expedited resolution turnaround times but also created a consistent feedback loop between clients and the CSD team, allowing for continuous improvement in service quality and responsiveness. It underscored PT&T’s broader commitment to humanizing the customer experience—valuing every interaction and treating each client relationship as a long-term partnership.

For business subscribers with more complex technical environments, the CSD team recognized the need for deeper, more technical engagement. In response, the division strategically expanded its frontline expertise by onboarding Technical Solutions Agents with strong backgrounds in IT and systems integration. These specialists are equipped to:

- 1. Address intricate network issues and infrastructure concerns
- 2. Provide customized technical guidance during troubleshooting and optimization
- 3. Bridge communication between the client’s technical team and PT&T’s network support experts

This enhancement ensured that business clients—particularly those with mission-critical operations—received the expert-level support they require, without compromising speed or service quality.

Through these programs, PT&T strengthened its reputation as not only a service provider but also a trusted

partner in its customers' digital transformation journeys. The consistent delivery of personalized, responsive, and technically proficient service reinforces the company's commitment to putting customers at the heart of everything it does.

Looking ahead, PT&T will continue to explore new ways of deepening community engagement and delivering elevated service experiences—particularly for those sectors and regions most reliant on digital connectivity for growth and resilience.

Significant Impacts on Local Communities

<i>Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)</i>	<i>Location</i>	<i>Vulnerable groups (if applicable )<sup>1</sup></i>	<i>Does the particular operation have impacts on indigenous people (Y/N)?</i>	<i>Collective or individual rights that have been identified that or particular concern for the community</i>	<i>Mitigating measures (if negative) or enhancement measures (if positive)</i>
None	None	None	None	None	None

<sup>1</sup>Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Customer Management

Throughout 2024, PT&T demonstrated resilience and agility in advancing customer service excellence. In a period where customer expectations continued to evolve, the Customer Service Division (CSD) prioritized the delivery of seamless after-sales support, achieving significant progress in service responsiveness and client engagement.

One of the year’s most notable accomplishments was the achievement of an average service restoration time of 11 hours and 32 minutes, surpassing the organizational target of 24 hours. This performance reflects not only reactive efficiency but also the result of a proactive and preventive approach to service management.

A key driver of this improvement was the Customer Education Program, a strategic initiative aimed at empowering clients with the knowledge and tools to perform basic fault isolation. By educating customers on first-level diagnostics, the CSD Team enabled faster resolution of minor concerns, directly contributing to a 35% First Call Resolution (FCR) rate—demonstrating efficiency in issue resolution and reducing downtime for end users.

To further reinforce service excellence, PT&T launched capacity-building initiatives for its frontline teams, equipping them with both technical knowledge and customer engagement skills. These efforts aimed to elevate the role of customer-facing staff from problem solvers to value creators, trained not only to resolve concerns but to identify opportunities for strengthening client relationships.

Customer management went beyond operational support. The CSD Team ensured consistent and timely responses across all channels—phone, email, and digital platforms—while strictly adhering to Service Level Agreements (SLAs). Personalized interactions and proactive communication efforts were expanded to build stronger, trust-based relationships, reinforcing PT&T’s position as a dependable and customer-centric telecommunications partner.

Customer Satisfaction and Net Promoter Score

<i>Disclosure</i>	<i>Score</i>	<i>Did a third party conduct the customer satisfaction study (Y/N)?</i>
Customer satisfaction	89%	N
Net Promoter Score	74%	N

## Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety <sup>1</sup>	None	#
No. of complaints addressed	None	#

<sup>1</sup>Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

### Digital Marketing and Brand Stewardship

Strategic communication and brand visibility continued to play a vital role in PT&T's growth and customer engagement journey. A cornerstone of the Company's digital presence is its corporate website ([www.ptt.com.ph](http://www.ptt.com.ph)), which serves as a central information hub for stakeholders including clients, regulators, and potential investors. The website is maintained to reflect accurate, secure, and up-to-date content, supporting transparency and trust in the digital space.

Complementing the website, PT&T deployed a multi-channel digital marketing strategy, leveraging platforms such as social media, email campaigns, content marketing, and Search Engine Optimization (SEO). These channels not only amplified the company's brand presence but also enabled direct and timely interaction with target audiences.

Offline, PT&T maintained brand visibility through on-ground activations, event sponsorships, and trade exhibits. These were supported by carefully curated marketing collateral—banners, brochures, and branded merchandise—produced in full alignment with internal brand guidelines to ensure clarity, consistency, and impact.

All marketing and advertising initiatives are carried out in strict adherence to the regulatory guidelines issued by the Department of Trade and Industry (DTI) and the Ad Standards Council (ASC), reinforcing PT&T's commitment to ethical marketing practices.

In a digital landscape increasingly vulnerable to misinformation, PT&T upholds content authenticity, data security, and audience trust as non-negotiables. All publicly shared information undergoes rigorous internal validation to ensure credibility and prevent the spread of disinformation—especially across fast-moving social media platforms.

Recognizing the rapidly shifting digital economy and the emergence of new roles within marketing, PT&T has embraced this transformation as an opportunity for growth. The company continues to invest in upskilling its workforce, empowering employees with cutting-edge knowledge in digital marketing, data analytics, and content creation. By fostering a culture of continuous learning and innovation, PT&T not only strengthens its competitive advantage but also ensures that its people are equipped to lead in a dynamic digital future.

## Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and Labelling <sup>1</sup>	78 (Received via Facebook)	78 accounts
No. of complaints addressed	78 (Resolved via outgoing call and chat)	78 accounts

<sup>1</sup>Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

## Customer Privacy

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
No. of substantiated complaints on customer privacy <sup>1</sup>	None	#
No. of complaints addressed	None	#
No. of customers, users, and account holders whose information is used for secondary purposes	None	#

<sup>1</sup>Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Upholding the principles of transparency, integrity, and accountability, PT&T strictly complies with Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, which mandates the responsible and secure handling of all personal and sensitive information. The Company's Data Privacy Policy—publicly accessible at <https://ptt.com.ph/privacy-policy>—outlines our comprehensive data protection practices, covering the full data lifecycle from collection and storage to use and disposal.

Safeguarding proprietary and customer information is a shared responsibility embedded in our corporate culture. All employees are bound by confidentiality commitments and are expected to uphold the highest ethical standards in managing sensitive data. Through strict adherence to our Code of Business Conduct and Ethics, personnel are trained and regularly reminded of their duty to prevent data misuse, theft, fraud, and unauthorized disclosure of company and client information. These protocols ensure that both internal stakeholders and customers can place their full trust in our data-handling practices.

In response to the growing complexity of privacy threats in the digital age, PT&T continuously strengthens its information security and privacy governance framework. This includes the implementation of detailed policies, technical controls, and employee education programs designed to counteract evolving internal/external risks.

A core element of our strategy is the integration of Privacy by Design—a principle that embeds privacy and data protection at the earliest stages of system and process development. Every new system or significantly modified process undergoes a Privacy Impact Assessment (PIA) to ensure compliance with data privacy laws, mitigate potential vulnerabilities, and uphold the rights of data subjects. This proactive approach reinforces data protection as an operational default rather than a reactive measure.

Looking ahead, PT&T remains committed to evolving its data privacy practices in line with regulatory updates, stakeholder expectations, and emerging best practices in digital ethics. Through continuous improvement, we ensure that data privacy is not just a legal obligation, but a core value that shapes how we operate and how we build trust with our customers, partners, and communities.

## Data Security

<i>Disclosure</i>	<i>Quantity</i>	<i>Units</i>
No. of data breaches, including leaks, thefts and losses of data	None	#

PT&T's unwavering commitment to information security goes beyond regulatory compliance—it is a strategic imperative that underpins stakeholder trust, operational continuity, and the integrity of our digital infrastructure. In an era marked by increasingly sophisticated cyber threats, we recognize the critical importance of maintaining a resilient and adaptive security posture across all layers of our organization.

We continuously enhance our cybersecurity framework through regular updates to security infrastructure, including firewalls, endpoint protection systems, antivirus definitions, and operating system patches. These preventive measures are designed to proactively address vulnerabilities before they can be exploited and to

detect potential security breaches in real time.

To fortify our perimeter and application defenses, we have deployed Web Application Firewalls (WAF) and Anti-DDoS (Distributed Denial of Service) solutions, ensuring high service availability and protection against large-scale cyberattacks. These layers of defense are integral to preserving the confidentiality, integrity, and availability (CIA) of our systems and customer data.

#### *Real-Time Monitoring and Rapid Response*

In pursuit of operational resilience, PT&T has implemented a Security Information and Event Management (SIEM) system. This powerful platform enables real-time monitoring, centralized logging, and intelligent analysis of security events across our IT environment. It allows us to identify anomalies, detect potential intrusions, and respond to threats with speed and precision.

Our security team follows the protocols defined under our Information Security Management System (ISMS)—aligned with ISO/IEC 27001 standards—to ensure systematic risk assessment, incident response, and compliance with data privacy laws. In the event of a breach or unauthorized data access, PT&T commits to swift notification of affected stakeholders and transparent resolution in accordance with ethical and regulatory expectations.

#### *Fostering a Culture of Cyber Awareness*

We believe that technology alone cannot secure an organization—its people play an equally vital role. PT&T invests in ongoing employee education and awareness programs to instill a strong culture of cybersecurity and discretion. These initiatives include:

1. Mandatory cybersecurity training and phishing simulations
2. Data handling and classification protocols
3. Role-based access control and authorization procedures
4. Regular updates on emerging cyber threats and best practices

Through these efforts, we empower employees at all levels to act as first-line defenders of information integrity, reducing the risk of insider threats and accidental data exposure.

#### *Business Continuity and Data Recovery Readiness*

As part of our integrated data protection strategy, PT&T maintains robust data backup and disaster recovery protocols to ensure business continuity in the event of a system failure, breach, or force majeure incident:

1. Routine data backups across multiple secure environments
2. Regular testing of data recovery and failover procedures
3. Documentation of escalation and incident response plans

These preventive safeguards not only help mitigate reputational and financial risks but also reflect our proactive approach to protecting stakeholders' trust and expectations in a digital-first world.

PT&T remains steadfast in its commitment to continuous improvement and strategic investment in information security. By integrating industry best practices, deploying advanced technologies, and nurturing a security-first culture, we strengthen our resilience against evolving threats and reinforce our reputation as a trusted, secure, and responsible digital service provider.

## OUR CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS

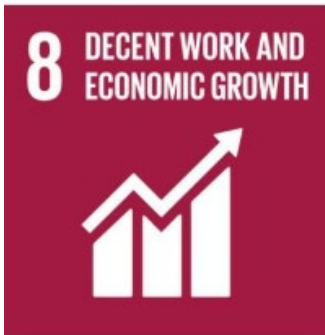
### Connectivity Business: Bridging Gaps, Empowering Progress

At PT&T, our core mandate is to deliver fast, reliable, and inclusive broadband internet access through fiber-optic and wireless technologies. We view connectivity as more than a service—it is a foundational enabler of national development, economic productivity, and human empowerment.

By strengthening digital infrastructure across underserved and emerging areas, PT&T actively contributes to the following SDGs:

- **SDG 1: No Poverty** – Enabling access to online economic opportunities, digital livelihoods, and essential government services
- **SDG 4: Quality Education** – Supporting remote learning and digital skills development through stable internet connectivity for students and educators
- **SDG 5: Gender Equality** – Empowering women with digital access for education, employment, and entrepreneurship
- **SDG 8: Decent Work and Economic Growth** – Enhancing the productivity of businesses and professionals through secure, enterprise-grade connectivity
- **SDG 9: Industry, Innovation, and Infrastructure** – Laying the groundwork for digital transformation in urban and rural communities
- **SDG 10: Reduced Inequalities** – Reducing the digital divide by extending connectivity to marginalized and geographically isolated areas
- **SDG 11: Sustainable Cities and Communities** – Supporting the digital backbone of smart cities, e-governance, and resilient urban planning
- **SDG 12: Responsible Consumption and Production** – Promoting efficient use of digital tools and platforms that reduce environmental footprints
- **SDG 13: Climate Action** – Advocating for digital infrastructure solutions that reduce travel, emissions, and environmental degradation

Through our Connectivity Business, we champion a digitally inclusive Philippines—ensuring that every individual, business, and institution has the tools to participate in and benefit from the digital economy.



## IT Services Business: Powering Digital Transformation for Sustainable Development

As we expand beyond traditional telco services, PT&T is transforming into a full-suite digital services provider. Our IT Services portfolio spans Infrastructure, Productivity, Cybersecurity, Resiliency, Communication, Custom Software Development, and Digitization Solutions—enabling clients to thrive in an increasingly technology-driven world.

We serve a diverse clientele—from large enterprises and SMEs to government agencies—helping them innovate, optimize, and safeguard their operations. In doing so, our IT Services business contributes to multiple SDGs:

- **SDG 1: No Poverty** – Facilitating digital job creation, MSME growth, and remote service delivery
- **SDG 4: Quality Education** – Providing digital platforms and productivity tools that enhance learning environments and content access
- **SDG 5: Gender Equality** – Promoting diversity and inclusive participation in the digital workforce
- **SDG 8: Decent Work and Economic Growth** – Equipping organizations with scalable IT solutions to enhance performance and competitiveness
- **SDG 9: Industry, Innovation, and Infrastructure** – Driving enterprise innovation, cloud-based resilience, and digital productivity
- **SDG 10: Reduced Inequalities** – Making enterprise-grade IT solutions accessible to smaller businesses and local government units
- **SDG 11: Sustainable Cities and Communities** – Enabling smart governance, data-driven city management, and cyber-resilient infrastructure

At PT&T, we believe that digital transformation is a catalyst for sustainable, inclusive, and resilient development. Through our IT Services, we empower organizations to not only adapt to change—but to lead it—shaping a future where innovation is equitable, accessible, and impactful for all.

