

# COVER SHEET

SEC Registration Number

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## COMPANY NAME

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

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Form Type

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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

+63 917 893 8601

No. of Stockholders

3,641

Annual Meeting (Month / Day)

Last Friday of June

Fiscal Year (Month / Day)

12/31

## 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/s

(02) 8815-996

Mobile Number

09178938601

## CONTACT PERSON'S ADDRESS

**Spirit of Communications Center, 106 C. Palanca Street, 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 of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SEC Number 21817

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



**PT&T CORP.**

(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-Q**

Form Type

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

**June 30, 2025**

Period Ended Date

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

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17 – Q**

**QUARTERLY REPORT PURSUANT TO  
SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarter ended **June 30, 2025**
2. SEC Identification Number **21817**
3. BIR Tax Identification No. **470-000-530-631**
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:
8. **Spirit of Communication Centre Building,**  
**106 Carlos Palanca Jr. St., Legaspi Village, Makati City**  
Address of principal office Postal **1229**  
Code
8. **(632) 815-9961 to 65**  
Issuer's telephone number, including area code
9. **Philippine Telegraph and Telephone Corp.**  
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

<u>Title of each class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding as of Date of Report</u>
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 [x] 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 [x] No []
- b. has been subject to such filing requirements for the past ninety (90) days.  
Yes [x] No []

**PT&T CORP.**  
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## **PART I – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

#### **PT&T CORP.**

For the quarter ended: June 30, 2025.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**PT&T CORP. AND SUBSIDIARY**  
**Interim Consolidated Statements of Financial Position**  
(In Thousand pesos)

	Interim unaudited as of June 30, 2025	Audited as of December 31, 2024
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	7,837	16,705
Receivables – net	138,317	162,213
Due from related parties	318,080	242,397
Other current assets	30,552	23,463
<b>Total Current Assets</b>	<b>494,786</b>	<b>444,778</b>
<b>Non-current Assets</b>		
Land at revalued amounts	403,260	403,260
Property, plant, and equipment at cost - net	154,961	145,930
Right-of-use assets – net	20,848	24,895
Investment Properties at cost	40,814	40,814
Other non-current assets -net	135,233	118,210
<b>Total Non-current Assets</b>	<b>755,116</b>	<b>733,109</b>
<b>TOTAL ASSETS</b>	<b>1,249,902</b>	<b>1,177,887</b>

	Interim unaudited as of June 30, 2025	Audited as of December 31, 2024
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	300,506	269,341
Statutory obligations	614,367	601,706
Lease liabilities - current portion	7,145	7,529
Loans payable - current portion	15,171	1,170
Due to related parties	110,144	100,837
<b>Total Current Liabilities</b>	<b>1,047,333</b>	<b>980,583</b>
<b>Non-current Liabilities</b>		
Lease liabilities - net of current portion	33,074	33,074
Deposit for future stock subscription	2,164	2,164
Retirement benefits liability	63,993	60,625
Deferred income tax liability	39,046	39,046
<b>Total Non-current Liabilities</b>	<b>138,277</b>	<b>134,909</b>
<b>Total Liabilities</b>	<b>1,185,610</b>	<b>1,115,492</b>
<b>Equity</b>		
Capital Stock	10,926,336	10,926,336
Additional paid-in capital	629,974	629,974
Revaluation surplus	141,570	141,570
Other comprehensive income	11,205	11,205
Deficit	(11,644,793)	(11,646,690)
<b>Total Equity</b>	<b>64,292</b>	<b>62,395</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,249,902</b>	<b>1,177,887</b>

**PT&T CORP. AND SUBSIDIARY****Interim Consolidated Statement of Income (Loss)**

(In thousand pesos except per share data)

	Interim unaudited for the quarter ended		Interim unaudited for six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<b>REVENUES</b>	<b>117,448</b>	118,223	<b>258,962</b>	255,672
<b>INCOME</b>				
Other income	<b>1,678</b>	471	<b>2,219</b>	1,014
	<b>119,126</b>	118,694	<b>261,181</b>	256,686
<b>COST AND EXPENSES</b>				
Selling, general and administrative expenses	<b>85,213</b>	77,988	<b>168,938</b>	162,564
Leased channel	<b>1,032</b>	2,190	<b>4,485</b>	4,884
Cost of sales	<b>20,584</b>	19,038	<b>57,791</b>	55,843
Depreciation and amortization	<b>10,444</b>	11,628	<b>21,262</b>	23,545
Penalty and surcharge	<b>1,455</b>	249	<b>1,753</b>	209
Interest expense	<b>3,147</b>	852	<b>5,055</b>	1,705
	<b>121,875</b>	111,945	<b>259,284</b>	248,749
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(2,749)</b>	6,749	<b>1,897</b>	7,937
<b>INCOME TAX</b>	-	-	-	-
<b>NET INCOME (LOSS)</b>	<b>(2,749)</b>	6,749	<b>1,897</b>	7,937
<b>WEIGHTED AVERAGE COMMON STOCK</b>	<b>1,500,000</b>	1,500,000	1,500,000	1,500,000
<b>INCOME (LOSS) PER SHARE</b>				
Basic	<b>(0.00)</b>	0.00	<b>0.00</b>	0.01
Diluted	<b>(0.00)</b>	0.00	<b>0.00</b>	0.01



**PT&T CORP. AND SUBSIDIARY****Interim Consolidated Statement of Comprehensive Income**

(In thousand pesos except per share data)

	Interim unaudited for the quarter ended		Interim unaudited for six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<b>NET LOSS</b>	<b>(2,749)</b>	6,749	<b>1,897</b>	7,937
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Unrealized valuation gain on AFS investments	-	-	-	-
	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(2,749)</b>	6,749	<b>1,897</b>	7,937

**PT&T CORP. AND SUBSIDIARY**  
**Interim Consolidated Statements of Changes in Equity**  
(In thousand pesos)

	Capital Stock	Additional Paid-in Stock	Revaluation Surplus	Accumulated actuarial gain (loss) on retirement benefits	Unrealized valuation loss on equity investments	Deficit	Total
Balance as of December 31, 2024	10,926,336	629,974	141,570	11,489	(284)	(11,646,690)	62,395
Net income for the quarter ended March 31, 2025						4,646	4,646
Net income for the quarter ended June 30, 2025						(2,749)	(2,749)
<b>Balance as of June 30, 2025</b>	<b>10,926,336</b>	<b>629,974</b>	<b>141,570</b>	<b>11,489</b>	<b>(284)</b>	<b>(11,644,793)</b>	<b>64,292</b>
Balance as of December 31, 2023	10,926,336	629,974	141,570	4,719	(281)	(11,664,968)	37,350
Net income for the quarter ended March 31, 2024						1,188	1,188
Net income for the quarter ended June 30, 2024						6,749	6,749
<b>Balance as of June 30, 2024</b>	<b>10,926,336</b>	<b>629,974</b>	<b>141,570</b>	<b>4,719</b>	<b>(281)</b>	<b>(11,657,031)</b>	<b>45,287</b>

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**PT&T CORP. AND SUBSIDIARY**  
**Interim Consolidated Statements of Cash Flows**  
(In thousand pesos)

	Interim unaudited for six months ended June 30, 2025	Interim unaudited for six months ended June 30, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (Loss) before income tax	1,897	7,937
Adjustments for:		
Depreciation and amortization	21,262	23,545
Interest expense	5,982	3,969
Movement in retirement benefit liability	8,548	5,901
	37,689	41,352
Decrease (increase) in operating assets:		
Accounts receivables	23,895	(20,671)
Other current assets	(7,088)	(5,453)
Right of use asset	-	(6,462)
Increase (decrease) in current liabilities:		
Trade and accounts payable	26,056	(1,565)
Statutory obligations	12,661	24,507
Other liabilities,	8,436	276
<b>NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES</b>	101,649	31,984
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment & other fixed (net)	(25,442)	(1,428)
Other non-current assets	(17,828)	(7,622)
<b>NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES</b>	58,379	(9,050)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances (from) to related parties, net	(67,248)	(17,278)
Payment of loans	-	(1,957)
<b>NET CASH PROVIDED (USED) FROM FINANCING ACTIVITIES</b>	(67,248)	(19,236)
<b>NET INCREASE (DECREASE) IN CASH</b>	(8,868)	3,698
<b>CASH BALANCE, Beginning</b>	16,705	11,251
<b>CASH BALANCE, Ending</b>	7,837	14,949

**PT&T CORP. AND SUBSIDIARY**  
**Aging Schedule of Receivables**  
**As of June 30, 2025**  
(In thousand pesos)

<b>SERVICES</b>	<b>CURRENT TO 30 DAYS</b>	<b>31 TO 60 DAYS</b>	<b>61 TO 90 DAYS</b>	<b>OVER 91 DAYS</b>	<b>TOTAL</b>
Trade Receivables	9,902	3,881	2,105	176,573	192,461
Less: Allowance for doubtful accounts					75,742
<b>NET TRADE RECEIVABLES</b>					<b>116,719</b>
Other Receivables					21,598
<b>RECEIVABLES, net of allowance for doubtful accounts</b>					<b>138,317</b>

**PT&T CORP. AND SUBSIDIARY****Selected Explanatory Notes to Interim Consolidated Financial Statements  
(UNAUDITED)**

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**1. Corporate Information**

The interim condensed consolidated financial statements of PT&T Corp. and subsidiary as of June 30, 2025 and December 31, 2024, and for the six months ended June 30, 2025 and 2024 were authorized for issue in accordance with a resolution of the Board of Directors (BOD) on April 11, 2025.

**1.1 PT&T Corp.**

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 Plan (Corp Rehab) Plan.

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

**1.2 SecureLink Networks Incorporated**

SecureLink Networks Incorporated (SecureLink) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 27, 2024. Its primary purpose is to engage in the business of operating and providing cybersecurity communications platform via internet access and connectivity through fiber optic cables, mobile international or domestic satellite systems, global international satellite network, or other technologies presently available or will be made available through technological advances in the future.

**Joint Venture (JV) Agreement**

On August 6, 2024, the Company entered into a JV agreement with Netlinkz Global Services (Aust & NZ) PTY Limited (Netlinkz), a company organized and existing under the laws of Australia, to form a joint venture company in the Philippines. On November 27, 2024, SecureLink was incorporated and will serve as the operating joint venture company of Netlinkz and the Company. The authorized capital stock of SecureLink is 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 SecureLink in exchange for service, property and other operating expenses during the operational transition period equivalent to ₱13.6 million or USD 242,000. Netlinkz, on the other hand, will own 49% of SecureLink in exchange for a cash in the amount 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 fiber 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.

### **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 the telecommunications industry as mandated under Executive Order (EO) No. 109. While beforehand the Company was already operating as inter-exchange carrier pursuant to the NTC Case No. 90-129 which enabled the Company to provide inter-exchange trunk facilities to connect with the 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 pending applications with the NTC to upgrade its existing CPCNs. The Company is likewise planning to file a separate application for additional service areas to complement its plan of nationwide network rollout. As at the date of the approval of these financial statements, these application for the upgrading of the Company's existing CPCNs is 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 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 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), 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 Corp Rehab Plan. On December 4, 2017, the RETELCOM Group filed an appeal before the Supreme Court (SC) which is still pending as at the date of this report.

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 and partially settled its statutory obligations, salaries, wages and other employee benefits. Under the Rehab Plan, the Company has to enroll and list all its authorized redeemable shares as freely "tradable" shares with the PSE. All unpaid obligations to claimants covered by the Corp Rehab Plan are subject to legal interest of 6% from the approval of the Rehab Plan until full payment.

### **Status of Operation**

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 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. The Company also partially paid its statutory obligations, salaries, wages and other employee benefits 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 the same and exit the Corp Rehab in 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 groups to raise the necessary funds for network expansion and roll-out.

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## 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

### Basis of Preparation and Statement of Compliance

The interim condensed consolidated financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) 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).

The interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2024.

### **Measurement Bases**

The interim condensed consolidated 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 accompanying interim condensed consolidated financial statements 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 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 markets 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; or
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the input 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.

### 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 the 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 are 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 requiring 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 and 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, 2023 (and 2022), 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 non-current assets.

This category includes cash, receivables (excluding contract assets and advances to suppliers), due from related parties and refundable security deposits.

**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 transactions 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 and loss upon declaration.

Classified under this category is the investment in shares which is being traded in the PSE.

**Impairment.** The Company recognizes an allowance for expected credit loss (ECL) for all debt instruments not measured at FVPL. The 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. A 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 are current as well as the forecast direction of conditions at the reporting date, including the 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 is 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 reassesses 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 non-refundable other payables and contract liability), loans payable, due to related parties and lease liabilities.

*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 assets represent 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 the 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 carried 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 statements of 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 methods are reviewed periodically, and adjusted if appropriate, at each reporting year-end.

Fully depreciated assets are retained as property and equipment until they 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 and any impairment in value. When the investment properties are sold or retired, the cost less any impairment in value is 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 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 assets 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 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 from 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 assets 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 in those expense categories consistent with the function of the impaired asset.

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 an 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. That increased amount cannot exceed 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 Subscription**

Deposits for future stock subscription represent funds received from existing and/or prospective stockholders or liabilities converted by the Company to be applied as payment for stock subscription 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 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 capital deficiency) that are not recognized in profit or loss for the year.

### **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 the 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 contracts 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 includes 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 the statements of loss, if such costs are expected to be recovered.

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 the subscription agreement, customers are required to make payments equivalent to 2 months advance and 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 sales 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 assets 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 purchase 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 expenses 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 qualified employees. The retirement liability is determined by 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 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 separate 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 asset 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 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 is 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 the 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 retain 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 are recognized 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 assets are 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 "Trade and other payables" 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 a current asset. Otherwise, it is classified as a 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 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, management assessed that the Company has the ability to continue to operate on a going concern basis.

*Recognition of Revenue.* 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 Shares.* The Company has preferred shares which are redeemable and convertible at the option of the Company and there and there are no defined period or date over which redemption can take place.

Management has assessed that the preferred shares 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, 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, 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 of date, the Company reassess 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 these leases because there will be a 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 a 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.

*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.

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.

*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.

*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.

*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.

*Estimation of Accrued Interest Based on Court-Approved 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. The management believes that the accrued interest recognized by the Company is reasonable and appropriate following the interpretation of the court-approved Rehab Plan.

#### 4. CASH

	June 30, 2025	December 31, 2024
Cash on hand	315,000	315,000
Cash In banks	7,522,148	16,390,152
	<b>7,837,148</b>	<b>16,705,152</b>

Cash in banks earn interest at the respective bank deposit rates. Interest income earned amounted to ₱5,442 and ₱8,382 for the six months ended June 30, 2025 and year ended December 31, 2024.

#### 5. RECEIVABLES - net

	June 30, 2025	December 31, 2024
Trade receivables		
Third parties	165,554,485	193,603,528
Related party	25,867,358	24,280,420
Advances to suppliers	8,530,301	6,356,361
Contract asset	1,109,582	3,259,121
Others	13,067,592	10,525,199
	<b>214,129,318</b>	<b>238,024,629</b>
Allowance for ECL	<b>(75,811,899)</b>	<b>(75,811,899)</b>
	<b>138,317,419</b>	<b>162,212,730</b>

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

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 gadgets already delivered to

the customers before payments are due.

Movements in allowance for ECL of receivables are as follow:

	Trade receivables	Other receivables	Total
Balance at December 31, 2023	69,838,400	70,139	69,908,539
Provision for ECL for the year	5,903,360	-	5,903,360
<b>Balance at December 31, 2024</b>	<b>75,741,760</b>	<b>70,139</b>	<b>75,811,899</b>

## 6. Other Assets

### **Current**

This account consists of:

	June 30, 2025	December 31, 2024
CWT	<b>21,899,238</b>	16,868,674
Deferred Input VAT	<b>3,601,867</b>	3,601,8867
Prepayments	<b>5,050,411</b>	2,992,431
	<b>30,551,516</b>	23,462,972

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:

	June 30, 2025	December 31, 2024
Plant supplies	<b>87,343,923</b>	76,006,362
Deposit	<b>23,266,667</b>	23,266,667
Refundable security deposits	<b>15,863,838</b>	15,782,167
Software and licenses	<b>8,537,132</b>	2,933,833
Financial asset at FVOCI	<b>221,445</b>	221,445
	<b>135,233,005</b>	118,210,474

Plant supplies pertain to cables and wires used for the installation network facilities which are carried at cost. No provision for inventory obsolescence 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.

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

Dividend income from the financial assets at FVOCI amounted to ₱8,550 and ₱18,468 in 2024 and 2023, respectively.



## 7. PROPERTY AND EQUIPMENT AT COST

	Telecommunications Equipment					
	Network equipment	Cable and wire Facilities	Other work equipment	Buildings and Improvements	Construction In progress	Total
June 30, 2025						
Cost:						
Balance at beginning of year	256,386,303	304,596,063	62,398,008	24,032,998	1,032,369	648,445,741
Additions	4,648,519	2,682,010	1,283,802	8,157,968	1,530,612	18,302,912
Disposals	-	-		-		
Balance as of June 30, 2025	261,034,822	307,278,073	63,681,810	32,190,966	2,562,981	666,748,653
Accumulated depreciation:						
Balance at beginning of year	252,766,001	196,357,888	45,066,261	8,326,016	-	502,516,166
Depreciation	558,091	5,463,205	3,007,160	242,693	-	9,271,149
Balance as of June 3, 2025	253,286,006	201,821,093	48,073,421	8,568,709	-	511,787,315
Net book value	7,710,730	105,456,980	15,608,389	23,622,257	2,562,981	154,961,337

Service vehicles, presented under other work equipment, with carrying values ₱1.7 million and ₱2.2 million as at December 31, 2024 and 2023, respectively, serve as collaterals for bank loans.

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.

In 2002, 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.

### **Land 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.

Fair value measurement was categorized as Level 3 and the significant unobservable input in determining fair values for 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 adjustment 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.

No appraisal was made in 2022 and 2021 because management has assessed that the carrying amount of land approximates its fair value as at December 31, 2022 and 2021.

*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. A 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

Movement in this account as follows:

	June 30, 2025	December 31, 2024
Balance at beginning of year	40,814,018	40,814,018
Disposals during the year	-	-
	<b>40,814,018</b>	<b>40,814,018</b>

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). This 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 of December 31, 2023. Fair value measurement was categorized as Level 3 and the significant unobservable input used in determining fair values for 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. A significant increase (decrease) in value adjustments would result in a lower (higher) fair value measurement.

## 9. Trade and Other Payables

	June 30, 2025	December 31, 2024
Trade	238,525,104	208,674,218
Customers' deposits	37,164,978	37,940,233
Advances from customers	24,816,346	22,726,390
	<b>300,506,428</b>	<b>269,340,841</b>

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.

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.

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## 10. Statutory Liabilities

This account consists of:

	June 30, 2025	December 31, 2024
<i>Covered by Corporate Rehabilitation</i>		
Labor-related	<b>75,200,678</b>	75,200,678
NTC	<b>48,724,945</b>	48,724,945
Home Development Mutual Fund (HDMF)	<b>27,648,186</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>179,953,574</b>	180,753,574
<i>Outside Corporate Rehabilitation:</i>		
BIR and other government agencies	<b>199,973,524</b>	176,846,436
NTC	<b>140,764,342</b>	150,430,559
Separation pay	<b>93,675,355</b>	93,675,355
	<b>434,413,222</b>	420,952,350
	<b>614,366,796</b>	601,705,924

### *Covered by Corp Rehab*

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).

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

NTC represents unpaid Supervision and Regulation Fee and Spectrum User Fees charged by the NTC to telecommunications company with 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 which are incurred in the normal operations of the Company. These are usually settled within the succeeding month.

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.

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## 11. Loans Payable

### 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).

### 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).

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## 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.

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).

The Company has been under Corp Rehab since 2011. Pursuant to the Court 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, 2023, the Company has retirement benefits liability attributable to separated employees amounting to ₱93.7 million.

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## 13. Equity

### Capital Stock

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

	Number of Shares	Amount
Authorized		
Common - ₱1.00 par value	1,500,000,000	1,500,000,000
Preferred Serial Cumulative		
Convertible and Redeemable ₱10.00 par value	230,000,000	2,300,000,000
Preferred (Serial and Redeemable)		
₱1.00 par value	8,800,000,000	8,800,000,000
	<b>10,530,000,000</b>	<b>12, 600,000,000</b>
<hr/>		
	Number of Shares	Amount
Subscribed		
Common	1,500,000,000	1,500,000,000
Preferred 1 (Serial Cumulative)		
Convertible and Redeemable	71,676,358	716,763,500
Preferred 2 (Serial and Redeemable)	8,709,572,093	8,709,572,093
	<b>10,281,248,451</b>	<b>10,926,335,679</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 1,500.00 million common stock at ₱1.00 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 1,500.00 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 ₱8,707.6 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 shares at the option of the BOD.

*Preferred 2 (Serial and Redeemable)*

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 classification:

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

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

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

Basic earnings (loss) per share is calculated by dividing the net 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 per share are as follows:

	June 30, 2025 (Six months)	December 31, 2024 (Twelve months)
Net income	₱1,896,652	₱18,277,240
Weighted average number of common shares for basic and diluted earnings (loss) per share	1,500,000,000	1,500,000,000
Basic and diluted earnings (loss) per share	₱0.001	₱0.012

There were no potential dilutive shares in 2025 and 2024.

## 15. 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	
		2025	2024	2023	2025	2024
Receivables						
Stockholder	Resell of data transport	P1,586,938	P4,693,165	P1,253,450	P25,867,358	P24,280,420
Due from related parties						
Stockholder		P50,654,871	P10,644,975	P47,141,992	P270,069,541	P219,414,670
Entities under common control	Advances	25,027,075	33,642,784	683,280	48,009,966	22,982,891
					P318,079,507	P242,397,561
Due to related parties						
Stockholders	Advances	P6,342,947	P39,287,763	P1,654,240	P49,943,216	P43,600,269
Entities under common control		2,963,569	3,625,489	-	60,200,339	57,236,770
					P110,143,555	P100,837,039
Loans						
Entities under common control	Advances	P-	P-	P-	P-	P-

### Terms and Conditions of Transactions with Related Party

Due To and From Related Parties. Outstanding balances with related parties as at year-end include unsecured, non-interest-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 ₱1.7 million in 2024 and ₱12.6 million in 2023 (₱11.8 million in 2022).

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. These were fully paid in 2023.

### Compensation of Key Management Personnel

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

	2024	2023
Short-term employee benefits	<b>₱27,086,814</b>	₱30,662,985
Retirement benefit cost	<b>7,017,363</b>	7,103,957
	<b>₱34,104,177</b>	₱37,766,942

## 16. 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 a 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 minimum exposure equal to the carrying amount of its financial instruments.

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

#### *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 events 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 collection. The Company also maintains accounts with several relationship banks to avoid significant concentration of cash with one institution.

The aging of the receivables shows that the receivable as of June 30, 2025, of ₱138.3 million is adequately covered by the provisions.

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## 17. OTHER MATTERS

### **Seasonality or cyclicity of interim operations**

The revenues of the Company that are received seasonally, cyclically, or occasionally within financial year, if any were not anticipated or deferred as of an interim date, hence, such revenues are recognized when they occur.

### **The nature and number of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.**

The Company has no items considered unusual because of their nature, size, or incidents that will affect assets, liabilities, equity, net income or cash flows for the period except as already disclosed in Financial Position section of this report, such as the deposit for subscription in accordance with the court-approved rehabilitation plan.

### **Issuances, repurchases, and repayments of debt and equity securities.**

The Company did not issue, repurchase, and repay any debts and equity securities during the period under review.

### **Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.**

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.



## Item 2. Management's Discussion and Analysis and Plan of Operation

### 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.

### Financial Highlights

#### Segment Reporting

The Company's Statement of Income (Loss) is composed of different segments or lines of business that reflect its products, services and other endeavors. The segments are divided into Fixed Broadband, Information Technology Services and other initiatives which represent the broadband connectivity and IT solutions products offered to its customers, and the Company's other ventures.

	June 30, 2025				June 30, 2024			
(in '000 Philippine pesos)	Broadband Services	IT Services	Others	TOTAL	Broadband Services	IT Services	Others	TOTAL
<b>REVENUES<sup>1</sup></b>	215,133	43,829	-	258,962	211,429	45,257	-	256,686
<b>OTHER INCOME</b>	-	-	2,219	2,219	-	-	-	-
	215,133	43,829	2,219	261,181	211,429	45,257	-	256,686
<b>Core expenses</b>								
SG&A <sup>2</sup>	150,177	19,587	-	169,764	132,073	28,436	-	160,509
Leased channel	4,485	-	-	4,485	4,884	-	-	4,884
Cost of sales	22,715	35,076	-	57,791	21,154	34,689	-	55,843
<b>CORE EXPENSES</b>	177,377	54,663	-	232,040	158,111	63,125	-	221,236
<b>CORE EBITDA</b>	37,756	(10,834)	2,219	29,141	53,318	(17,868)	-	35,450
<b>CORE EBITDA %</b>	17.55%	-24.72%	100.00%	11.16%	25.22%	-39.48%	100.00%	13.81%
Depreciation	21,262	-	-	21,262	23,423	121	-	23,544
Interest expense	926	-	-	926	970	422	-	1,392
<b>CORE EARNINGS</b>	15,568	(10,834)	2,219	6,953	28,927	(18,411)	-	10,514
<b>Non-core charges</b>								
Penalties and fines	-	-	-	-	-	-	-	-
Rehab interest expense	-	-	5,056	5,056	2,577	-	-	2,577
<b>NON-CORE CHARGES</b>	-	-	5,056	5,056	2,577	-	-	2,577
<b>TOTAL EARNINGS (LOSSES)</b>	15,568	(10,834)	(2,837)	1,897	26,348	(18,411)	-	7,937
Income tax expense/benefit	-	-	-	-	-	-	-	-
<b>NET INCOME (LOSS)</b>	15,568	(10,834)	(2,837)	1,897	26,348	(18,411)	-	7,937

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

<sup>2</sup>SG&A channel allocation among segments has been adjusted in the prior years to improve comparability

#### Broadband Business

The Fixed Broadband business is the Company's main segment which offers internet connectivity to subscribers. The Broadband business contributed 83% of the Company's total revenues by offering connectivity subscriptions to enterprise, residential, wholesale and carrier customers. For the six months ending June 30, 2025, broadband revenues increased from ₱211.4 million to ₱215.1 million.

Expenses in Broadband include sales and technical related costs, nodal related costs, taxes and permits incurred in

saturation areas, and cost of sales and leased channel expense incurred to provide bandwidth across its subscribers. Profitability of Broadband business is at ₱37.7 million while, Core EBITDA margin decreased from 25.2% to 17.5%.

#### *Information Technology Services*

Since its launch in 2019, the IT Services business has contributed revenues to the Company by offering software, hardware, systems and managed services to enterprise and public sector customers. Unlike the Broadband business which is subscription-based, the IT services products are mostly project-based, which aims to create an end-to-end portfolio of IT solutions.

Expenses in IT Services business include sales and technical related costs and cost of sales incurred to be able to offer a wide variety of IT solutions. Investments to fortify the business by growing its product offerings impacted on its Core EBITDA margin from -39.4% to -24.7%. However, Core EBITDA loss decreased from (₱18.4) million to (₱10.8) million.

#### *Other Initiatives*

Other business initiatives of the Company include other income and expenses not directly related to Broadband and IT Services. Other income includes space rental income while expenses are mainly attributed to non-core charges related to its rehab exit such as recognition of the legal interest rate of 6% p.a. on unsettled obligations as directed by the Rehabilitation Court.

### **Financial Performance and Condition**

<i>Results of Operations (in '000 Philippine pesos)</i>	<b>6 months ended June 30, 2025</b>	<b>6 months ended June 30, 2024</b>
<b>REVENUES</b>	258,962	256,686
<b>OTHER INCOME</b>	2,219	0
	261,181	256,686
<b>Core expenses</b>		
Selling, general and administrative expenses	169,764	160,509
Leased channel and interconnect cost	4,485	4,884
Cost of sales	57,791	55,843
<b>CORE EXPENSES</b>	232,040	221,236
<b>CORE EBITDA</b>	29,141	35,450
<b>CORE EBITDA %</b>	11.16%	13.81%
Depreciation and amortization	21,262	23,544
Interest expense	926	1,392
<b>CORE EARNINGS</b>	6,953	10,514
Non-core charges		
Non-core expenses (net of non-core income)	-	-
Rehabilitation-related interest	5,056	2,577
<b>NON-CORE CHARGES</b>	5,056	2,577
<b>TOTAL EARNINGS</b>	1,897	7,937
Income tax expense/benefit	-	-
<b>NET INCOME</b>	1,897	7,937

#### *Revenue*

The Company, for the six months ending June 30, 2025, reported total revenues and income of ₱261.1 million, or an improvement of 2% as compared to the previous year's revenue of ₱256.6 million. For the six-month period ending June 30, 2025, operating revenues for broadband reached ₱215.1 million, a 1.7% increase in operating revenue vs. last year. Activities for the broadband group included street level saturations on major nodes, optimization of existing infrastructure in commercial buildings and establishments and account management of existing subscribers.

Another key performance indicator known as monthly recurring revenue (MRR) per each data service circuit was steady at around ₱22,708 per circuit despite being diluted by the significant increase in the number of data circuits.

### Cost and expenses

The Company's personnel related expenses for the six-month period ending June 30, 2025, amounted to ₱121.1 million compared to last year's level of ₱116.5 million as the Company prepares its workforce in sustaining growth in connectivity and IT services.

Premise-related expenses is steady at ₱12.3 million, the same in the comparative period. Selling, general and administrative expenses increased from ₱160.5 million to ₱168 million, while the cost of sales slightly increased from ₱55.8 million to ₱57.8 million. This indicates the Company's ability to manage its expenses to support its growing business.

### Profitability Performance

Increase in expenses resulted in decrease on core EBITDA of ₱29.1 million in 2025 and ₱35.4 million in 2024, pulling down the Core EBITDA margin to 11.16%. Depreciation and amortization decreased to ₱21.2 million vs. ₱23.5 million.

The Company's net income for the period ending June 30, 2025, is at ₱1.897 million.

<b>Financial Condition (in '000 Philippine pesos)</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Current Assets	<b>494,786</b>	417,629
Non-current Assets	<b>755,116</b>	721,985
<b>TOTAL ASSETS</b>	<b>1,249,902</b>	1,139,614
Current Liabilities	<b>1,047,333</b>	869,461
Non-current Liabilities	<b>138,227</b>	224,866
Total Liabilities	<b>1,185,610</b>	1,094,327
Equity	<b>64,292</b>	45,287
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,249,902</b>	1,139,614

The Company's total assets amounted to ₱1.249 billion as of June 30, 2025. Cash is at ₱7.8 million, decreased by ₱7.1 million or -47% as compared to June 30, 2024. Accounts receivable of ₱138.3 as of June 30, 2025, decreased by ₱29.5 million or 17% as compared to June 30, 2024.

Trade and other payables increased by ₱43.8 million or 17% as of June 30, 2025. A major portion of this account is attributable to trade transactions with suppliers which resulted in total trade payables of ₱71.9 million as of quarter end. Finally, the other payables are generally due to related parties which represent non-interest bearing, unsecured and short-term Philippine currency denominated financing and advances to support the Company's working capital requirements as part of the approved rehabilitation plan of the Company.

Total deficit is at ₱11.6 billion, and the total equity is at ₱64 million.

The current ratio as of June 30, 2025, is at 0.47:1 as compared to June 30, 2024, of 0.48:1.

### 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 to cope with the growing demand and ensure that network congestion would be minimized.

The Philippines has made huge investments 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 to be fueled by strong sequential gains in investment

activity and private consumption.

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 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.

The network expansion will include the deployment of massive fiber optic infrastructure to support all network services and capacities. It will also provide a Full IP Network based on the latest Service Oriented Network Architecture and Self-Service Oriented Network Architecture.

PT&T also entered into a service agreement with entities designated to implement the government's project to provide Public WiFi Services in several provinces. Under these agreements, PT&T will provide the required infrastructure allowing it to commercialize the excess capacities out of the said infrastructure. This arrangement will enable PT&T to establish 9,000 points of presence throughout the Philippines and the commercial WiFi services will then be offered as an "add-on" to PT&T's product portfolio to serve residential and enterprise clients.

The Company plans on building its nationwide backbone to support its objective to provide a nationwide wholesale and retail service including the capability to provide mobile services in the future. This project involves the deployment of in-land (terrestrial) and off-shore (submarine) networks connecting all major islands throughout the Philippine archipelago. Full IP Network based on the latest Software Defined Network will be used.

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 numbers of network elements deployed throughout the country and will substantially reduce costs and implementation period.

As of June 30, 2025, the Company has a total of 194 employees and the Company estimated that the said number will be at 217 by the end of 2025. As the Company commences the expansion of its operations, it expects to further increase its manpower complement.

## Key Financial Performance Indicator

Key Performance Indicators	Six months ended June 30, 2025	Six months ended June 30, 2024
Net income (loss) (in ₱ '000)	1,897	7,937
Core EBITDA <sup>1</sup> (in ₱ '000)	29,141	35,450
Core EBITDA %	11.16%	13.81%
Operating Revenue Growth	1.0%	-4.20%
Operating Revenue (in ₱ '000)	258,962	256,686
Number of Active Circuits	1,742	1,814
ARPU (in ₱)	23,053	18,000
Recurring Revenue (in ₱)	215,132	211,429

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

The Company reported a net income of ₱1.8 million for the 2nd quarter of 2025 compared to a net income of ₱7.9 million last year. Tempered growth in expenses and faster growth in revenues positively impacted the Company's net earnings.

### Core EBITDA and Core EBITDA Margin

Core EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) is calculated as operating revenues and income less 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 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 performance decreases from ₱35.4 million to ₱29.1 million, leading to a corresponding decrease in Core EBITDA margin from 13.81% to 11.16%.

### Operating Revenue Growth

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

The Company achieved positive revenue growth for the 2nd quarter of 2025. This is due to higher IT Services deals that were closed during the period. Nevertheless, there is a prevailing expectation for improvement in this regard, driven by the imperative necessity to bridge the technological gap through enhanced connectivity and advanced 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 3% 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.

In the 2nd quarter of 2025, the Company's ARPU grew indicating an increase in the value of newly acquired subscribers the Company saturates its wholesale subscribers.

## **Other Events**

### **A.) Any known trends, demands, commitments, events, or uncertainties that will have a material impact on the issuer's liquidity.**

The Management has no knowledge of any known trends, demands, commitments, events, or uncertainties that will have a material impact on the company's liquidity except as those disclosed in Tax Liabilities and Financial Position and other sections of this report and in SEC Form 17-A previously submitted.

### **B.) Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures**

Other than the Clarification of News Reports submitted to PSE under Disclosure Form 4-13 and SEC Form 17-C dated October 12, 2017 wherein the company clarified its intention of regaining its status as a major telecommunications company, expanding its existing business across the country, and looking for strategic partnerships, the Management has no further knowledge of any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of the funds for such expenditures.

### **C.) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.**

Other than the explanation under item (B) above, the Management has no further knowledge of any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations, and except also as those further disclosed in Results of Operations section of this report and in SEC Form 17-A previously submitted.

### **D.) Any significant elements of income or loss that did not arise from the issuer's continuing operations.**

The Management has no knowledge of any significant elements of income or loss that did not arise from the Company's continuing operations.

### **E.) Any seasonal aspects that had a material effect on the financial condition or results of operations.**

The Management has no knowledge of any seasonal aspect, events or uncertainties that will have a material impact on the Company's financial position or operation except as those disclosed in Financial Position and Results of Operations and other sections of this report and in SEC Form 17-A previously submitted.

### **F.) Whether or not the Company is having or anticipates having within the next 12 months any cash flow or liquidity problem.**

Please refer to Item G.

### **G.) Whether or not the Company is in default or breach of any note, loan, lease, or other indebtedness of financing arrangement requiring it to make payments.**

Please refer to Part II – Other Information.

### **H.) Whether or not a significant amount of the Company's trade payables has not been paid within the stated trade terms**

Please refer to Item G.

**Impact of COVID-19 to the company's operations**

As disclosed to the SEC and PSE last March 13, 2023, PT&T is business as usual despite the community quarantine brought upon by COVID-19. The company ensures continuous and uninterrupted delivery of services to existing and potential clients, despite the circumstances. PT&T has taken additional measures to ensure that all stakeholders –clients, employees, and partners alike– are not exposed to unnecessary or additional risk.

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

The impact of COVID-19 on future performance and therefore on the measurement of some assets and liabilities or on liquidity might be significant and might therefore require disclosure in the financial statements, but management has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

## PART II - OTHER INFORMATION

In accordance with the Rehab Order dated April 1, 2011, PT&T is undertaking the rehabilitation certain details of which are discussed below:

### **A. Conversion to equity of all debts/liabilities not categorized as statutory obligations and DIP financing [item of Order]:**

- (i.) In accordance with the approved Rehabilitation Plan, the liabilities of the Company that are to be settled by way of its conversion to Serial Redeemable Preferred Shares has been lodged as part of non-current liability representing "deposit for subscription". The Company will be implementing the debt-to-equity conversion mandated under the Rehabilitation Plan in several tranches and only after securing the Deeds of Assignment from the creditors. In instances where the amount of liabilities that were recognized in the rehabilitation proceedings are being challenged, the creditor-shareholders may be entertained by the Company for proper reconciliation of the numbers.
- (ii.) Pursuant to the approved Rehabilitation Plan, statutory obligations may be settled out of the proceeds of the sale of the Company's assets. For this purpose, the Rehabilitation Court issued an Order allowing the Company to sell its assets and use the proceeds of the sale to settle the Company's statutory obligations.

### **B. Disclosures and Clarifications submitted to PSE and SEC during the quarterly period covered by this Report.**

In addition to previous disclosures and clarifications made to the PSE and SEC in the 1st quarterly report ending March 31, 2025, the Company submitted the following applicable disclosures and clarifications using the required disclosures forms during the 1st quarter covered by this report:

- (i) *Disclosure under SEC Form 17-C and PSE Disclosure Form 4-31 – Press release – submitted on February 26, 2025*
- (ii) *Disclosure under SEC Form 17-C and PSE Disclosure Form 4-30 – Material Information/Transactions submitted on April 11, 2025.*
- (iii) *Disclosure under SEC Form 17-C and PSE Disclosure Form 4-8 – Change in Directors and/or Officers (Resignation, Removal, Appointment, Election and/or Promotion) submitted on April 11, 2025.*
- (iv) *Disclosure under SEC Form 17-C and PSE Disclosure Form 7-2 – Postponement of Annual Stockholders' Meeting – submitted on April 11, 2025.*
- (v) *Disclosure under SEC Form 17-C and PSE Disclosure Form 4-8 – Change in Directors and/or Officers (Resignation, Removal, Appointment, Election and/or Promotion) submitted on June 13, 2025*
- (vi) *Disclosure under SEC Form 17-C and PSE Disclosure Form 7-1 – Notice of Annual or Special Stockholders' Meeting*
- (vii) *Disclosure under SEC Form 17-C and PSE Disclosure Form 4-8 – Change in Directors and/or Officers (Resignation, Removal, Appointment, Election and/or Promotion) submitted on June 27, 2025*




## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

By:

**PT&T CORP.**  
**Issuer**

  
**KENNETH JOEY H. MACEREN**  
Corporate Secretary

12 August 2025

  
**RAY ANTHONY C. CHAN**  
AVP – Finance, Logistics and Administration

12 August 2025

**PT&T CORP.**  
**INDEX TO FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY SCHEDULES**  
**FOR THE QUARTER ENDED JUNE 30, 2025**

Supplementary Schedules:

Schedule I - Reconciliation of Retained Earnings Available for Declaration\*

Schedule II - Schedule Showing Financial Soundness

Schedule III - A Map Showing the Relationship Between and Among the Company and its Ultimate Parent Company,  
Middle Parent and its co-Subsidiaries

Schedule IV - Supplementary Schedules Required under Annex 68-E

Schedule A: Financial Assets\*

Schedule B: Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other  
than Related Parties) \*

Schedule C: Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial  
Statements\*

Schedule D: Long-term debt

Schedule E: Indebtedness to Related Parties (Long-Term Loans from Related Companies) \*

Schedule F: Guarantees of Securities of Other Issuers\*

Schedule G: Capital Stock

\*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.

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

**As of June 30, 2025**

**PT&T CORP.**

**Spirit of Communications Center, 106 C. Palanca Street, Legaspi Village, Makati City**

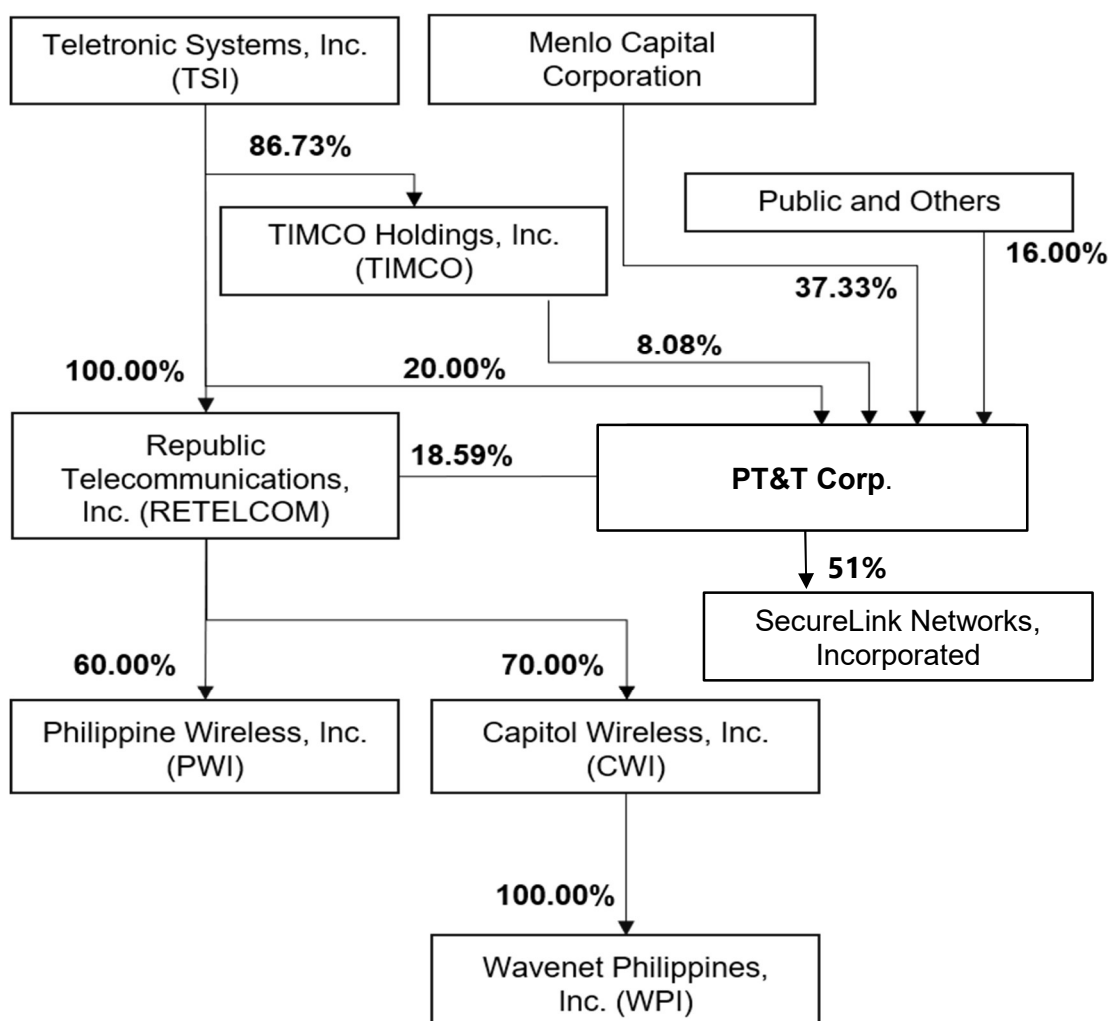
	Amount
Deficit, beginning of reporting period	(P11,646,690,519)
Add: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Retained earnings, as adjusted to available for dividend distribution at beginning of year	(P11,646,690,519)
Net income closed to retained earnings during the year	1,896,652
Movement in deferred tax assets during the year	-
Cash dividends declared	-
Total retained earnings available for dividend declaration at end of year	(P11,644,793,866)

**SCHEDULE II**  
**PT&T CORP.**  
**SCHEDULE SHOWING FINANCIAL SOUNDNESS**  
**PURSUANT TO REVISED SRC RULE 68**

		<b>As at</b>	
<b>Ratio</b>	<b>Formula</b>	<b>2025</b>	<b>2024</b>
<b>Liquidity Ratio:</b>			
Current ratio	Total Current Assets divided by Total Current Liabilities	<b>0.47:1</b>	0.48:1
	<div> <div>Total Current Assets</div> <div>494,785,590</div> </div> <div> <div>Divide by: Total Current Liabilities</div> <div><u>1,047,333,331</u></div> </div> <div> <div>Current ratio</div> <div>0.47</div> </div>		
Quick ratio	Quick Assets ( <i>Cash add Receivables – net</i> ) divided by Total Current Liabilities	<b>0.14:1</b>	0.21:1
	<div> <div>Quick Assets</div> <div>146,154,565</div> </div> <div> <div>Divide by: Total Current Liabilities</div> <div><u>1,047,333,331</u></div> </div> <div> <div>Quick ratio</div> <div>0.14</div> </div>		
<b>Solvency Ratio:</b>			
Debt ratio / Debt-to-asset ratio	Total Liabilities divided by Total Assets	<b>0.95:1</b>	0.96:1
	<div> <div>Total Liabilities</div> <div>1,185,610,461</div> </div> <div> <div>Divide by: Total Assets</div> <div><u>1,249,901,668</u></div> </div> <div> <div>Debt-to-asset ratio</div> <div>0.95</div> </div>		
Debt-to-equity ratio	Total Liabilities divided by Total Equity	<b>18.44:1</b>	24.16:1
	<div> <div>Total Liabilities</div> <div>1,185,610,461</div> </div> <div> <div>Divide by: Total Equity</div> <div><u>64,291,207</u></div> </div> <div> <div>Debt-to-equity ratio</div> <div>18.44</div> </div>		
Asset-to-equity ratio	Total assets divided by Total Equity	<b>19.44:1</b>	25.16:1
	<div> <div>Total Assets</div> <div>1,249,901,668</div> </div> <div> <div>Divide by: Total Equity</div> <div><u>64,291,207</u></div> </div> <div> <div>Asset-to-equity ratio</div> <div>19.44</div> </div>		
<b>Interest Rate Coverage Ratio:</b>	Earnings Before Interest, Taxes and Depreciation and Amortization (EBITDA) divided by Interest Expenses	<b>4.87:1</b>	14.49:1
	<div> <div>EBITDA</div> <div>29,141,032</div> </div> <div> <div>Divide by: Interest Expenses</div> <div><u>5,982,160</u></div> </div> <div> <div>Interest rate coverage ratio</div> <div>4.87</div> </div>		

		As at	
Ratio	Formula	2025	2024
<b>Profitability Ratios:</b>			
Return on assets	<p>Net Loss divided by Average Total Assets (<i>Total Assets as of June 30, 2025 add Total Assets as of June 30, 2024 divided by two</i>)</p> <p>Net Income 1,896,652  Divide by: Average Total Assets <u>1,195,990,132</u>  Return on assets 0.16%</p>	<b>0.16%</b>	0.72%
Return on equity	<p>Net Loss divided by Average Total Equity (<i>Total Equity as of June 30, 2025 add Total Equity as of June 30, 2024 divided by two</i>)</p> <p>Net Income 1,896,652  Divide by: Avg. Total Capital Deficiency <u>54,789,158</u>  Return on equity 3.46%</p>	<b>3.46%</b>	0.17%
Gross profit margin	<p>Gross Profit (<i>Revenues less Cost of Sales</i>) divided by Revenues</p> <p>Gross Profit 225,072,648  Divide by: Revenues <u>260,149,158</u>  Gross profit margin 86.50%</p>	<b>86.50%</b>	76.34%
<b>Activity Ratio:</b>			
Asset turnover	<p>Revenues divided by Average Total Equity (<i>Total Equity as of June 30, 2025 add Total Capital Deficiency as of June 30, 2024 divided by two</i>)</p> <p>Revenues 260,149,158  Divide by: Avg. Total Capital Deficiency <u>54,789,158</u>  Asset turnover 4.75</p>	<b>4.75:1</b>	(5.38):1

**SCHEDULE III**  
**PT&T CORP.**  
**A MAP SHOWING THE RELATIONSHIP**  
**BETWEEN AND AMONG**  
**THE COMPANY AND ITS ULTIMATE PARENT COMPANY,**  
**MIDDLE PARENT AND ITS CO-SUBSIDIARIES**  
**PURSUANT TO REVISED SRC RULE 68**  
**As at June 30, 2025**



**SCHEDULE IV**  
**PT&T CORP.**  
**SCHEDULE A**  
**FINANCIAL ASSETS**  
**JUNE 30, 2025**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued
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**NOT APPLICABLE**

**PT&T CORP.  
SCHEDULE B  
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL  
STOCKHOLDERS (OTHER THAN RELATED PARTIES)  
JUNE 30, 2025**

<b>Name and Designation of debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amounts collected</b>	<b>Amounts written off</b>	<b>Current</b>	<b>Not Current</b>	<b>Balance at end of period</b>
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**NOT APPLICABLE**



**PT&T CORP.**  
**SCHEDULE C**  
**AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED**  
**DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

<b>NOT APPLICABLE</b>
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**PT&T CORP.**  
**SCHEDULE D**  
**LONG-TERM DEBT**  
**JUNE 30, 2025**

Name of issuer and type of obligation	Total Outstanding Balance	Amount shown under caption "Current portion of long-term debt"	Amount shown caption "Long-term Debt"
<i>Car Loans:</i> Philippine Savings Bank	-	-	-

**PT&T CORP.**  
**SCHEDULE E**  
**INDEBTEDNESS TO RELATED PARTIES (LONG - TERM LOANS FROM RELATED COMPANIES)**  
**JUNE 30, 2025**

Name of the Related Party	Balance at beginning of period	Balance at end of period
None	-	-

**PT&T CORP.**  
**SCHEDULE F**  
**GUARANTEES OF SECURITIES OF OTHER ISSUERS**  
**JUNE 30, 2025**

Name of the issuing entity of securities guaranteed by the company for which the statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is lifted	Nature of guarantee
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<b>NOT APPLICABLE</b>
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**PT&T CORP.  
SCHEDULE G  
CAPITAL STOCK  
JUNE 30, 2025**

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