

# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

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

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

**COMPANY INFORMATION**

Company's Email Address	Company's Telephone Number	Mobile Number
legal@ptt.com.ph	(02) 8815-996	0917 893 8601
No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
3,644	Last Friday of June	December 31

**CONTACT PERSON INFORMATION**The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Kenneth Maceren	kjmaceren@ptt.com.ph	(02) 8815-996	0917 893 8601

**CONTACT PERSON'S ADDRESS**

6 <sup>th</sup> Floor SCC Bldg. 106 Carlos Palanca St., Legaspi Village, Makati City
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**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

SEC Number 21817  
FILE Number \_\_\_\_



**PT&T CORP.**  
**Formerly Philippine Telegraph and Telephone Corporation**  
(Company's Full Name)

**Spirit of Communications Centre,**  
**106 C. Palanca Jr. St., Legaspi Village, Makati City**  
(Company's Address)

**(632) 8815-9961**  
(Telephone Number)

**December 31**  
(Calendar Year Ending)  
(month & day)

**Form 17-A**  
Form Type

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

**December 31, 2025**  
Period Ended Date

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

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

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

1. For the calendar year ended **December 31, 2025**
2. SEC Identification Number **21817**
3. BIR Tax Identification No. **000-530-631**
4. **PT&T CORP.**  
Exact name of issuer as specified in its charter:
5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **Spirit of Communication Centre Building,  
106 Carlos Palanca Jr. St., Legaspi Village, Makati City** **1229**  
Address of principal office Postal Code
8. **(632) 8815-9961 to 65**  
Issuer's telephone number, including area code
9. **Philippine Telegraph and Telephone Corporation**  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of each class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common stock	PhP1.00 par value 1,500,000,000 shares

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

12. Indicate by check mark whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and the SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

Yes  No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes  No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

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

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

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes  No

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

### Item 1. Business

#### Overview

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

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 (Rehab Plan) (see Note 14).

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

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

##### *Legislative Franchise*

On June 20, 1964, the Company was granted a 25-year national legislative franchise under Republic Act (RA) No. 4161, as amended by RA Nos. 5048, 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 November 15, 1990, the Company was granted an extension of its franchise for another 25 years under RA No. 6970, *An Act Extending the Franchise Granted to the Philippine Telegraph & Telephone Corporation 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 by RA No. 5048, to Another Twenty-Five (25) Years from Date of Effectivity of this Act.*

On July 21, 2016, the Company was granted 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's voting shares 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). It must be emphasized that the said inquiry was made last 2018 or during the term of the 17<sup>th</sup> Congress. Considering the lapse of a considerable period from the time the said inquiry was concluded and the fact that the term of 17<sup>th</sup> Congress ended last June 2019, the said inquiry can be considered as having been terminated without any finding of irregularity on the part of the Company. This is further supported by the fact that the said inquiry was neither revived nor pursued during the 18<sup>th</sup> and 19<sup>th</sup> Congress and even during the current 20<sup>th</sup> Congress.

Moreover, the enactment of Republic Act No. 12234 or the Konektadong Pinoy Act removed the requirement of having a congressional franchise to operate and establish a telecommunications network. This legislative development effectively mitigates any uncertainty arising from the congressional inquiry and, at the same time, expands opportunities in data transmission services, thereby enhancing the Company's operational resilience and reinforcing its long viability.

Considering all these factors and the applicable laws involved in the inquiry, the management, in consultation with its legal counsel, has assessed that this matter will not have an impact on the Company's operations.

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

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

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

On January 16, 2026, the NTC issued an Order approving the Company's application, to upgrade its existing CPCNs. The Company's application, for additional service areas to complement the Company's plan of nationwide network rollout is still pending with the NTC, as at the date of the approval of these financial statements.

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

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

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

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

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

The trading of the Company's share with PSE remains suspended in view of the ongoing Corp Rehab and the pending appeal with the Supreme Court (SC) involving the validity of the Company's Corp Rehab Plan.

#### **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 Rehab Plan. On December 4, 2017, the RETELCOM Group filed a Petition for Review before the (SC). The result of the said review, however, is still pending with the SC at the date of these financial statements.

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

On November 3, 2023, the SEC approved the Company's increase in authorized capital stock to accommodate the debt-to-equity conversion of deposits for future stock subscriptions amounting to ₱8,709.6 million in accordance with the Rehab Plan and partially settled its statutory obligations, salaries, wages and other employee benefits out of its escrow accounts as at December 31, 2025 and 2024.

Under the Corp Rehab Plan, however, the Company still has to request for a temporary exemptive relief from the SEC under the Securities Regulation Code (SRC) Rule 72.2, and the PSE to lift the suspension of the trading of the Company's common shares, without any sanctions or penalties, and for the Company to comply with all the applicable rules and regulations of the SEC and PSE so that the trading of all the

authorized shares of the Company shall not in any way be suspended or restricted except as provided by law. Moreover, the Company has to enroll and list all its authorized redeemable shares as freely "tradable" shares with PSE.

In the meantime, the Company is directed under the Corp Rehab Plan to sell any of its assets and use the proceeds to settle its liabilities classified as statutory obligation including unpaid wages and other benefits due to its employees. All unpaid obligations to claimants covered by the Corp Rehab Plan are subject to legal interest of 6% from the approval of the Corp Rehab Plan until full payment.

The 14-year rehabilitation period commenced from the approval of Corp Rehab Plan last April 1, 2011. The Company remains under Corp Rehab until it has either fully complied with all rehabilitation orders or obtained a formal order of termination from the Rehabilitation Court. On April 7, 2026, the Company filed a motion before the Rehabilitation Court to amend its Corp Rehabilitation Plan. Under the proposed amendment to the Corp Rehab Plan, the Company will sell its non-operating assets with an estimated value of ₱528.1 million and apply the proceeds thereof to settle its outstanding obligations amounting to ₱9.1 billion.

#### **Status of Operations**

The Company has incurred a deficit of ₱11,592.2 million and ₱11,646.7 million as at December 31, 2025 and 2024, respectively, because of significant operating losses incurred in prior years. The Company had been under Corp Rehab. The 14-year rehabilitation period from the approval of Corp Rehab Plan ended on April 1, 2025. These factors indicate material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern.

As at December 31, 2025 and 2024, the Company sustained a positive equity of ₱149.8 million and ₱62.4 million respectively, arising mainly from a debt-to-equity conversion in 2023. The Company has partially settled its statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2025 and 2024.

To further improve its financial position, sustain operations after the end of its Corp Rehab period, the Company is expanding its digital infrastructure network and diversified 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 to expand customer base.

On January 16, 2026, the NTC issued an Order approving the Company's application to upgrade its existing CPCNs. The Company's application for additional service areas to complement the Company's plan of nationwide network roll-out is still pending with the NTC as at reporting date.

The Company also engaged the services of one of the world's largest financial advisory group to raise the necessary funds for the network expansion and roll-out.

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

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

Under the JV agreement, the Company will own 51% equity ownership of the joint venture in exchange for service, property and other operating expenses during the operational transition period equivalent to ₱13.6 million or USD 242,000. Netlinkz Global Services (Aust & NZ) PTY Limited, on the other hand, will own 49% equity ownership for a cash consideration of ₱13.1 million or USD 233,000. In 2025, the Company made noncash capital contribution included as part of "Due from related parties" as at December 31, 2025, pending valuation of services rendered and SEC approval as at reporting date.

On December 12, 2025, the Company executed a Deed of Assignment to transfer 293,854 shares representing 1.1% equity interest held in SecureLink to Netlinkz. As a result of the assignment, PT&T's ownership interest in SecureLink decreased to 49.9%, while Netlinkz ownership interest increased to 50.1%. This strategically realigns the equity structure of SecureLink by allowing Netlinkz to assume majority ownership. This realignment is expected to facilitate growth initiatives, enhance technology partnerships, and strengthen SecureLink's positioning in the cybersecurity and digital infrastructure sectors while allowing PT&T to retain a significant minority interest.

SecureLink is engaged in the provisioning of enterprise-grade cybersecurity solutions and managed connectivity services to Philippine enterprises. This joint venture will serve as the Philippines' hub for Netlinkz' cutting-edge products, featuring the advanced Virtual Secured Network Plus (VSN+). Additionally, it will leverage on the availability of broadband connectivity provided by smaller, portable and mobile satellite dishes offering broadband internet to previously inaccessible regions. Through this partnership, enterprises throughout the country, particularly in areas historically underserved by traditional fibre internet providers, will gain access to this high-speed, low-latency connectivity with enterprise grade network security. The Company will offer Starlink services which include, 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. SecureLink secured a Value-Added Service License (VAS License) from the NTC on June 26, 2025 and is valid until June 25, 2030.

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

The financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issue by the BOD on April 8, 2026, as approved and endorsed by the Audit Committee, on the same date.

## **Item 2. Properties**

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

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

The Company's real property as of December 31, 2025, are as follows:

	<b>Property Location</b>	<b>Address</b>	<b>Lot Area</b>
1	SCC Bldg. Carlos Palanca, Makati	106 SCC Bldg., C. Palanca Street, Legaspi Village, Makati City	858 sqm lot with 7-storey bldg.
2	Cavinti, Laguna	Caliraya	3,725 sqm
3	Tuba, Benguet	Mountain of Sto Tomas, Tuba, Benguet	2,000 sqm
4	Sta. Cruz, Laguna	Lot 1568 - A Bagumbayan, Sta. Cruz, Laguna	1,839 sqm
5	Calauan, Laguna	Kaunlaran Road, Calauan, Laguna	972 sqm
6	Carmen, North Cotabato	North Cotabato	949 sqm
7	Tacloban City, Anibong Dist	Lot 1713, Barrio of San Jose, City of Tacloban, Leyte	400 sqm

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

The Company's property, plant and equipment are pooled under a mortgage trust indenture (the MTI) which is managed by the MTI Trustee, Export Industry Bank – Trust as successor of Philippine National Bank – Trust Group. Mortgage participation certificates are given by the MTI Trustee to secured creditors principally as security for their long-term loans to the Company, representing their respective pro-rata interest over the collateral pool.

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

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

### **C. Lease Agreements**

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

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

## **Item 3. Legal Proceedings**

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

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

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

On October 20, 2020, the company filed a Petition for Review with the Supreme Court to assail the Decision and Resolution of the Court of Appeals. The NTC likewise filed its own Petition for Review with the Supreme Court. On April 7, 2025, the Supreme Court issued a Resolution dismissing the Company's Petition for Review. The Company filed a Motion for Reconsideration last September 12, 2025, and the same is currently pending with the Supreme Court.

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

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

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

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

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

##### 1. Market Information

Out of the current 1,500,000,000 common stocks of the company, 800,000,000 thereof are listed with the PSE. However, the trading of the listed stocks is currently suspended as a result of the Company's request for voluntary suspension of trading last December 10, 2004. The request of the Company to suspend the trading of its stocks was approved by the PSE last December 13, 2005.

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

##### 2. Holders

###### Common Stocks

The number of voting and common shareholders of record as of December 31, 2025, is 3,644.

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

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

###### Preferred Stocks

The number of shareholders of Serial Cumulative Convertible Redeemable Stock (Preferred 1) as of December 31, 2025 are as follows:

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

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

The Top 20 shareholders of Series "A" Serial Redeemable Preferred Stock (Series A) as of December 31, 2025 are as follows:

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

The Top 20 shareholders of Series "B" Serial Redeemable Preferred Stock (Series B) as of December 31, 2025 are as follows:

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

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

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

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

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

### 3. Dividends

The Company has not declared any dividends for its common equity in the last two (2) fiscal years. The Company is not in a position to declare dividends due to its accumulated deficits amounting to ₱11,592,207,438 as of December 31, 2025. Moreover, the Company is undergoing rehabilitation and should first settle its obligations before it can declare any dividends to its stockholders.

### 4. Recent Sales of Unregistered Securities

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

## B. Description of Registrant's Securities

### Capital stock

The Company's authorized capital stock as of December 31, 2025, is ₱12,600,000,000.00 broken down as follows:

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

The Company's issued and subscribed capital stock as of December 31, 2025, consists of

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

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

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

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

Preferred 1 shares rights and features are as follows:

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

#### Preferred 2 (Serial and Redeemable)

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

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

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

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

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

### A. Management Discussion and Analysis

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and the related notes as at December 31, 2025 and 2024 included elsewhere in this Annual Report. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements.

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

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

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

	Audited	Audited	Audited	Audited	Audited
	One-year period	One-year period	One-year period	One-year period	One-year period
	December 31,	December 31,	December 31,	December 31,	December 31,
(in '000 Philippine pesos)	2025	2024	2023	2022	2021
<b>REVENUES</b>	431,177	536,284	528,711	542,271	497,405
<b>OTHER INCOME</b>	14,047	7,925	88,670	41,606	23,343
	<b>445,224</b>	<b>544,219</b>	<b>617,381</b>	<b>583,877</b>	<b>520,748</b>
Core expenses					
SG&A	314,120	326,614	385,694	364,003	321,629
Leased channel	9,652	12,301	12,197	11,007	7,674
Cost of sales	52,516	121,659	81,819	99,865	92,513
<b>CORE EXPENSES</b>	<b>376,288</b>	<b>460,574</b>	<b>479,710</b>	<b>474,875</b>	<b>421,816</b>
<b>CORE EBITDA</b>	<b>68,936</b>	<b>83,645</b>	<b>137,671</b>	<b>109,002</b>	<b>98,933</b>
<b>CORE EBITDA %</b>	<b>15%</b>	<b>15.37%</b>	<b>22.30%</b>	<b>18.67%</b>	<b>19.00%</b>
Depreciation and amortization	30,011	37,089	69,390	76,048	73,202
Interest expense	4,389	7,355	4,876	4,360	4,908
<b>CORE EARNINGS</b>	<b>34,536</b>	<b>39,201</b>	<b>63,800</b>	<b>28,594</b>	<b>20,823</b>
Non-core charges					
Penalties and fines	-	170	394	-	41
Non-core expense	-	-	21,476	9,500	9,402
Rehab interest expense	15,465	18,211	34,023	33,342	35,134
Non-core income	(42,192)	-	-	-	-
<b>NON-CORE CHARGES</b>	<b>26,727</b>	<b>18,380</b>	<b>55,894</b>	<b>42,842</b>	<b>44,577</b>
<b>TOTAL EARNINGS (LOSSES)</b>	<b>61,263</b>	<b>20,820</b>	<b>7,907</b>	<b>(14,248)</b>	<b>(23,754)</b>
Income tax expense/benefit	6,779	2,543	-	-	(969)
<b>NET INCOME (LOSS)</b>	<b>54,483</b>	<b>18,277</b>	<b>7,907</b>	<b>(14,248)</b>	<b>(22,785)</b>

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

(in '000 Philippine pesos)	December 31, 2025				December 31, 2024				December 31, 2023			
	Broadband Services	IT Services	Others		Broadband Services	IT Services	Others		Broadband Services	IT Services	Others	
<b>REVENUES<sup>1</sup></b>	425,076	6,101	-	431,177	432,405	103,889	-	536,294	461,409	67,302	-	528,711
<b>OTHER INCOME</b>	-	-	14,047	14,047	-	-	7,925	7,925	-	-	88,670	88,670
	425,076	6,101	14,047	445,224	432,405	103,889	7,925	544,219	461,409	67,302	88,670	617,381
<b>Core expenses</b>												
SG&A	314,120	-	-	314,120	300,411	26,203	-	326,614	350,054	35,245	394	385,054
Leased channel <sup>2</sup>	9,652	-	-	9,652	12,301	-	-	12,301	12,197	-	-	12,197
Cost of sales	48,322	4,194	-	52,516	46,837	74,822	-	121,659	45,741	59,245	-	81,819
<b>CORE EXPENSES</b>	372,094	4,194	-	376,288	359,549	101,025	-	460,574	407,647	71,323	394	479,710
<b>CORE EBITDA<sup>1</sup></b>	52,982	1,907	14,047	68,936	72,856	2,864	7,925	83,645	53,416	(4,021)	88,276	137,671
<b>CORE EBITDA %</b>	12%	31%	100.0%	15%	16.85%	2.76%	100.0%	15.37%	11.58%	-5.97%	99.56%	22.30%
Depreciation	30,012	-	-	30,011	35,594	1,495	-	37,089	67,910	1,481	-	69,391
Interest expense	4,389	-	-	4,389	7,355	-	-	7,355	3,507	1,369	-	4,876
<b>CORE EARNINGS</b>	18,581	1,907	14,047	34,535	29,907	1,369	7,925	39,201	(18,001)	(6,871)	88,276	63,404
<b>Non-core charges</b>												
Penalties and fines	-	-	-	-	-	-	170	170	-	-	-	-
Non-core expense	-	-	-	-	-	-	-	-	-	-	21,476	21,476
Rehab interest expense	15,465	-	-	15,465	-	-	18,211	18,211	-	-	34,023	34,023
Non-core income	-42,192	-	-	-42,192	-	-	-	-	-	-	-	-
<b>NON-CORE CHARGES</b>	-26,727	-	-	-26,727	-	-	18,381	18,381	-	-	55,499	55,499
<b>TOTAL EARNINGS (LOSSES)</b>	45,308	1,907	14,047	61,283	29,907	1,369	(10,456)	20,820	(18,001)	(6,871)	32,777	7,907
Income tax expense	6,779	-	-	6,779	2,543	-	-	2,543	-	-	-	-
<b>NET INCOME (LOSS)</b>	38,529	1,907	14,047	54,483	27,364	1,369	(10,456)	18,277	(18,001)	(6,871)	32,777	7,907

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

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

<b>Results of Operations (in '000 Philippine pesos)</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>REVENUES</b>	431,177	536,294	528,711
<b>OTHER INCOME</b>	14,047	7,925	88,670
	445,224	544,219	617,381
<b>Core expenses</b>			
Selling, general and administrative expenses	314,120	326,614	385,054
Leased channel and interconnect cost	9,652	12,301	12,197
Cost of sales	52,516	121,659	81,819
<b>CORE EXPENSES</b>	376,288	460,574	479,710
<b>CORE EBITDA</b>	68,936	83,645	137,671
<b>CORE EBITDA %</b>	15%	15.37%	22.30%
Depreciation and amortization	30,011	37,089	69,391
Interest expense	4,389	7,355	4,876
<b>CORE EARNINGS</b>	34,536	39,201	63,404
Non-core charges			
Penalties and fines	-	170	-
Non-core expense	-	-	21,476
Rehab interest expense	15,465	18,211	34,023
Non-core income	-42,192	-	-
<b>NON-CORE CHARGES</b>	-26,727	18,381	55,499
<b>TOTAL EARNINGS (LOSSES)</b>	61,263	20,820	7,907
Income tax expense/benefit	6,779	2,543	-
<b>NET INCOME (LOSS)</b>	54,483	18,277	7,907

#### *Revenue*

For the year ended December 31, 2025, the Company's operating revenues is ₱431.1 million compared to ₱536.2 million and ₱542.2 million in 2024 and 2023, respectively. Fixed broadband business is still the main revenue stream of the Company, contributing 96% or ₱431.1 million.

Additionally, IT Services was able to generate an additional ₱6.1M in revenues. IT Services is expected to provide new opportunities for the Company in the coming years.

#### *Cost and expenses*

For the year ended December 31, 2025, personnel related expenses amounted to ₱118.5 million. In 2025, personnel related expenses decreased to ₱118.5 million from ₱228.7 million in 2024, mainly driven by lower headcount. The number of personnel decreased from 248 at the start of the year to 176 at year-end.

Premises-related expenses decreased to ₱15.6 million in 2025 from ₱25.7 million in 2024 and ₱25.4 million in 2023. In 2024, other selling, general and administrative expenses amounted to ₱60.1 million, lower than the previous year at ₱97.8 million since the Company has invested in software to streamline its processes in the last 2 years. The Company's upstream connections and international connectivity decreased to ₱9.6 million from ₱12.3 million in 2024. Lastly, cost of sales contributed ₱52.5 million in core expenses, indicating more product offerings provided by the Company to its growing customer base.

#### *Profitability Performance*

Over the past three years, the Company has produced core EBITDA during the years 2025, 2024 and 2023 in the respective amounts of ₱68.9 million, ₱83.6 million and ₱138.1 million. The Company posted ₱18.2 million net income for the year ended December 31, 2024, compared to net loss of ₱7.9 million in 2023.

<b>Financial Condition</b> <b>(in '000 Philippine pesos)</b>	<b>December 31, 2025</b>	December 31, 2024	December 31, 2023
Current assets	<b>564,983</b>	444,778	383,639
Non-current assets	<b>801,627</b>	733,109	730,018
<b>ASSETS</b>	<b>1,366,610</b>	1,177,887	1,113,657
Current liabilities	<b>1,064,843</b>	980,583	951,017
Non-current liabilities	<b>151,987</b>	134,910	125,289
<b>LIABILITIES</b>	<b>1,216,830</b>	1,115,493	1,076,307
Share capital	<b>11,556,310</b>	11,556,310	11,556,310
Retained deficit	<b>(11,592,207)</b>	(11,646,690)	(11,664,968)
Other equity items	<b>185,678</b>	152,775	146,008
<b>EQUITY</b>	<b>149,780</b>	62,394	37,350
<b>LIABILITIES AND EQUITY</b>	<b>1,366,610</b>	1,177,887	1,113,657

The Company's total assets amounted to ₱1,366.6 million as of December 31, 2025, compared to ₱1,177.8 million and ₱1,113.6 million as of December 31, 2024, and December 31, 2023, respectively. The increase in assets is driven by an increase in working capital from growth in fixed broadband operations and IT Services business, and investments in fixed and plant assets to support the expansion of the Company's business.

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

## **B. Plan of Operation**

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

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

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

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

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

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

Our connectivity strategic focal points are:

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

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

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

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

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

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

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

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

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

As of December 31, 2025, the Company has a total of 176 employees and the Company projects that the said number will increase to 202 by the end of 2026.

### C. Key Performance Indicators

<b>Key Performance Indicators</b>	<b>Full year ended December 31, 2025</b>	<b>Full year ended December 31, 2024</b>	<b>Full year ended December 31, 2023</b>
Net income (loss)	54,483,084	18,277,240	7,906,864
Core EBITDA	68,936,498	83,644,526	138,066,593 <sup>1</sup>
Core EBITDA %	15.48%	15.37%	22.36%
Operating Revenue Growth	-19.60%	1.43%	-2.50%
Operating Revenue	431,177,409	536,294,026	528,712,081
Number of Active Circuits	1,678	1,780	1,920
ARPU (in ₱)	23,391	22,708	19,928
Recurring Revenue (in ₱)	472,123,300	476,669,910	459,135,897

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

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

#### Net income

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

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

#### Core EBITDA and Core EBITDA Margin

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

The company maintained a positive Core EBITDA throughout the reporting period, reflecting impact on operational efficiency. While the Core EBITDA declined in absolute terms from 2023 to 2025, the Core EBITDA margin remained stable between 2024 and 2025, indicating consistent operational management despite fluctuations in total operating revenue.

#### Operating Revenue Growth

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

The Company's revenue trajectory reflects a transition from post-pandemic recovery to a period of strategic consolidation. In 2023, the company achieved an operating revenue of ₱528.7M supported by a significant 22.36% growth. This was largely driven by increased demand as society transitioned back to normalcy following pandemic-related restrictions. In 2024, revenue grew slightly to ₱536.2M representing a modest growth of 1.43%. In 2025, the company reported a decrease in operating revenue to ₱431.1M, resulting in a growth rate of -19.6%.

#### Number of billable/active circuits

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

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

#### Average revenue per unit (ARPU)

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

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

**Item 7. Financial Statements**

The Audited Financial Statements for the year ended December 31, 2025, are attached for reference.

**Item 8. Information on Independent Auditors and Other Related Matters****Independent Auditors' Fees and Services**

The external auditor of the Company is the audit firm of Reyes Tacandong & Co. (RT & Co.). The Board appointed RT & Co, as the Company's independent auditor for 2025 in the meeting conducted last June 27, 2025. The appointment of RT & Co. as the Company's independent auditor was approved by the stockholders in the stockholders meeting conducted last September 26, 2025.

The company paid ₱1,045,000 for the audit of the financial statements for full year ending December 31, 2024. In the same manner, the company accrued ₱1,241,076 for its December 31, 2025, calendar year audit.

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

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

## PART III - CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers

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

As of December 31, 2025, the name, age, citizenship and period of service of each of the current directors, including independent directors, of PT&T, are as follows:

Name of Director	Age	Citizenship	Period of service
Roberto B. Ortiz	73	Filipino	July 30, 2018 to present
James G. Velasquez	60	Filipino	March 1, 2018 to present
Salvador B. Zamora II	79	Filipino	August 10, 2017 to present
Bryan Joseph P. Santiago	52	Filipino	Since November 29, 2022 to present
Ma. Cristina Z. Borra	51	Filipino	Since September 25, 2020 to present
Richard Alan P. Santiago	57	Filipino	Since November 29, 2022 to present
Bienvenido S. Santos	68	Filipino	Since June 28, 2019 to present
Serafin C. Ledesma, Jr.	84	Filipino	Since July 30, 2018 to present
Carlos Andres V. Reyes	50	Filipino	Since September 25, 2020 to present
Elmer B. Serrano	58	Filipino	Since November 29, 2022 to present
Kristine B. Cuenca	39	Filipino	Since September 27, 2024 to present

As of December 31, 2025, the name, age, position, citizenship and period of service of the executive officers of PT&T are as follows:

Name of Officer	Position	Age	Citizenship	Period Served
Jeffrey E. Julian	Acting President and Chief Technical Officer	59	Filipino	Since February 15, 2026 (as Acting President) Since June 1, 2019 (as CTO)
Kristine B. Cuenca	Treasurer	39	Filipino	Since April 11, 2025
Anthony Gil G. Jose	VP - IT Services	49	Filipino	Since May 2, 2022
Ray Anthony C. Chan	AVP – Finance, Log & Admin and Compliance Officer	30	Filipino	Since December 2, 2024(as AVP- Finance, Log. & Admin.) Since June 27, 2025 (as Compliance Officer)
Jan Michael S.D. Gillesenia	Corporate Information Officer	43	Filipino	Since June 27, 2025
Kenneth Joey H. Maceren	AVP- CAG, Corporate Secretary	45	Filipino	Since February 1, 2018
Kyra Kae B. Diola	Asst. Corporate Secretary	32	Filipino	Since February 27, 2023

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

#### **James G. Velasquez** Chairman of the Board

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

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

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

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

**Roberto B. Ortiz**

Independent Director

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

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

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

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

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

**Salvador B. Zamora II**

Director

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

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

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

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

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

**Ma. Cristina Z. Borra**

Director

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

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

**Bryan Joseph P. Santiago**

Director

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

**Richard Alan P. Santiago**

Director

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

**Bienvenido S. Santos**

Independent Director

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

**Serafin C. Ledesma, Jr**

Independent Director

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

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

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

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

**Carlos Andres V. Reyes**

Independent Director

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

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

**Elmer B. Serrano**

Independent Director

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

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

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

**Kristine B. Cuenca**

Director

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

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

**Jeffrey E. Julian**

Acting President and VP -Chief Technical Officer

Mr. Jeffrey "Jep" Julian has been serving as PT&T Corp.'s Acting President since February 2026 and Vice President – Chief Technical Officer since June 2019. He is a seasoned telecommunications professional with over 24 years of industry experience across local and international markets. Since joining PT&T in 2019, he has led the company's technical operations with a focus on driving innovation, efficiency, and end-to-end project delivery.

His extensive background includes leadership roles such as Project Management Office Head, Project Director, Senior Telecom Consultant, and National Project Head for global telecom giants including Huawei, Ericsson, Fiber home, Nextel, Sun Cellular and Dimension Data. He also delivered critical infrastructure projects for clients such as Afghan Telecom, Ethiopian Telecommunications Corporation, and the Saudi Telecom Company.

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

**Anthony Gil G. Jose**

VP - IT Services

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

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

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

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

**Ray Anthony C. Chan**

AVP – Finance, Logistics and Administration and Compliance Officer

Mr. Chan has been serving as PT&T Corp's Assistant Vice President – Finance, Logistics & Administration Head since December 2024. He is a seasoned finance professional and Certified Public Accountant with over eight years of experience in finance, accounting, and audit across publicly listed and capital-intensive industries.

With strong credentials in both financial reporting and strategic advisory, he has established a solid track record in enhancing internal controls, driving process improvement, and leading compliance initiatives in highly regulated environments.

Prior to joining PT&T, Mr. Chan held various finance roles at Manila Water Co., Inc., including Accounts Payable Head and Project Accounting and Comptrollership Head. He led key initiatives in accounts payable, capital expenditures and regulatory compliance. He began his career as an auditor at SGV & Co., handling audit engagements for clients in the banking and capital markets sector.

Mr. Chan holds a Master of Science in Finance from the University of the Philippines and a Bachelor of Science in Accountancy from the University of Santo Tomas.

**Jan Michael Gillesenia**

Corporate Information Officer

Mr. Gillesenia is the Head of Sales & Marketing of PT&T, leading integrated Sales, Marketing, Product Management, and Product Development across enterprise, SME, and wholesale segments, having joined in March 2023 and assumed his current role in April 2025. He brings over 20 years of experience in telecommunications, technology, and consumer industries, with a strong track record in revenue growth, go-to-market transformation, and organizational leadership.

Prior to PT&T, he held leadership roles at Stanley Black & Decker Philippines, Concepcion-Carrier Air Conditioning Company, SKY Cable, LG Electronics Philippines, and Gakken Philippines.

Mr. Gillesenia holds a Bachelor of Arts in Organizational Communication from University of the Philippines Manila with certifications in digital marketing and platform management.

**Kenneth Joey H. Maceren**

Corporate Secretary

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

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

**Kyra Kae B. Diola**

Assistant Corporate Secretary

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

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

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

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

**B. Significant Employees**

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

**C. Family Relationship**

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

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

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

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

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

**Item 10. Executive Compensation**

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

<b>Name of Executive Officer</b>	<b>Position</b>
James G. Velasquez	Former President and Chairman of the Board
Angel S. Mercado	Acting President and Chief Revenue Officer
Concepcion D.S. Roxas	Chief People & Culture Officer

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

	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other Annual Compensation Income</b>
CEO and three (4) compensated officers.	2026 Projected	10,464,113	none	680,444
CEO and four (4) compensated officers.	2025 Actual	15,966,431	none	2,155,460
	2024 Actual	23,914,404	none	2,383,667
All other officers and directors as a group unnamed	2026 Projected	-	none	-
	2025 Actual	5,801,250	none	399,984
	2024 Actual	12,040,099	none	659,109

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

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

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

### B. Security Ownership of Management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

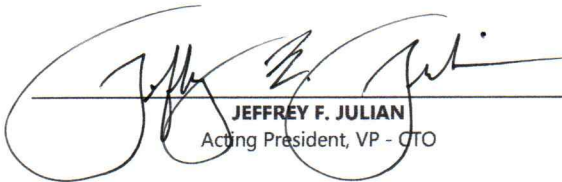
#### **Item 14. Exhibits and Reports on SEC Form 17-C.**

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

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati, Metro Manila, Philippines on **APR 15 2026** 2026.

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

  
**JEFFREY F. JULIAN**  
 Acting President, VP - CTO

  
**KRISTINE B. CUENCA**  
 Treasurer

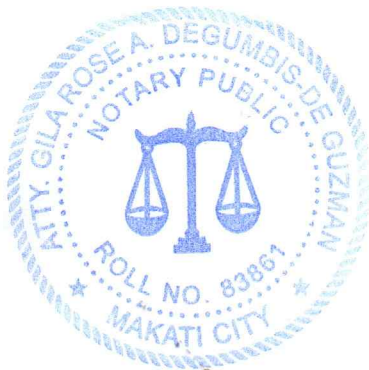
  
**KENNETH JOEY H. MACEREN**  
 Corporate Secretary

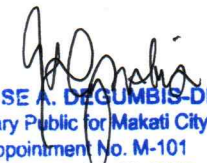
**SUBSCRIBED AND SWORN** to before me this 15 day of APR 2026 affiant(s) exhibiting to me his/their government issued ID's, as follows:

NAMES	TAX IDENTIFICATION NO.
Jeffrey F. Julian	911-382-404-000
Kristine B. Cuenca	739-724-810-000

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

**Notary Public**  
 Doc No: 94  
 Page No: 20  
 Book No: IV  
 Series of: 2024



  
**ATTY. GILAROSE A. DEGUMBIS-DE GUZMAN**  
 Notary Public for Makati City  
 Appointment No. M-101  
 Until December 31, 2027  
 Roll No. 83861/6-14-2022  
 PTR No. 10773821/01-07-26/Makati City  
 1BP No. 557355/11-03-2025/Pasig City  
 MCLE Compliance No. VIII-0004097 valid until 04-14-2008

## Gigi Juan

---

**From:** Gigi Juan  
**Sent:** Wednesday, 15 April 2026 8:06 pm  
**To:** Gigi Juan  
**Subject:** FW: Your BIR AFS eSubmission uploads were received

---

**From:** [eafs@bir.gov.ph](mailto:eafs@bir.gov.ph) <[eafs@bir.gov.ph](mailto:eafs@bir.gov.ph)>  
**Sent:** Wednesday, 15 April 2026 7:53 pm  
**To:** Finance - Accounting <[accounting@ptt.com.ph](mailto:accounting@ptt.com.ph)>  
**Cc:** Concepcion Roxas <[concepcion.roxas@ptt.com.ph](mailto:concepcion.roxas@ptt.com.ph)>  
**Subject:** Your BIR AFS eSubmission uploads were received

**Caution:** This is an external email and may be malicious. Please take care when clicking links or opening attachments. Kindly contact [itsupport@ptt.com.ph](mailto:itsupport@ptt.com.ph) if any assistance is needed.

Hi PT&T CORP.,

### Valid files

- EAFS000530631ITRTY122025.pdf
- EAFS000530631AFSTY122025.pdf
- EAFS000530631TCRTY122025-02.pdf
- EAFS000530631TCRTY122025-03.pdf
- EAFS000530631TCRTY122025-01.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-NPTWRSN206J59ABCMZTZZ3NS0AJJJ7D6**  
Submission Date/Time: **Apr 15, 2026 07:53 PM**  
Company TIN: **000-530-631**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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

The Management of **PT&T Corp.** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2025, and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

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

**JAMES G. VELASQUEZ**  
 Chairman of the Board

**JEFFREY F. JULIAN**  
 Acting President/Chief Technical Officer

**KRISTINE B. CUENCA**  
 Treasurer

Signed this 15 day of April 2026.

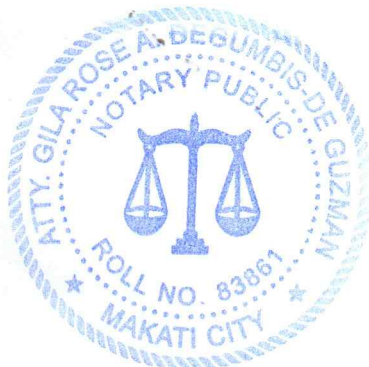
**APR 15 2026**

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_ 2026 affiants exhibiting to me their government issued IDs, as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
James G. Velasquez	P7618208B	September 16, 2021	Manila

NAMES	TIN	PLACE ISSUE
Jeffrey F. Julian	TIN 911-382-404-000	Manila
Kristine B. Cuenca	TIN 739-724-810-000	Manila

**NOTARY PUBLIC**  
 Doc No : 96  
 Page No : 21  
 Book No : 11  
 Series of : 2026



**ATTY. GILA ROSE A. DEGUMBIS-DE GUZMAN**  
 Notary Public for Makati City  
 Appointment No. M-101  
 Until December 31, 2027  
 Roll No. 83861/6-14-2022  
 PTR No. 10773821/01-07-26/Makati City  
 IBP No. 557355/11-03-2025/Pasig City  
 MCLE Compliance No. VIII-0004097 valid until 04-14-2008



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

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

We have audited the accompanying financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (the Company) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, on which we have rendered our report dated April 8, 2026.

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

**REYES TACANDONG & Co.**

*Ma. Roselyn B. Balane*

MA. ROSELYN B. BALANE

Partner

CPA Certificate No. 133328

Tax Identification No. 402-406-197-000

BOA Accreditation No. 4782/P-023; Valid until June 6, 2026

SEC Accreditation No. 133328-SEC Group A

Issued September 11, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-019-2024

Valid until November 25, 2027

PTR No. 10764006

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

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

**FORM 17-A, Item 7**

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Statements of income (loss) for the year ended December 31, 2025, 2024 and 2023	8
Statements of Comprehensive Income (loss) for the year ended December 31, 2025, 2024 and 2023	9
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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
 FOR FINANCIAL STATEMENTS**

The Management of **PT&T Corp.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**JAMES G. VELASQUEZ**  
 Chairman of the Board

**JEFFREY F. JULIAN**  
 Acting President/Chief Technical Officer

**KRISTINE B. CUENCA**  
 Treasurer

Signed this 15 day of April 2026

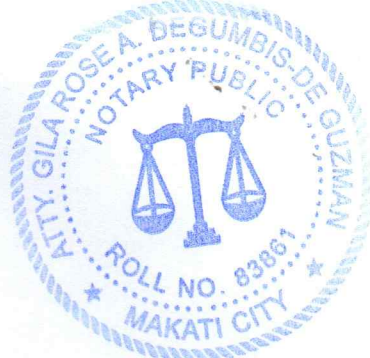
SUBSCRIBED AND SWORN to before me this 15 day of \_\_\_\_\_ 2025 affiants exhibiting to me their government issued IDs, as follows:

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**NOTARY PUBLIC**

Doc No : 95  
 Page No : 20  
 Book No : 15  
 Series of : 2026



**ATTY. GILA ROSE A. DEGUMBIS-DE GUZMAN**  
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 1BP No. 557355/11-03-2025/Pasig City  
 MCLE Compliance No. VIII-0004097 valid until 04-14-2008



## INDEPENDENT AUDITORS' REPORT

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

### *Opinion*

We have audited the financial statements of PT&T Corp. (doing business under the name and style: PT&T) (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2025, 2024 and 2023, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### *Basis for Opinion*

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

### Material Uncertainty Related to Going Concern

As discussed in Note 1 to the financial statements, the Company has incurred a deficit of ₱11,592.2 million and ₱11,646.7 million as at December 31, 2025 and 2024, respectively, because of significant operating losses incurred in prior years. The Company had been under Corporate Rehabilitation (Corp Rehab) since the approval of the Corp Rehab Plan on April 1, 2011.



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

As at December 31, 2025 and 2024, the Company sustained a positive equity of ₱149.8 million and ₱62.4 million respectively, arising mainly from a debt-to-equity conversion in 2023. It has generated a net income of ₱54.5 million and ₱18.3 million in 2025 and 2024, respectively. The Company has also partially settled its statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2025 and 2024.

To further improve its financial position and sustain operations, the Company expanded its digital infrastructure network and diversified its service offerings through a combination of own build and strategic partnerships, which include: (a) entering into business ventures with a foreign technology partner to deliver enterprise-grade security and seamless connectivity featuring the advanced Virtual Secured Network Plus (VSN+); (b) undertaking significant infrastructure projects to expand customer base; and (c) upgrading of its existing licenses to complement the Company's network expansion and roll-out. The Company has engaged the services of one of the world's largest financial advisory groups to raise funds for the Company's network expansion and roll-out. These business development initiatives are discussed further in Note 1 to the financial statements.

On April 7, 2026, the Company filed for a motion before the Rehabilitation Court to amend its Corp Rehab Plan. Under the proposed amendment to the Corp Rehab Plan, the Company will sell its non-operating assets with an estimated value of ₱528.1 million and apply the proceeds to settle its outstanding obligations.

Our opinion is not modified in respect of these matters.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements as at and for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) for the year ended December 31, 2025, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) for the year ended December 31, 2025 are expected to be made available to us after the date of this auditors' report.

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



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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



The engagement partner on the audit resulting in this independent auditors' report is Ma. Roselyn B. Balane.

**REYES TACANDONG & Co.**

*Ma. Roselyn B. Balane*

MA. ROSELYN B. BALANE

Partner

CPA Certificate No. 133328

Tax Identification No. 402-406-197-000

BOA Accreditation No. 4782/P-023; Valid until June 6, 2026

SEC Accreditation No. 133328-SEC Group A

Issued September 11, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-019-2024

Valid until November 25, 2027

PTR No. 10764006

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

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

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2025 and 2024**

	Note	2025	2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	<b>₱15,012,867</b>	₱16,705,152
Receivables	5	<b>113,112,205</b>	162,212,730
Due from related parties	19	<b>410,776,192</b>	242,397,561
Other current assets	6	<b>26,081,850</b>	23,462,972
Total Current Assets		<b>564,983,114</b>	444,778,415
<b>Noncurrent Assets</b>			
Property and equipment	7		
At revalued amount		<b>434,148,000</b>	403,260,000
At cost		<b>156,779,711</b>	145,929,575
Investment properties	8	<b>30,189,618</b>	40,814,018
Right-of-use (ROU) assets	20	<b>44,303,818</b>	24,894,948
Other noncurrent assets	6	<b>136,205,550</b>	118,210,474
Total Noncurrent Assets		<b>801,626,697</b>	733,109,015
		<b>₱1,366,609,811</b>	₱1,177,887,430
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	<b>₱352,153,979</b>	₱269,340,841
Statutory liabilities	10	<b>575,672,753</b>	601,705,924
Due to related parties	19	<b>127,504,036</b>	100,837,039
Current portions of:			
Lease liabilities	20	<b>9,050,878</b>	7,528,820
Loans payable	11	<b>461,363</b>	1,170,354
Total Current Liabilities		<b>1,064,843,009</b>	980,582,978
<b>Noncurrent Liabilities</b>			
Deposits for future stock subscriptions (DFFS) in accordance with the Corporate Rehabilitation Plan	13	<b>2,164,488</b>	2,164,488
Retirement benefits liability	12	<b>50,594,018</b>	60,625,666
Noncurrent portions of:			
Lease liabilities	20	<b>44,358,243</b>	33,074,158
Loans payable	11	<b>1,887,472</b>	–
Net deferred tax liabilities	18	<b>52,982,614</b>	39,045,588
Total Noncurrent Liabilities		<b>151,986,835</b>	134,909,900
Total Liabilities		<b>₱1,216,829,844</b>	₱1,115,492,878
<b>Equity</b>			
Capital stock	13	<b>₱10,926,335,673</b>	₱10,926,335,673
Additional paid-in capital	13	<b>629,974,041</b>	629,974,041
Deficit		<b>(11,592,207,438)</b>	(11,646,690,522)
Other comprehensive income		<b>185,677,691</b>	152,775,360
Total Equity		<b>149,779,967</b>	62,394,552
		<b>₱1,366,609,811</b>	₱1,177,887,430

See accompanying Notes to Financial Statements.

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

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**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

	Note	2025	2024	2023
<b>REVENUES</b>	15	<b>₱431,177,409</b>	₱536,294,026	₱528,712,081
<b>COSTS OF SALES AND SERVICES</b>	16	<b>(234,815,430)</b>	(315,620,650)	(291,343,264)
<b>GROSS PROFIT</b>		<b>196,361,979</b>	220,673,376	237,368,817
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	16	<b>(171,484,186)</b>	(182,213,086)	(279,233,026)
<b>OTHER INCOME (CHARGES)</b>				
Effect of reversal of statutory liabilities	10	<b>42,192,136</b>	–	–
Interest expense	21	<b>(19,854,462)</b>	(25,565,207)	(38,898,638)
Gain on sale of investment properties	8	<b>9,578,560</b>	–	58,837,100
Other income	17	<b>4,468,582</b>	7,924,706	29,832,611
		<b>36,384,816</b>	(17,640,501)	49,771,073
<b>INCOME BEFORE INCOME TAX</b>		<b>61,262,609</b>	20,819,789	7,906,864
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	18			
Current		<b>3,811,938</b>	4,311,904	3,600,911
Deferred		<b>2,967,587</b>	(1,769,355)	(3,600,911)
		<b>6,779,525</b>	2,542,549	–
<b>NET INCOME</b>		<b>54,483,084</b>	18,277,240	7,906,864
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Not to be reclassified to profit or loss in subsequent periods</i>				
Revaluation surplus - net of tax	7	<b>23,166,000</b>	–	32,175,000
Remeasurement gain (loss) on retirement benefits liability - net of tax	12	<b>9,742,316</b>	6,770,862	(447,863)
Unrealized loss on financial asset at fair value through other comprehensive income (FVOCI)	6	<b>(5,985)</b>	(3,533)	(6,498)
		<b>32,902,331</b>	6,767,329	31,720,639
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>₱87,385,415</b>	₱25,044,569	39,627,503
<b>BASIC/DILUTED EARNINGS PER SHARE</b>	14	<b>₱0.036</b>	₱0.012	₱0.005

See accompanying Notes to Financial Statements.

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

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

	Note	2025	2024	2023
<b>CAPITAL STOCK</b>				
	13			
Balance at beginning of year		₱10,926,335,673	₱10,926,335,673	₱1,500,000,000
Issuances		–	–	9,426,335,673
Balance at end of year		<b>10,926,335,673</b>	10,926,335,673	10,926,335,673
<b>ADDITIONAL PAID-IN CAPITAL</b>				
Balance at beginning of year		629,974,041	629,974,041	724,255,313
Stock issuance costs	13	–	–	(94,281,272)
Balance at end of year		<b>629,974,041</b>	629,974,041	629,974,041
<b>DEFICIT</b>				
Balance at the beginning of year		(11,646,690,522)	(11,664,967,762)	(11,672,874,626)
Net income		54,483,084	18,277,240	7,906,864
Balance at end of year		<b>(11,592,207,438)</b>	(11,646,690,522)	(11,664,967,762)
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Revaluation surplus - net of tax</b>				
Balance at beginning of year		141,570,000	141,570,000	109,395,000
Addition	7	23,166,000	–	32,175,000
Balance at end of year		<b>164,736,000</b>	141,570,000	141,570,000
<b>Cumulative remeasurement gains on retirement benefits liability - net of tax</b>				
	12			
Balance at beginning of year		11,489,504	4,718,642	5,166,505
Remeasurement gain (loss)		9,742,316	6,770,862	(447,863)
Balance at end of year		<b>21,231,820</b>	11,489,504	4,718,642
<b>Cumulative unrealized losses on financial asset at FVOCI</b>				
	6			
Balance at beginning of year		(284,144)	(280,611)	(274,113)
Unrealized loss		(5,985)	(3,533)	(6,498)
Balance at end of year		<b>(290,129)</b>	(284,144)	(280,611)
		<b>185,677,691</b>	152,775,360	146,008,031
		<b>₱149,779,967</b>	₱62,394,552	₱37,349,983

See accompanying Notes to Financial Statements.

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

	Note	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax		<b>₱61,262,609</b>	₱20,819,789	₱7,906,864
Adjustments for:				
Effect of reversal of statutory liabilities	10	<b>(42,192,136)</b>	–	–
Depreciation and amortization	7	<b>30,011,563</b>	37,089,905	69,390,420
Interest expense	21	<b>19,854,462</b>	25,565,207	38,898,638
Retirement benefits cost	12	<b>13,354,324</b>	13,025,217	12,080,311
Gain on sale of investment properties	8	<b>(9,578,560)</b>	–	(58,837,100)
Provision for expected credit loss	5	<b>8,904,587</b>	5,903,360	11,612,530
Dividend income	17	<b>(16,245)</b>	(8,550)	(18,468)
Interest income	4	<b>(14,628)</b>	(8,382)	(14,891)
Reversal of trade payables	17	–	–	(27,504,326)
Gain on sale of property and equipment	17	–	(395,021)	–
Operating income before working capital changes		<b>81,585,976</b>	101,991,525	53,513,978
Decrease (increase) in:				
Receivables		<b>40,195,938</b>	(20,913,894)	(29,655,772)
Other current assets		<b>(6,430,816)</b>	(8,634,859)	(7,782,684)
Increase (decrease) in:				
Trade and other payables		<b>65,173,183</b>	14,623,736	(8,558,691)
Statutory liabilities		<b>16,158,965</b>	3,572,259	31,582,225
Net cash generated from operations		<b>196,683,246</b>	90,638,767	39,099,056
Retirement benefits paid	12	<b>(8,221,517)</b>	(1,821,535)	(743,747)
Interest paid		<b>(1,262,630)</b>	(4,251,680)	(2,039,648)
Interest received		<b>14,628</b>	8,382	14,891
Net cash provided by operating activities		<b>187,213,727</b>	84,573,934	36,330,552
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in:				
Due from related parties		<b>(168,378,631)</b>	(36,352,276)	(47,825,253)
Other noncurrent assets		<b>(13,253,004)</b>	(21,905,410)	(11,346,200)
Acquisitions of:				
Property and equipment	7	<b>(31,522,818)</b>	(9,091,980)	(23,614,825)
Software and licenses	6	<b>(6,458,542)</b>	–	(175,000)
Proceeds from:				
Sale of investment properties	8	<b>20,202,960</b>	–	97,335,000
Dividends received		<b>16,245</b>	8,550	18,468
Sale of property and equipment	7	–	2,100,000	–
Net cash provided by (used in) investing activities		<b>(₱199,393,790)</b>	(₱65,241,116)	₱14,392,190

(Forward)

	Note	2025	2024	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments of:				
Due to related parties		<b>(P14,045,468)</b>	(P41,296,639)	(P3,425,104)
Lease liabilities	20	<b>(17,357,700)</b>	(12,994,492)	(26,239,188)
Loans	11	<b>(1,485,519)</b>	(2,501,266)	(27,218,460)
Proceeds from:				
Due to related parties	19	<b>40,712,465</b>	42,913,252	–
Availment of loans	11	<b>2,664,000</b>	–	–
Net cash used in financing activities		<b>10,487,778</b>	(13,879,145)	(56,882,752)
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>(1,692,285)</b>	5,453,673	(6,160,010)
<b>CASH AT BEGINNING OF YEAR</b>		<b>16,705,152</b>	11,251,479	17,411,489
<b>CASH AT END OF YEAR</b>		<b>P15,012,867</b>	P16,705,152	P11,251,479
<b>NONCASH FINANCIAL INFORMATION</b>				
Additions to ROU assets and lease liabilities	20	<b>P27,037,266</b>	P10,892,275	P34,132,202
Conversion of DFFS and liabilities into capital stock	13	–	–	9,426,335,673

See accompanying Notes to Financial Statements.

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

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**NOTES TO FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

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**1. Corporate Information**

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

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

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

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

**Legislative Franchise and Other Licenses**

*Legislative Franchise*

On June 20, 1964, the Company was granted a 25-year national legislative franchise under Republic Act (RA) No. 4161, as amended by RA No. 5048, 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 November 15, 1990, the Company was granted an extension of its franchise for another 25 years under RA No. 6970, *An Act Extending the Franchise Granted to the Philippine Telegraph and Telephone Corporation 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 by RA No. 5048, to Another Twenty-Five (25) Years from the Date of the Effectivity of this Act.*

On July 21, 2016, the Company was granted 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's voting shares 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). The inquiry was made in 2018 during the term of the 17th Congress. The case was neither revived nor pursued in the 18th, 19th and the current 20th Congress.

Moreover, the enactment of Republic Act No. 12234 or the Konektadong Pinoy Act removed the requirement of having a congressional franchise to operate and establish a telecommunications network. This legislative development effectively mitigates any uncertainty arising from the congressional inquiry and, at the same time, expands opportunities in data transmission services, thereby enhancing the Company's operational resilience and reinforcing its long-term viability.

Considering all these factors and the applicable laws involved in the inquiry, the management, in consultation with its legal counsel, has assessed that this matter will not have an impact on the Company's operations.

*Licenses with the National Telecommunications Commission (NTC)*

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

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

On January 16, 2026, the NTC issued an Order approving the Company's application to upgrade its existing CPCNs. The Company's application for additional service areas to complement the Company's plan of nationwide network rollout is still pending with the NTC as at the date of the approval of these financial statements.

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

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

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

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

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

The trading of the Company's shares with PSE remains suspended in view of the ongoing Corp Rehab and the pending appeal with the Supreme Court (SC) involving the validity of the Company's Corp Rehab Plan.

**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 and Suspension of Payments pursuant to the *Rules of Procedure on Corporate Rehabilitation* (A.M. No. 00-8-10-SC). On August 24, 2009, the rehabilitation court (Rehab Court) issued an order staying enforcement of all claims, whether for money or otherwise against the RETELCOM Group (Stay Order) and appointing a rehabilitation receiver (Rehab Receiver).

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

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

On November 3, 2023, the SEC approved the Company's increase in authorized capital stock to accommodate the debt-to-equity conversion of deposits for future stock subscriptions amounting to ₱8,709.6 million in accordance with the Corp Rehab Plan (see Note 13) and partially settled its statutory obligations, salaries, wages and other employee benefits out of its escrow accounts as at December 31, 2025 and 2024.

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

In the meantime, the Company is directed under the Corp Rehab Plan to sell any of its assets and use the proceeds to settle its liabilities classified as statutory obligation including unpaid wages and other benefits due to its employees. All unpaid obligations to claimants covered by the Corp Rehab Plan are subject to legal interest of 6% from the approval of the Corp Rehab Plan until full payment (see Note 10).

On April 7, 2026, the Company filed for a motion before the Rehabilitation Court to amend its Corp Rehab Plan. Under the proposed amendment to the Corp Rehab Plan, the Company will sell its non-operating assets with an estimated value of ₱528.1 million and apply the proceeds to settle its outstanding obligations.

#### **Status of Operations**

The Company has incurred a deficit of ₱11,592.2 million and ₱11,646.7 million as at December 31, 2025 and 2024, respectively, because of significant operating losses incurred in prior years and had been under Corp Rehab. These factors indicate a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern.

As at December 31, 2025 and 2024, the Company sustained a positive equity of ₱149.8 million and ₱62.4 million respectively, arising mainly from a debt-to-equity conversion in 2023. It has generated a net income of ₱54.5 million and ₱18.3 million in 2025 and 2024, respectively. The Company has also partially settled its statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2025 and 2024.

To further improve its financial position and sustain operations, the Company expanded its digital infrastructure network and diversified 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 to expand customer base.

The Company also engaged the services of one of the world's largest financial advisory groups to raise funds for the Company's network expansion and roll-out.

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

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

Under the JV agreement, the Company will own 51% equity ownership of the joint venture in exchange for service, property and other operating expenses during the operational transition period equivalent to ₱13.6 million or USD 242,000. Netlinkz Global Services (Aust & NZ) PTY Limited, on the other hand, will own 49% equity ownership for a cash consideration of ₱13.1 million or USD 233,000. In 2025, the Company made noncash capital contributions included as part of 'Due from related parties' as at December 31, 2025, pending valuation of services rendered subject to SEC approval as at reporting date.

On December 12, 2025, the Company executed a Deed of Assignment to transfer 293,854 shares representing 1.1% equity interest held in SecureLink to Netlinkz. As a result of the assignment, PT&T's ownership interest in SecureLink decreased to 49.9%, while Netlinkz ownership interest increased to 50.1%. This strategically realigns the equity structure of SecureLink by allowing Netlinkz to assume majority ownership. This realignment is expected to facilitate growth initiatives, enhance technology partnerships, and strengthen SecureLink's positioning in the cybersecurity and digital infrastructure sectors while allowing PT&T to retain a significant minority interest.

SecureLink is engaged in the provisioning of enterprise-grade cybersecurity solutions and managed connectivity services to Philippine enterprises. This joint venture will serve as the Philippines' hub for Netlinkz' cutting-edge products, featuring the advanced Virtual Secured Network Plus (VSN+). Additionally, it will leverage on the availability of broadband connectivity provided by smaller, portable and mobile satellite dishes offering broadband internet to previously inaccessible regions. Through this partnership, enterprises throughout the country, particularly in areas historically underserved by traditional fibre internet providers, will gain access to this high-speed, low-latency connectivity with enterprise grade network security. The Company will offer Starlink services which include, 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. SecureLink secured a Value-Added Service License (VAS License) from the NTC on June 26, 2025 and is valid until June 25, 2030.

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

The financial statements as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issue by the BOD on April 8, 2026, as approved and endorsed by the Audit Committee on the same date.

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

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

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

### **Measurement Bases**

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

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

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

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

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

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

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

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

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

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

The accounting policies adopted are consistent with those of the previous financial year. The adoption of the amended PFRS Accounting Standards, which are effective as at January 1, 2025, did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

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

Relevant amendments to PFRS Accounting Standards, which is not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

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

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.
  - 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 statements of financial position when it becomes a party to the contractual provisions of a financial instrument.

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

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

### ***Financial Assets***

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

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

The Company’s does not have financial assets measured at FVPL.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

For other financial assets at amortized cost, the Company applies the general approach in measuring the expected credit losses. The Company assessed that cash 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 re-assesses the ECL on financial assets at amortized cost every reporting date.

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

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

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

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

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

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

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

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

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

### **Financial Liabilities**

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

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

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

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

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

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

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

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

Financial assets and financial liabilities are offset and the net amount is reported in the statements 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 statements of financial position.

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

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

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

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

### **Contract Balances**

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

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

### **Property and Equipment**

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

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

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

Construction-in-progress, which includes acquisition cost, installation and other direct costs, is stated at cost and is not depreciated until such time that the relevant assets are installed and put not operational use. Construction-in-progress is reclassified to a specific asset category when the installation and other related activities necessary to prepare the assets for its intended use are completed and the assets are available for use.

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

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

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

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

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

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

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

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

### **Investment Properties**

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

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

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

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

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

#### **Advances to Suppliers**

Advances to suppliers are recognized at cost. These are advance payments for purchase of supplies and services which will be applied against the subsequent billings.

#### **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 12 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.

*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.

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

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

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

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

#### **Impairment of Nonfinancial Assets**

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

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

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

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

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

- a. The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- b. There is BOD and stockholders approval on the proposed increase in the authorized capital stock (for which a deposit was received by the corporation);

- c. There is stockholders' approval of the proposed increase; and
- d. The application for the approval of the proposed increase has been filed with the Philippine SEC.

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

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

Revenue, expenses and assets are recognized net of the amount of VAT except:

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

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

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

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

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

#### **Equity**

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

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

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

#### **Deficit**

Deficit represents the accumulated results of operations of the Company.

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

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

### **Earnings Per Share**

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

### **Revenue Recognition**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Cost and Expenses Recognition**

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

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

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

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

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

#### **Employee Benefits**

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

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

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

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

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

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

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

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

### **Leases**

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

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

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

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

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

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

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise; lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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

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

### **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 asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the end of the reporting period.

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

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

#### **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.

#### **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.

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

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

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

### **Judgment**

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

*Assessment of the Company's Ability to Continue as a Going Concern.* The Company has incurred recurring losses that resulted to a deficit amounting to ₱11,592.2 million and ₱11,646.7 million as at December 31, 2025 and 2024, respectively, because of significant operating losses incurred in prior years and had been under Corp Rehab. These factors indicate material uncertainties which may cast a significant doubt on the Company's ability to continue as a going concern.

As discussed in Note 1, the Company has successfully generated a net income of ₱54.5 million and ₱18.3 million in 2025 and 2024, respectively, by undertaking various initiatives. To further improve its financial position and sustain operations after the end of its Corp Rehab period, the Company expanded its digital infrastructure network and diversified its service offerings through a combination of own build and strategic partnerships.

As at December 31, 2025 and 2024, the Company sustained a positive equity of ₱149.8 million and ₱62.4 million respectively, arising mainly from debt-to-equity conversion in 2023. The Company has partially settled statutory obligations, salaries, wages and other employee benefits using its escrow accounts as at December 31, 2025 and 2024.

Moreover, on April 7, 2026, the Company filed for an amendment of its Corp Rehab with the Rehab Court as discussed further in Note 1.

Management has assessed that the Company can continue to operate on a going concern basis.

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

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

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

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

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

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

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

As discussed in Note 1, the Company filed for a motion before the Rehabilitation Court to amend its Corp Rehab Plan. Under the proposed amendment to the Corp Rehab Plan, the Company will sell its non-operating assets with an estimated value of ₱528.1 million and apply the proceeds to settle its outstanding obligations, including liabilities converted to “Preferred 2” Serial and Redeemable Shares in 2023. The implementation of this particular amendment in the Corp Rehab Plan is subject to the approval of the SEC.

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

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

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

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

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

### **Estimates and Assumptions**

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

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

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

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

Provision for ECL recognized in 2025, 2024 and 2023 are disclosed in Note 5.

The carrying amounts of financial assets at amortized cost subject to ECL as at December 31, 2025 and 2024 are disclosed in Notes 4, 5, 6 and 19.

*Determining the Fair Value of Land at Revalued Amount Presented Under "Property and Equipment" Account and Land at Cost Presented Under "Investment Properties".* The Company uses the revaluation model for the subsequent measurement of its land presented under "Property and equipment" account and discloses the fair value of investment properties accounted for at cost. In making its judgments, the Company takes into account the highest and best use of these properties that is physically possible, legally permissible and financially feasible.

The Company engaged an independent appraiser to determine the fair values of these assets as at December 31, 2025. The independent valuation reports indicate that the fair value of these properties were determined using Market Approach method which considers the sales of similar or substitute properties and related market data, then establishes a value estimate by processes involving comparison. Value adjustments were made to bring comparative values in approximation to the properties taking into account internal factors such as marketability, location and development.

Further information about the assumptions made in measuring fair values of land is discussed in Notes 7 and 8.

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

Retirement benefits costs in 2025, 2024 and 2023 are disclosed in Note 12. Retirement benefits liability as at December 31, 2025 and 2024 are disclosed in Note 12.

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

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

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

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

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

Management has assessed that there were no indications that the Company's nonfinancial assets are not recoverable as at reporting date; hence, no impairment loss was recognized in 2025, 2024 and 2023.

The carrying amounts of the Company's nonfinancial assets as at December 31, 2025 and 2024 are disclosed in Notes 5, 6, 7, 8 and 20.

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

Deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 18.

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

No provisions were made in relation to these ongoing legal proceedings as at December 31, 2025 and 2024.

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

As at December 31, 2025 and 2024, accrued interest on these obligations are disclosed in Note 9.

Interest expense recognized in 2025, 2024 and 2023 are disclosed in Note 21.

The Company settled labor-related statutory obligations covered by Corp Rehab in 2025, 2024 and 2023 as disclosed in Note 10.

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#### 4. Cash

This account consists of:

	2025	2024
Cash on hand	<b>₱345,000</b>	₱315,000
Cash in banks	<b>14,667,867</b>	16,390,152
	<b>₱15,012,867</b>	₱16,705,152

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱14,628, ₱8,382 and ₱14,891 in 2025, 2024 and 2023, respectively (see Note 17).

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#### 5. Receivables

This account consists of:

	Note	2025	2024
Trade:			
Third parties		<b>₱150,334,078</b>	₱193,603,528
Related parties	19	<b>27,647,203</b>	24,280,420
Advances to suppliers		<b>8,481,731</b>	6,356,361
Contract assets		<b>770,452</b>	3,259,121
Others		<b>10,595,227</b>	10,525,199
		<b>197,828,691</b>	238,024,629
Allowance for ECL		<b>(84,716,486)</b>	(75,811,899)
		<b>₱113,112,205</b>	₱162,212,730

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

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

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

Other receivables mainly pertain to receivables from pole rental which are unsecured, noninterest-bearing and are normally collected within 30 to 60 days.

Movements in allowance for ECL are as follows:

	Note	2025		
		Trade	Others	Total
Balance at beginning of year		<b>₱75,741,760</b>	<b>₱70,139</b>	<b>₱75,811,899</b>
Provision for ECL	16	<b>8,904,587</b>	–	<b>8,904,587</b>
Balance at end of year		<b>₱84,646,347</b>	<b>₱70,139</b>	<b>₱84,716,486</b>

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

## 6. Other Assets

### Current

This account consists of:

	2025	2024
CWT	<b>₱23,165,750</b>	₱16,868,674
Prepayments	<b>2,916,100</b>	2,992,431
Deferred input VAT	–	3,601,867
	<b>₱26,081,850</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:

	Note	2025	2024
Plant supplies		<b>₱88,862,308</b>	₱76,006,362
Deposits		<b>23,266,667</b>	23,266,667
Refundable security deposits	20	<b>16,179,225</b>	15,782,167
Software and licenses		<b>7,681,890</b>	2,933,833
Financial asset at FVOCI		<b>215,460</b>	221,445
		<b>₱136,205,550</b>	₱118,210,474

Plant supplies pertain to cables and wires used for the installation network facilities which are carried at cost and these will be capitalized as part of property and equipment upon installation. No provision for impairment was recognized in 2025, 2024 and 2023.

Deposits pertain 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.

Movements of software and licenses are as follows:

	Note	2025	2024
<b>Cost</b>			
Balance at beginning of year		₱7,476,000	₱7,476,000
Additions		6,458,542	–
Balance at end of year		13,934,542	7,476,000
<b>Accumulated Amortization</b>			
Balance at beginning of year		4,542,167	3,046,967
Amortization	7	1,710,485	1,495,200
Balance at end of year		6,252,652	4,542,167
<b>Carrying Amount</b>		<b>₱7,681,890</b>	<b>₱2,933,833</b>

Financial asset at FVOCI pertain to investment in shares which is being traded in the PSE. The fair values of the financial assets are determined by reference to published price quotations in an active market and has been categorized as Level 1. Cumulative unrealized losses on financial asset at FVOCI amounted to ₱0.3 million as at December 31, 2025 and 2024.

Dividend income from the financial asset at FVOCI amounted to ₱16,245, ₱8,550 and ₱18,468 in 2025, 2024 and 2023, respectively (see Note 17).

## 7. Property and Equipment

### At Revalued Amount

The Company's land is measured using the revaluation model. In 2025, the land was revalued by an independent appraiser using the Market Approach method, which considers the sales of similar or substitute properties and related market data, then establishes a value estimate by processes involving comparison.

Details are as follows:

	2025	2024
<b>Cost</b>	<b>₱261,690,000</b>	<b>₱261,690,000</b>
<b>Revaluation Surplus:</b>		
Balance at beginning of year	141,570,000	141,570,000
Addition	30,888,000	–
Balance at end of year	172,458,000	141,570,000
<b>Revalued Amount</b>	<b>₱434,148,000</b>	<b>₱403,260,000</b>

Fair value measurement was categorized as Level 3 and the significant unobservable input used in determining fair values for 2025 and 2024 is discussed as follows:

	2025	2024
Price per square meter	₱506,000	₱470,000
Value adjustments	(10%)	(5%)

In making its judgments, the Company takes into account the highest and best use of the land at revalued amount that is physically possible, legally permissible and financially feasible.

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

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

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

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

As at December 31, 2025 and 2024, there were no transfers between levels in the fair value hierarchy.

#### **At Cost**

Movements in this account are as follows:

	2025					
	Cable and Wire Facilities	Network Equipment	Buildings and Improvements	Other Work Equipment	Construction in progress	Total
<b>Cost</b>						
Balances at beginning of year	₱304,596,063	₱256,386,303	₱24,032,998	₱62,398,008	₱1,032,369	₱648,445,741
Additions	9,656,283	6,042,427	10,508,822	5,315,286	-	31,522,818
Reclassification	-	-	1,032,369	-	(1,032,369)	-
Balances at end of year	314,252,346	262,428,730	35,574,189	67,713,294	-	679,968,559
<b>Accumulated Depreciation</b>						
Balances at beginning of year	196,357,888	252,766,001	8,326,016	45,066,261	-	502,516,166
Depreciation	11,615,465	1,494,481	877,444	6,685,292	-	20,672,682
Balances at end of year	207,973,353	254,260,482	9,203,460	51,751,553	-	523,188,848
<b>Carrying Amount</b>	<b>₱106,278,993</b>	<b>₱8,168,248</b>	<b>₱26,370,729</b>	<b>₱15,961,741</b>	<b>₱-</b>	<b>₱156,779,711</b>

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

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

	Note	2025	2024	2023
Depreciation of property and equipment		<b>₱20,672,682</b>	₱26,050,540	₱30,887,974
Amortization of ROU assets	20	<b>7,628,396</b>	9,544,165	37,021,829
Amortization of intangible assets	6	<b>1,710,485</b>	1,495,200	1,480,617
		<b>₱30,011,563</b>	₱37,089,905	₱69,390,420

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

	2025	2024	2023
Cost of sales and services	<b>₱21,069,427</b>	₱17,486,760	₱30,129,952
General and administrative expenses	<b>8,942,136</b>	19,603,145	39,260,468
	<b>₱30,011,563</b>	₱37,089,905	₱69,390,420

Service vehicles, presented under Other Work Equipment, with carrying value of ₱1.5 million and ₱1.7 million as at December 31, 2025 and 2024, respectively, serve as collaterals for bank loans (see Note 11).

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

The cost of fully depreciated properties still in use amounted to ₱410.4 million and ₱405.7 million as at December 31, 2025 and 2024, respectively.

## 8. Investment Properties

The Company's investment properties carried at cost amounting to ₱30.2 million and ₱40.8 million as at December 31, 2025 and 2024, respectively, consist of land located in NCR, and Regions 3 and 4, which are held for rentals and for capital appreciation.

In 2025, the Company sold investment properties located in Region 4 amounting to ₱10.6 million for ₱20.2 million, resulting to a gain on sale of ₱9.6 million.

In 2023, the Company also sold investment properties costing ₱38.5 million for ₱97.3 million in 2023, resulting to gain on sale of ₱58.8 million.

**Fair Value**

The fair value of the investment properties based on valuation reports performed by independent appraiser using the Market Approach amounted to ₱64.6 million and ₱88.7 million as at December 31, 2025 and 2024, respectively. Management evaluated that the fair value of investment properties determined on appraisal dates approximates the fair value as at reporting date. Fair value measurement was categorized as Level 3 and the significant unobservable input used in determining fair values for 2025 and 2024 is discussed as follows:

	Range	
	2025	2024
Price per square meter	<b>₱1,529 to ₱30,000</b>	₱900 to ₱22,500
Value adjustments	<b>(5%) to (15%)</b>	(5%) to (15%)

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

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

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**9. Trade and Other Payables**

This account consists of:

	Note	2025	2024
Trade		<b>₱139,870,425</b>	₱81,272,179
Accrued interest payable	10	<b>138,688,878</b>	127,402,039
Customers' deposits		<b>40,660,383</b>	37,940,233
Advances from customers		<b>32,934,293</b>	22,726,390
		<b>₱352,153,979</b>	₱269,340,841

Trade payables are non-interest-bearing and are settled on a 30 to 120 days' term.

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

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

## 10. Statutory Liabilities

This account consists of:

	2025	2024
<b><i>Covered by Corp Rehab</i></b>		
Retirement pay for retired employees	<b>₱92,678,773</b>	₱93,675,355
Labor-related	<b>70,001,886</b>	75,200,678
NTC	<b>48,724,945</b>	48,724,945
Social Security System (SSS)	<b>15,101,233</b>	15,101,233
National Home Mortgage Finance Corp. (NHFMC)	<b>1,132,874</b>	1,132,874
Philippine Health Insurance Corporation (PHIC)	<b>35,225</b>	12,145,658
Home Development Mutual Fund (HDMF)	–	28,448,186
	<b>227,674,936</b>	274,428,929
<b><i>Outside Corp Rehab</i></b>		
BIR and other government agencies	<b>₱206,899,691</b>	₱176,846,436
NTC	<b>141,098,126</b>	150,430,559
	<b>347,997,817</b>	327,276,995
	<b>₱575,672,753</b>	₱601,705,924

### *Covered by Corp Rehab*

As discussed in Note 1, all outstanding obligations covered by the Corp Rehab are subject to the legal interest of 6% from the approval of the Plan. Interest expense arising from liabilities covered by the Corp Rehab amounted to ₱13.7 million, ₱16.5 million and ₱21.5 million in 2025, 2024 and 2023, respectively (see Note 21).

As disclosed in Note 1, the Company has been under Corp Rehab since 2011. Pursuant to the Corp Rehab orders, the Company may put on hold the benefits of retired employees for service rendered prior to August 24, 2009 Stay Order. As at December 31, 2025 and 2024, the Company has outstanding liabilities attributable to retirement pay of retired employees amounting to ₱92.7 million and ₱93.7 million, respectively.

Labor-related liabilities pertain to unpaid salaries and wages of employees, and National Labor Relations Commission fees. Starting March 2025, the Company is following a monthly settlement plan of labor-related claims of former employees.

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

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

In 2025, management assessed that no further claims will be made against the Company resulting to the reversal of the statutory liabilities and related accrued interest payable to PHIC and HDMF aggregating to ₱42.2 million.

### *Outside Corp Rehab*

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

## 11. Loans Payable

Movements in this account are as follows:

	2025	2024
Balance at beginning of year	P <b>1,170,354</b>	P3,671,620
Addition	<b>2,664,000</b>	–
Payments	<b>(1,485,519)</b>	(2,501,266)
Balance at end of year	<b>2,348,835</b>	1,170,354
Current portion	<b>461,363</b>	1,170,354
Noncurrent portion	<b>P1,887,472</b>	P–

### Loans Payable to a Local Bank

The Company obtained loans from a local bank to finance the purchase of transportation equipment. These loans generally have a five-year term and bear annual interest rates ranging from 11% to 19% in 2025 and 2024.

The carrying value of service vehicles pledged as collaterals for the loan amounted to P1.5 million and P1.7 million as at December 31, 2025 and 2024, respectively.

Interest expense recognized related to the loans amounted to P70,063, P0.3 million and P0.5 million in 2025, 2024 and 2023, respectively (see Note 21).

### Loans from a Related Party

In 2022, the Company obtained loans from a related party amounting to P30.0 million with an interest rate of 8.75% per annum, and payable in equal monthly amortization up to July 2027. The carrying amount of loan from a related party amounting to P25.5 million were pre-terminated and fully paid in 2023.

Interest expense recognized related to the loans amounted to P1.4 million in 2023 (see Note 21).

## 12. Retirement Benefits Liability

The Company has a noncontributory defined benefit plan covering all regular and permanent employees. The latest actuarial valuation report as at December 31, 2025 is determined using the projected unit credit actuarial cost method.

Retirement benefits costs consist of:

	2025	2024	2023
Current service cost	P <b>9,470,387</b>	P9,789,384	P8,991,008
Interest expense on defined benefit plan	<b>3,883,937</b>	3,235,833	3,089,303
	<b>P13,354,324</b>	P13,025,217	P12,080,311

Retirement benefit cost attributable to key management personnel amounted to P7.5 million, P7.0 million and P7.1 million in 2025, 2024 and 2023, respectively (see Note 19).

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

	2025	2024
Balance at beginning of year	<b>₱60,625,666</b>	₱58,449,800
Current service cost	<b>9,470,387</b>	9,789,384
Interest expense	<b>3,883,937</b>	3,235,833
Remeasurement gain	<b>(12,989,755)</b>	(9,027,816)
Benefits paid from company operating funds	<b>(8,221,517)</b>	(1,821,535)
Release of liability due to employee transfers	<b>(2,174,700)</b>	-
Balance at end of year	<b>₱50,594,018</b>	₱60,625,666

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

	2025	2024
Balance at beginning of year	<b>₱11,489,504</b>	₱4,718,642
Remeasurement gain	<b>9,742,316</b>	6,770,862
Balance at end of year	<b>₱21,231,820</b>	₱11,489,504

The principal actuarial assumptions used to determine retirement benefit liability are as follows:

	2025	2024
Discount rate	<b>6.39%</b>	6.10%
Salary increase rate	<b>5.00%</b>	5.00%

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

	Change in Assumption (basis points)	2025	2024
Discount rate	+100	<b>(₱900,740)</b>	(₱1,179,240)
	-100	<b>1,029,273</b>	1,350,620
Salary increase rate	+100	<b>1,109,708</b>	1,457,832
	-100	<b>(986,957)</b>	(1,295,241)

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

	2025	2024
Less than 1 year	<b>₱13,655,821</b>	₱31,525,847
1 to less than 5 years	<b>18,280,884</b>	18,571,866
5 to less than 10 years	<b>35,490,900</b>	42,709,752
10 to less than 15 years	<b>32,332,220</b>	26,574,566
15 to less than 20 years	<b>46,248,224</b>	58,676,351
20 years and above	<b>92,786,545</b>	122,746,141
	<b>₱238,794,594</b>	₱300,804,523

The average duration of the retirement benefits liability as at December 31, 2025 and 2024 are 5.95 years and 6.23 years, respectively.

### 13. Equity

#### **Capital Stock**

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

	2025		2024		2023	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Authorized</b>						
Preferred 1 (Serial, Cumulative, Convertible and Redeemable) - ₱10.00 par value	230,000,000	₱2,300,000,000	230,000,000	₱2,300,000,000	230,000,000	₱2,300,000,000
Preferred 2 (Serial and Redeemable) - ₱1.00 par value	8,800,000,000	8,800,000,000	8,800,000,000	8,800,000,000	8,800,000,000	8,800,000,000
Total preferred shares	9,030,000,000	11,100,000,000	9,030,000,000	11,100,000,000	9,030,000,000	11,100,000,000
Common - ₱1.00 par value	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	<b>10,530,000,000</b>	<b>₱12,600,000,000</b>	<b>10,530,000,000</b>	<b>₱12,600,000,000</b>	<b>10,530,000,000</b>	<b>₱12,600,000,000</b>
<b>Subscribed and Paid-up</b>						
Preferred 1 (Serial, Cumulative, Convertible and Redeemable)	71,676,358	₱716,763,580	71,676,358	₱716,763,580	71,676,358	₱716,763,580
Preferred 2 (Serial and Redeemable)	8,709,572,093	8,709,572,093	8,709,572,093	8,709,572,093	8,709,572,093	8,709,572,093
Total preferred shares	8,781,248,451	9,426,335,673	8,781,248,451	9,426,335,673	8,781,248,451	9,426,335,673
Common	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	<b>10,281,248,451</b>	<b>₱10,926,335,673</b>	<b>10,281,248,451</b>	<b>₱10,926,335,673</b>	<b>10,281,248,451</b>	<b>₱10,926,335,673</b>

Pursuant to the Corp Rehab Plan (see Note 1), in 2021, the BOD and stockholders approved the increase in the Company's authorized capital stock (ACS) from ₱3,800.0 million, divided into 1,500.0 million common stock at ₱1 par value a share and 230.0 million serial, cumulative, convertible and redeemable preferred stock at ₱10 par value a share, to ₱12,600.0 million, divided into 1,500.0 million common stock at ₱1 par value a share, 230.0 million serial, cumulative, convertible and redeemable preferred stock at ₱10 par value a share and 8,800.0 million serial and redeemable preferred stock (Series "A", "B" and "C") at ₱1 par value a share, and debt-to-equity conversion of liabilities into capital stock aggregating ₱9,426.3 million. On November 3, 2023, the SEC approved the increase in the ACS.

Following the SEC's approval of the increase in ACS in 2023, DFFS amounting to ₱8,709.6 million were converted into Preferred 2 shares, while advances from MENLO amounting to ₱371.8 million, the debt-in-possession amounting to ₱215.0 million and DFFS amounting to ₱130.0 million were converted into 71,676,858 Preferred 1 shares, or equivalent to ₱716.8 million.

#### *Preferred 2 (Serial Redeemable)*

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

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

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

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

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 of any class or any series of preferred stock as determined by the BOD.
5. Redemption period shall be fixed by the BOD and may be re-issued upon redemption as preferred or as common stock at the option of the BOD.

**APIC**

Movements in the Company's APIC follows:

	2025	2024	2023
Balance at beginning of year	<b>₱629,974,041</b>	₱629,974,041	₱724,255,313
Stock issuance costs	—	—	(94,281,272)
Balance at end of year	<b>₱629,974,041</b>	₱629,974,041	₱629,974,041

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

#### 14. Basic and Diluted Earnings Per Share

Basic earnings per share is calculated by dividing the net income 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:

	2025	2024	2023
Net income	<b>₱54,483,084</b>	₱18,277,240	₱7,906,864
Weighted average number of common shares	<b>1,500,000,000</b>	1,500,000,000	1,500,000,000
Basic/diluted earnings per share	<b>₱0.036</b>	₱0.012	₱0.005

Preferred 1 shares may be convertible into common shares of any class or any series of preferred stock under terms and in such manner as the BOD may determine. The conversion is not mandatory.

There were no potential dilutive shares in 2025, 2024 and 2023.

#### 15. Revenues

This account consists of:

	2025	2024	2023
Broadband services	<b>₱425,076,214</b>	₱432,405,047	₱459,135,897
Information Technology (IT) services	<b>6,101,195</b>	103,888,979	69,576,184
	<b>₱431,177,409</b>	₱536,294,026	₱528,712,081

Starting March 2025, IT services business unit was transferred to SecureLink as part of management-led spin-off.

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

	2025	2024	2023
Service fees - <i>over a period of time</i>	<b>₱422,903,575</b>	₱429,556,066	₱435,197,462
Sale of goods - <i>at a point in time</i>	<b>8,273,834</b>	106,737,960	93,514,619
	<b>₱431,177,409</b>	₱536,294,026	₱528,712,081

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

The Company and TSI, a related party, has a Memorandum of Understanding where both parties agree to exchange usufruct including, but not limited to, the Company's fiber facilities, capacities, and upgrades which were funded by TSI, TSI's multiplex and other equipment upgrades. These facilities shall be used to provide data transport facilities to customers for which the Company and TSI shall share revenue based on gross receipts. TSI and the Company's revenue sharing varies from 30:70, 40:60, and 50:50, respectively. TSI shall be an authorized reseller of the Company's data transport services. Revenue recognized from resale of data transport amounted to ₱4.0 million, ₱4.7 million and ₱1.3 million in 2025, 2024 and 2023, respectively (see Note 19). The Memorandum of Understanding became effective for a period of 15 years starting February 13, 2013.

## 16. Costs and Expenses

### Cost of Sales and Services

This account consists of:

	Note	2025	2024	2023
Personnel cost		<b>₱118,547,446</b>	₱121,435,877	₱147,647,983
Upstream internet connectivity		<b>57,974,365</b>	59,138,255	57,937,880
Depreciation and amortization	7	<b>21,069,427</b>	17,486,760	30,129,952
Taxes and licenses		<b>11,806,477</b>	11,693,646	600,294
Utilities		<b>8,070,854</b>	7,369,579	5,593,317
Outside services		<b>7,788,105</b>	7,110,925	4,414,440
IT equipment and software		<b>4,193,854</b>	74,821,987	36,078,326
Professional and other contracted services		<b>1,460,994</b>	10,704,238	4,421,136
Others		<b>3,903,908</b>	5,859,383	4,519,936
		<b>₱234,815,430</b>	₱315,620,650	₱291,343,264

### General and Administrative Expenses

This account consists of:

	Note	2025	2024	2023
Personnel cost		<b>₱95,689,886</b>	₱107,350,939	₱120,431,301
Utilities		<b>12,775,670</b>	14,643,370	19,632,566
Professional and other contracted services		<b>10,483,121</b>	3,980,348	16,508,742
Depreciation and amortization	7	<b>8,942,136</b>	19,603,145	39,260,468
Provision for ECL	5	<b>8,904,587</b>	5,903,360	11,612,530
Taxes and licenses		<b>7,749,897</b>	6,407,942	41,563,735
Software licenses		<b>4,177,799</b>	4,555,724	3,903,087
Repair and maintenance		<b>3,809,004</b>	4,403,257	6,233,461
Outside services		<b>2,942,946</b>	3,301,619	7,108,869
Marketing and commissions		<b>2,265,282</b>	2,814,822	6,586,351
Others		<b>13,743,858</b>	9,248,560	6,391,916
		<b>₱171,484,186</b>	₱182,213,086	₱279,233,026

Personnel cost consists of:

	Note	2025	2024	2023
Salaries, wages and other short-term benefits		<b>₱200,883,008</b>	₱215,761,599	₱255,998,973
Retirement benefit costs	12	<b>13,354,324</b>	13,025,217	12,080,311
		<b>₱214,237,332</b>	₱228,786,816	₱268,079,284

## 17. Other Income

This account consists of:

	Note	2025	2024	2023
Service income		<b>₱4,412,604</b>	₱7,435,876	₱2,242,394
Realized foreign exchange gain		<b>25,105</b>	76,877	52,532
Dividend income	6	<b>16,245</b>	8,550	18,468
Interest income	4	<b>14,628</b>	8,382	14,891
Reversal of trade payables		–	–	27,504,326
Gain on sale of property and equipment	7	–	395,021	–
		<b>₱4,468,582</b>	₱7,924,706	₱29,832,611

Service income pertains to reimbursable expenses charged for costs initially incurred by the Company on behalf of other companies.

The Company reversed long-outstanding liabilities of ₱27.5 million in 2023 because management assessed that no further claims will be made for these payables.

## 18. Income Taxes

The provision for current income tax pertains to MCIT in 2025, 2024 and 2023.

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

	2025	2024	2023
Provision for income tax computed at statutory rate	<b>₱15,315,652</b>	₱5,204,947	₱1,976,716
Changes in unrecognized deferred taxes	<b>49,280</b>	(5,203,376)	32,473,371
Tax effects of:			
Nontaxable income	<b>(12,946,331)</b>	(2,095)	(14,712,998)
Nondeductible expenses	<b>915</b>	524	63,430
Expired MCIT	<b>4,360,009</b>	2,542,549	3,769,799
Stock issuance costs charged to APIC	–	–	(23,570,318)
Income tax at the effective tax rate	<b>₱6,779,525</b>	₱2,542,549	₱–

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

	2025	2024	2023
<b>Deferred tax asset -</b>			
Excess MCIT over RCIT	<b>₱9,305,237</b>	₱12,272,824	₱10,503,469
<b>Deferred tax liabilities:</b>			
Revaluation surplus	<b>56,634,170</b>	48,912,170	48,912,170
Net retirement benefit liability	<b>5,653,681</b>	2,406,242	149,288
	<b>62,287,851</b>	51,318,412	49,061,458
<b>Net deferred tax liabilities</b>	<b>₱52,982,614</b>	₱39,045,588	₱38,557,989

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

	2025	2024	2023
Accrued interests	<b>₱91,099,291</b>	₱87,669,202	₱83,552,768
Retirement benefits liability	<b>46,384,991</b>	43,046,410	39,790,106
Accrued NTC fees outside Court Rehab	<b>35,274,532</b>	37,607,640	37,440,748
Provision for ECL on receivables	<b>11,919,423</b>	9,693,277	8,217,437
Excess of book basis over tax basis of accounting for lease-related expenses	<b>2,312,189</b>	3,962,871	4,113,394
NOLCO	–	4,961,746	19,030,069
	<b>₱186,990,426</b>	₱186,941,146	₱192,144,522

Remaining NOLCO incurred in 2023 amounting to ₱19.8 million was claimed as deduction to taxable income in 2025.

Details of excess MCIT over RCIT are as follows:

Year incurred	Amount	Incurred	Expired	Balance at end of year	Valid until
2025	₱–	₱1,392,422	₱–	₱1,392,422	2028
2024	4,311,904	–	–	4,311,904	2027
2023	3,600,911	–	–	3,600,911	2026
2022	4,360,009	–	(4,360,009)	–	2025
	<b>₱12,272,824</b>	<b>₱1,392,422</b>	<b>(₱4,360,009)</b>	<b>₱9,305,237</b>	

## 19. Related Party Transactions

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

	Nature of Transaction	Transaction during the year			Outstanding balances	
		2025	2024	2023	2025	2024
<b>Receivables (see Note 5)</b>	Resale of data transport	<b>₱3,983,971</b>	₱4,693,165	₱1,253,450	<b>₱27,647,203</b>	₱24,280,420
<b>Due from related parties</b>						
Stockholder	Advances	<b>₱135,820,061</b>	₱10,644,975	₱47,141,992	<b>₱368,332,225</b>	₱219,414,670
Entities under common control		<b>34,630,772</b>	33,642,784	683,280	<b>42,443,967</b>	22,982,891
					<b>₱410,776,192</b>	₱242,397,561
<b>Due to related parties</b>						
Stockholders	Advances	<b>₱18,324,682</b>	₱39,287,763	₱1,654,240	<b>₱17,073,522</b>	₱43,600,269
Entities under common control		<b>22,387,783</b>	3,625,489	–	<b>110,430,514</b>	57,236,770
					<b>₱127,504,036</b>	₱100,837,039

### **Terms and Conditions of Transactions with Related Parties**

*Due To and From Related Parties.* Outstanding balances with related parties as at year-end include unsecured, interest and noninterest-bearing, payable on demand and are expected to be settled in cash. Due to entities under common control bear legal interest of 6% a year. Interest expense amounted to ₱1.7 million, ₱1.7 million and ₱12.6 million in 2025, 2024 and 2023, respectively (see Note 21).

**Compensation of Key Management Personnel**

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

	Note	2025	2024	2023
Short-term employee benefits		<b>₱17,971,699</b>	₱27,086,814	₱30,662,985
Retirement benefit cost	12	<b>7,451,560</b>	7,017,363	7,103,957
		<b>₱25,423,259</b>	₱34,104,177	₱37,766,942

**20. Leases**

**Company as Lessee**

The Company has lease contracts for various network equipment for cell sites telecommunications equipment locations and leased poles and other work equipment for car rentals used in its operations which generally have lease terms between one (1) and ten (10) years. The Company is required to pay the lessor two (2) to three (3) months advance security deposits which shall be refunded at the end of the lease term. Refundable security deposits amounted to ₱16.2 million and ₱15.8 million, presented as other noncurrent assets in the statements of financial position (see Note 6). Other lease arrangements are further discussed below.

Movements in ROU assets are as follows:

	Note	2025	2024
<b>Cost</b>			
Balance at beginning of year		<b>₱59,700,095</b>	₱162,570,392
Additions		<b>27,037,266</b>	10,892,275
Termination		<b>(17,646,774)</b>	(113,762,572)
Balance at end of year		<b>69,090,587</b>	59,700,095
<b>Accumulated Amortization</b>			
Balance at the beginning of year		<b>₱34,805,147</b>	₱139,023,554
Amortization	7	<b>7,628,396</b>	9,544,165
Termination		<b>(17,646,774)</b>	(113,762,572)
Balance at end of year		<b>24,786,769</b>	34,805,147
<b>Carrying Amount</b>		<b>₱44,303,818</b>	₱24,894,948

Movements in lease liabilities are as follows:

	Note	2025	2024
Balance at beginning of year		<b>₱40,602,978</b>	₱39,856,961
Additions		<b>27,037,266</b>	10,892,275
Payments		<b>(17,357,700)</b>	(12,994,492)
Accretion of interest	21	<b>3,126,577</b>	2,848,234
Balance at end of year		<b>53,409,121</b>	40,602,978
Less current portion		<b>9,050,878</b>	7,528,820
Noncurrent portion		<b>₱44,358,243</b>	₱33,074,158

Future minimum rental payments as at December 31 are as follows:

	2025	2024
Within one year	<b>₱11,845,179</b>	₱9,863,672
After one year but not more than five years	<b>31,077,950</b>	24,562,042
More than five years	<b>44,166,470</b>	47,486,806
	<b>₱87,089,599</b>	₱81,912,520

## 21. Interest Expense

This account consists of:

	Note	2025	2024	2023
Corp rehab obligations	10	<b>₱13,720,354</b>	₱16,465,736	₱21,470,622
Lease liabilities	20	<b>3,126,577</b>	2,848,234	2,358,686
Due to related parties	19	<b>1,744,901</b>	1,744,901	12,552,336
Bank loans	11	<b>70,063</b>	254,656	477,346
Loans from a related party	11	-	-	1,368,819
Others		<b>1,192,567</b>	4,251,680	670,829
		<b>₱19,854,462</b>	₱25,565,207	₱38,898,638

Others pertain to interest expenses paid by the Company to suppliers for late payments.

## 22. Segment Reporting

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

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

## 23. Financial Instruments

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

The Company's principal financial instruments are cash, trade and other receivables (excluding advances to suppliers), due from related parties, security deposits, trade and other payables (excluding advances from customers), loans payable and lease liabilities. 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, trade and other receivables and due from related parties. The Company has adopted stringent procedures 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 a comprehensive credit risk policy setting out assessment and determination of what constitutes credit risk for the Company; setting up exposure limits by each counterparty or group of counterparties, geographical and industry segments; guidelines on obtaining collateral and guarantees; reporting of credit risk exposures and breaches to the monitoring authority; monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment.

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

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

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

The table below shows the maximum exposure to credit risk for the components of the 2025 and 2024 statements of financial position. The maximum exposure is shown gross, without taking into account collateral and other credit enhancement.

	<b>2025</b>	2024
Cash in banks	<b>₱14,667,867</b>	₱16,390,152
Receivables*	<b>189,346,960</b>	231,668,268
Due from related parties	<b>410,776,192</b>	242,397,561
Refundable security deposits	<b>16,179,225</b>	15,782,167
Financial asset at FVOCI	<b>215,460</b>	221,445
	<b>₱631,185,704</b>	₱506,459,593

*\*Excluding advances to suppliers*

The tables below show the credit quality by class of financial asset based on the rating system of the Company as at December 31, 2025 and 2024:

	2025			
	Neither Past Due nor Impaired			Total
	High Grade	Standard Grade	Impaired	
Cash in banks	P14,667,867	P-	P-	P14,667,867
Receivables*	-	104,630,474	84,716,486	189,346,960
Due from related parties	-	410,776,192	-	410,776,192
Refundable security deposits	-	16,179,225	-	16,179,225
Financial asset at FVOCI**	-	215,460	-	215,460
	<b>P14,667,867</b>	<b>P531,801,351</b>	<b>P84,716,486</b>	<b>P631,185,704</b>

\*Excluding advances to suppliers

\*\*Presented under 'Other noncurrent assets' account.

	2024			
	Neither Past Due nor Impaired			Total
	High Grade	Standard Grade	Impaired	
Cash in banks	P16,390,152	P-	P-	P16,390,152
Receivables*	-	155,856,369	75,811,899	231,668,268
Due from related parties	-	242,397,561	-	242,397,561
Refundable security deposits	-	15,782,167	-	15,782,167
Financial asset at FVOCI**	-	221,445	-	221,445
	<b>P16,390,152</b>	<b>P414,257,542</b>	<b>P75,811,899</b>	<b>P506,459,593</b>

\*Excluding advances to suppliers

\*\*Presented under 'Other noncurrent assets' account.

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

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

For other financial assets at amortized cost, the Company has adopted a 12-month expected loss allowance in estimating ECL to other financial assets at amortized cost, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date, unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

Due from related parties are with related parties that have sufficient liquid assets to pay and the risk of default is assessed to be minimal.

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

*Liquidity Risk*

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

The Company manages liquidity through a liquidity risk policy which determines what constitutes liquidity risk for the Company; specifying minimum proportion of funds to meet emergency calls; setting up contingency funding plans; specifying 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 also relates to the risk that the Company will be unable to meet its payment obligations when they fall due. The Company manages this risk through daily and periodically monitoring of cash flows in consideration of future payment due dates and daily collection amounts. The Company also ensures that there are sufficient, available, and approved working capital lines that it can draw from anytime.

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

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

	2025			Total
	On demand	Within one year	More than one year	
Trade and other payables*	P-	P319,219,686	P-	P319,219,686
Due to related parties	127,504,036	-	-	127,504,036
Lease liabilities	-	11,845,179	75,244,420	87,089,599
Loans payable	-	461,363	1,887,472	2,348,835
	<b>P127,504,036</b>	<b>P331,526,228</b>	<b>P77,131,892</b>	<b>P536,162,156</b>

\*Excluding advances from customers amounting to P32.9 million.

	2024			Total
	On demand	Within one year	More than one year	
Trade and other payables*	P-	P246,614,451	P-	P246,614,451
Due to related parties	100,837,039	-	-	100,837,039
Lease liabilities	-	9,863,672	72,048,848	81,912,520
Loans payable	-	1,170,354	-	1,170,354
	<b>P100,837,039</b>	<b>P257,648,477</b>	<b>P72,048,848</b>	<b>P430,534,364</b>

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

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

The table below represents the carrying values and fair values of the Company's financial assets and financial liabilities as of December 31, 2025 and 2024.

	Carrying Amount		Fair Value	
	2025	2024	2025	2024
<b>Financial Assets</b>				
Cash	<b>₱15,012,867</b>	₱16,705,152	<b>₱15,012,867</b>	₱16,705,152
Receivables*	<b>104,630,474</b>	155,856,369	<b>104,630,474</b>	155,856,369
Due from related parties	<b>410,776,192</b>	242,397,561	<b>410,776,192</b>	242,397,561
Refundable security deposits	<b>16,179,225</b>	15,782,167	<b>16,179,225</b>	15,782,167
Financial asset at FVOCI**	<b>215,460</b>	221,445	<b>215,460</b>	221,445
	<b>₱546,814,218</b>	₱430,962,694	<b>₱546,814,218</b>	₱430,962,694

\*Excluding advances to suppliers

\*\*Presented under 'Other noncurrent assets' account.

	Carrying Amount		Fair Value	
	2025	2024	2025	2024
<b>Financial Liabilities</b>				
Trade and other payables*	<b>₱319,219,686</b>	₱246,614,451	<b>₱319,219,686</b>	₱246,614,451
Due to related parties	<b>127,504,036</b>	100,837,039	<b>127,504,036</b>	100,837,039
Lease liabilities	<b>53,409,121</b>	40,602,978	<b>87,089,599</b>	81,912,520
Loans payable	<b>2,348,835</b>	1,170,354	<b>2,348,835</b>	1,170,354
	<b>₱502,481,678</b>	₱389,224,822	<b>₱536,162,156</b>	₱430,534,364

\*Excluding advances from customers

*Cash, Receivables, Trade Payables and Other Payables (Excluding Advances from Customers) and Due to/from Related Parties.* The carrying amounts of cash, trade receivables, trade payables (excluding advances from customers) and due to/from related parties approximate their fair value due to their short-term maturity and demandable feature.

*Security and Refundable Deposits.* The fair value of security and refundable deposits are based on discounted value of future cash flows using the applicable market interest rates. Discount rate ranging from 5.03% to 4.57% were used in calculating the fair values of deposits in 2025 and 2024.

*Financial asset at FVOCI.* The fair value of quoted investment in equity shares are based on quoted market prices as at the financial reporting date.

*Lease Liabilities.* The fair value of the current portion of lease liabilities approximates their carrying value due to the short-term maturities of these liabilities. The fair value of the noncurrent portion of lease liabilities is based on the discounted value of future cash flows using the prevailing interest rate ranging from 6.00% to 7.03% in 2025 and 2024.

*Loans Payable.* The carrying amount of loans payable also approximate its fair value due to insignificant effect of discounting the sum of future cash flows.

### **Capital Management**

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

The Company considers the following as its capital:

	2025	2024	2023
Capital stock	<b>₱10,926,335,673</b>	₱10,926,335,673	₱10,926,335,673
APIC	<b>629,974,041</b>	629,974,041	629,974,041
Other comprehensive income	<b>185,677,691</b>	152,775,360	146,008,031
Deficit	<b>(11,592,207,438)</b>	(11,646,690,522)	(11,664,967,762)
DFFS in accordance with the court-approved rehabilitation plan	<b>2,164,488</b>	2,164,488	2,164,488
	<b>₱151,944,455</b>	₱64,559,040	39,514,471

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

The Company's EBITDA are as follows:

	Note	2025	2024	2023
Net income		<b>₱54,483,084</b>	₱18,277,240	₱7,906,864
Add:				
Interest expense	21	<b>19,854,462</b>	25,565,207	38,898,638
Taxes		<b>6,779,525</b>	2,542,549	-
Depreciation and amortization	7	<b>30,011,563</b>	37,089,905	69,390,420
		<b>₱111,128,634</b>	₱83,474,901	₱116,195,922

EBITDA is computed at income before income tax after excluding the effect of interest, taxes, depreciation and amortization.

EBITDA are non-PFRS measures. The information presented above is intended as additional information for management reporting purposes only.

## **24. Notes to Statements of Cash Flows**

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

2025	Beginning of year	Cashflows	Noncash items	End of year
Due to related parties	₱100,837,039	₱26,666,997	₱-	₱127,504,036
Lease liabilities	40,602,978	(17,357,700)	30,163,843	53,409,121
Loans payable	1,170,354	1,178,481	-	2,348,835
	<b>₱142,610,371</b>	<b>₱10,487,778</b>	<b>₱30,163,843</b>	<b>₱183,261,992</b>

2024	Beginning of year	Cashflows	Noncash items	End of year
Due to related parties	₱99,220,426	₱1,616,613	₱-	₱100,837,039
Lease liabilities	39,856,961	(12,994,492)	13,740,509	40,602,978
Loans payable	3,671,620	(2,501,266)	-	1,170,354
	<b>₱142,749,007</b>	<b>(₱13,879,145)</b>	<b>₱13,740,509</b>	<b>₱142,610,371</b>



## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing the basic financial statements of PT&T Corp. (Doing business under the name and style: PT&T) (the Company) as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole.

The following supplementary schedules are the responsibility of the Company's management. These are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 Part II, and are not part of the basic financial statements:

- Schedules required by Annex 68-J as at December 31, 2025
- Conglomerate Map as at December 31, 2025
- Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2025
- Schedule of Financial Soundness Indicators as at and for the years ended December 31, 2025 and 2024

The supplementary schedules have been subjected to the audit procedures applied in our audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management.



The financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024.

**REYES TACANDONG & Co.**

*Ma. Roselyn B. Balane*

MA. ROSELYN B. BALANE

Partner

CPA Certificate No. 133328

Tax Identification No. 402-406-197-000

BOA Accreditation No. 4782/P-023; Valid until June 6, 2026

SEC Accreditation No. 133328-SEC Group A

Issued September 11, 2025

Valid for Financial Periods 2025 to 2029

BIR Accreditation No. 08-005144-019-2024

Valid until November 25, 2027

PTR No. 10764006

Issued January 2, 2026, Makati City

April 8, 2026

Makati City, Metro Manila

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

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**SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J**  
**December 31, 2025**

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

\* There are no outstanding financial assets which constitute 5% or more of the total current assets as at December 31, 2025.

\*\* There are no amounts of aggregate indebtedness of ₱1.0 million or 1% of total assets as at December 31, 2025.

\*\*\* Indebtedness to related parties are classified as current as at December 31, 2025.

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

**SCHEDULE G – CAPITAL STOCK**  
**December 31, 2025**

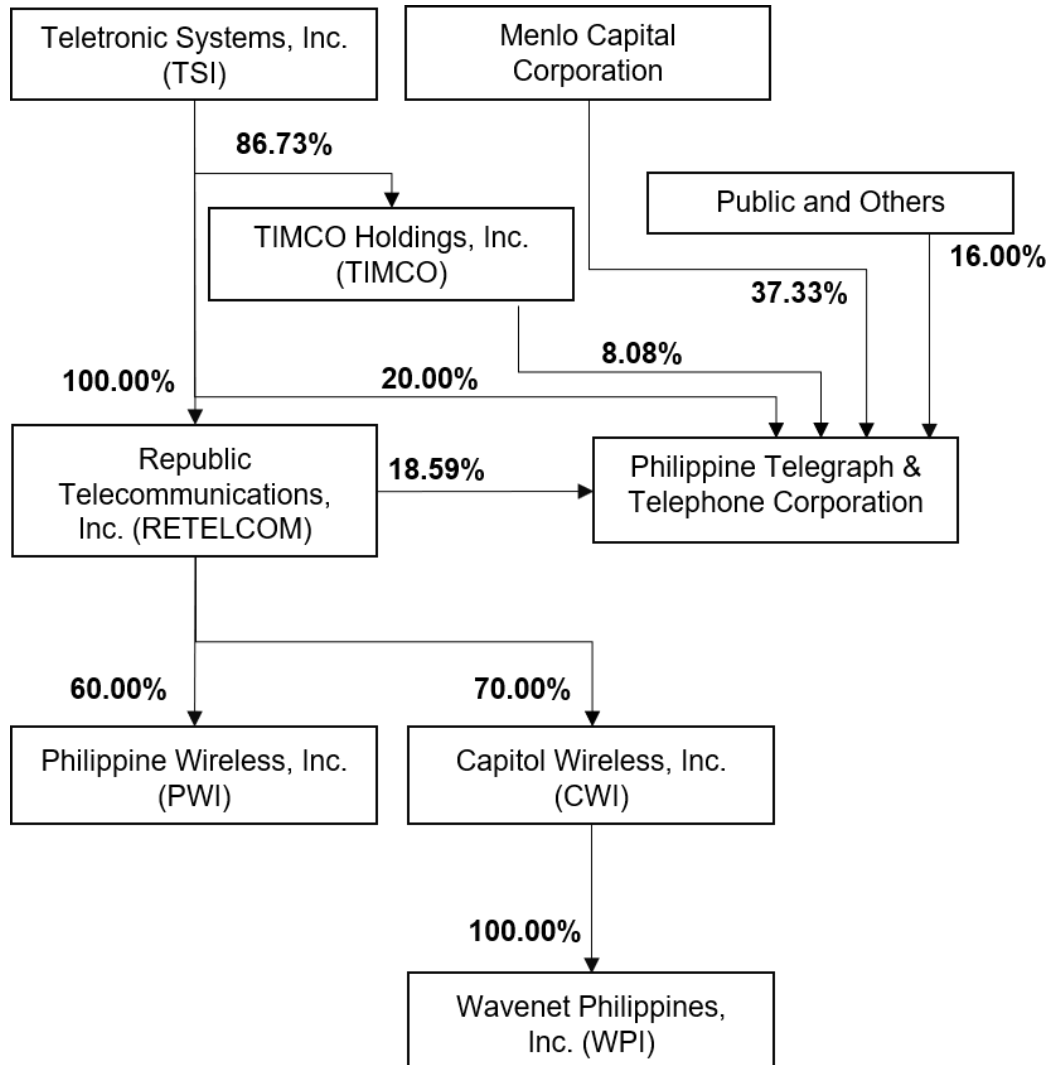
<b>Title of Issue</b>	<b>Number of Shares authorized</b>	<b>Number of shares issued and outstanding as shown under related balance sheet caption</b>	<b>Number of shares reserved for captions, warrants, conversion and other rights</b>	<b>Number of shares held by related parties</b>	<b>Number of shares held by directors, officers and employees</b>	<b>Others</b>
Common shares	1,500,000,000	1,500,000,000	–	1,260,000,239	9,023	239,990,738
Preferred 1 Shares (Serial, Cumulative, Convertible and Redeemable)	230,000,000	71,636,358	–	–	71,636,358	–
Preferred 2 (Serial and Redeemable) Series “A”, “B” and “C”	8,800,000,000	8,709,572,093	–	2,225,427,809	–	6,484,144,284

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

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**CONGLOMERATE MAP**

December 31, 2025



**PT&T Corp.**

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

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION  
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

	Amount
<b>Deficit, beginning of reporting period</b>	<b>(P11,646,690,522)</b>
<b>Add: <u>Category A</u>: Items that are directly credited to unappropriated retained earnings</b>	
Reversal of retained earnings appropriation/s	—
Effect of restatements or prior-period adjustments	—
Others (describe nature)	—
<b>Less: <u>Category B</u>: Items that are directly debited to unappropriated retained earnings</b>	
Dividend declaration during the reporting period	—
Retained earnings appropriated during the reporting period	—
Effect of restatements or prior-period adjustments	—
Others (describe nature)	—
<b>Deficit, as adjusted</b>	<b>(11,646,690,522)</b>
<b>Add/less: Net income for the current year</b>	<b>54,483,084</b>
<b>Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>	
Equity in net income of associate/joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPL)	—
Unrealized fair value gain of investment property	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the Philippine Financial Reporting Standards (PFRS) (describe nature)	—
<b>Sub-total</b>	<b>—</b>

	Amount
<b>Add: <u>Category C.2: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)</u></b>	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	–
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVPL	–
Realized fair value of investment property	–
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–
<b>Sub-total</b>	<b>–</b>
<b>Add: <u>Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</u></b>	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVPL	–
Reversal of previously recorded fair value of investment property	–
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	–
<b>Sub-total</b>	<b>–</b>
<b>Adjusted net income (loss)</b>	<b>54,483,084</b>
<b>Add: <u>Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</u></b>	
Depreciation on revaluation increment (after tax)	–
<b>Sub-total</b>	<b>–</b>
<b>Add/less: <u>Category E: Adjustments related to relief granted by the SEC</u></b>	
Amortization of the effect of reporting relief	–
Total amount of reporting relief granted during the year	–
Others (describe nature)	–
<b>Sub-total</b>	<b>–</b>
<b>Add/less: <u>Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</u></b>	
Net movement of treasury shares (except for reacquisition of redeemable shares)	–
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set up of asset and asset retirement obligation, and set up of service concession asset and concession payable	–
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–
Others (describe nature)	–
<b>Sub-total</b>	<b>–</b>
<b>Total deficit, end of the reporting period available for dividend</b>	<b>(P11,592,207,438)</b>

**PT&T Corp.****(Doing business under the name and style: PT&T)****SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS****December 31, 2025 and 2024**

<b>Ratio</b>	<b>Formula</b>	<b>2025</b>	<b>2024</b>
<b>Current/Liquidity Ratio</b>			
	Current assets	<b>₱564,983,114</b>	₱444,778,415
	Divided by: Current liabilities	<b>1,064,843,009</b>	980,582,978
	Current/Liquidity ratio	<b>0.53:1.00</b>	0.45:1.00
<b>Solvency Ratio</b>			
	Net income before depreciation and amortization	<b>₱84,494,647</b>	₱55,367,145
	Divided by: Total liabilities	<b>1,216,829,844</b>	1,115,492,878
	Solvency ratio	<b>0.07:1.00</b>	0.05:1.00
<b>Debt-to-Equity Ratio</b>			
	Total liabilities	<b>₱1,216,829,844</b>	₱1,115,492,878
	Divided by: Total equity	<b>149,779,967</b>	62,394,552
	Debt-to-Equity ratio	<b>8.12:1.00</b>	17.88:1.00
<b>Asset-to-Equity Ratio</b>			
	Total assets	<b>₱1,366,609,811</b>	₱1,177,887,430
	Divided by: Total equity	<b>149,779,967</b>	62,394,552
	Asset-to-Equity ratio	<b>9.12:1.00</b>	18.88:1.00
<b>Interest Rate Coverage Ratio</b>			
	Income before interest and taxes	<b>₱81,117,071</b>	₱46,384,996
	Divided by: Interest expense	<b>19,854,462</b>	25,565,207
	Interest Rate Coverage ratio	<b>4.09:1.00</b>	1.81:1.00
<b>Return on Assets Ratio</b>			
	Net income	<b>₱54,483,084</b>	₱18,277,240
	Divided by: Average total assets	<b>1,272,248,621</b>	1,145,772,087
	Return on Assets ratio	<b>0.04:1.00</b>	0.02:1.00
<b>Return on Equity Ratio</b>			
	Net income	<b>₱54,483,084</b>	₱18,277,240
	Divided by: Total equity	<b>149,779,967</b>	62,394,552
	Return on Equity ratio	<b>0.36:1.00</b>	0.29:1.00
<b>Net Profit Margin</b>			
	Net income	<b>₱54,483,084</b>	₱18,277,240
	Divided by: Revenues	<b>431,177,409</b>	536,294,026
	Net Profit Margin	<b>0.13:1.00</b>	0.03:1.00

**PT&T Corp.**

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

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**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR  
FEE-RELATED INFORMATION  
DECEMBER 31, 2025**

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	2025	2024
<b>Total Audit Fees</b>	<b>₱1,260,000</b>	<b>₱1,150,000</b>
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total Non-audit Fees</b>	<b>₱-</b>	<b>₱-</b>
<b>Total Audit and Non-audit Fees</b>	<b>₱1,260,000</b>	<b>₱1,150,000</b>

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

**DECEMBER 31, 2025**

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

**SUSTAINABILITY REPORT**

**Exhibit I**

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

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

**FORM 17-A**

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

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