COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

Leandro E. Abarquez	+63284034007
(Contact Person)	(Company Telephone Number)

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Month	*Day*									*Month*	*Day*		
(Fiscal Year)				(Form Type)						(Annual Meeting)			

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

4188		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document ID	Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC Number 808

File Number

DITO CME HOLDINGS CORP.
(Formerly: ISM COMMUNICATIONS CORP.)

(Company's Full Name)

21st Floor, Udenna Tower Rizal Dr. cor. 4th Avenue Bonifacio Global City, Taguig City, 1634

(Company's Address)

8403 - 4007

(Telephone Number)

December 31 2025

(Fiscal Year Ending)
(month & day)

SEC Form 17-A (Annual Report)

Form Type

Amendment Designation (if applicable)

December 31, 2025

Period Ended Date

N/A

(Secondary License Type and File Number)

SEC FORM 17-A

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

1.	For the fiscal year ended	:	**December 31, 2025**
2.	SEC Identification Number	:	**808**
3.	BIR Tax Identification No.	:	**000-162-935**
4.	Exact name of issuer as specified in its charter	:	**DITO CME HOLDINGS CORP. (FORMERLY ISM COMMUNICATIONS CORPORATION)**
5.	Province, country or other jurisdiction of incorporation or organization	:	**Philippines**
6.	Industry Classification Code	:	_____(SEC Use Only)
7.	Address of principal office	:	**21st Floor, Udenna Tower Rizal Dr. cor. 4th Avenue Bonifacio Global City, Taguig City, 1634**
8.	Registrant's telephone number Zip Code	: :	**(632)8403-4007** **1634**
9.	Former name, former address, and former fiscal year, if changed since last report	:	**N/A**

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 as of December 31, 2025
Common	**21,488,500,000**

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes

12. Indicate whether the issuer:

a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 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 12 months (or for such shorter period the registrant was required to file such reports)
Yes

b) has been subject to such filing requirements for the past 90 days
Yes

13. The aggregate market value of the voting stock held by non-affiliates of the registrant.

Shares held by Non-affiliates	Market value Per Share as of December 31, 2025	Total Market Value
5,887,556,962	0.68	4,003,538,734.16

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PART I – BUSINESS AND GENERAL INFORMATION

I. Business Overview

Item 1. Historical Background

DITO CME Holdings Corporation (formerly ISM Communications Corporation) ("DITO CME", the "Company" or the "Issuer") is a holding and investment firm focused on identifying and capitalizing differentiated investment opportunities within the information and communications technology sector. The Company focuses on segments that play a significant role in the way people communicate, transact, share information, and consume content and data. The Company has diverse assets in various segments within the information and communications technology sector, which comprise its business operations in:

- Telecommunications ("Telco");
- Digital Media and Content (gaming, entertainment, and education);
- Managed Analytics (risk and fraud analytics, conversational analytics, and advanced analytics); and
- Intelligent Lifestyle and Commerce Platforms.

Through its subsidiaries, DITO CME strives to deliver high quality and affordable services for customers, provide safe workplaces and merit-based opportunities for employees and generate reasonable returns for business partners and investors.

The Company was incorporated on January 3, 1925, originally as a mining company under the name "Itogon-Suyoc Mines, Inc." In the early 2000s, DITO CME was transformed into a company engaged in information technology, multimedia telecommunications, and other similar industries. On November 11, 2016, the SEC approved the amendment of the Articles of Incorporation ("AOI") of DITO CME to reflect a change in its primary purpose from business of telecommunications, multimedia and information technology to the business of a holding company. On December 10, 2019, the Company's Board approved resolutions to amend the AOI to change the corporate name, principal address and authorized capital stock of the Company and approved the acquisition of all the shares of Udenna Communications Media and Entertainment Holdings Corp. ("Udenna CME") from Udenna Corporation ("Udenna") via a share swap transaction. On March 6, 2020, the SEC approved the change in the Company's corporate name from ISM Communications Corporation to DITO CME Holdings Corp. and as well as the change in its principal address to the 21st Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City, 1634, and the corresponding amendments to its AOI. On August 19, 2021, the stockholders of the Company approved the amendments of the Company's AOI to increase its authorized capital stock and to reflect its perpetual corporate life in accordance with the Revised Corporation Code from its original term of fifty (50) years. On November 10, 2023, the SEC approved the amendment to the Company's By-Laws clarifying the guidelines on meetings via remote communication and incorporating the provisions of the Revised Corporation Code, among others.

Corporate Restructuring and Share Swap Transaction

With a thrust towards consolidating the Udenna Group's investments in media, communication and information technology under one umbrella, the Udenna Group underwent a restructuring of its ownership interests across various companies. On November 11, 2020, Chelsea Logistics and Infrastructure Holdings Corp. ("Chelsea") and Udenna Corporation ("Udenna") entered into definitive

documents for the transfer of their combined share ownership of 60.00% in DITO Telecommunity Corporation ("DITO Telecommunity") to DITO Holdings Corporation ("DITO Holdings") (the "Restructuring"). The Restructuring was approved by the National Telecommunications Commission ("NTC") in its order dated September 25, 2020. Furthermore, on March 9, 2021, the Philippine Competition Commission ("PCC") issued a letter of non-coverage confirming that the Restructuring qualifies an as internal restructuring and is not covered by compulsory notification under the rules and regulations of the PCC. Concurrently, on November 11, 2020, DITO Holdings and Udenna CME entered into a subscription agreement where Udenna CME subscribed for an additional 7,379,166,900 common shares with a par value of ₱1.00 per share of DITO Holdings for a total subscription price of ₱7,379,166,900.00 and thereby increasing its stake in DITO Holdings to 89.46%.

In addition, on the same date, Udenna and DITO CME entered into a share swap transaction, wherein DITO CME shall acquire 10,000,000 common shares of Udenna CME, with par value of ₱1.00 per common share, equivalent to 100.00% of the issued and outstanding capital stock of Udenna CME, in exchange for the issuance of 11,200,000,000 new Common Shares of DITO CME to Udenna, which was taken from the increase in the Company's authorized capital stock (the "Share Swap Transaction"). The final issue price by the Company for the Share Swap Transaction was ₱6.11 per share for a total issue consideration of ₱68,432,000,000.

On August 19, 2021, the SEC approved the Share Swap Transaction and the Increase in its authorized capital stock from ₱2,800,000,000 divided to 2,800,000,000 Common Shares with par value of ₱1.00 per share to ₱40,000,000,000 divided into 40,000,000,000 Common Shares with par value of ₱1.00 per Common Share ("Increase in ACS").

As a result of the Share Swap Transaction, Udenna became the shareholder of 79.80% of the issued and outstanding capital stock of the Company, and the Company also gained an indirect interest and became the holding entity for approximately 53.70% of voting shares in DITO Telecommunity. Furthermore, on August 27, 2021, the Company issued an additional 35,000,000 shares to a public shareholder to comply with the public float requirement.

The Share Swap Transaction qualifies as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended by the CREATE Law, which took effect on April 11, 2021. The CREATE Law removed the requirement of prior confirmation of the tax-free nature of an exchange under Section 40(C)(2) of the Tax Code from the BIR for purposes of availing of the tax exemption. As such, at present, only a tax clearance or CAR need be obtained from the relevant Revenue District Office. The CAR must be obtained before legal title to the shares subject of the Share Swap Transaction can be transferred and recorded in the books of the Company. On November 2, 2021, the BIR issued a CAR covering the Share Swap Transaction.

On July 5, 2023, the Board of Directors and stockholders of the Company approved the merger of the Company with its wholly-owned subsidiary, Udenna CME, with the Company as the surviving entity. To date, the parties are still in the process of preparing the merger plan, with the terms of the merger still to be determined, subject to the approval of the Company's Board of Directors.

On August 15, 2023, the Company issued 1,590,000,000 new shares out of its unissued capital stock to Summit Telco Corporation Pte. Ltd. ("Summit Telco"), a third-party subscriber at an issue price of ₱1.00 per share. On August 16, 2023, the Company issued 610,000,000 new shares out of its unissued capital stock to Xterra Ventures Pte. Ltd., a third-party subscriber at an issue price of ₱1.00 per share. On October 20, 2023, the Company issued 3,300,000,000 new shares out of its unissued authorized capital stock to Summit Telco Holdings Corporation, a Philippine registered corporation that is wholly-

owned by Summit Telco Corporation Pte. Ltd., an existing shareholder of DITO CME, at an issue price of ₱1.00 per share. As a result of the foregoing issuances in August and October 2023, the total number of issued and outstanding common shares of the Corporation increased to 19,535,000,000.

In addition, on September 7, 2023, DITO Holdings issued 2,242,510,277 shares to Summit Global Ltd., an entity organized and existing under the laws of the Cayman Islands, at a consideration of ₱1.00 per share. The issuance of new shares at DITO Holdings amounts to approximately 18.5% of its issued and outstanding capital stock. After such issuance, the Company effectively holds approximately 43.75% indirect interest as the holding entity of DITO Telecommunity.

The proceeds of the issuance of the shares of the Company in August and September 2023, and the issuance of shares of DITO Holdings in September 2023, less relevant taxes and fees, were used to fund the additional equity requirements of its operating subsidiary, DITO Telecommunity, through the payment of subscription payables by DITO Holdings to DITO Telecommunity.

On November 4, 2024, the Company executed a Subscription Framework Agreement with Summit Telco to subscribe up to 9 billion primary common shares of the Company, subject to the execution of subscription agreements containing the terms and conditions of the relevant subscription and share issuance. The implementation of Summit Telco's potential investment under the Subscription Framework Agreement, along with other equity raising efforts, forms part of the Company's business plan to improve its equity position. The investment is subject to compliance with Philippine regulatory requirements, such as requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.

On December 6, 2024, the Company conducted a successful follow-on offer (FOO) issuing 1,953,500,000 common shares, priced at ₱1.05 per share, raising ₱2.05 billion in gross proceeds. The FOO was fully subscribed with strong demand from institutional investors as well as continued robust support from DITO's substantial retail investor base.

DITO CME is publicly listed in the Philippine Stock Exchange (the "PSE"). As of December 31, 2025, the Company has a market capitalization of ₱14.6 billion and a share price of ₱0.68 per Common Share.

Item 2. Business of the Issuer

Telecommunications

DITO CME's foray into telecommunications is reflected in its equity interest in DITO Telecommunity (formerly Mindanao Islamic Telephone Company, Inc.), through its wholly-owned subsidiary, Udenna CME. As of December 31, 2025, DITO Telecommunity is 40.00% owned by China Telecommunications Corporation, a People's Republic of China state-owned corporation and 60.00% owned by DITO Holdings, resulting from the Udenna Group's restructuring. Post Restructuring, the Share Swap Transaction and issuance of shares at DITO CME, DITO CME has an effective ownership of 46.70% of DITO Telecommunity.

DITO Telecommunity was incorporated in the Philippines on September 25, 1997 primarily to establish, maintain and operate commercial telephone and communications systems and to engage and/or operate a telecommunications business. DITO Telecommunity is the third telecommunications

player in the Philippines, competing with the other two (2) existing players, PLDT, Inc. ("PLDT") and Globe Telecom, Inc. ("Globe").

DITO Telecommunity was selected as the New Major Player ("NMP") in the Philippine Telecommunications Market after a selection process conducted by the National Telecommunications Commission ("NTC"), in coordination with the Department of Information and Communications Technology ("DICT"). On July 8, 2019, DITO Telecommunity was granted by the NTC its Certificate of Public Convenience and Necessity ("CPCN") to own, install, operate and maintain fixed (wired and wireless) networks, mobile networks, and offer all types of national and international telecommunications services including broadband and to charge rates therefor under NTC Memorandum Circular No. 09-09-2018, Rules and Regulations on the Selection Process for a New Major Player in the Philippines Telecommunications Market. Under the CPCN, DITO Telecommunity made certain commitments under its new status as the third telecommunications player in the Philippines and posted a ₱25.7 billion performance bond.

The NTC requires DITO Telecommunity to undergo annual technical audits to assess DITO Telecommunity's readiness and capacity in consideration of its committed service levels for its planned operations. The first technical audit was scheduled last July 2020, but due to community quarantine measures brought about by the COVID-19 pandemic, the NTC allowed for a six-month extension for DITO Telecommunity's first technical audit and was rescheduled to January 7, 2021.

Based on the findings of independent auditor, KPMG R.G. Manabat & Co., DITO Telecommunity was able to deliver on its commitments for the first year of operations. DITO vowed to deliver on 37.03% national population coverage with a minimum average broadband speed of 27.0 megabits per second ("Mbps") in its first year of operations.

The report of R.G. Manabat & Co. mentioned that DITO Telecommunity's first year national population coverage reached 37.48% or 37,845,315 persons based on a national census population of 100,983,000, reaching coverage of 88,609 barangays.

Meanwhile, the report indicated that the minimum average broadband speeds were recorded at 85.9 Mbps for 4G and 507.5 Mbps for 5G. In addition, the minimum average broadband speeds per testing point for all sites are:

- Near point – 102.0 Mbps and 769.1 Mbps for 4G and 5G, respectively;
- Middle point – 91.2 Mbps and 437.1 Mbps for 4G and 5G, respectively; and
- Far point – 64.4 Mbps and 316.5 Mbps for 4G and 5G, respectively.

In a letter dated February 22, 2021, the NTC confirmed that DITO Telecommunity passed the technical audit of its commitments, national population coverage and minimum average broadband speed, for the first year of commercial operations.

DITO Telecommunity's second technical audit was conducted on July 8, 2021. On September 3, 2021, the NTC confirmed that DITO Telecommunity passed the second technical audit of its commitments.

The results of the second technical audit showed that the population coverage reached 52.75%, surpassing its second-year coverage commitment of 51.01%. The results also showed DITO Telecommunity's minimum average broadband speeds of 89.13 Mbps and 853.96 Mbps for 4G and 5G, respectively.

In 2022, DITO Telecommunity passed its third technical audit which was conducted on July 8 of that year. The audit showed that the company reached a population coverage of 72.39%, surpassing the commitment of 70.01%. Moreover, DITO Telecommunity continued to generate minimum average broadband speeds of 71.77 Mbps for 4G and 801.19 Mbps for 5G, substantially surpassing the minimum average 55 Mbps commitment.

In 2023, DITO Telecommunity passed its fourth technical audit in September of that year. The audit showed that DITO Telecommunity reached a national population coverage of 80.65% and minimum average broadband speed of 74.97 Mbps for 4G and 639.32 Mbps for 5G, surpassing the minimum requirement of 80.01% coverage and internet speed of 55 Mbps.

In September 2024, DITO Telecommunity passed its fifth and final technical audit. The audit showed that the Company reached a national population coverage of 86.30%, and a minimum average broadband speed of 92.87 Mbps for 4G and 345.28 Mbps for 5G. The results surpassed the minimum commitments of 84.01% population coverage and 55 Mbps minimum average broadband speed, respectively.

In addition to receiving several awards from Opensignal and Ookla, DITO Telecommunity surpassed 15 million mobile subscribers in July 2025.

Aside from the CPCN, DITO Telecommunity holds a legislative franchise to construct, establish, install, maintain and operate for commercial purposes and in the public interest, wired, mobile and fixed wireless telecommunications system such as paging system, cellular phone system, personal communications network, trunked radio services related to the foregoing, now known to science or which in the future may be developed through technical innovations and advances, throughout the Philippines, for public domestic and international telecommunications. On May 18, 2021, Republic Act ("R.A.") No. 11537 was passed into law renewing for an additional twenty (25) years the franchise granted to DITO Telecommunity from the date of its expiration on April 24, 2023 or until April 24, 2048.

On February 23, 2021, DITO Telecommunity and PLDT signed an interconnection deal which will enable subscribers from the two (2) companies to communicate with each other using their respective networks. Subsequently, on February 24, 2021, DITO Telecommunity also signed an interconnection agreement with Globe. On July 14, 2021, DITO Telecommunity, Globe and Smart, through their joint venture company, Telecommunications Connectivity Inc., announced that they have successfully concluded the initial tests of their technical capabilities and interoperability. This is in line with the Government's implementation of Republic Act No. 11202, or the Mobile Number Portability Act, ensures that mobile phone users can keep their numbers even when they transfer to another service provider, or when they switch their subscription from postpaid to prepaid, or vice-versa.

On September 20, 2023, DITO Telecommunity signed a US$3.9 billion 15-year long-term project finance facility, the proceeds of which was used to extinguish its short-term bridge loan facility totaling US$1.3 billion with the balance paid to contractors and to fund the continuing network rollout of DITO Telecommunity.

On January 11, 2024, DITO Telecommunity and Converge ICT Solutions Inc. signed a Master Facilities Provisioning Agreement that will allow the two companies to share select terrestrial and submarine fiber optic cable assets, strengthening the network of DITO Telecommunity as it translates to expanded coverage, increased redundancy and reduced capital expenditures.

On September 14, 2025, Republic Act No. 12234 (Konektadong Pinoy Act) and its Implementing Rules and Regulations introduced an open-access regime in the data transmission sector, including the removal of the legislative franchise requirement for data transmission services, the introduction of mandatory infrastructure sharing for digital infrastructure and services included in the regulators' Access List, and a revised spectrum management framework providing for periodic review, potential recall, and reassignment of spectrum by the NTC and the Department of Information and Communications Technology (DICT).

The Group continues to monitor further regulatory guidelines from the NTC and the DICT. Management does not expect any immediate material impairment of its existing assets, though it continues to evaluate the potential long-term impact of these regulatory developments on the competitive position and overall financial performance of the Group.

DITO Telecommunity provides digital mobile communication services nationwide using the Voice over LTE ("VoLTE") technology, which allows customers to make voice calls over LTE connection instead of voice networks. It provides data, voice and value-added services to its mobile subscribers mainly through prepaid plans as of the date of this Prospectus. Moreover, and more significantly, DITO Telecommunity is the only telecommunications company with a 100.00% 4G and 5G network in the Philippines. DITO Telecommunity utilizes the newest 4G and 5G technologies, with a bandwidth of more than 1 gigabytes per second ("Gbps"), to serve the high demand for greater data power or stronger network connection. This ensures consistent seamless quality of services, compared to the other telco networks in the Philippines which rely on older infrastructure and systems. Also, DITO Telecommunity's infrastructure with 5G technology for Fixed Wireless Access (FWA) means that customers can potentially enjoy high-speed internet connectivity at their homes or businesses without the need for physical cables. 5G technology also provides users with next generation services, such as artificial intelligence ("AI") and Internet of Things ("IoT") services, with ultra-low latency, high reliability and security.

DITO Telecommunity uses several sales channels to sell its products. They have both online and offline presence. DITO Telecommunity's SIM cards are widely available in Lazada and Shopee, both large retailers of various goods and products that capture a wide market, as well as in the DITO online store (http://bit.ly/DITOeshop). DITO Telecommunity also has DITO Experience stores and retail partner stores with distributors or third-party dealers. As of December 31, 2025, there are 17 DITO Experience stores as well as 16 kiosks and 24 license stores, 111 master distributors covering 73,260 retailers and 274 device partners with 3,584 outlets across the Philippines. Also, as of December 31, 2025, DITO Telecommunity has 16.2 million mobile subscribers. DITO Telecommunity, the fastest-growing telecommunications provider in the country, aims to disrupt the postpaid market with innovative and affordable postpaid plans designed to provide unserved and underserved Filipinos with data-packed plans at the most affordable prices.

Mobile Postpaid

Originally launched in February 2024, DITO continued to promote its FLEXPlans (FLEXPlan 388, FLEXPlan 1288/1688) that give customers an option to avail of either SIM-Only Plans with generous data plan inclusions and no lock-in periods or Handset Plans with a free device for a 24-month lock-in period.

Furthermore, DITO's 2025 introduction of FLEXPlan with Rebate 888 and 1288 mobile postpaid plan represents a market-first innovation. Strategically deployed across third-party retail network, this product captures the device-upgrade segment by successfully cross-selling postpaid services at the

point of sale. This integration of monthly rebates serves as a powerful driver for new acquisitions and device upgrades.

Mobile Prepaid

DITO's Mobile Prepaid segment remains the company's primary subscriber acquisition engine. It is anchored by the flagship P39 Starter Pack and key usage-based product launches during the year such as Level-Up Socials, the new DITO Level-Up 99 (offering increased data with shorter validity) and exclusive handset-SIM bundling in digital channels.

In 2025, DITO Tel further expanded its prepaid ecosystem by introducing eSIM, Level-Up YouTube and Gaming packs, Todo Data 30 and Enhanced Level-Up Socials. The launch of Estudyante Packs (exclusive to school retailers) and DITO No Expiry products deepened penetration among digitally native consumers.

DITO 5G Fixed Wireless Access (FWA)

DITO Home is a group of plans using the WoWFi Lite, WoWFi Pro, WoWFi Optima, WoWFi Pro 365 labels. WoWFi Pro is the new 5G RedCap FWA offer promoted by DITO Tel in 2025. It is powered by 5G SA/RedCap and positioned as fiber-like entry-level broadband without wired installation. On the other hand, WoWFi Optima is a postpaid FWA plan launched in 2025 at ₱1,490 monthly for 24 months, unlimited 5G data, modem/SIM, Prime Video, and BlastTV. WoWFi Pro 365 is the annual-value version of WoWFi Pro and launched last July 2025.

Top-Up Channels

DITO Telecommunity offers several options for top up or reloading options. Load credits may be purchased online via Lazada, Shopee, MyDITO (DITO online account - https://my.dito.ph/), DITO App and Bayad App or offline through DITO Experience stores, retail partner stores and Bayad Centers. Aside from purchasing load credits, the DITO App and MyDITO allows customers to check their balance, discover promos and liaise with customer service agents via live chat.

Sales and Distribution Channels

DITO Telecommunity utilizes several sales channels to sell its products. They have both online and offline presence. As of December 31, 2025, the company's SIM distribution sales are 15% online or through e-channels, and 85% offline. On the other hand, the top-up and load distribution split remained unchanged for the third consecutive year at 84% and 16% for online and offline, respectively.

For its online presence, the following sales channels are available:

- *DITO Online Store*

  DITO Telecommunity maintains an online store (http://bit.ly/DITOeshop), which makes available to customers the products and services of DITO Telecommunity. DITO SIM cards bought from the DITO online store come with 16GB High Speed Data, Unlimited All Net Texts, Unlimited DITO to DITO Calls, and 300 minutes of DITO Calls to other mobile networks valid for thirty (30) days. Top up and load credits may also be purchased online from DITO App, Lazada, Shopee, GCash.

- *Lazada and Shopee*

  DITO SIM cards are widely available in Lazada and Shopee through DITO Telecommunity's accounts in these respective e-commerce platforms. DITO SIM cards bought from Lazada and Shopee come with 16GB High Speed Data, Unlimited All Net Texts, Unlimited DITO to DITO Calls, and 300 minutes of DITO Calls to other mobile networks valid for thirty (30) days. Top up and load credits may also be purchased online from Lazada.

  Lazada and Shopee are both B2C e-commerce platforms that serve as an online marketplace that offer a wide array of products under a convenient platform. Lazada and Shopee are both Singaporean multinational technology companies with large customer traffic brought about by the convenience of an online marketplace. According to a 2025 marketplace guide from TMO Group, Shopee is the leading e-commerce platform in the Philippines accounting for over 46% of share of traffic with Lazada ranked second.

Aside from online sales channels, DITO Telecommunity retails its products offline through the following channels:

- *DITO Experience Stores*

  DITO Experience stores are DITO Telecommunity's physical stores situated in popular commercial areas with high foot traffic, such as SM and Robinson malls. DITO Experience stores provides customers with a seamless and unique experience when transacting with DITO Telecommunity's sales agent in store. The objective of setting up DITO stores is to introduce the market to DITO Telecommunity's technology, and allow them to experience exclusive 4G/5G network access. As of December 31, 2025, DITO Telecommunity has 17 DITO Experience stores strategically placed in high foot traffic areas as well as 16 kiosks and 24 license stores.

- *Retail Partner Stores/Distributors/Third Party Dealers*

  DITO Telecommunity also has partnerships with third party distributors and dealers nationwide to sell its products, particularly through the following sales channels:

  a) General Trade or the sales channel that handles sales of DITO Telecommunity's products from national up to area level through distributors, key accounts and modern trade partners. As of December 31, 2025, DITO Telecommunity has 111 master distributors overseeing 73,260 retail outlets.

     Modern Trade is the sub-category of general trade that focuses on large players like supermarkets, hypermarkets, convenience stores, mini markets and remittance centers. As of December 31, 2025, DITO Telecommunity has 36 modern trade partners covering a total of 48,574 outlets.

  b) Device Retail or the sales channel that handles device retail stores focused on selling mobile phones, accessories and load. As of December 31, 2025, DITO Telecommunity has 274 device partners with a total of 3,584 device partner outlets.

Suppliers

DITO Telecommunity closely works with local and foreign suppliers or full turn key ("FTK") contractors for its network buildout and for the supply of its inventory. The company's suppliers have the requisite track record, experience and expertise in providing their respective products and services. DITO Telecommunity does not rely on a single supplier and it is not dependent on a supply chain.

In relation to the construction of their cell towers, DITO Telecommunity deals directly with Futurenet and Technology Corp. ("Futurenet"), which is a subsidiary of China Telecom and is DITO Telecommunity's FTK Engineering Procurement and Construction ("EPC") contractor in relation to its network buildout. Futurenet in turn deals with FTK sub-contractors who handle everything from site acquisition, engineering, construction until turnover of the cell towers to DITO Telecommunity.

Network and Market Coverage

With the commencement of commercial operations, DITO Telecommunity continues to invest in expanding and enhancing its next generation technology mobile network. As of December 31, 2025, DITO Telecommunity has coverage in 966 cities and municipalities nationwide, particularly in all 17 regions of the Philippines. As of December 31, 2025, DITO Telecommunity has approximately 7,342 cell sites in operation.

DITO CME Ventures, Inc.

Part of DITO CME's investment strategy is to enter into digital media, content, intelligent lifestyle platforms that deliver convenience, value, and advanced digital solutions that enhance as well as simplify daily consumer transactions. These can be seen in DITO CME's Acuity Global under DITO CME Ventures Inc.

Marketing, Communications, and Events

Acuity Global specializes in marketing, communications, events, and other media solutions. It operates three sub-units that operate independently of each other – Acuity Media, Acuity Communications, and Acuity Ace.

> **Acuity Media** provides curated media properties across digital and physical platforms. It is an advertising space solutions provider with media inventory across multiple platforms, including digital, Out-of-Home (OOH), broadcast as well as social media.
>
> **Acuity Communications** provides creative services, social media management, public relations and event management. Its services, include, but are not limited to:
>
> a) marketing and integrated communications planning;
> b) campaign development and creatives;
> c) social media, including content marketing, promotions and contests, monitoring and management, consulting and training, and crisis management;
> d) digital public relations, including blogging, media training, crisis communication, media relations, events management; and
> e) media strategy planning and buying, including broadcast, online display and video, search and ad-words, OOH and print.

Acuity Ace is a complete event solutions provider with expertise in Activations, Content (Influencer Management), Event Management, & Entertainment productions.

Item 3. Subsidiaries

Company	Place of Incorporation	Principal Activities	Effective Ownership
DITO CME Ventures, Inc.	Philippines	Holding Company	100.0%
Udenna Communications, Media and Entertainment Corp. (UCME)	Philippines	Holding Company	100.0%
Wagas Consultants Limited	British Virgin Islands	Holding Company	100.0%
Host Union International Limited [1]	Hong Kong	Holding Company	100.0%
Dos Holdings, Inc. (DOS), formerly Una Technologies Corp.	Philippines	IT services	100.0%
Luna Technologies Inc.	Philippines	Online Training and Micro Credentialing Certification	75.0%
Dito Holdings Corp. [2]	Philippines	Holding Company	77.83%
Dito Telecommunity Corp. [3]	Philippines	Telecommunications	59.99%
Super Agila Tech Inc. [4]	Philippines	Information Technology	100.0%

1 *Subsidiary of Wagas Consultants Limited*
2 *Subsidiary of UCME*
3 *Subsidiary of Dito Holdings*
4 *Subsidiary of DITO CME Ventures, Inc.*

Item 4. Significant Philippine Associates and Affiliates

Company	Place of Incorporation	Principal Activities	Relationship
Udenna Corporation	Philippines	Holding Company	Ultimate Parent Company
Phoenix Petroleum Philippines, Inc.	Philippines	Petroleum	18.52% owned by Udenna Corporation and 40.82% owned by Phoenix Petroleum Holdings, Inc.
Chelsea Logistics and Infrastructure Holdings Corp.	Philippines	Shipping and Logistics	72.55% owned by Udenna Corporation
PH Resorts Group Holdings, Inc.	Philippines	Tourism and Gaming	71.62% owned by Udenna Corporation

UC Energy Holdings Pte. Ltd.	Singapore	Oil and Gas Exploration and Distribution	100.00% owned by Udenna Corporation
Udenna Land, Inc.	Philippines	Real Estate and Property Development	100.00% owned by Udenna Corporation

Item 5. Competition

Competition remains intense in the Philippine telecommunications industry amidst a growing mobile and broadband market and high growth data business, as current operators seek to increase market share with aggressive offerings. For the longest time, the Philippine telecommunications industry has been a two-player market between PLDT, Inc. (composed of Philippine Long Distance Telephone Company ("PLDT"), Smart Communications, Inc. ("Smart"), and Digitel Telecommunications Philippines, Inc. ("Digitel")), and Globe Telecom, Inc. ("Globe"). Moreover, the Group also faces competition from other internet service providers like Converge ICT Solutions Inc. and SKY Cable Corporation, and may also face competition from potential new entrants in the future. The two (2) major telecommunications companies in the Philippines have certain competitive advantages, including financial and human resources, large customer bases, attractive product offerings and brand recognition, that could help expand their telecommunications businesses.

They may offer price reductions and adopt other promotions and marketing initiatives to grow their market positions, which could increase our competitive pressures. In addition, due to the size and geography of the Philippine archipelago, it may not be commercially feasible for us to expand our network into certain new service areas.

The competitiveness of the industry is further underlined by the preference for cheaper alternatives to communication such as instant messaging, social network services and voice over internet protocol. These alternatives are also driven by the proliferation of affordable smartphones and internet-capable mobile devices. The Group's ability to adequately address intense competition may impact its business, revenues, and net income.

The Group's competitiveness will also depend on effective marketing initiatives and our ability to anticipate and respond to various factors affecting the industry, including potential new entrants in the Philippine telecommunications market, new services, pricing strategies by other providers, changes in customer preferences and economic, political and social conditions in the markets in which we operate. We may be unable to maintain our subscriber acquisition rate, and our subscriber acquisition cost may increase, due to increased competition in our industry, which could materially adversely affect our results of operations, financial condition and prospects.

Further, it is essential for us to maintain a favorable reputation among our customers in order to compete in the highly competitive telecommunications industry. Any inability to predict and respond to the changing needs and demands of our customers will affect our competitive position relative to other telecommunications companies, and our ability to capture value from the digital transformation process. In addition, any failure to maintain a favorable perception among our customers could have an adverse effect on our business, financial condition, results of operations or cash flows.

To manage these risks, the Group is implementing strategies in both the near and long-term including the continuation of its network rollout, improving customer experience, and development of new information and communications technology capabilities. The Group believes that the digital challenges in the new normal level the playing field amidst changing consumer behavior, and position

the Group to have an advantage above its competitors. The Company's digital business is aimed to address the changing needs of its individual and business customers to focus on online services and solutions. DITO Telecommunity is likewise focused on growing its online and e-commerce presence with the use of the DITO App and MyDITO (DITO online account - https://my.dito.ph/). DITO Telecommunity is the only network that is free from a legacy system, and that solely uses 100% 4G and 5G network technology. Furthermore, the Group monitors developments in the industry, competition and the regulatory environment to ensure that it can adapt as necessary to any change. The Group is also continuously pursuing research and development measures through its management team, and is always on the lookout for developing digital solutions to address consumer needs.

Item 6. Cost and Effect of Compliance with Environmental Laws

We are subject to various laws and regulations relating to environmental matters. These include laws relating to the protection of the environment, human health and human safety such as laws and regulations governing the management and disposal of, and exposure to, hazardous materials, for which we could be liable for the costs of removal of certain hazardous substances and clean-up of certain hazardous locations. The failure to remove or clean-up such substances or locations, if any, could adversely affect our operations on such sites and could potentially also result in claims against us. In addition, any project that could be expected to have a significant impact to the quality of the environment is subject to the Philippine Environment Impact Study system, for which an Environmental Compliance Certificate ("ECC") would need to be obtained from the Philippine Department of Environment and Natural Resources ("DENR") before the project can proceed. There can be no assurance that current or future environmental laws and regulations applicable to us will not change, that relevant permits will be obtained as a result of such changes or that complying with applicable environmental laws and regulations will not increase the costs of conducting our business above currently projected levels or require future capital expenditures.

We cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the quantum of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to our business could materially adversely affect our business, results of operations, financial condition and prospects.

To mitigate this risk, the Group closely monitors regulations, maintains open dialogue and communication with the appropriate regulatory authorities and endeavors to adequately and timely comply with all laws and regulations.

Item 7. Employees and Agreements of Labor Contracts, including Duration

As of December 31, 2025, the Company has slightly over 1,456 employees, most of which are employed by the Company's Subsidiaries. The Company has no collective bargaining agreement with its employees. No employees were on strike for the past three years nor are they planning to go on strike.

The relationship between management and employees has always been of coordination and collaboration. The Company believes that professionalism, open communication and upright engagement between management and employees are the effective ways to resolve workplace concerns.

Aside from compensation, the Company's employees are given medical, hospitalization, vacation and sick leave, and personal accident insurance benefits. There are also medical benefits from the Company that extends to employee's dependents.

Item 8. Corporate Social Responsibility

In 2025, DITO Telecommunity undertook several Corporate Social Responsibility (CSR) initiatives aimed at disaster response and community resilience, environmental stewardship as well as community empowerment and volunteerism.

In response to Typhoon Emong and subsequent natural disasters that affected communities in Northern Luzon and Cebu, DITO mobilized relief and feeding operations to support displaced families and evacuees.

In Pangasinan, DITO served meals to affected residents in Calasiao and Dagupan City following severe flooding caused by torrential rains and intensified monsoon conditions. In Cebu, following a magnitude 6.9 earthquake and later Typhoon Tino, DITO mounted one of its largest relief efforts of the year, serving over 14,000 meals to evacuees in Bogo City and Medellin while also extending support to affected employees and communities.

As part of its sustainability efforts, DITO conducted tree-planting initiatives in Mindoro, Nueva Ecija, and Batangas, planting a total of 3,000 trees including narra, bamboo, and fruit-bearing seedlings. These activities were designed to contribute to environmental protection while supporting long-term ecological balance in communities where DITO continues to expand its network presence.

To close the year, DITO partnered with HOPE Worldwide Philippines for a nationwide Christmas outreach initiative benefiting underserved children and families across six communities in Luzon, Visayas, and Mindanao. Through the distribution of Noche Buena packages, volunteer-led activities, and community celebrations, the initiative brought holiday support and encouragement to more than 500 children and their families.

Item 9. Principal Competitive Strengths of the Company

The Company believes that it will benefit from the following competitive strengths:

The Company is well-positioned to benefit from the country's robust industry dynamics for telecommunications and digitalization.

The Philippine continues to have attractive macroeconomic fundamentals. It remains among the faster growing economies in Southeast Asia even with the COVID-19 pandemic lockdown.Despite real GDP growth contracting by 9.5% in 2020, the Philippine real GDP still grew by a compounded annual growth rate ("CAGR") of 3.5% from 2015 to 2025 with it rebounding by 5.7% in 2021 and accelerating to 7.6% in 2022. GDP growth then decelerated to 5.5% and 5.7% in 2023 and 2024, respectively. It slowed down to 4.4% in 2025.

The country's robust economic growth, despite the COVID-19 pandemic, continues to create a rapidly emerging middle class with rising purchasing power. One of the main strengths of the economy is rooted in the country's attractive demographic make-up. The Philippines is the second most populous country in Southeast Asia with an estimated 113.9 million people as of the end of 2025 according to

the Philippine Statistics Authority. A UN World Population Prospects-based source gives the median age of 26.1 years old for Filipinos with many just entering the workforce.

The Philippines has a rapidly emerging middle class with booming e-commerce and internet connectivity, with the ability to spend more as evidenced by an estimated CAGR of 8.1% from 2021 to 2025 in per capita disposable income according to Euromonitor Passport data. This is despite the adverse effects of the global COVID-19 pandemic which began in March 2020. The Philippines has very significant and rapidly growing demand for mobile connectivity, underpinned by the following drivers:

- The country's large estimated population of approximately 113.9 million people with a median age of 26.1 years old, and are among the youngest and among the most internet-savvy in Asia. In 2025, Filipinos spent between 7.7-8.9 hours per day on the internet across all devices according to Digital 2025 Philippines. This is higher than the global average of 6.6 hours and is remains among the highest in Southeast Asia. Furthermore, the Philippines ranks as the top country for online video consumption both in Southeast Asia and globally. In 2025, 72% of Filipinos over the age of 16 watched music videos online and 48% watch vlogs and influencer content weekly, significantly surpassing global averages.

- The Philippines is home to a thriving technology-enabled services industry, including a world-class business process outsourcing ("BPO") sector that ranks second in the world after India, for which connectivity is essential to meeting customers' expectations. This is fueling multi-sector growth such as in retail and financial services, and supporting rising disposable income per capita for its workers.

- The Philippine overseas Filipino worker ("OFW") population is the largest in Southeast Asia estimated at 2.2 million at the end of 2025, which drives significant spending on high-speed and reliable connectivity in order to communicate and stay connected with family and friends, often utilizing data-heavy live video platforms. OFW remittances to the Philippines, through banks and personal remittances, amounted to an all-time high of U.S.$39.62 billion or 8.1% of the country's GDP in 2025, was more than that of any other Southeast Asian nation for the same period, both in absolute and per capita terms.

- The need for high-speed mobile access has amplified following the onset of COVID-19, and the growth in demand has accelerated as the new social norms of social distancing and work from home ("WFH") have set in. A new normal has emerged due to COVID-19, driving a permanent paradigm shift in connectivity requirements. Over time, a new normal has begun to emerge, under which households are implementing back-up home connectivity arrangements as WFH and online-learning arrangements set in as more long-term or permanent features of everyday life. The new normal has also accelerated awareness and acceptance of online services, including online purchases and payments, among Filipino consumers.

These supply-demand dynamics increased significantly the already unserved demand for mobile and fixed high speed internet services. The Company believes that with the entry of DITO Telecommunity as the third major telco player, and complemented by its other digital businesses, it can serve as a catalyst for market growth as it continues to lead efforts to address current unserved demand and poor quality of mobile and fixed internet services in the Philippines.

On March 8, 2021, DITO Telecommunity began its commercial operations in certain areas in Visayas and Mindanao, and was able to rapidly expand to other parts of the Philippines within three months, including Metro Manila. As of December 31, 2025, DITO Telecommunity service for calls, texts and

data is available in 966 cities and municipalities, spread out in all regions of the Philippines. As of December 31, 2025, DITO Telecommunity has 16.17 million mobile and 0.40 million FWA subscribers, respectively.

The Company has a comprehensive platform providing diverse and cutting edge digital-focused solutions and innovations.

DITO CME's vision is to empower and enable the digital lifestyle of every Filipino with the aim to connect people to people, transform legacy tools and practices to digital, make human transactions simpler, faster and easier enabled by the best-in-class technology. The Company's various business segments provide a full suite of complementary products and services that enable digitally-focused solutions and innovations.

Telecommunications and data services give Filipinos better access to communication, via video chats with loved ones or multi-party conferencing and file sharing across business units. The Company aims to provide the Filipino people with the tools to uplift themselves by providing accessible and affordable access to online services, especially with the current work-from-home set-up imposed by many businesses, and online learning arrangements. In particular, the Company aims to target digital savvy customers whom the two other telecommunications providers in the Philippines have been unable to serve. The strength of DITO Telecommunity lies in its capability to provide services that its competitors cannot provide through its 4G and 5G network technology and the newest technology available to date. In a country where there are only two major telecommunications players, DITO Telecommunity is well-positioned to capture the market through its superior products and service. At the start of the bidding process for the New Major Player ("NMP") in the Philippine telecommunications industry, Government regulators emphasized that the rationale for the entry of a third telco provider was to give consumers more options for telecommunications services than what the incumbents were providing. The entry of another player in the market would also encourage competition, which would lead to improvements in and modernization of infrastructure and better services for the Filipino consumers.

The Company holds an interest in DITO Telecommunity, the third major player in the Philippine telecommunications industry.

DITO CME's interest in DITO Telecommunity (formerly Mindanao Islamic Telephone Company, Inc.) is through its wholly-owned subsidiary, Udenna CME. As of December 31, 2025, DITO Telecommunity is 40.00% owned by China Telecommunications Corporation, a People's Republic of China state-owned corporation and 60.00% owned by DITO Holdings, resulting from the Udenna Group's restructuring. Post the restructuring and the Share Swap Transaction, DITO CME has an effective ownership of 46.70% of DITO Telecommunity.

DITO Telecommunity was selected as the third major telecommunications service provider in the Philippines by the NTC and the DICT in 2018. Considering that the Philippine telecommunications industry only had two major players before the entry of DITO Telecommunity, there is enough room for DITO Telecommunity to move and make waves in the Philippine market, given that the country is one of the most underserved countries in the region when it comes to telecommunications and information technology services. Furthermore, with only two telecommunications providers to choose from, the market is highly saturated, increasing the likelihood of Filipinos willing to switch network providers and spend on better telecommunication services. The Philippines currently has a sub-optimal mobile tower infrastructure due to underinvestment. The Philippines has one of the lowest tower densities compared to other countries at 107 towers per million mobile subscribers, with

54.00% of subscribers on the 2G/3G network, with a bandwidth of only 64.0 kilobits per second ("Kbps") and 2.0 megabits per second ("Mbps"), respectively, compared to faster network alternatives in neighboring countries. A low number of towers per subscriber implies poorer services received by subscribers. DITO Telecommunity bridges this gap, with its entry, and has been yielding impressive results since commencement of its commercial operations last March 8, 2021.

In 2023, DITO Telecommunity passed its fourth technical audit in September of that year. The audit showed that DITO Telecommunity reached a national population coverage of 80.65% and minimum average broadband speed of 74.97 Mbps for 4G and 639.32 Mbps for 5G, surpassing the minimum requirement of 80.01% coverage and internet speed of 55 Mbps. In September 2024, DITO Telecommunity passed its fifth technical audit. The audit showed that the Company reached a national population coverage of 86.30%, and a minimum average broadband speed of 92.87 Mbps for 4G and 345.28 Mbps for 5G, surpassing the minimum commitment of 84.01% and 55 Mbps, respectively.

In September 2024, Dito Telecommunity passed its fifth and final annual technical audit. The audit findings showed that Dito Telecommunity was able to meet its national population coverage commitment by reaching an 86.30% national population coverage, surpassing its 84.01% national population coverage commitment. Dito Telecommunity also fulfilled its commitment by delivering a minimum average broadband speed of 92.87 Mbps and 597.70 Mbps, for all of its 4G and 5G sites, respectively. This is above Dito Tel's commitment to deliver a minimum average broadband speed of 55 Mbps.

Considering the foregoing, the Company believes that DITO Telecommunity has the following competitive advantages:

- DITO Telecommunity has one network and one system. This provides maximum agility and capability to provide superior customer experience and service. This also means that there are no legacy systems or old infrastructures to integrate and no multiple billing systems to integrate. This allows DITO Telecommunity to shift into the digital age with ease and efficiency, as it is not tied down by its legacy assets, multiple processes, double handling and the prevailing work culture. DITO Telecommunity has the flexibility to easily and efficiently adapt to and thrive in the new normal digital age, as its it nor burdened with synergizing old and new assets, systems, and workplace habits, which is often the challenge with legacy assets.

- DITO Telecommunity is the only telecommunications company with a 100% 4G and 5G network in the Philippines and provides consumers with what it believes to be superior offerings compared to what is currently available in the market. DITO Telecommunity utilizes the newest 4G (which is upgradable to 5G) and 5G technologies to serve the high demand for greater data power or stronger network connection. This ensures consistent seamless quality of services, compared to the other telco networks in the Philippines which rely on older infrastructure and systems. DITO Telecommunity has committed to provide a minimum average speed of 27 Mbps for the first year of commercial operations, and 55 Mbps in the next four years, which would bring speeds to be at par with speeds currently available in Singapore. In fact, DITO Telecommunity's technical audit reported that it had surpassed its first-year commitments, reaching minimum average speeds recorded at 85.9 Mbps for 4G and 507.5 Mbps for 5G. 5G technology also provides users with next generation services, such as AI and IoT services, with ultra-low latency, high reliability and security.

- The partnership with China Telecom allows DITO Telecommunity to gain easy access to cutting-edge technology. China is the world leader in 5G technology and is estimated to have had about 1.2 billion 5G mobile phone users as of end-2025. China Telecom, a People's Republic of China state-owned company, is one of the world's largest providers of integrated telecommunication services and has been actively providing and developing the 5G network technology in the areas where it operates. China Telecom is also one of the biggest users of Chinese hardware vendors, such as Huawei and ZTE, who are the biggest suppliers of telco equipment globally.

- DITO Telecommunity has a single brand and a single value proposition, which is mobile internet speed. Compared to the other major telco companies in the Philippines, DITO Telecommunity differentiates itself by not having any niche brands, which results in more efficient cost management in relation to branding and marketing expenses. This also makes for easier and simpler customer understanding and appreciation.

- Bearing in mind the shifting consumer behavior and trend towards a more digital lifestyle, DITO Telecommunity's business does not primarily rely on physical stores as it aims for more transactions to be done online and provide customers the convenience to transact and use DITO Telecommunity's products and services. This will result in less sales and distribution costs for DITO Telecommunity. DITO Telecommunity intends to be the leader in digital experience amongst the three players in the telecommunications industry.

- Being the NMP, DITO Telecommunity has regulatory commitments under its CPCN that are backed up by performance bonds. In addition to these, NTC has also mandated seasonal audits to ensure the company's performance and that committed targets are met.

- DITO Telecommunity's assets, equipment and infrastructure are all brand new, with its 100% 4G and 5G network technology. Being a new player, DITO Telecommunity has no legacy assets, which means that there is currently no adverse impact on its financials and budget. Cost savings from investments in infrastructure integration are expected.

The Company maintains and develops an extensive network of third-party suppliers and strategic partnerships with world-known and accredited institutions.

DITO Telecommunity

DITO Telecommunity is 40.00% owned by China Telecommunications Corporation, a leading Chinese telecommunications company that is the largest fixed-line service and third largest mobile telecommunications provider in China. With several decades of experience in the telecommunications industry, China Telecom has a deep understanding, knowledge and experience in the telecommunications industry, as well as bringing with them their strong relationship and buying power with leading purveyors in the telco space. As mentioned, the partnership with China Telecom allows DITO Telecommunity to gain easy access to cutting-edge technology. Considering that China is a world leader in 5G technology, DITO Telecommunity is able to take advantage not only of China Telecom's technical capability, but also its vast network of suppliers. China Telecom is one of the biggest users of Chinese hardware vendors (such as Huawei and ZTE), who are in turn the biggest global suppliers of telco equipment in the world market.

DITO Telecommunity has also partnered with Futurenet as its EPC FTK main contractor in relation to its network buildout and IT systems. Futurenet provides expert telecommunications infrastructure planning, consultation and management services. It provides best in class integrated smart technology solutions and construction services for the telecommunications industry, including design, testing and commissioning of telecommunication system and networks. It also provides design and development of in-house IT systems for its network operating system, billing system, management systems including integration of third party provided systems, such as SAP Software Solutions, which is one of the world's leading producers of software for the management of business processes, developing solutions that facilitate effective data processing and information flow across organizations.

With regard to the digital business, the Group has also developed the following partnerships:

Acuity Global

The Company, through Acuity Global, has also developed the following partnerships:

- Acuity Global is partnered with DITO Telecommunity for Media Planning and Buying services. It began commercial operations on March 8, 2021, after winning the government's bid to become the third major telco, a move intended to break the long-standing PLDT–Globe duopoly.

- Acuity Global is partnered with Wenphil Corporation for Media Planning and Buying services. Wenphil Corporation is the official master franchisee and operator of Wendy's in the Philippines, overseeing store development, operations, marketing, and local menu innovation. It has been instrumental in building Wendy's presence in the country for more than 40 years, since the brand first entered the Philippine market in 1983.

- Acuity Global is partnered with Conti's Bakeshop and Restaurant for some of its Marketing activities. Conti's is a Filipino casual dining and bakery chain famous for its cakes (like Mango Bravo), pastries, and comfort food. It operates under Eight8Ate Holdings Inc., the food group formerly under Udenna Corporation. Eight8Ate acquired Conti's in 2018.

- Acuity Global is partnered with Adrenaline Marketing Services on the selling of OOH advertising space, including but not limited to the EDSA Pedestrian Safety Enclosure Banners under Adrenaline's 8-year Public Private Partnership ("PPP") Agreement with the Metropolitan Manila Development Authority ("MMDA").

- Acuity Global is partnered with Full Linkage Philippines, Inc. ("FuliTech") on the selling of OOH advertising space including but not limited to large format static billboards, large format LED billboards, mall ads, installations, public market facades, terminal facades, lamp post banners, store front merchandising, jeepney-top ads, tricycle ads, bus ads, and motorboat ads.

- Acuity Global is partnered with BoxPlus Philippines, Inc. on the selling of OOH advertising space including BoxPlus cabinets and LED screens. BoxPlus Digital is a Philippine technology company created in response to the rapid rise of e-commerce and the need for secure, contactless, and efficient last-mile delivery solutions. Its flagship product, the BoxPlus Cabinet, is a network of smart parcel lockers installed in condos, subdivisions, campuses, and commercial buildings.

Item 10. Key Strategies and Objectives

The Company envisions becoming a leader in the telecommunications and digital sectors by continuing to implement the following business strategies:

Focus on industries and sectors that drive technological revolution

DITO CME's investment strategy focuses on industries and segments that play a significant role in the way people transact, communicate, transact, share information and consume content and data. Through its various investments in telecommunications, digital media and content, managed analytics, intelligent lifestyle and commerce platforms and enabling infrastructures, the Company is poised to capitalize on the opportunities brought about by these emerging trends that are seen to play a critical role in the way people do business.

Through partnerships with Government agencies and start-up companies, the Group is building its connections as it looks to enter into new-age businesses engaging digital savvy customers. The Group also aims to becoming a beacon of the digital revolution, providing the Filipino people with the tools and practices to enter the rapidly growing digital world.

Leverage telecommunications franchise and drive market penetration for telecommunications and digital solutions

The Company can leverage on the unique angle of offering simplicity and efficiency, key factors that consumers have been actively seeking. Given consumers shift in behavior, as a result of the COVID-19 pandemic, the Company's objective to deliver high quality and affordable services to both consumers and enterprises will serve as an advantage as we transition towards the "new normal", post the COVID-19 pandemic.

DITO Telecommunity holds a critical role as the third player in the Philippine telecommunications industry given the growing discontent of consumers with the available mobile, data and internet services over the years. There is, and will continue to be, high demand for quality service and data capacity, which DITO Telecommunity is prepared to offer to Philippine consumers with its next generation technology and product offerings.

As the only telco with a 100% 4G and 5G network, DITO Telecommunity differentiates itself with what it believes to be superior technology coupled with effective cost management. This proves to be an advantage for the Group, as it anticipates that Filipinos will readily shift and subscribe to DITO Telecommunity's services. The Group believes that it can easily gain market share from the incumbent telecommunications providers.

The Group also has a deliberate strategy with data analytics at its center, being the sole digital enabler to the public and private sector. The Group's digital platforms and applications will simplify the way people transact and communicate.

Invest in and innovate new products and services that adapt to the fast growing and evolving consumer market

As a new player, DITO Telecommunity will capitalize on the newest and more efficient technology (i.e. increased mobile bandwidth/data capacity using 4G and 5G technology), with no baggage from older infrastructures which may be believed to be outdated and may not deliver the same quality and speed compared with the newer technologies made available. Furthermore, it will be the only 100.00% 5G ready network in the country. DITO Telecommunity's existing 4G network is likewise fully upgradable to 5G.

The Group also has unique and strong relationships with its partners, who are purveyors in the digital space, which allows the Group to offer superior and unique products and services in the local market. The Group's network of relationships provides the Group with the flexibility to quickly adapt to state-of-the-art technologies that have yet to see rapid adaption.

Furthermore, as consumer preferences shift and new technological advancements crop up, the Group is focused on investing in segments, products and services that play an important role in how people and businesses communicate, transact, share information, consume content and data. In fact, and as mentioned above, it is the only company whose 4G network is fully upgradable to 5G.

Expand and grow the customer base ("B2B2C")

The Group is currently focusing on platforms suitable for the "new-age customer". The Group believes that the current observed behavior of consumers and businesses will stick even after the COVID-19 pandemic, as more attention is put into seamless virtual operations which are heavily dependent on technological advancements.

The Group also aims to provide alternative platforms for end users centered on convenience and simplicity. It aims to provide unique offerings in analytics, engaging new data and digital savvy customers. Furthermore, accelerated by the COVID-19 pandemic, businesses are rethinking the way they engage with customers. The Company is taking the lead to shifting to a more intimate understanding of customer behavior using its data analytics products and services.

Strengthen and expand the Company's network of third-party suppliers and strategic partnerships with world known and accredited institutions

The Group has an advantageous position given our strategic partnerships with leading players in the information technology space, allowing us to leverage on the deep understanding, knowledge, history, experiences and network of our key partners.

With shifting consumer behavior and new technological advancements, the Group aims to maintain and grow further its network of suppliers, content providers and strategic partnerships, to the extent that these provide a strategic fit to the Group's existing business operations and as such opportunities may arise.

Cross-sell within the Udenna ecosystem

The need for digitalization has been accelerated by the COVID-19 pandemic and the Group is ready to provide solutions for the Udenna Group through relevant applications and digital platforms. With the Udenna Group being one of the fastest growing conglomerates in the Philippines, the Udenna Group

of companies provides a ready market for the Group and provides opportunities for strong collaboration across the Udenna Group, which creates synergies across the different business pillars.

The Group will leverage other businesses in the Udenna Group with an extensive consumer touchpoint, which will provide millions of interactions daily that the Group can harness and allow the Group to develop huge databases. The Udenna Group has an extensive network of retails stores and outlets, which include Phoenix Petroleum gas stations and LPG selling points including Phoenix Super LPG hubs and multibrand retailers.
The Group also aims to build and strengthen the competency of the organization by learning from their collaborative projects with the Udenna Group. For example, the Group can harness early feedback from the in-house rollout of new services and technology, giving the Group the ability to quickly respond to shifts in consumer and business behavior as it pursues the path to becoming the first digital house/enterprise in the Philippines. Furthermore, by utilizing synergies within the Udenna Group, the Company can quickly gain wide ground in the market through the coverage of its sister companies and exploiting the network of the Udenna Group different business sectors.

Item 11. Risks Relating to the Company

The following are the key risks factors which may affect the operations of the Company:

- ***The Philippine telecommunications industry is highly competitive, and our growth strategy depends on our continued ability to compete effectively.***

  Competition remains intense in the Philippine telecommunications industry amidst a growing mobile and broadband market and high growth data business, as current operators seek to increase market share with aggressive offerings. For the longest time, the Philippine telecommunications industry has been a two-player market between PLDT, Inc. (composed of Philippine Long Distance Telephone Company ("PLDT"), Smart Communications, Inc. ("Smart"), and Digitel Telecommunications Philippines, Inc. ("Digitel")), and Globe Telecom, Inc. ("Globe"). Moreover, the Group also faces competition from other internet service providers like Converge ICT Solutions Inc. and SKY Cable Corporation, and may also face competition from potential new entrants in the future. The two major telecommunications companies in the Philippines have certain competitive advantages, including financial and human resources, large customer bases, attractive product offerings and brand recognition, that could help expand their telecommunications businesses. They may offer price reductions and adopt other promotions and marketing initiatives to grow their market positions, which could increase our competitive pressures. In addition, due to the size and geography of the Philippine archipelago, it may not be commercially feasible for us to expand our network into certain new service areas.

  The competitiveness of the industry is further underlined by the preference for cheaper alternatives to communication such as instant messaging, social network services and voice over internet protocol. These alternatives are also driven by the proliferation of affordable smartphones and internet-capable mobile devices. The Group's ability to adequately address intense competition may impact its business, revenues, and net income.

  The Group's competitiveness will also depend on effective marketing initiatives and our ability to anticipate and respond to various factors affecting the industry, including potential new entrants in the Philippine telecommunications market, new services, pricing strategies by other providers, changes in customer preferences and economic, political and social conditions in the markets in which we operate. We may be unable to maintain our subscriber

acquisition rate, and our subscriber acquisition cost may increase, due to increased competition in our industry, which could materially adversely affect our results of operations, financial condition and prospects.

Further, it is essential for us to maintain a favorable reputation among our customers in order to compete in the highly competitive telecommunications industry. Any inability to predict and respond to the changing needs and demands of our customers will affect our competitive position relative to other telecommunications companies, and our ability to capture value from the digital transformation process. In addition, any failure to maintain a favorable perception among our customers could have an adverse effect on our business, financial condition, results of operations or cash flows.

The Group believes that the digital challenges in the new normal level the playing field amidst changing consumer behavior, and position the Group to have an advantage above its competitors. The Company's digital business is aimed to address the changing needs of its individual and business customers to focus on online services and solutions. DITO Telecommunity is likewise focused on growing its online and e-commerce presence with the use of the DITO App and MyDITO (DITO online account - https://my.dito.ph/). DITO Telecommunity is the only network that is free from a legacy system, and that solely uses 100% 4G and 5G network technology. Furthermore, the Group monitors developments in the industry, competition and the regulatory environment to ensure that it can adapt as necessary to any change. The Group is also continuously pursuing research and development measures through its management team, and is always on the lookout for developing digital solutions to address consumer needs.

- ***Our business is regulated by Government agencies that continuously evolve and whose directives are subject to interpretation and inconsistent application.***

The Group is regulated by the DICT, and its attached agency, the NTC, for its telecommunications and digital business, and by the SEC for other aspects of its business. In addition, the PCC has oversight of the Group's potential mergers, acquisitions, and other similar transactions, as it is tasked to effectively level the playing field among businesses and penalize anti-competitive agreements and abuse of market dominance.

The current administration is implementing major changes to the telecommunications industry that will have an impact on the Group's business, including pressuring operators to improve network performance, requiring the sharing of networks and facilities across operators, providing portability of mobile numbers, zero interconnection rate, and permitting the entry of foreign telecommunications players.

Further, in light of the outbreak of the novel coronavirus ("COVID-19") pandemic, the Government enacted Republic Act No. 11469 (the "Bayanihan Act") that gave the Government the authority to direct the operations or private entities to facilitate the Government's COVID-19 response activities. While the Bayanihan Act specifically covered the medical and hospitality industries, there is no assurance that any law passed to replace the Bayanihan Act will not contain measures allowing the Government to intervene in the telecommunications industry as it deems necessary. Changes in regulations or Government policies or differing interpretations of such regulations or policies have affected, and will continue to affect the Group's business, financial condition and results of operation. No assurance can be given that the regulatory environment in the Philippines will remain consistent or open. Current or future policies may affect the business and operations of the Group.

To mitigate this risk, the Group closely monitors regulations, maintains open dialogue and communication with the appropriate regulatory authorities and endeavors to adequately and timely comply with all laws and regulations.

- ***We are subject to certain risks with respect to the rollout and maintenance of our network.***

  DITO Telecommunity is bound by certain standards set by the NTC with regard to its NMP status, and is subject to undergo annual technical audits by an independent auditor until 2024. Some of these standards or commitments in terms of network service are as follows:

  - To reach internet speeds of 27.0 megabits per second ("Mbps") on the first year of operations, and internet speeds of 55.0 Mbps on the second year until the fifth year of operations; and
  - To meet a network coverage of 37.00% of the Philippine population on the first year of operations, and a network coverage of 84.00% of the country's population on the fifth year of operations.

  In a letter dated February 22, 2021, the NTC confirmed that DITO Telecommunity passed the technical audit of its commitments, national population coverage and minimum average broadband speed, for the first year of commercial operations.

  DITO Telecommunity's second technical audit was conducted on July 8, 2021. On September 3, 2021, the NTC confirmed that DITO Telecommunity passed the second technical audit of its commitments with population coverage of 52.75% (versus the 51.01% commitment) and download speeds of 89.1 Mbps and 854 Mbps for 4G and 5G, respectively, surpassing the minimum average 55 Mbps commitment.

  In 2022, DITO Telecommunity passed its third technical audit which was conducted on July 8 of that year. The audit showed that the company reached a population coverage of 72.39%, surpassing the commitment of 70.01%. Moreover, DITO Telecommunity continued to generate minimum average broadband speeds of 71.77 Mbps for 4G and 801.19 Mbps for 5G, strongly surpassing the minimum average 55 Mbps commitment.

  In September 2023, DITO Telecommunity passed its fourth technical audit. The audit showed that DITO Telecommunity reached a national population coverage of 80.65% and minimum average broadband speed of 74.97 Mbps for 4G and 639.32 Mbps for 5G, surpassing the minimum requirement of 80.01% coverage and internet speed of 55 Mbps.

  In September 2024, DITO Telecommunity passed its fifth and final technical audit. The audit showed that the Company reached a national population coverage of 86.30%, and a minimum average broadband speed of 92.87 Mbps for 4G and 345.28 Mbps for 5G. The results surpassed the minimum commitments of 84.01% population coverage and 55 Mbps minimum average broadband speed, respectively.

  If we fail to successfully maintain and continuously upgrade our network, which is the newest and most technologically advanced in the Philippines, our competitive position in the market could be materially and adversely affected. Further, under DITO Telecommunity's CPCN, it has a commitment to meet certain commitments under its new status as the third telecommunications player in the Philippines and has posted a ₱25.7 billion performance bond.

Further, the rollout (including construction and expansion) and maintenance of our network, are subject to certain risks that may delay the introduction of our services and increase or accelerate our capital expenditures and other expenses. These risks include:

- changes in, or our inability to accurately estimate, demand for our services, which could result in our developing excess or insufficient capacity;
- disputes with contractors, accidents or fraud, theft and other malfeasance, which could delay our rollout, increase our costs, result in litigation, or damage our reputation;
- failure of our contractors to deliver their services in a timely or satisfactory manner, including as a result of difficulties in obtaining the appropriate manpower complement or equipment and materials;
- the geography of the Philippine archipelago, which could delay our rollout or increase our costs in remote or inaccessible regions;
- obtaining licenses, permits and approvals, complying with environmental regulations (including the need to perform feasibility studies) and navigating changes in the legal, political or regulatory landscape, including at the local government level, which may delay the rollout of the project, require longer lead times for construction and increase our costs;
- increase in our capital expenditures, including due to inaccurate planning and foreign exchange rate movements;
- damage to infrastructure and equipment and other threats caused by terrorist and separatist groups; and
- adverse weather conditions, natural disasters and COVID-19 (or any other future epidemics) travel and movement restrictions, which could delay our rollout or increase our costs.

Any of the foregoing risks (some of which are beyond our control) could materially adversely affect our business, results of operations, financial condition and prospects.

The Group continuously monitors the industry and remains up to speed on potential changes that may affect its business operations including but not limited to potential regulatory changes, changing consumer preferences and general macroeconomic environment, and technological advancements. Furthermore, the Group strives to maintain good relationships with its contractors and the relevant local government units and regulatory agencies. Specifically, management is closely monitoring the status and developments of the commercial roll-out of DITO Telecommunity, including marketing activities, to ensure compliance with its commitments and provision of quality services to consumers. However, the Group cannot provide assurance on the effective mitigation of risks beyond its control.

- ***Our inability to acquire and retain customers materially adversely affects our operating results and financial condition.***

  To retain existing customers and acquire new customers, we must:

  - offer services that are useful and competitively priced to customers;
  - develop new services in anticipation of evolving customer needs;
  - provide customer service that meets customer expectations;
  - provide better value for our services compared to our competitors;
  - continue to appropriately incentivize our third-party sales agents and managed service providers to expand and optimize our customer penetration in their respective areas;
  - react quickly to our competitors across products, pricings, promotions and technology.

  We may be unable to achieve the foregoing, which could lead to a lower customer acquisition rate and a higher customer churn rate, each of which could materially adversely affect our business, results of operations, financial condition and prospects. Moreover, in order to retain customers, we may need to offer discounts and promotions, which could have a material adverse effect on our business and results of operations.

  To mitigate this risk, the Group closely monitors the market to identify consumer preferences, trends, and material developments that may affect consumer behavior. This allows the Group to anticipate shifts in market behavior and effectively react to the changes in consumer preferences and market conditions.

- ***We may be unable to adapt to technology shifts and address changing consumer demand which may negatively impact our competitiveness and customer experience.***

  We operate in an industry driven by technological change, and we may be required to further upgrade our network technology. In addition, advances in technology and electronics and their impact on our operations and the competitive landscape of our industry are difficult to predict. We may be unable to adopt technological changes more successfully than our competitors, which could materially adversely affect our business, results of operations, financial condition and prospects.

  To remain competitive in the market, we have to anticipate and react to changes in customer preferences and broader economic, political and social conditions in the Philippines. If we fail to react in a timely manner to such changes, our market share and ability to attract customers may be reduced or deteriorate, which could materially adversely affect our business, results of operations, financial condition and prospects. We may also be required to upgrade our network or our systems in response to changes in technology, which could increase our capital expenditure and our operating costs, which would materially and adversely affect our results of operations and financial condition. We may incur more capital expenditure than we currently contemplate.

  Furthermore, expanding our network coverage and upgrading to new technology is capital intensive. We may incur higher levels of capital expenditure than originally anticipated in order to maintain and expand our network coverage. If our capital expenditures exceed our

projections or our operating cash flow is lower than expected, we may be required to seek additional debt or equity financing for expansion, future maintenance and upgrades, which could have an adverse effect on the value of our Common Shares and prospects. If we are required to incur significantly higher levels of capital expenditure, it may not be successful and may not result in corresponding growth of our business and the expected positive impact on our results of operations. If our capital expenditure requirements increase due to these or other factors, it may have an adverse impact on our business, results of operations, financial condition and prospects.

To mitigate this risk, the Group continuously monitors developments in the industry and stays up to speed with the latest technological developments across the different platforms of the Group. The Group's strong relationships with its partners, who are purveyors in the digital space, provides the Group with the flexibility to quickly adapt to state-of-the-art technologies

- ***The loss of key suppliers or their failure to deliver equipment or services in a timely or satisfactory manner or at attractive prices could materially adversely affect our operating and financial performance.***

  We rely on third parties for the supply of network materials, equipment and services (e.g., construction work). An adequate and dependable supply of network materials, equipment and services is critical to our ability to deliver high quality telecommunications services to our customers. If our suppliers are unable to provide the equipment and services we require in a timely or satisfactory manner or if the prices of such materials, equipment or services increase due to lack of supply in the market or greater demand for such materials, equipment or services, we may incur additional costs and delays as we source supplies from alternative suppliers, which could materially adversely affect our business, results of operations, financial condition and prospects.

  In addition, the failure by our suppliers to deliver products and services in a timely or satisfactory manner, may result in difficulties in delivering our telecommunications services, which could damage our reputation and result in a loss of existing and potential customers. It may also be difficult or impossible to enforce claims against our suppliers (particularly our foreign suppliers) and our ability to recover damages from suppliers who fail to comply with their agreements with us may be limited.

  We also maintain important relationships and rely on key suppliers and service providers. In such cases where we have made substantial investments with a particular supplier, it may be difficult and costly for us to quickly replace such supply or service relationships in the event that such supplier refuses to offer us favorable prices or ceases to produce equipment or provide the services or support that we require. Upon the expiration of our supply agreements, our ability to renew or enter into new contracts with our existing or other suppliers on commercially attractive terms, or at all, will depend on a range of commercial and operational factors and events which may be beyond our control.

  However, since the Company and its Subsidiaries do not solely rely on any one supplier or service provider, this ensures that there will be no interruption in the provision of our services and the successful roll-out of our commercial operations.

  We note that some countries and telecommunications service providers have banned the use of certain technologies and equipment provided by Huawei and its affiliates for different

reasons. We consider such developments in our decision-making with respect to our relationship with Huawei, one of our key suppliers, and plan to continue to do so.

Moreover, our supply chains may be disrupted by the general economic effects of epidemics, such as COVID-19. During the COVID-19 pandemic, there were limited product shipments into and out of China and other countries, which delayed the delivery of some of our supplies from China. During the imposition of Enhanced Community Quarantine ("ECQ") measures in the Philippines, some of our suppliers also requested to shorten the payment days for their invoices because of liquidity concerns, which included making payments to their employees, respective suppliers or subcontractors. This may result in shrinking the pool of qualified vendors which may in turn materially impact their ability to fulfill their obligations and thereby impact our operations. The limited number of vendors may also result in our dependence on a single vendor to provide critical services. While we maintain sufficient inventory, a future global or regional epidemic or other crisis may reduce our access to the supplies we need to operate our business or result in our suppliers suffering liquidity problems or financial difficulties and ceasing to deliver our supplies or honoring warranties under our agreements, which could materially adversely affect our business, results of operations, financial condition and prospects.

As part of our extensive capital expenditure program to rollout our telecommunications network infrastructure, we have entered into agreements to build our network infrastructure. We cannot guarantee that we will be able to accomplish this rollout in a timely fashion or in the manner intended. Furthermore, we cannot guarantee that such rollout will not result in service disruptions, network outages, or encounter other issues that may detrimentally affect consumer experience. This may adversely affect our business, financial condition and results of operations.

Our ability to service our customers could potentially be disrupted if our supplier(s) is no longer able or willing to provide us with our product or cannot provide us with our products due to extenuating territorial circumstances or supply disruptions. In the event that either one of our potential suppliers cannot or will not provide us with the services or products required, we may be forced to find alternative suppliers. We cannot guarantee that we will be able to obtain our products or products of similar quality from alternate suppliers. Failure to obtain alternative sources will disrupt our operations and hinder our ability to generate revenues.

However, this risk may be mitigated by the fact that the Group does not manufacture products, materials or equipment, hence it does not depend on raw materials. Additionally, it is not dependent on one supplier and on the supply chain, especially considering that its products are mostly virtual. The Group also implements strict measures in the selection of its suppliers, to ensure quality of its products and services.

- ***We may not be able to secure financing at favorable terms in the future.***

The Company and its Subsidiaries, particularly DITO Telecommunity, obtain or plan to obtain long-term financing at favorable terms to cover a portion of the capital expenditures needed to develop their projects. There is no assurance that the Company or its Subsidiaries can continue to raise the additional financing needed to execute their future plans at favorable terms. Aside from this, higher inflation and interest rates could have a material adverse effect on the Company's, its Subsidiaries' and its customers' ability to obtain financing.

Higher interest rates, factors that affect interest rates, such as the Government's fiscal policy, inflation, foreign exchange rates, as well as government policy on limiting the exposure of financial institutions to real estate, could have a material adverse effect on the Group and on demand for its products.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events could have a material adverse effect on the Group's business, financial condition and results of operations.

While these risks are inherently uncontrollable, the Group practices what it considers prudent financial management, matching financing tenors to the project's cash flows and limiting borrowing to peso denominated loans, to minimize any risks from the factors mentioned above. In addition, the Group structures the capitalization for each of its projects such that debt to equity ratios are maintained at conservative levels and cash flows from each of the projects are not commingled with other projects.

- ***Our network and systems are vulnerable to physical or electronic security breaches, piracy, hacking and other similar disruptive problems.***

  Despite security measures, our network and systems are potentially vulnerable to physical or electronic break-ins, computer viruses, piracy, hacking, phishing attacks and other similar disruptive problems. Furthermore, our operating activities could be subject to risks caused by misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in our information technology systems and network and those of our third party vendors, including customer, personnel and vendor data. Breaches of our network, including breaches through piracy or hacking, may result in unauthorized access to content carried on our network or a breach of privacy of voice and information transmissions over our network.

  We employ security mechanisms including the use of firewalls and distribution denial of service preventative measures, designed to minimize the risk of privacy breaches. However, there can be no complete assurance that these or other measures will be effective. Significant failure of encryption and security measures could damage our reputation and the credibility of our operations, undermine consumer confidence and may result in the imposition of regulatory measures to ensure the security of services.

  The occurrence of any of these events may have a material adverse effect on our business, financial condition, results of operations and prospects and may also require us to incur further expenditure to put in place more advanced security systems to protect our network and systems. Nonetheless, the Group continues to ensure the implementation of strict standards for its security protocols to avoid security and privacy breaches.

- ***Any deficiency in our billing and credit control processes, IT systems and customer management could materially and adversely affect our results of operations and financial condition.***

  Reliable billing, credit control, collection and customer management systems are critical to our ability to maintain and increase turnover, avoid turnover loss, monitor potential credit problems and bill customers accurately and in a timely manner, the failure of which could affect our business, results of operations and financial condition. We will need to continue to calibrate and adapt our billing and credit control systems as our business continues to grow,

and the expansion of our business may impose a greater burden on our systems and may strain our administrative, operational and financial resources.

Our billing, credit control, collection and customer management systems may be affected by computer viruses, cyber-attacks, software flaws and systems failures, human error in managing or operating our software systems, and increased operational load as a result of an increase in the scale of our operations. Any deficiency in our billing, credit control, collection and customer management systems, credit fraud, or delays in upgrades or integration of new systems could materially adversely affect our business, results of operations, financial condition and prospects.

To mitigate this risk, the Company continuously reviews, calibrates and improves its billing, credit control, collection, and customer management systems to efficiently adapt to its growing business and scale of operations.

- ***Any disruption to our network rollout, services and operations or damage to or failure of our network, including as a result of natural disasters, public health crises and accidental damage, could materially and adversely affect our financial performance and operations.***

  The continuity of our services and growth of our business is highly dependent on the proper functioning of our network and infrastructure, our ability to conduct maintenance, upgrades and repairs on our network and infrastructure, and our ability to continue our network rollout and expansion. In particular, damage or disruptions to our network operations, other network infrastructure and expansion plans, as a result of natural disasters and calamities such as typhoons, floods and earthquakes, public health crises and other events beyond our control, could materially and adversely affect our financial performance and operations. In addition, our network operations may be disrupted as a result of accidental damage, including from natural disasters or environmental elements such as heavy rainfall or typhoons, or by third parties such as local government authorities undertaking construction works alongside our underground network cables.

  Our customers may also claim from us any loss or damage they may suffer as a result and our insurance may not be sufficient to cover such claims.

  The Philippines has experienced a number of major natural catastrophes including typhoons, droughts, floods, volcanic eruptions and earthquakes. Most recently, in January 2020, the Philippine Institute of Volcanology and Seismology ("Philvolcs") raised alert levels over Taal volcano to level 4, indicating that a hazardous explosive eruption is possible within hours to days. Philvolcs subsequently lowered alert levels to level 3, indicating decreased tendency towards hazardous explosive eruption. The eruption caused ashfall and earthquakes in Southern Luzon and other parts of Luzon, including Metro Manila, resulting in the suspension of classes, work schedules, and flights. On July 1, 2021, Philvolcs again raised the alert levels over Taal to level 3, due to increased seismic activity. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt our operations or that we will have sufficient resources to timely address any disruptions or damage to our operations, which could materially adversely affect our business, financial conditions and results of operations.

While the Group is currently finalizing its insurance policies, primarily with international insurance companies, the risk of natural catastrophes and public health crises occurring are beyond the Group's control and the Group cannot guarantee effective mitigants to such systemic risk.

- ***We are subject to significant government regulation and supervision, and our failure to obtain and maintain regulatory licenses and permits could materially and adversely affect our operating and financial performance.***

  Our business depends, in part, upon the success of the expansion and management of our backbone, network rollout and systems. The telecommunications and digital services which we provide are regulated and we are supervised and regulated by various regulatory authorities, including the DICT and the NTC.

  We are required to obtain and maintain a franchise from the Philippine Congress to maintain telecommunications systems throughout the Philippines and numerous regulatory licenses and permits from various entities such as the NTC and local government units for the installation of our cables and other activities. In May 2021, R.A. No. 11537 was signed into law, extending DITO Telecommunity's franchise for another twenty-five (25) years until April 24, 2048 from its expiration on April 24, 2023.

  Our franchise, licenses and permits are subject to review, interpretation, modification or termination by the relevant authorities. Our licenses and permits may not be renewed on terms commercially acceptable to us, or at all. The relevant government authorities have ultimate discretion over whether licenses or permits will be granted or revoked. The issuance of our licenses and permits may also be delayed as a result of restrictions on movement imposed by the Government, such as during the ECQ period. Any loss or failure to renew, obtain and maintain our franchise, licenses and permits or comply with the terms and conditions of such franchise, licenses and permits, may delay our development and expansions plans, expose us to sanctions or require us to cease providing our services, any of which could materially and adversely affect our business, results of operations, financial condition and prospects.

  Before executing our network expansion and infrastructure projects or prior to having these projects become operational, certain permits and approvals are required, which could take several weeks or months to obtain. A delay in obtaining permits for our expansion and infrastructure projects may prevent us from completing our current or future network expansion projects on schedule, or on budget, or at all, which could significantly dampen our projected revenues and internal rates of return for such projects and materially and adversely affect our results of operations and financial condition.

  Like other telecommunications companies in the Philippines, we are subject to changes in the regulatory regime from time to time. Any changes in laws, regulations or government policy (or in the interpretation of existing laws and regulations) may restrict our operations and subject us to further competitive pressure. For example, we could be harmed by changes in rules related to: data and consumer protection; data retention and technical standards; health, safety and environment standards; licensing, authorizations, declarations and other permits, certificates and notices; ISPs, local fixed networks, network access points and closed fixed networks; pricing; and limitations on our ability to manage traffic on our networks.

Complying with existing regulations may be burdensome, and future changes may increase our operational and administrative expenses and reduce revenues, which could materially adversely affect our business, results of operations, financial condition and prospects. There is no assurance that the Government or its relevant administrative agencies will not impose additional or more stringent laws, regulations or government policies in the future, which may subject our Company to more onerous obligations.

To mitigate this risk, the Group closely monitors regulations, maintains open dialogue and communication with the appropriate regulatory authorities and endeavors to adequately and timely comply with all laws and regulations. Likewise, permits and approvals are regularly monitored by the Group to ensure that all are properly renewed and maintained.

- ***Dissatisfaction with our customer service could prevent us from retaining our customers or adversely affect our ability to acquire new customers.***

  The satisfaction of our customers depends on the effectiveness of our customer service, in particular our ability to address requests and inquiries, install services, and deal with complaints and service issues, in a timely and satisfying manner. DITO Telecommunity maintains service desks, hotlines, email and social media accounts to address customer needs and concerns. However, any unsatisfactory response or lack of responsiveness by our customer service team could adversely affect customer satisfaction and loyalty and our business reputation. Dissatisfaction with our customer service could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

- ***We may need to rely on our brand reputation to help grow our customer base.***

  DITO Telecommunity's brand name and our continued success and growth depends upon our ability to protect and promote our brand equity in existing and growth service areas. Prolonged service failure, security breaches, piracy, ineffective promotional activities and negative publicity may adversely impact the overall strength of our brand. Furthermore, the appeal and availability of our services, pricing strategy, points of sale locations, installation and after sales customer services all affect our customers' perceptions of us. If we do not fulfill the high expectations of our customers, we risk damaging our reputation and brand, which could lead to a decline in customer numbers and revenues, and could materially and adversely affect our business, results of operations, financial condition and prospects.

  The Group maintains and develops an extensive network of third-party suppliers and partnerships with world-known and accredited institutions as the brand continues to expand and grow its customer base. The Group continuously monitors channels where negative publicity may arise and endeavors to address these issues in a timely manner.

- ***Our business relies on third-party licenses and other intellectual property arrangements.***

  We rely on third-party licenses and other intellectual property arrangements to enable us to carry on our business. Certain of our network materials and telecommunications equipment, including hardware, software and firmware deployed on our network are licensed or purchased from various third parties, including vendors holding the intellectual property rights to these elements and equipment. There can be no assurance that other providers or other third parties will not challenge or circumvent the intellectual property rights we license or that such intellectual property rights are valid, enforceable or sufficiently broad to protect our interest or will provide us with any competitive advantage.

Any loss or withdrawal of those intellectual property rights could affect our ability to provide our services.

To mitigate this risk, the Group deals with reliable and reputable suppliers and is not dependent on a single supplier to ensure there will be no interruption in the provision of our services and the successful roll-out of its commercial operations.

- ***Intellectual property claims by third parties or our failure to protect our intellectual property rights could diminish the value of our brand and weaken our competitive position.***

  We have registered and are in the process of registering our intellectual property rights relating to certain of our products and trademarks. We believe that our trademarks and other proprietary rights, including our brands, have significant value and are important to identifying and differentiating certain of our products and services and our brand from those of our competitors. There can be no assurance that the steps we take to protect our intellectual property rights are adequate and that third parties will not assert rights in, or ownership of, our name, trademarks and other intellectual property rights. The costs of defending and enforcing our intellectual property rights may cause us to incur significant time and legal expense, and we may not be entirely successful in protecting our assets and enforcing our rights. If we are unable to obtain and maintain our intellectual property rights, the value of our brand could be diminished and our competitive position could be affected, which, in turn, could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation.

  The Group continuously reviews and monitors its list of intellectual property rights and ensures that appropriate documentation are in place.

- ***We may be unable to attract and retain key personnel, directors, managers, employees and other individuals without whom we may not be able to manage our business effectively.***

  We depend on the availability and continued service of several key account managers, employees and other individuals, including our directors and senior management. These key individuals are heavily involved in the daily operation of our business and are, at the same time, required to make strategic decisions, ensure their implementation and manage and supervise our development. The loss of some of these key individuals could significantly impede our financial plans, product development, network expansion, marketing and other plans. Our future operating results depend, in a significant part, upon the continued contributions of our founders and senior management, and our ability to expand our senior management team by adding highly skilled new members, who may be difficult to identify and recruit. If some of our senior executives or other key individuals cease their employment or engagement with us, or if we fail to attract and retain highly skilled and qualified personnel across or continue to successfully expand, train, manage and motivate our employee base, our business, financial condition, results of operations and prospects could be materially adversely affected.

  To mitigate such risks, the Company is structured in such a way that there is development and advancement opportunities for each individual within the organization. The Group also maintains competitive benefits and compensation structure and ensures programs for training its employees.

- ***The Group is controlled by the Udenna Corporation and the Group's interests may differ significantly from the interests of other shareholders.***

  The Group is controlled by the Udenna Corporation and the Group expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the Udenna Corporation. To ensure a high standard of best practice for the Company and its shareholders, it is the policy of the Company that the Board shall conduct themselves with honesty, integrity and fairness in performance of their duties and their dealings that would ensure the honesty of any related-party transactions between and among the Company, its Subsidiaries and Affiliates, shareholders, officers and directors, and of any interlocking director relationship by members of the Board. These transactions may involve potential conflicts of interest which could be detrimental to the Group or the Group's shareholders. There is nothing to prevent other companies that are controlled by the Udenna Group from engaging in activities that compete directly with the Group's businesses or activities, which could have a negative impact on the Group's business. The interests of the Udenna Group as the Group's controlling shareholder may differ significantly from or compete with the Group's interests or the interests of the Group's other shareholders, and there can be no assurance that Udenna will exercise influence over the Group in a manner that is in the best interests of the Udenna Group's other shareholders.

  To mitigate this risk, the Group adheres to its Manual on Corporate Governance and complies with related party policies contained therein.

- ***We may be involved in legal and other proceedings from time to time.***

  From time to time, we may be involved in disputes with various parties and may be adversely affected by complaints, investigations and litigation from customers or regulatory authorities resulting from network and product quality, illness, injury or other safety concerns or other issues stemming from our network, products and services. Regardless of the outcome, these disputes and investigations may lead to legal or other proceedings and may result in substantial costs and the diversion of resources and management's attention. In addition, we may have disagreements with regulatory bodies in the course of operations, which may subject us to administrative proceedings and unfavorable decisions that may result in penalties or other liabilities. Any of these outcomes could materially adversely affect our business, financial condition and results of operations.

  Given such risks, the Company exerts best efforts to comply with regulations in relation to its business operations.

- ***We may be involved in tax audits or investigations from time to time which may result in the assessment of additional tax liabilities.***

  From time to time, we may be subject to routine or special tax and audit processes and investigations by regulatory bodies such as the BIR in relation to taxes in connection with our operations. Furthermore, such audits may require the production of certain documents which may no longer be available because of the length of time since such documents were executed or prepared. Any adverse finding resulting therefrom may lead to administrative proceedings and the assessment of additional tax liabilities or result in fines or penalties.

These tax audits may also lead to legal or other proceedings to contest such assessments, where warranted, and may result in substantial costs and the diversion of resources and management's attention. There can be no assurance that the outcome or results of these proceedings will not materially harm our business or reputation. Further, there can be no assurance that provisions made for the losses relating to these disputes and claims will be sufficient to cover the amounts finally determined to be due.

To mitigate this risk, the Group closely monitors changes or potential changes in regulations, maintains open communication with the appropriate regulatory authorities, and endeavors to adequately and timely comply with all laws and regulations.

- ***Labor disputes or changes in employment laws may disrupt our operations.***

  We generally consider our labor relations to be good and harmonious. However, there can be no assurance that we will not experience future disruptions to operations due to labor disputes or other issues with employees, which could materially adversely affect our business, results of operations, financial condition and prospects.

  Various labor laws govern our relationship with our employees and affect operating costs. These laws include minimum wage requirements, mandatory health benefits, overtime compensation, and other terms and conditions of employment. These and significant changes in labor regulations, for example, in respect of outsourcing services to third-party contractors, could materially affect our business, financial condition, operating results or cash flow. Engagement of third-party service providers carries certain inherent risks, including potential actions from employees of third-party service providers who may claim an employee-employer relationship with us and the risk that third-party contracting arrangements in place may be found by the DOLE to be "labor-only contracting", which could have a significant impact on labor costs. We are also exposed to litigation risk from employees of our various third-party contractors, who may implead DITO as party to their labor cases and labor disputes against these third-party contractors.

  The Group regularly monitors labor laws, complies with these regulations and constantly remains an open dialogue with regulatory authorities.

- ***The Company is a holding company and its ability to pay dividends is dependent upon the earnings of, and distributions by, its subsidiaries.***

  The Company is a holding company incorporated under the laws of the Philippines. All of its business operations are conducted through its subsidiaries, such as DITO Telecommunity. The Company's ability to pay dividends is dependent upon the earnings of its subsidiaries and their distribution of funds to it, primarily in the form of dividends.

  There is no assurance that the Company can or will declare dividends on the Rights Shares in the future. Future dividends, if any, will be at the discretion of the Board and will depend upon the Company's future results of operations and general financial condition, capital requirements, its ability to receive dividends and other distributions and payments from its subsidiaries, foreign exchange rates, legal, regulatory and contractual restrictions, loan obligations and loan covenants, including loan obligations and loan covenants of its subsidiaries, and other factors the Board may deem relevant. See "Dividends and Dividend Policy."

The ability of the Company's subsidiaries to make distributions to the Company depends upon, among other things, their distributable earnings, their ability to service their debt obligations and compliance with covenants under their existing or future debt agreements. Other factors such as cash flow conditions, restrictions contained in their debt instruments, withholding tax and other arrangements will also affect the Company's subsidiaries' ability to make distributions to the Company. These restrictions could reduce the amount of distributions that the Company receives from its subsidiaries, which in turn would restrict the Company's ability to pay dividends on the Rights Shares.

The Company, however, will ensure that all its subsidiaries shall submit the appropriate financial results of each period, as required by law, to determine the Company's ability to pay dividends.

- ***Our insurance policies may be insufficient or we may experience a delay between an insured loss occurring and being compensated by our insurers.***

  We maintain different types of insurance policies to cover our operations and assets. Virtually all of DITO Telecommunity's assets are or will be insured. However, despite our wide insurance coverage, there have been and may be circumstances in which we will not be covered or compensated, in part or at all, for specific losses, damages and liabilities. If we suffer a significant uninsured loss or if an insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business and financial performance could be impacted.

  Our insurance coverage is subject to various limitations and exclusions, retention amounts and limits. Material losses in excess of insurance proceeds may arise in the future. If a loss arises that is covered by insurance, there may be a time delay between the loss occurring and the insurer making a payment. Furthermore, if any of our insurance providers becomes insolvent, we may not be able to successfully claim payment from such insurance provider. Moreover, our insurance policies and terms of coverage will be subject to renewals and negotiations on a periodic basis and there is no assurance that adequate insurance coverage will be available on commercially reasonable terms in the future. Any risk that is not adequately covered by insurance or any material increase in insurance rates, decrease in available coverage or any failure to maintain adequate insurance in the future could impact our business and financial performance.

  Currently, the Group is finalizing its insurance policies, primarily with international insurance companies. Local insurance companies might not be able to cover the insurance requirements of the Group, considering the high value of the assets to be insured and the conditions imposed in credit agreements.

- ***Continued compliance with, and any changes in, environmental laws and regulations may adversely affect our results of operations and financial condition.***

  We are subject to various laws and regulations relating to environmental matters. These include laws relating to the protection of the environment, human health and human safety such as laws and regulations governing the management and disposal of, and exposure to, hazardous materials, for which we could be liable for the costs of removal of certain hazardous substances and clean-up of certain hazardous locations.

The failure to remove or clean-up such substances or locations, if any, could adversely affect our operations on such sites and could potentially also result in claims against us. In addition, any project that could be expected to have a significant impact to the quality of the environment is subject to the Philippine Environment Impact Study system, for which an Environmental Compliance Certificate ("ECC") would need to be obtained from the Philippine Department of Environment and Natural Resources ("DENR") before the project can proceed. There can be no assurance that current or future environmental laws and regulations applicable to us will not change, that relevant permits will be obtained as a result of such changes or that complying with applicable environmental laws and regulations will not increase the costs of conducting our business above currently projected levels or require future capital expenditures.

We cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to our business could materially adversely affect our business, results of operations, financial condition and prospects.

To mitigate this risk, the Group closely monitors regulations, maintains open dialogue and communication with the appropriate regulatory authorities and endeavors to adequately and timely comply with all laws and regulations.

- ***The Group's suppliers are subject to macroeconomic, social and political developments and downturns in the regional or global economy, which may affect their respective businesses and thereby also impact the supply or price of supplies in relation to our products and services.***

  We are exposed to risks associated with any future downturn in the domestic, regional or global economy. Global financial markets have remained volatile since the global financial crisis that started in 2008 and remain susceptible to renewed shocks. There can be no assurance that economic performance, whether globally or in the Philippines, can or will be sustained in the future. Any future global downturn, such as that experienced from 2008 to 2011, could have a material and adverse effect on our business, financial condition, results of operations and prospects.

  The global economic downturn resulting from the COVID-19 pandemic caused a disruption in the supply of our products from China. During the COVID-19 pandemic, there were limited product shipments into and out of China and other countries. During the imposition of ECQ measures in the Philippines, some of our suppliers also requested to shorten the payment days for their invoices because of liquidity concerns, which included making payments to their employees, respective suppliers or subcontractors. While we maintain sufficient inventory, a future global or regional epidemic or other crisis may reduce our access to the supplies we need to operate our business or result in our suppliers suffering liquidity problems or financial difficulties and ceasing to deliver our supplies or honoring warranties under our agreements, which could materially adversely affect our business, results of operations, financial condition and prospects.

  We do not rely on a single supplier to ensure there will be no interruption in the provision of our services and the successful roll-out of our commercial operations.

- ***Changes in regulations or user concerns regarding privacy and protection of user data, or any failure to comply with such laws, could adversely affect our business.***

  Legislation such as Republic Act No. 10173 and its implementing rules and regulations, or the Data Privacy Act, aim to protect individual privacy. The rules apply to the processing of personal data in the public and private sectors, as well as to acts done or practices engaged in and outside of the Philippines under certain conditions. From 2018, the National Privacy Commission ("NPC"), has gradually shifted its focus from campaigning for Data Privacy Act awareness to compliance checks on entities engaged in personal data processing. Personal data breaches and other controversies relating to the unauthorized processing of personal data both within the Philippines and abroad have also increased public scrutiny on the activities of entities engaged in personal data processing.

  Any failure, or perceived failure, by us to make effective modifications to our policies, or to comply with any privacy, data-retention or data-protection-related laws, regulations, orders or industry self-regulatory principles, including the Data Privacy Act, could result in proceedings or actions against us by governmental entities or others, loss of user confidence and damage to our reputation, any of which could potentially have a material adverse effect on our business. We may also be required to incur further expenditure to put in place more advanced security systems to protect our network and systems.

  To mitigate this risk, the Group closely monitors regulations, maintains open dialogue and communication with the appropriate regulatory authorities and endeavors to adequately and timely comply with all laws and regulations.

Item 12. Transactions with Related Parties

I. Properties

As of December 31, 2025, the primary telecommunications equipment comprises of data centers, base stations and network assets. The Group also have land, office space, buildings and stores. The following is a summary of our leased assets as of December 31, 2025:

	Right of Use (Leased) Assets	
	Qty. / Lot	**Net Book Value (in ₱)**
Network Sites		
Land	1	7,018,146,898
Data Center	116	599,642,838
Access Sites	6,236	9,778,380,956
IBS	368	694,058,402
Colocation	12	90,534,532
Total		**18,180,763,626**
Poles	17	**175,379,132**
Towers	660	**6,418,522,110**
Cables	258	**422,425,277**

	Qty. / Lot	Net Book Value (in ₱)
Office, Stores and Others		
Office space	11	335,535,842
Stores	9	3,542,001
Others (warehouse, residential)	4	6,785,557
Total		**345,863,400**
Vehicles	1	**20,945,007**
TOTAL NET BOOK VALUE - RIGHT OF USE ASSETS		**25,563,898,552**

On the other hand, the following is a summary of our owned assets as of December 31, 2025:

	Owned	
	Qty. / Lot	**Net Book Value (in ₱)**
Land	9	**648,587,015**
Building		
Advertising facilities for other materials	7	83,863
Container Room	68	634,145,277
DITO Enterprise Hub	4	2,030,721
DITO Office	10	4,461,339
Fence	2	165,204
Extinguisher pool	4	11,332,421
Portalet	1	13,025
Regional Office Project	12	7,093,531
Reinforced concrete frame shear wall structure house	10	1,429,337,409
Reinforced concrete frame structure house	57	1,669,949,831
Steel-reinforced concrete structure house	4	125,507,355
Store	54	1,400,812
Water tower	17	38,027,439
DCME Office	1	1,897,093
Total		**3,925,445,320**
Transportation Equipment	118	**43,527,258**

	Owned	
	Qty. / Lot	**Net Book Value (in ₱)**
Office equipment, furniture and fixtures		
Air conditioning assets	10	792,805
Digital Elements	46	14,770,581
Laptops, Desktop	2,586	34,766,412
Others - Office Equipment	79	11,133,052
Printers	6	-
Office Furniture & Fixtures	8	2,646,596
Others	3	844,077
Total		**64,953,523**
Telecommunications Equipment		
Access Devices	7,209	1,531,033,318
Business Platform Equipment	4,855	4,112,171,384
Data Communication Equipment	943	4,578,958,285
Mobile Communication Equipment	162,604	74,004,128,828
Emergency Communication Equipment	98	191,816,983
Enterprise Information Systems Equipment	73	45,903,517
Swapping Equipment	3,430	249,183,829
Wired Transmission Devices	245,733	36,435,805,117
Wireless Transmission Devices	12,725	1,699,435,840
Air conditioning assets	41,014	10,419,639,435
Others - Telco Office Equipment	16,883	955,131,024
Others	70	441,475
Total		**134,223,649,035**
Construction in Progress		**12,994,849,237**
TOTAL NET BOOK VALUE - Property and Equipment		**151,901,011,388**
Intangible Assets		
Computer Software	2,771	**4,729,447,295**

INTELLECTUAL PROPERTY

As of the date of this report, DITO Telecommunity has registered for the relevant trademarks with respect to its business, particularly:

MARK		NUMBER	REGISTRATION DATE	EXPECTED EXPIRATION DATE
DITO TELECOMMUNITY		42019011684	December 22, 2019	December 22, 2029
DITO TELECOMMUNITY		42019011685	December 22, 2019	December 22, 2029
D		42020520997	May 14, 2021	May 14, 2031
No Verbal Elements		42021500994	May 28, 2021	May 28, 2031
No Verbal Elements		42021505514	October 10, 2021	October 10, 2031
DITO	word mark	42021500988	October 15, 2021	October 15, 2031
No Verbal Elements		42021505517	November 18, 2021	November 18, 2031
SPEED OF LIFE	word mark	42021511958	September 5, 2021	September 5, 2031

The Company expects to apply to register additional trademarks for its digital business, and other property as needed to protect its brand names.

II. Legal Proceedings

As of December 31, 2025, there are no material lawsuits or claims against DITO CME.

PART II – MARKET PRICE OF AND DIVIDENDS OF REGISTRANT'S COMMON EQUITY

I. Principal market where the registrant's common equity is traded

The Company's common shares are traded at the Philippine Stock Exchange ("PSE") for the past three (3) years. The high and low sale prices of each quarterly period for year 2025 are as follows:

	2026		2025		2024		2023	
Period	High	Low	High	Low	High	Low	High	Low
1Q	0.77	0.57	2.33	1.18	2.60	2.07	3.59	2.77
2Q	N/A	N/A	1.63	1.05	2.44	1.90	2.89	2.20
3Q	N/A	N/A	1.18	0.94	2.17	1.89	3.38	1.96
4Q	N/A	N/A	0.97	0.59	2.24	1.15	3.85	2.20

As of May 11, 2026, the market capitalization of the Company, based on the closing price of ₱0.85 per share, was approximately ₱18.27 billion.

II. Holders

There were 1,332 shareholders of record holding at least one board lot each of the Company's outstanding capital stock of 21,488,500,000 common shares as of December 31, 2025.

DITO has one class of common stock. The top 20 stockholders of record as of December 31, 2025 (based on an outstanding capital stock of 21,488,500,000) were:

	Name of Shareholder	Citizenship	Number of Shares Held	% of ownership
1.	PCD Nominee Corporation	Filipino	16,393,047,374	92.59%
		Non Filipino	3,503,154,629	
2.	Udenna Corporation	Filipino	1,242,323,316	5.78%
3.	Dennison Holdings Corporation	Non Filipino	328,910,000	1.53%
4.	Alshammary, Mohamed Jassim	Saudi Arabian	3,484,000	0.02%
5.	Crisostomo, Emily A.	Filipino	1,400,000	0.01%
6.	Tan, Yingcai	Chinese	1,290,000	0.01%
7.	Chen, Xiaoqiang	Chinese	1,075,000	0.01%
8.	Tan, Estate of Luciano H.	Filipino	997,284	0.00%
9.	Shi, Wenqi	Chinese	850,000	0.00%
10.	Huang, Chiao-Lun	Taiwanese	654,000	0.00%
11.	Ortigas, Ignacio R.	Filipino	571,879	0.00%
12.	Young, Bartholomew Dybuncio	Filipino	502,062	0.00%
13.	Tanjutco, Lynley Ang or Jimmy C. Tanjutco	Filipino	384,374	0.00%
14.	Gonzales, Antonio Cyrian T. and/or Behoy U. Gonzales	Filipino	250,000	0.00%
15.	Lim, Amparo C.	Filipino	221,406	0.00%
16.	Dai, Senpo	Chinese	176,800	0.00%
17.	Xu, Haishan	Chinese	138,700	0.00%
18.	Dees Securities Corporation	Filipino	126,509	0.00%
19.	Manotok Securities, Inc.	Filipino	116,021	0.00%
20.	Dee, K-Chiong Anthony Jr.	Filipino	114,078	0.00%

A total of 3,512,944,444 common shares of DITO, equivalent to 16.35% of its outstanding capital, are owned by foreigners as of December 31, 2025.

** A total of 9,457,176,684 common shares of DITO, equivalent to 44.01% of its outstanding capital, are owned by Udenna Corporation as of December 31, 2025 that are lodged in PCD Nominee Corporation. Total ownership of Udenna Corporation in DITO is 49.79%.*

III. Dividends

DITO has not declared any dividends for the last five (5) fiscal years and subsequent quarter.

There are no restrictions that limits the ability to pay dividends on common equity or that are likely to do so in the future.

IV. Submission of Matters to a Vote of Security Holders

The Management Report and the 2025 Audited Financial Statements, as set forth in the accompanying Annual Report, will be submitted for stockholders' approval.

Approval of the Annual Report constitutes a ratification of the Company's performance during the previous fiscal years.

Approval of the Minutes of the Annual Meeting of Stockholders held on October 10, 2025 constitutes a ratification of the accuracy and faithfulness of the Minutes to the events, which transpired during the meeting.

Below is a summary of the acts of management to be submitted for ratification:

Date of Approval/ Action	Brief Discussion
6 April 2026	Postponement of the 2026 Annual Stockholders' Meeting
8 January 2026	Authority for the Corporation and designation of its authorized representatives for the processing of the Company's 2026 Business Permit
	Authority for the Corporation and designation of its authorized representatives to transact with BA Securities Inc.
	Authority for the Corporation and designation of authorized representatives for DCME's transactions with the Bureau of Internal Revenue
17 November 2025	Approval of Dito CME's Quarterly Report (SEC Form 17-Q) for the quarter ended 31 October 2025 (3Q 2025)

Based on the dates of the resolutions above, the attendance of each director for each meeting held during the fiscal year are as follows:

Name	Position	Date of Board Meeting
Dennis A. Uy	Chairman	April 2, April 3, May 15, July 2, August 15, August 28, September 1, October 10, November 17
Donald Patrick L. Lim	President	April 2, April 3, May 15, July 2, August 15, August 28, September 1, October 10, November 17
Cherylyn C. Uy	Board Director	April 3, July 2, August 15, August 28, September 1, October 10, November 17

Eric O. Recto	Board Director	April 2, April 3, May 15, July 2, August 15, August 28, September 1, October 10, November 17
Chun Lam Chan[1]	Board Director	April 3, May 15, July 2, August 15, August 28, September 1, October 10, November 17
Jonathan L. Ravelas	Independent Director	April 2, April 3, May 15, July 2, August 15, August 28, September 1, October 10, November 17
Enrico S. Cruz	Independent Director	April 2, April 3, May 15, July 2, August 15, August 28, September 1, October 10, November 17
Salvador C. Medialdea	Independent Director	August 15, October 10, November 17

V. Recent Sale of Securities

The Company has not sold or transferred any securities that are not registered under the Code nor did it issue any additional securities in exchange for any properties, services and other securities.

PART III – FINANCIAL INFORMATION

I. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Management's Discussion and Analysis of Financial Condition and Results of Operations for each of the Three Years in the Period Ended December 31, 2025, 2024 and 2023 are attached hereto as Annex A.

II. Information of Independent Accountant and Other Related Matters

In 2025, the Company appointed Sycip Gorres Velayo & Co. (SGV) as the Company's external auditor for the fiscal years ended December 31, 2025 and 2024 in accordance with the Philippine Standards on Auditing. SGV, a member firm of Ernst & Young (EY) Global Limited. Jonathan T. Bino is the assigned audit partner. On the other hand, Punongbayan & Araullo (P&A) was the Company external auditors for the year ended December 31, 2023.

The Company has not had any material disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. SGV and P&A has neither shareholding in DITO CME nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees billed to the Company and its subsidiaries for each of the last two fiscal years for professional services rendered by its external auditor. SGV and P&A does not provide other services that are not reasonably related to the performance of the audit or review of DITO CME's financial statements.

[1] Mr. Chun Lam Chan was elected as a director of the Company on April 3, 2025, replacing Mr. Raouf Kizilbash.

	2025	2024	2023
Total Audit Fees	**₱21,000,000**	₱17,100,000	₱15,027,000
Non-audit services fees:			
Other assurance services	450,000	13,200,000	4,700,000
Tax services	–	–	–
All other services	–	–	–
Total Non-audit Fees	**450,000**	13,200,000	4,700,000
Total Audit and Non-audit Fees	**₱21,450,000**	₱30,300,000	₱19,727,000

Audit and Non-audit fees of other related entities

	2025	2024	2023
Audit fees	–	–	–
Non-audit services fees:			
Other assurance services	–	–	–
Tax services	–	–	–
All other services	–	–	–
Total Audit and Non-audit Fees of other related entities	**₱–**	₱–	₱–

Audit and audit related fees refer to the professional services rendered by SGV and P&A for audit of the Company's annual financial statements and services that are normally provided in connection with statutory and regulatory filings for the said calendar years.

III. Financial Statements

The Company's Statement of Management's Responsibility and Audited Financial Statements as of December 31, 2025 is in Annex B. Financial Statements are prepared in accordance with SRC Rule 68, as amended and Rule 68.1.

IV. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has not had any material disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period.

PART IV – CONTROL AND COMPENSATION INFORMATION

I. Directors and Executive Officers of the Issuer

1. Board of Directors

As of December 31, 2025, DITO's Board of Directors was composed of eight (8) members. The Board is responsible for providing overall management and direction to the Company.

The names of the directors and officer of the Company, their respective ages, position, number of years in service and term of service is summarized below.

Dennis A. Uy	52	Filipino, Chairman/Director/7 years/8 years
Cherylyn C. Uy	46	Filipino, Director /8 years
Donald Patrick L. Lim	48	Filipino, President/ COO/ Director/3 years/6 years
Eric O. Recto	62	Filipino, Director/10 years
Chun Lam Chan	53	Chinese, Director/1 year
Salvador C. Medialdea	75	Filipino, Independent Director/3 years
Jonathan L. Ravelas	53	Filipino, Independent Director/4 years
Enrico S. Cruz	68	Filipino, Independent Director/4 years

Mr. Dennis A. Uy is the Chairman of the Company. He is the Founder, Chairman, and CEO of Udenna Corporation, the parent company, with a diverse business portfolio that includes interests in petroleum retail and distribution; shipping and logistics; property development; education; tourism; infrastructure; telecommunications, media and entertainment; and, energy. He is the Chairman and President of Phoenix Petroleum Holdings, Inc., the holding company of Phoenix Petroleum Philippines, Inc. Mr. Uy is also the Chairman of Chelsea Logistics and Infrastructure Holdings Corporation, Udenna Land Inc., PH Resorts Group Holdings Corp., Enderun Colleges, Inc., Le Penseur Inc., UC38 LLC, Udenna Management & Resources Corp. and its subsidiaries, Udenna Foundation, and Phoenix Philippines Foundation, Inc. He has been the Honorary Consul of Kazakhstan to the Philippines since November 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.

Mr. Donald Patrick L. Lim is the President and Chief Operating Officer of the Company. Prior to joining the Company, Mr. Lim also held numerous positions in Dentsu Aegis Network Philippines, Mccann Worldgroup Philippines, ABS-CBN Corporation, Burger King Philippines and Philippine Daily Inquirer. In 2015, he was awarded as one of The Outstanding Young Men (TOYM) for community development. He was also awarded as Asia's Most Influential Digital Marketing Professional on the same year. Mr. Lim is a graduate of the Ateneo de Manila University with a degree in Management as well as an MBA from Murdoch University and a Doctorate in Business Administration from University of Phoenix Online.

Ms. Cherylyn C. Uy is a Director of the Company. Ms. Uy is one of the pioneers/incorporators of Udenna Corporation, which has businesses in petroleum, shipping, logistics, tourism, gaming, real estate, education, and other industries. She is the Treasurer of various entities under the Udenna group. She is also a director of Phoenix Petroleum Philippines Inc., Chelsea Logistics Holdings Corporation, and PH Resorts Group Holdings Corp. She is the Executive Director of Phoenix Philippines Foundation, Inc. and President of the Udenna Foundation, Inc., the corporate social responsibility entities of the Udenna Group. Ms. Uy is a graduate of Business and Finance from Ateneo de Davao University.

Mr. Eric O. Recto is a Director of the Company. He is also a director for PH Resorts Group Holdings Inc. He also serves as the Chairman and Director of Philippine Bank of Communications. He is presently Chairman and President of Bedfordbury Development Corporation; Chairman and CEO of Atok-Big Wedge Co., Inc., Chairman of the Board of Pylon Holdings Corporation, and Chairman of the Board of Eight-8-Ate Holdings. He is Vice Chairman and Lead Independent Director of Aboitiz Power Corporation; Vice Chairman of Alphaland Corporation; Independent Director of Manila Water Company, Inc.; Independent Director of Sun Life of Canada (Philippines), Inc.; Director of PXP Energy Corporation; He was recently appointed Senior Advisor of Stonepeak Infrastructure Partners in the US and Director of Miescor Infrastructure Development Corporation. Prior to his current roles, he was President of Petron Corporation, the largest oil refining and marketing company in the Philippines. He also previously served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005. Eric has an undergraduate degree in Industrial Engineering from the University of the Philippines and has an MBA from Cornell University's Johnson Graduate School of Management.

Mr. Chun Lam Chan is a Director of the Company. In addition to his directorship in DITO CME, Mr. Chan is also the Chief Financial Executive of DITO Telecommunity. Mr. Chan holds a bachelor degree of Business Administration in Accounting with honors from Hong Kong Baptist University. Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Association of Chartered Certified Accountants. Prior to joining the Company, Mr. Chan worked for an international accounting firm and a number of listed companies in Hong Kong. Mr. Chan has over 30 years of professional experience in auditing and financial management in different business sectors in Hong Kong, China, Macau and the Philippines.

Mr. Enrico S. Cruz is an Independent Director of the Company. He is also an independent director of the following companies: Security Bank Corporation, AREIT Inc., The Keepers Holdings Inc., Maxicare Healthcare Corporation, Robinson Retail Holdings Inc., SB Capital Investment Corporation, CIBI Information Inc., Maxilife Insurance Corporation and Philippine Dealing and Exchange Corporation. He was the Chief Country Officer of Deutsche Bank (Manila Branch) from June 2003 to July 2019 and was concurrently the bank's Head of Corporate Finance. He joined Deutsche Bank in July 1995 where he established the Global Markets (GM) franchise in the Philippines. Prior to Deutsche Bank, he was a Senior Vice President at Citytrust Banking Corporation (CTBC), an affiliate of Citibank N.A. Philippines. He obtained his B.S. in Business Economics and MBA from the University of the Philippines.

Mr. Jonathan L. Ravelas is an Independent Director of the Company. Currently, he also serves as Senior Adviser at Reyes Tacandong & Co., Managing Director at eManagement for Business and Marketing Services, and Independent Director at PH Resorts. Previously, he held the role of First Vice President and Chief Market Strategist at BDO Unibank from 2002 to 2022, and before that at Equitable PCI Bank. His distinguished career has also included key roles as a strategist, equities dealer, and portfolio manager across top firms like DBS Securities and ACE Securities. His expertise in trading strategies, corporate governance, forecasting, and investment analysis has earned him not only industry respect but also multiple accolades. Mr. Ravelas is a proud graduate of De La Salle University and an alumnus of the Asian Institute of Management's Asian Securities Executive Program.

Atty. Salvador Medialdea is an Independent Director of the Company. He served as Executive Secretary of President Rodrigo Roa Duterte for the period of June 2016-June 2022. Prior to entering public service, Atty. Medialdea began his law career at ACCRA Law Offices. In 1983, he joined PECABAR Law Offices where he was a Partner until August 1990. In September 1990, he formed with several other lawyers the De Borja Medialdea Ata Bello Guevarra and Serapio Law Offices (now Medialdea Bello and Suarez Law Offices). He was also President of the Integrated Bar of the Philippines (Rizal Chapter) from 1985 to 1987 and was Director from 1983 to 1985. Atty. Medialdea obtained his Bachelor of Science in Commerce (Major in Management) from the Colegio San Juan de Letran in 1972 and his Bachelor of Laws from San Beda College in 1976. He was conferred a doctorate degree in Government Management by the Pamantasan ng Lungsod ng Maynila in 2018 and a doctorate degree in Law by the University of Mindanao in 2019. Atty. Medialdea is a recipient of the Order of Sikatuna (Gold) in 2018, Order of Lakandula (Gold) in 2019 and Order of Lapu-Lapu (Gold) in 2022.

2. Executive Officers

Mr. Donald Patrick L. Lim is the President and Chief Operating Officer of the Company. Prior to joining the Company, Mr. Lim was the Country Chief Executive Officer of Dentsu Aegis Network Philippines. He also served as the Chief Digital Officer of ABS CBN Corporation from 2013 to 2017, where he contributed in making all ABS CBN digital properties the leader in their respective categories. He received his bachelor's degree in Management from the Ateneo de Manila University in 1998.

Mr. Leandro E. Abarquez is the Corporate Secretary of the Company. He is also the Corporate Secretary of PH Resorts Group Holdings Inc. Prior to joining the Company, he was a Senior Associate at Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles from 2010 to 2017, where he advised clients on various diverse matters and special projects including mergers and acquisitions, initial public offering, gaming regulatory advice, public-private partnerships, project finance, and dispute resolution matters. He received his bachelor's degree in Biology from the Ateneo de Manila University in 2004, and his juris doctor degree from the same university in 2009. He is also the Compliance Officer of CLC and Phoenix Petroleum Philippines Inc.

Mr. Kim Jay T. Villamar is the Treasurer of the Company. Prior to joining the organization, Mr. Villamar held key roles in Ask Asia Management Consulting, PwC Acceleration Center, Philippines Fiber Optic Cable Network, LG Electronics Philippines and KPMG Philippines. He is a licensed Certified Public Accountant in the Philippines and holds a Bachelor of Science degree in Accountancy from Pamantasan ng Lungsod ng Maynila. Mr. Villamar is currently pursuing a Global MBA degree at the University of Western Australia.

Mr. Leo Benedict D. Venezuela is the Chief Financial Officer and Investor Relations Officer of the Company. Prior to joining DITO CME, he was the head of investor relations for gaming company PH Resorts Group Holdings Inc. as well as another large local casino gaming company. Before moving over to investor relations, he was a ranked sellside equity research analyst for several foreign and local institutional stock brokerage firms, where he covered several sectors but focused mainly on property and gaming. Mr. Venezuela has consistently been voted by clients and was AsiaMoney's top Philippine real estate analyst for four consecutive years (2008 to 2011), as well as being part of the team that garnered the 'triple crown' of being the best Philippine research team in 2008, 2010 and 2011 according to Institutional Investor,

AsiaMoney and Greenwich. He went to Ateneo de Manila University and took BS Chemistry at the University of the Philippines.

No Director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

As of the date of this Annual Report, the Company has three (3) incumbent Independent Directors, Messrs. Enrico S. Cruz, Jonathan L. Ravelas (Lead Independent Director) and Atty. Salvador C. Medialdea.

3. Directorships in Other Reporting Companies

The following are directorships held by the Directors in other reporting companies during the last five (5) years:

Name of Director	Name of Reporting Company	Position Held
Dennis A. Uy .	Phoenix Petroleum Philippines, Inc.	Chairman
	Chelsea Logistics and Infrastructure Holdings Corp.	Chairman of the Board
	PH Resorts Group Holdings, Inc.	Chairman of the Board
	Atok-Big Wedge Co., Inc.	Independent Director
Cherylyn C. Uy	Phoenix Petroleum Philippines, Inc.	Director
	Chelsea Logistics and Infrastructure Holdings Corp.	Director
	PH Resorts Group Holdings, Inc.	Director
Eric O. Recto	Philippine Bank of Communications	Chairman of the Board
	Aboitiz Power Corporation	Vice Chairman and Lead Independent Director
	Atok-Big Wedge Co., Inc.	Chairman of the Board and CEO
	PXP Energy Corporation	Director
	PH Resorts Group Holdings, Inc.	Director
	Manila Water Company, Inc.	Independent Director
Enrico S. Cruz	AREIT, Inc.	Independent Director
	Security Bank Corporation	Independent Director
	The Keepers Holdings Inc.	Independent Director
	Robinsons Retail Holdings, Inc.	Independent Director

Shares of Phoenix Petroleum Philippines, Inc. (PNX), Chelsea Logistics and Infrastructure Holdings, Corp. (C), PH Resorts Group Holdings, Inc. (PHR), Philippine Bank of Communications (PBC), Atok-Big Wedge Co., Inc. (AB), PXP Energy Corporation (PXP), Manila Water Company Inc. (MWC), AREIT Inc. (AREIT), Security Bank Corporation (SECB), The Keepers Holdings Inc. (KEEPR), Robinsons Retail Holdings, Inc. (RRHI), are all listed with the Philippine Stock Exchange.

4. Family Relationships

Mr. Dennis A. Uy and Mrs. Cherylyn C. Uy are married to each other.

Other than the foregoing, none of the directors and officers is related to each other by consanguinity or affinity.

5. Involvement of Directors and Officers in Certain Legal Proceedings

Involvement of Directors and Officers in Certain Legal Proceedings

The Company is not aware of any other legal proceeding including without limitation any (a) bankruptcy petition, (b) violation of a securities or commodities law, (c) criminal proceeding or (d) any other material pending litigation during the last five (5) years up to the date of the filing of this Statement, to which any of its Directors and Executive Officers is a party, except for:

Balgamel B. Domingo, Rodel E. Rodis and Loida Nicolas Lewis vs. Alfonso G. Cusi et. al., OMB-C-C-22-0004, Office of the Ombudsman

A Complaint before the Office of the Ombudsman was filed by Complainants Balgamel de Belen Domingo, Rodel Rodis, and Loida Nicolas Lewis, against Alfonso G. Cusi ("Sec. Cusi"), as Secretary of Energy and Chairman of PNOC-Exploration Corporation ("PNOC-EC"), Lourdes Gelacio, as former OIC and CEO of PNOC-EC, Lt. Gen. Rozzano Briguez (Ret.) as President and CEO of PNOC EC, Carlo Magno Aldevera, Fara Canezal, Alejandro Cobol, Oscar Rabena, Johnny Tuason, Karl Ignatius, P. Young, Avelino Tayag, and Albert Dela Cruz, as Directors of PNOC-EC, Dennis U, Cherylyn Uy, Henry Albert Fadullon, Chryss Alfonsus Damuy, Ignacia Braga IV, Leandro Abarquez, Ma. Concepcion De Claro, Wilfredo Placino, Raymundo Martin Escalona, as Directors of Udenna Corporation, Billy T. Liu, Modesto Vergel De Dios, Maria Emma Ruiz as officers of Chevron Philippines, Inc.; Belinda Racela, as Resident Agent of Chevron Malampaya LLC; Rolando Paulino, Paul Michael Nugent, as officers of Shell Philippines Exploration BV; and Raouf Kizilbash as Managing Director of UC Malampaya Philippines Pte. Ltd.

The Complaint hinges on the allegation that the Department of Energy ("DOE") and PNOC-EC supposedly acted with gross inexcusable negligence and for personal gain, which resulted in undue injury to the Government and gave unwarranted benefits to Udenna Corp. and UC Malampaya Philippines Pte. Ltd. ("UC Malampaya"). It was alleged that the private respondents were in conspiracy with the DOE and PNOC-EC for allowing or facilitating the effective transfer of Chevron Malampaya LLC ("Chevron Malampaya") of its 45% participating share in Service Contract 38 ("SC 38") to Udenna despite having no prior approval from the DOE and without ascertaining Udenna's legal, technical, and financial qualifications to perform Chevron's obligations under the Joint Operating Agreement dated March 30, 2000 ("JOA") and SC 38.

On July 5, 2023, the Special Panel of Investigators of the Office of the Ombudsman dismissed the complaint for violations of Sections 3 (e), (i) and (j) of Republic Act No. 3019 for lack of probable cause. On October 24, 2024, Belgamel De Belen Domingo and Rodel Rodis Esq. filed a Petition for Certiorari under Rule 65 of the Rules of Civil Procedure seeking the review and reversal of the Ombudsman's Resolution dismissing the complaint.

Material Pending Legal Proceeding

The Company is not a party to any pending material legal proceedings. It is not involved in any pending material legal proceedings with respect to any of its properties. It is not involved, therefore, in any claims or lawsuits involving damages that may materially affect it.

II. Executive Compensation

The Company's executive officers are regular employees entitled to a 12-month compensation package and other mandatory pay and benefits. They also receive performance bonuses similar to those of the managerial, supervisory and technical employees.

The Company pays its non-executive Directors a per diem of ₱25,000.00 for each meeting. There are no other arrangements for which the members of the Board of Directors are compensated.

The aggregate compensation paid or incurred during the last two (2) fiscal years to the executive officers of the Company are as follows:

Compensation of Executive Officers and Directors (in ₱ millions)					
Name	Principal Position	Salary	Bonus	Other	Total
		Estimated Compensation For The Year Ended December 31, 2026			
Donald Patrick Lim	President and Chief Operating Officer	29.22	2.44	0.19	31.85
Leo Venezuela	Chief Financial Officer				
Fritzie May De Jesus	General Manager				
Kim Jay Villamar	Treasurer				

Compensation of Executive Officers and Directors (in ₱ millions)					
Name	Principal Position	Salary	Bonus	Other	Total
		Actual Compensation For The Year Ended December 31, 2025			
Donald Patrick Lim	President and Chief Operating Officer	30.62	2.46	0.15	33.23
Leo Venezuela	Chief Financial Officer				
Fritzie May De Jesus	General Manager				
Kim Jay Villamar*	Treasurer				
Rudyard Sunga**	Business Development Consultant				

* *Appointed in April 2025.*

** *Separated effective July 2025.*

Compensation of Executive Officers and Directors (in ₱ millions)					
Name	Principal Position	Salary	Bonus	Other	Total
		Actual Compensation For The Year Ended December 31, 2024			
Donald Patrick Lim	President and Chief Operating Officer	28.77	2.23	0.14	31.13
Leo Venezuela	Chief Financial Officer				
Fritzie May De Jesus	General Manager				
Rudyard Sunga	Business Development Consultant				

Compensation of Executive Officers and Directors (in ₱ millions)					
Name	Principal Position	Salary	Bonus	Other	Total
		Actual Compensation For The Year Ended December 31, 2023			
Eric Alberto	President	52.07	2.26	3.91	58.24
Donald Patrick Lim	Chief Operating Officer				
Leo Venezuela	Corporate Planning and Investor Relations Head				
Ryan Guadalquiver	General Manager				
Fritzie May De Jesus	General Manager				
Rudyard Sunga	Business Development Consultant				

The data only covers officer/s with employment contract. There are no standard arrangements with regard to election, bonus, profit sharing, pension/retirement plan granting or extension of any option, warrant or right to purchase any securities. There were no material terms of any other arrangement given to officers and directors.

None of the directors, except for Mr. Donald Patrick L. Lim, has an employment contract with the Company.

There have been no terminations of employment and neither have there been any change-in-control arrangements with the present management.

III. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Records and Beneficial Owners as of December 31, 2025

As of December 31, 2025, the Company knows of no one who beneficially owns more than 5% of its common stock except as set forth in the table below:

Title of Class	*Name and Address of Record Owner and Relationship with the Company*	*Name of Beneficial Owner and Relationship with Record Owner*	*Citizenship*	*Amount and Nature of Record/Beneficial Ownership (indicate "r" or "b")*	*Percent of Class*
Common	Udenna Corporation Stella Hizon Reyes Road, Bo. Pampanga, Davao City, Davao del Sur *(Stockholder)*	Mr. Dennis Uy, Mrs. Cherylyn C. Uy, Silver Crescent (controlling shareholders)	Filipino	10,699,500,000 (r/b)[2]	49.79%
Common	PCD Nominee Corporation 29/F BDO Equitable Tower 8751 Paseo de Roxas, Makati City *(Stockholder)*	PCD participants acting for themselves or for their customers	Filipino/ Non-Filipino	16,393,047,374 (Filipino) 3,503,154,629 (Non-Filipino)	92.59%

** PCD Nominee Corporation is not a related party of the Company.*

Mr. Dennis A. Uy is authorized to vote for the shares held by Udenna Corporation.

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who, as at December 31, 2025, was indirectly or directly the beneficial owner of more than 5% of the Company's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than five percent of the outstanding shares of common stock. There are no persons holding more than 5% of the Company's common stocks that are under a voting trust or similar agreement.

2. Security Ownership of Directors and Management as of December 31, 2025

As of December 31, 2025, the security ownership of the members of the Board of Directors and that of management are as follows:

Title of Class	Name of Director/Officer	Citizenship	Number of Shares and Nature of Beneficial Ownership	Percent of Class
Common	Dennis A. Uy (Chairman/ Director)	Filipino	6,375,323 (direct)	0
Common	Cherylyn C. Uy (Director)	Filipino	10,000 (direct)	0
Common	Eric O. Recto (Director)	Filipino	890,615 (direct) 1,000,000 (indirect)	0
Common	Chun Lam Chan (Director)	Chinese	1,000 (direct) 2,999,000 (indirect)	0

[2] Of the total amount of 10,699,500,000 Udenna shares in Dito CME, only 1,242,323,316 are directly held by Udenna. The balance of 9,457,176,684 Udenna shares in Dito CME are lodged with PCD Nominee Corporation.

Common	Salvador C. Medialdea (Independent Director)	Filipino	1,000 (direct)	0
Common	Donald Patrick L. Lim (Chief Operating Officer and President)	Filipino	30,000 (direct)	0
Common	Leandro E. Abarquez (Corporate Secretary / CIO)	Filipino	2,000 (direct)	0
Common	Jonathan L. Ravelas (Lead Independent Director)	Filipino	5,000	0
Common	Enrico S. Cruz (Independent Director)	Filipino	100 (direct)	0
Common	Leo D. Venezuela (CFO)	Filipino	79,000 (direct)	0
Common	Kim Jay T. Villamar (Treasurer)	Filipino	50,000 (direct)	
Aggregate Ownership of Directors and Officers as a Group			11,443,038	0.00%

3. Changes in Control

On August 27, 2021, 100% of the shareholdings of Dennison Holdings Corporation amounting to 883,730,659 common shares, was transferred to an unrelated third-party entity. As a result of such transfer, Dennison Holdings Corporation is no longer an affiliate of the Company.

In 2021, upon approval of the share swap transaction, Udenna Corporation became the parent company of Dito CME Holdings, Corp.

4. Voting Trust Holders of 5% or more

Other than those mentioned above, there are no persons holding more than five percent (5%) of a class under a voting trust or any similar agreements as of the date of this Report.

IV. Certain Relationships and Related Transaction

The Group's related parties include its affiliates and the Group's key management personnel. Details of the Group's related party transactions and balances are as follows:

		2025		2024	
Entity	Nature	**Amount/ Volume**	**Receivable (Payable)**	Amount/ Volume	Receivable (Payable)
Ultimate parent company:					
Udenna Corporation					
	Advances granted	**₱–**	**₱25,174,890**	₱715,625	₱25,174,890
	Advances obtained	**8,010,078**	**(463,177,302)**	(69,519,936)	(496,908,080)
	Deferred charges	**–**	**–**	–	121,581,950
	Note payable	**–**	**(294,025,000)**	–	(290,070,000)
Other shareholders:					
Summit Telco Corporation (Summit Telco)					
	Advances obtained	**–**	**(10,326,908,990)**	10,326,908,990	(10,326,908,990)
Summit Telco Holdings Corporation (STHC)					
	Advances granted	**1,108,800**	**1,108,800**	–	–
Xterra Ventures Inc. (Xterra)					
	Advances obtained	**10,000,000**	**(110,000,000)**	100,000,000	(100,000,000)
Related parties under common ownership:					
Udenna Management & Resource Corp. (UMRC)					
	Advances obtained	**–**	**(1,264,968)**	–	(1,264,968)
Udenna Infrastructure Corporation (Udenna Infra)					
	Advances granted	**–**	**4,500,000**	–	4,500,000
	FWA installations payable	**110,245,719**	**(74,437,637)**	39,156,351	(9,902,371)
	FWA installations receivable	**39,567,001**		–	
Udenna Tower					
	Lease transactions	**51,087,760**	**(359,814,313)**	1,438,364	(566,469,728)
	Advances obtained	**222,213,201**	**(195,864)**	122,296,904	(5,285,169)
	Accrued Payable	**3,149,862**	**(5,103,129)**	5,008,267	(6,463,960)
Others:					
China Telecom					
	Performance bond fees	**–**	**–**	1,385,306	–
	Intercarrier revenue	**1,086,951**	**(246,158)**	–	–
	Intercarrier costs	**79,451**	**12,996**	–	–
China Telecom International Investment Private Ltd. (CTIIPL)					
	Advances	**–**	**(8,588,215,809)**	–	(14,155,175,386)
	Interest expense	**517,107,453**	**(1,972,291,988)**	533,657,188	(1,355,697,834)
	Others	**–**	**(104,647,070)**	–	(104,451,345)
FutureNet and Technology Corporation (FNT)					
	Construction contract/ Accrued project cost	**2,607,361,205**	**(31,004,915,549)**	18,215,574,873	(30,247,361,119)
	Interest expense	–	**(1,889,649,615)**	–	(1,839,807,561)
	Information technology software	**1,093,924,080**	**(3,733,556,622)**	894,581,738	(2,550,724,656)
	Technical maintenance cost	**2,599,466,039**	**(5,437,408,392)**	2,593,342,109	(5,500,086,758)
Shenzhen Cocreation Technology Co., Ltd. (Shenzhen)					
	Interest Payable	–	**(354,289,145)**	–	(335,572,588)
China Telecom Global Limited (CTG)					
	Cable lease/ Accrued lease payable	**126,658,014**	**(170,907,237)**	93,779,814	(84,558,586)
	Advances	**148,397,571**	**(99,773)**	–	–
	Intercarrier revenue	**570,799,247**	**220,113,296**	–	–
	Intercarrier costs	**121,719,940**	**50,975,840**	–	–
	Data pool services	**19,617,670**	**16,296,988**	–	–

(Forward)

Entity	Nature	2025 Amount/ Volume	2025 Receivable (Payable)	2024 Amount/ Volume	2024 Receivable (Payable)
China Telecom (Asia Pacific) Pte. Ltd. (CTAP)					
	Cable lease/ Accrued lease payable	**₱8,157,491**	**(₱30,503,345)**	₱44,589,732	(₱51,142,265)
China Communications Services Philippines Corporation (CCSPC)					
	Services rendered	**53,669,729**	**(70,118,787)**	118,979,657	(70,148,087)
	Capital expenditures	**15,072,954**	**(33,693,390)**	96,431,893	(30,708,171)
Phoenix Petroleum Philippines, Inc.					
	Fuel Expense	–	–	–	(13,233)
Worklink Services Inc.					
	Services rendered	**35,600,413**	**(10,248,383)**	44,975,903	(27,279,744)
Summit Global Limited					
	Advances obtained	**60,738,574**	**(87,669,027)**	6,775,942	(26,930,453)
Others					
	Advances granted	–	**2,214,783**	3,219,000	11,306,857
	Advances received	–	**(54,434,930)**	6,801,477	(54,124,726)
	Sale of investment property	–	**7,838,451**	–	7,838,451

i. Advances to and from Affiliates

The Group obtains and grants cash advances from and to related parties for working capital requirements and other purposes.

a. Advances to Affiliates

The outstanding balance, including the accrued interest, are presented as Advances to affiliates under Receivables account in the consolidated statements of financial position. The table presented below shows the breakdown per related party:

	2025	2024
Advances granted:		
Udenna	**₱25,174,890**	₱25,174,890
Udenna Infra	**4,500,000**	4,500,000
Summit Telco	**1,108,800**	–
Others	**2,214,783**	11,306,857
	₱32,998,473	₱40,981,747

Management has determined that there is no impairment loss to be provided from the aforementioned advances as of December 31, 2025 and 2024.

The movements in the advances to affiliates are as follows:

	Ultimate Parent	Related parties under common ownership	Summit Telco and Others	Total
December 31, 2025				
Balance at the beginning of year	**₱25,174,890**	**₱4,500,000**	**₱11,306,857**	**₱40,981,747**
Collection of advances	**–**	**–**	**1,108,800**	**1,108,800**
Offset against advances	**–**	**–**	**(9,092,074)**	**(9,092,074)**
Balance at the end of year	**₱25,174,890**	**₱4,500,000**	**₱3,323,583**	**₱32,998,473**
December 31, 2024				
Balance at the beginning of year	₱24,459,265	₱252,314,773	₱25,654,200	₱302,428,238
Advances during the year	715,625	–	3,219,000	3,934,625
Offset against advances	–	(247,814,773)	(9,069,749)	(256,884,522)
Collection of advances	–	–	(8,496,594)	(8,496,594)
Balance at the end of year	₱25,174,890	₱4,500,000	₱11,306,857	₱40,981,747

b. Advances from Affiliates

The Group also received cash advances from the noncontrolling shareholders and Udenna for working capital requirements. The advances, presented as Advances from affiliates under Trade and Other Payables account in the consolidated statements of financial position, are unsecured, noninterest-bearing, payable on demand and are to be settled either in cash or through offsetting.

The table presented below shows the breakdown per related party:

	2025	2024
Advances obtained:		
Udenna	**₱463,177,302**	₱496,908,080
Summit Telco	**10,326,908,990**	10,326,908,990
Xterra	**110,000,000**	100,000,000
UMRC	**1,264,968**	1,264,968
Summit Global Limited	**87,669,027**	26,930,453
Udenna Tower	**195,864**	5,285,169
CTIIPL	**10,665,154,867**	15,615,324,565
Others	**54,434,930**	54,124,726
	₱21,708,805,948	₱26,626,746,951

The movements in advances from affiliates are as follows:

	Ultimate Parent	Related parties under common ownership	Other Shareholders	Others	Total
December 31, 2025					
Balance at the beginning of year	**₱496,908,080**	**₱63,425,004**	**₱10,426,908,990**	**₱15,639,504,877**	**₱26,626,746,951**
Advances during the year	**8,010,078**	**222,213,201**	**10,000,000**	**726,243,598**	**966,466,877**
Payment of advances	**–**	**(227,092,076)**	**–**	**(6,043,431,473)**	**(6,270,523,549)**
Offset against advances	**(41,740,856)**	**–**	**–**	**–**	**(41,740,856)**
Effects of foreign exchange	**–**	**–**	**–**	**427,856,525**	**427,856,525**
Balance at the end of year	**₱463,177,302**	**₱58,546,129**	**₱10,436,908,990**	**₱10,750,173,527**	**₱21,708,805,948**
December 31, 2024					
Balance at the beginning of year	₱787,063,256	₱286,654,212	₱–	₱14,865,165,332	₱15,938,882,800
Advances during the year	–	122,296,904	10,426,908,990	663,509,800	11,212,715,694
Payment of advances	(190,000,000)	(130,526,112)	–	–	(320,526,112)
Offset against advances	(100,155,176)	(215,000,000)	–	(144,491,762)	(459,646,938)
Effects of foreign exchange	–	–	–	255,321,507	255,321,507
Balance at the end of year	₱496,908,080	₱63,425,004	₱10,426,908,990	₱15,639,504,877	₱26,626,746,951

ii. Lease Transactions

The Group has entered into lease agreements with the following related parties:

a. Office and Land Rental

In 2019, Dito Tel entered into lease contracts with Udenna Tower Corporation (Udenna Tower) and GGDC for the lease of office space and land, respectively. The lease term of the office space and land are 10 years and 64 years, respectively.

In 2021, Dito Tel entered in another lease contract with Udenna Tower Corporation in relation to retail space and in-building solution with lease term of 2 years and 5 years, respectively. In 2023, there is a renewal for another year on said retail space, and an additional office area commencing September 2023 for 5 years. In 2025, retail

space renewed commencing June 2025 is converted to DITO Business Hub and is rented for another year.

Right-of-use assets and lease liabilities related to these lease contracts amounting to ₱7.3 billion and ₱334.7 million, respectively in 2025 and ₱7.6 billion and ₱566.5 million, respectively in 2024.

b. Cable Lease

In 2020, Dito Tel entered into a Master Service Agreement with China Telecom Global Limited/ China Telecom (Asia Pacific) Pte. Ltd. for the lease of global internet access lines and data peering services. These are included as part of the "Rentals" and "Outsourced services" in the statement of comprehensive income.

iii. Services Rendered

The Group has entered into the service agreements with the following related parties:

a. Transmission Network Leasing Agreement

In 2020, Dito Tel engaged the services of Udenna to secure certain transmission network infrastructure facilities leases from third party lessor. Services include review of transmission network lease agreements from legal and commercial perspective and coordination with Dito Tel to establish the project progress monitoring process. Until the recognition of the related ROU, the initial prepayment amounting to ₱220.0 million was capitalized and classified as part of "Deferred charges" under "Other noncurrent assets" in the statement of financial position. Remaining balance of the "Deferred charges" amounted to nil million and ₱121.6 million as of December 31, 2025 and 2024, respectively.

b. EPC Services

On December 16, 2019, Dito Tel entered into an "Early Works Agreement (EWA)" with FNT. Under this agreement, FNT shall assist Dito Tel in the engineering, procurement, construction and rollout of 4G/5G-ready telecommunications network in the Republic of the Philippines.

On August 31, 2020, Dito Tel entered into an onshore EPC agreement with FNT and offshore EPC agreement with Shenzhen Cocreation to supersede the EWA. These arrangements replace any contractual arrangements between parties under EWA. The onshore EPC agreement includes construction of 4G/5G mobile communication nationwide network across over 3,500 physical sites, greenfield towers and poles and other mobile base station supporting facilities, national optical cable metropolitan network and optical backbone network, submarine cable landing station and submarine cable and domestic submarine cable, international gateway facility, large-scale data centers, and other works as needed. On the other hand, the offshore EPC agreement includes procurement of servers and data centers, network equipment for

mobile and wireless networks, cables, fiber optic networks, IT software development, and other works as needed.

In relation to these arrangements, FNT shall assist Shenzhen Cocreation in developing the procurement plan, health and safety policy and procedures, quality assurance plan, procedures manual, equipment manuals, operating procedures, the implementation schedule, general inspection and testing procedure, performance test programs and other site procedures. Dito Tel shall be responsible to acquire, use of, or provide FNT and Shenzhen Cocreation with use of the site. Any failure of Dito Tel may result to extension of time ground and entitlement of additional payment to the FNT and Shenzhen Cocreation.

On the same day, FNT, along with the other concerned affiliates of China Telecom, signed a Project Coordination Deed with Dito Tel to support the development, financing, design, procurement, construction, commissioning, testing, completion, operation and maintenance of the roll-out of the telecommunication network of the Group. This is to ensure that the independent performance by the different parties to the contract are coordinated so that the rollout of the network is completed without delay and to the standards and specifications required by the EWA/ EPC contract so as to deliver to Group a complete and fully functional network.

The guaranteed maximum contract price of onshore and offshore agreement amounted to US$4.0 billion and is inclusive of all taxes. Any costs incurred beyond the maximum contract price shall be in the account of FNT and Shenzhen Cocreation without reimbursement from the Group.

c. *Maintenance cost and IT software*

On November 2021, Dito Tel entered into a Maintenance Service Outsource Project under PTO Technical Maintenance Contract (TMC) with FNT, with a term of five years, subject to early termination or renewal. The Services shall include, without limitation, the following maintenance and technical services:

- network security maintenance and security guards
- optimization services
- network upgrades services
- network monitoring services
- limited licensed use of FNT's technology and software and relevant IT support services indirect relation to the Services; and
- any other maintenance or technical services as may be requested by Dito Tel from time to time, provided that no maintenance or technical services shall be provided that contravene the provisions of Commonwealth Act No.108, as amended by Presidential Decree No. 715.

d. *Framework Agreement for Design Service Projects for Leasing and Purchasing Fiber Optic Cables*

Dito Tel engaged the services of CCSPC for the design service projects for leasing and purchasing fiber optic cables providing a feasibility report, completing the lease and purchase fiber optic cable preliminary design and survey of the PTO project, as well

as cooperating with the construction unit to carry out project management support, project technical support and other survey and on-site design work. These are included as part of the "Construction in-progress" under Property and equipment in the statement of financial position.

e. *Tower Certification and Design Consulting Service*

Dito Tel engaged the services of CCSPC for the consultancy work of analysis of existing tower banks, requirements research and collection, technology demonstration and selection, drawing certification and design drawing preparation, output design content including signed design drawings and corresponding calculation reports and other related consultancy work. These are included as part of the "Consultancy fees" in the statement of comprehensive income.

f. *Power Bill Project*

CCSPC will contact all lessors in advance to collect all power bills of Dito Tel under sites maintained by CCSPC. CCSPC shall receive the bill and transfer to Dito Tel after the tenant receives the bill for the corresponding sites. These are included as part of the "Utilities" in the statement of comprehensive income.

g. *Sales Distribution of DITO FWA Products*

CCSPC shall be authorized to market, distribute and resell DITO products and services, including FWA products. These are included as part of the "Cost of inventories sold and used" in the statement of comprehensive income.

h. *Framework Agreement for the Network Planning and Feasibility Study Service*
Dito Tel engaged the services of CCSPC for the feasibility study that will analyze the technical advancements, economic rationality, and construction feasibility offering practical advice for project investment. These are included as part of the "Research expense" in the statement of comprehensive income.

i. *Advertising and Merchandising expense*

Overall DITO brand and placement strategy for digital media and above-the-line (Radio, OOH, TV, & Print) to build visibility, reach, frequency, recall, share of audience, and promote conversions. These are included as part of the "Advertising and promotions" in the statements of comprehensive income.

j. *Freight expense*

On May 24, 2021, Dito Tel signed a service level agreement with Worklink Services Inc., wherein Worklink Services Inc is engaged in providing persons, corporations and other entities with courier, forwarding, trucking, warehousing and account management services. These are included as part of Freight expense under "Others" in the statement of comprehensive income.

k. FWA service installation fulfillment

Dito Tel engaged the services of Udenna Infra for the end-to-end service installation of FWA to its customers. These are included as part of the "Outside services" in the statement of comprehensive income.

iv. Performance Bond Fees

Pursuant to the requirement of the NTC, Dito Tel shall procure the issuance of a standby letter of credit for an amount equal to the Performance Security within fifteen (15) days after the request of NTC. China Telecom agreed to procure the issuance of the performance security in exchange for a performance bond fee. The amounts of performance bond fee to China Telecom in 2024 and 2023 are included as part of the "Outside services" under "Operating expenses" section in the statement of comprehensive income. The transaction amounted to nil, ₱1.4 million and ₱7.5 million in 2025, 2024, and 2023, respectively.

v. Interconnection Agreement

On September 9, 2020 and December 12, 2024, Dito Tel has interconnection agreements with China Telecom Global for intercarrier and data pool services, respectively. Revenue recognized in relation to the agreements amounted to ₱590.4 million in 2025. The interconnection costs recognized in relation to the agreements amounted to ₱121.7 million in 2025. Both parties agree that charges for the interconnection service shall be by way of settlement after offsetting their inbound and outbound traffic settlement charges or cash.

vi. Data Roaming Agreement

On August 14, 2019, Dito Tel entered into international roaming agreements with China Telecom under which roaming subscribers of each party are permitted to access and use the public mobile network of the other. For the year ended December 31, 2025 and 2024, Dito Tel recognized International Roaming revenue amounting to ₱0.08 million and nil, respectively.

Correspondingly, international roaming payables recognized during the same period amounted to ₱1.09 million and nil, respectively. Both parties agree that charges for the data roaming service shall be by way of settlement after offsetting their inbound and outbound traffic settlement charges or cash.

vii. Advance Agreement

On March 14, 2022, Dito Tel signed another one-year interest-bearing of CNY195.0 million and CNY 455.0 million totaling CNY650.0 million or ₱5,224.2 million Advance Agreement with CTIIPL to fund its operating expenditures and working capital requirements. As of December 31, 2025, CNY627.8 million or ₱5,035.3 million was drawn. During the year, the Group paid CNY107.3 million or ₱836.9 million, leaving an outstanding balance of CNY520.5 million or ₱4,137.6 million as of December 31, 2025.

On February 13, 2023, signed another one-year interest-bearing of CNY195.0 million and CNY 455.0 million totaling CNY650.0 million or ₱5,078.3 million Advance Agreement with CTIIPL to fund its operating expenditures and working capital requirements. As of December 31, 2024, CNY502.8 million or ₱3,978.0 million was drawn.

As of December 31, 2025, 2024 and 2023, interest expenses incurred amount to ₱517.1 million, ₱533.7 million, and ₱476.5 million respectively, are presented as part of "Interest expense and other bank charges" in the statement of comprehensive income.

The right to the Advances Agreement were used as collateral to secure the payment of a portion of the Group's loans payable.

Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from related parties can be potentially offset by the amount of outstanding liabilities to the same related parties.

As part of the consolidation adjustments to reflect the share swap transaction between the Parent Company and Udenna, the Group offset the Parent Company's outstanding receivables to Udenna against UCME's advances from Udenna amounting to ₱3,364.2 million as these advances are receivable and payable of the Group with the same related party.

Key Management Compensation

The Group's key management compensation includes short-term benefits and are presented as part of Salaries and employee benefits under General, Selling and Administrative Expenses section in the consolidated statements of comprehensive income.

	2025	2024	2023
Short-term employee benefits	**₱179,630,800**	₱169,788,824	₱182,451,064
Post-employment benefits	**26,458,766**	30,399,172	18,285,064
	₱206,089,566	₱200,187,996	₱200,736,128

V. Ownership structure and Parent Company

As of December 31, 2025, Udenna Corporation owns 49.79% of the outstanding shares of the Company. A total 9,457,176,684 common shares of DITO, equivalent to 44.01% of its outstanding capital, are owned by Udenna Corporation as of December 31, 2025 that are lodged in PCD Nominee Corporation.

VI. Resignation of Directors

Mr. Raouf A. Kizilbash has tendered his resignation as a director of the Company effective April 3, 2025. He was replaced by Mr. Chun Lam Chan.

PART V – CORPORATE GOVERNANCE

The Company adopted a Manual of Corporate Governance (the "Manual") to ensure its compliance with the leading practice on good corporate governance and related Philippine SEC rules and regulations. The Manual was approved and adopted by its Board of Directors and deemed effective as of September 30, 2020. The Manual features the following provisions:

a) Accountability to stockholders and investors. The Manual provide for stockholders' rights and protection, investor relations and a disclosure system to provide a balanced and comprehensible assessment of the Company's performance position and prospects including reports on matters that could adversely affect the Company's business.
b) Board of Directors and Management. The detailed qualifications and disqualifications, duties, functions and responsibilities of the Board and executive officers are also enumerated in the Manual.
c) Checks and balances. The Manual contains the vision, strategic objectives, key policies, procedures for the management of the Company, and mechanisms for monitoring and evaluating management's performance to enable an environment of good corporate governance within the Company.
d) Compliance with the Manual. The appointment of a Compliance Officer to monitor compliance with and violations of the Manual is also provided.
e) Creation of committees. The Manual mandates the creation of the Nomination Committee, the Audit Committee, the Compensation and Remuneration Committee, the Corporate Governance Committee, the Board Risk Oversight Committee and the Related Party Transaction Committee, to ensure compliance with the regulatory requirements and to ensure an effective and efficient management of the Company.

The Company will continue to improve its corporate governance, and will amend, the Manual as may be necessary.

Compliance with Corporate Governance Manual

The Company is constantly working to comply with its Corporate Governance Manual and improve its corporate governance practices. To date, the Company's compliance is not measured by weight program nor by a grading system. The Company's compliance with its Corporate Governance Manual, however, is manually examined against the adopted written principles. The Company also submits its Integrated Annual Corporate Governance Report which also serves as an evaluation of the Company's compliance with established corporate governance principles which are likewise contained in the Manual.

In July 2020, the members of the Audit and Related Party Transactions Committee were also changed to adopt the corporate governance recommendation in the IACGR regarding the composition of the aforementioned committees. In relation to this, the Company's website is also constantly redesigned and updated to conform to the mandatory website contents and disclosures required by the Philippine Securities and Exchange Commission and Philippine Stock Exchange (PSE). All Company disclosures made through the PSE Edge System are mirrored in the Company website. Information about the services and products of the Company, news, charters, policies and manual for various activities and processes relating to the Company are also available on the Company website.

Corporate Governance Outlook

The Company continues to work on and constantly improve its corporate governance practices. The Company shall endeavor to adopt and implement more leading corporate governance practices in the future.

PART VI – EXHIBITS AND SCHEDULES

I. Exhibits and Reports on SEC Form 17-A

Annex A: **Management's Discussion & Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2025, 2024 and 2023**

Annex B: **Statement of Management's Responsibility for the Consolidated Financial Statements and Audited Consolidated Financial Statements**

Annex C: **Sustainability Report**

II. Signatures

ANNEX A

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

MANAGEMENT REPORT

I. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

DITO CME Holdings Corporation (DITO CME or the Company) is a holding and investment company focusing on identifying and capitalizing differentiated investment opportunities within the information and communications technology (ICT) sector. The Company focuses on segments that play a significant role in the way people communicate, transact, share information, and consume content and data. The Company has diverse assets in various segments within the ICT sector, including telecommunications, digital media and content, managed analytics, among others.

This discussion summarizes the significant factors affecting the consolidated operating results and financial condition of DITO CME Holdings Corp. and its Subsidiaries (the Group) as of and for the years ended December 31, 2025 and 2024. The following discussions should be read in conjunction with the attached audited consolidated financial statements of the Group as of December 31, 2025.

Comparable discussion on Material Changes in Results of Operations for the years ended December 31, 2025 and 2024

Financial Performance *(In millions - Php)*	December 31, 2025	2024	Change	%
Revenue from contracts with customers	**20,542**	16,349	4,193	26%
Cost and expenses				
Cost of sales and services	**1,564**	1,315	249	19%
General, selling and administrative expenses	**15,401**	14,630	771	5%
Depreciation and amortization	**15,402**	14,579	823	6%
Sub-total	**32,367**	30,524	1,843	6%
Operating loss	**(11,825)**	(14,175)	2,350	17%
Other income (charges)	**(24,079)**	(26,821)	2,742	10%
Loss before income tax	**(35,904)**	(40,996)	5,092	**12%**
Provision for income tax	**(3)**	(13)	10	77%
Net loss	**(35,907)**	(41,009)	5,102	**12%**
Add back:				
Foreign currency exchange losses - net	**6,936**	8,285	(1,349)	16%
Depreciation and amortization	**15,402**	14,579	823	(6%)
Interest expense and other bank charges	**17,083**	18,581	(1,498)	8%
Interest income	**(30)**	(27)	(3)	11%
Provision for income tax	3	13	(10)	77%
EBITDA	**3,487**	422	3,065	726%

For the years ended December 31, 2025 and 2024, the Group reported consolidated net losses after tax of ₱35,907 million and ₱41,009 million, respectively, or an improvement of 12% on a year-on-year basis.

Consolidated revenues, which are mainly generated by DITO Telecommunity Corporation (DITO Tel), the country's third telecommunications provider, increased by 26% year-on-year to ₱20,542 million in 2025 from ₱16,349 million in 2024. The increase in revenue was driven mainly by the increase in mobile and fixed wireless access (FWA) subscribers as well as a substantial increase in enterprise and carrier net revenues.

In 2025, DITO Tel's mobile subscribers grew by 2.48 million to 16.17 million mobile (prepaid and postpaid) subscribers from 13.69 million mobile subscribers last year, while FWA subscribers grew by 0.26 million to 0.40 million subscribers from 0.14 million subscribers last year.

Mobile subscriber growth can be attributed to various promotional activities such as the ESIM Double Day campaign and DITO eShop Select Your Number promo. New license stores were opened during the year. The License Store Light concept also drove the increased penetration into the consumer market. Additional promotional activities specifically targeting students on school campuses and sites were also launched during the year. The strong growth in FWA subscriber activations was driven by the introduction of new FWA products incorporating a mobile SIM pack. These were heavily promoted on several popular social media platforms as well as on DITO eShop stores. Moreover, aside from these numerous promotional activities, DITO Tel continued to strengthen its distribution infrastructure to be able to increase its daily activations of mobile prepaid subscribers.

Further fueling DITO Tel's subscriber growth was the acceleration in the increase in network coverage, 66 cities and municipalities added by the end of December 2025, ending the year with 966 cities and municipalities covered, a significant increase from the 47 cities and municipalities added in 2024.

The majority of the Group's revenue is derived from operations within the Philippines with no single customer exceeding ten percent (10%) of total revenues.

At the consolidated level, DITO Tel continued to be the largest revenue contributor to the Group, accounting for nearly all total revenues by providing mobile services to subscribers in prepaid and postpaid arrangements such as Voice, SMS, Data, FWA, Over-the-top (OTT) and Others. Revenues derived outside DITO Tel are also included and are broken down as follows:

Net Revenue (in millions - Php)	2025		2024	
	Amount	%	Amount	%
Mobile	**18,687**	**91%**	**15,552**	**95%**
Data	17,417	85%	12,397	76%
SMS	1,038	5%	1,359	8%
Voice	232	1%	1,796	11%
FWA/Broadband	**1,302**	**6%**	**350**	**2%**
VAS/OTT/Others	**2,291**	**11%**	**1,746**	**11%**
Gross Service Revenues	**22,280**	**108%**	**17,648**	**108%**
Less: Sales Discount	(2,301)	**(11%)**	(1,776)	**(11%)**
Net Service Revenues	**19,979**	**97%**	**15,872**	**97%**
Net Non-Service Revenues	563	3%	477	3%
Net Revenues	**20,542**	**100%**	**16,349**	**100%**

Within the Group, Mobile remained the largest revenue contributor, generating ₱18,687 million, up from ₱15,552 million last year. This was followed by VAS/OTT/Others which contributed ₱2,291 million compared to ₱1,746 million in 2024, and by FWA and Non-Service Revenues, with contributions of ₱1,302 million and ₱563 million, respectively, versus ₱350 million and ₱477 million last year.

Data generated revenue amounting to ₱17,417 million, up from ₱12,397 million last year. FWA grew 3.7x year-on-year on the back of strong subscriber activations and increased its revenue contribution. Within Mobile, Voice and SMS revenues collectively declined to ₱1,270 million from ₱3,155 million last year.

For 2025, mobile subscribers generated a monthly average revenue per user (ARPU) of ₱97 for prepaid and ₱276 for postpaid, resulting in a blended ARPU of ₱98, compared to ₱113 in 2024. Prepaid subscribers grew by 18% year-on-year to 16.06 million, representing 99% of total mobile subscribers, up from 13.62 million (also 99%) by the end of December 2024. Meanwhile, postpaid subscribers increased by 57% year-on-year to 0.11 million from 0.07 million. The stronger growth in postpaid subscribers can be attributed to additional promotions launched during the year.

Despite the 13% year-on-year decline in blended mobile ARPU, the 18% year-on-year growth in the total number of mobile subscribers more than offset the decline in blended ARPU and led to a 20% revenue increase to ₱18,687 million from ₱15,552 million.

For the FWA segment, prepaid and postpaid subscribers generated ₱214 and ₱942 in ARPU, respectively, resulting in a blended ARPU of ₱332, compared to ₱266 during the same period last year, reflecting a 25% increase. Prepaid subscribers increased by 246% to 351,207 by the end of December 2025 from 101,456 at the same time in the previous year. On the other hand, postpaid FWA subscribers grew by 36% on a year-on-year basis to 50,417 from 37,005.

In September 2024, DITO Tel passed its fifth and final technical audit. The audit reported that the Company reached a national population coverage of 86.30%, with a minimum average broadband speed of 92.87 Mbps for 4G and 345.28 Mbps for 5G. The results surpassed the minimum commitments of 84.01% population coverage and 55 Mbps minimum average broadband speed, respectively.

DITO Tel continued to receive various awards from independent testing organizations, Ookla and OpenSignal. In its Speedtest Awards, Ookla recognized DITO Tel as the “Rated #1 Mobile Network in the Philippines” for five consecutive periods: Q3-Q4 2023, Q1-Q2 2024, Q3-Q4 2024, Q1-Q2 2025 and Q3-Q4 2025. In Opensignal’s April 2025 Mobile Network Experience Report, DITO Tel was named the “Fastest Mobile Network”, excelling in 14 out of 16 categories. DITO Tel was also listed as a 5G Global Leader in Open Signal’s 5G Mobile Network Experience Awards 2025. In Opensignal’s October 2025 Mobile Network Experience Report, DITO Tel garnered continued recognition in 9 out of 16 categories.

Moreover, DITO Tel received several recognitions from other industry associations and organizations during the year demonstrating its continued technological leadership. It was the recipient from Asian Telecom of the Cybersecurity Recognition and Mobile App of the year as well as the Best Digital Experience Platform Award from Whale Cloud. Other notable awards and recognitions given to DITO Tel in 2025 were the First Large-Scale RedCap FWA Commercial

Deployment in the World Award given by Huawei, Most Innovative Customer Experience Strategy Award + Best Data Center Digital Technology Application at the W. Media Cloud and Data Center Awards, GSMA Open Gateway's Global Use Case Innovation Challenge where it garnered third place.

The Group's depreciation and amortization increased by 6% to ₱15,402 million from ₱14,579 million last year due to recognition of additional accepted telecommunications equipment. On the other hand, DITO Tel spent ₱7,309 million in capital expenditures in 2025, a 64% year-on-year decrease from the ₱20,308 million spent in 2024. The year-on-year decrease in capital expenditures is mainly attributable to the completion of the five-year population coverage and minimum average broadband speed commitments as evidenced by the passing of its fifth and final regulatory audit in September 2024.

As of the end of 2025, DITO Tel has 7,342 lighted up towers versus 7,280 in the same period last year, representing an increase of 62 towers, reflecting the Company's continued network expansion and rollout efforts to enhance coverage and service capacity. Population coverage at the end of 2025 was at 86.40% versus 86.34% during the same period in the previous year.

The Group's general, selling, and administrative expenses for the year 2025 amounted to ₱15,401 million as compared to ₱14,630 million in 2024, or a 5% increase year-on-year. This increase was mainly due to the significant operating costs of DITO Tel during the year coming mainly from salaries and employee benefits as well as other general and administrative expenses. General, selling, and administrative expenses comprised the following:

- *Salaries and employee benefits* increased by ₱443 million or 23% primarily due to the increase in manpower and short-term employee benefits, commissions, incentives, and retirement obligations. As of December 2025, the Group had a little over 1,456 employees compared to a little over 1,405 employees in 2024.

- *Outside service, professional fees, and consultancy fees* decreased by ₱136 million or 6% from last year due to lower service utilization. This was driven by reduced professional fees following the completion of the technical audit in 2024, as well as declines in legal and advisory services, security, competition analysis, network lease and marketing and branding, among others, which are integral to DITO Tel's commercial rollout.

- *Taxes and licenses* increased by ₱394 million or 26% mainly due to higher number of accepted sites requiring NTC permits and licenses, as well as higher real property taxes and local business taxes in 2025 compared to 2024.

- *Advertising, marketing expenses, and promotions* decreased by ₱474 million or 48% mainly due to lower spending on out-of-home advertising, merchandising and digital campaigns and less extensive marketing campaign activities, as well as fewer sales events and promotions in 2025. The decrease was also attributed to more prudent expense management.

- *Repairs and maintenance* decreased by ₱283 million or 8% primarily due to reclassification to capitalized assets of cable emergency maintenance expenses, as these expenditures were determined to extend the useful life of the related assets.

- *Utilities* increased by ₱427 million or 18% primarily due to higher electricity consumption from higher accepted 4G and 5G assets from 9,511 in year 2024 to 9,809 in year 2025. Majority of the sites accepted are in NCR, Calabarzon and Region 3.

- *Other general and administrative expenses* increased by ₱353 million or 34%, primarily due to higher insurance expenses because of higher accepted assets, as well as higher payment facility fees due to higher volume of online sales, travel and transportation costs, among others to support the continued growth of the business.

The Group's other charges (net of other income) amounted to ₱24,079 million and ₱26,821 million in 2025 and 2024, respectively. The Group reported a foreign currency exchange loss of ₱6,936 million from translating foreign currency denominated interest-bearing loans and trade payables in 2025 as compared to ₱8,285 million in 2024. Interest expense, primarily arising from the amortization of lease liabilities, interest-bearing loans, and advances amounted to ₱17,083 million in 2025 as compared to ₱18,581 million in 2024. Interest income, on the other hand, mainly refers to income from bank deposits. Interest income grew 11% to ₱30 million from ₱27 million in the previous year.

Furthermore, earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 726% year-on-year to ₱3,487 million from ₱422 million in 2025 and 2024, respectively. The significant improvement in the Group's EBITDA was the result of the increase in revenues and effective cost-containment measures.

Comparable discussion on Material Changes in Financial Condition for the years ended December 31, 2025 and 2024

Financial Position *(In millions - Php)*	December 31, 2025	December 31, 2024	Change	%
Current assets	**6,735**	6,372	363	6%
Non-current assets	**199,472**	212,561	(13,089)	(6%)
Total Assets	**206,207**	218,933	(12,726)	(6%)
Current liabilities	**83,267**	87,836	(4,569)	(5%)
Non-current liabilities	**222,946**	204,487	18,459	9%
Total Liabilities	**306,213**	292,323	13,890	5%
Total Capital Deficiency	**(100,006)**	(73,390)	(26,616)	36%

The Group's total assets slightly decreased by 6% to ₱206,207 million as of December 31, 2025 from ₱218,933 million as of December 31, 2024. The decrease was mainly due to the reduction in non-current assets portion.

Current assets slightly increased by 6% to ₱6,735 million from ₱6,372 million as of December 31, 2025 and 2024, respectively, primarily due to the increase in Receivables. These include increased receivables from carriers, which amounted to ₱437 million as of December 31, 2025, compared to ₱132 million as of December 31, 2024.

Non-current assets, which mainly consist of property and equipment, slightly decreased by 6% or ₱13,089 million due to depreciation and amortization expense recognized during the year. Property and equipment and right-of-use assets, which amounted to ₱177,465 million as of December 31, 2025 as compared to ₱187,681 million as of December 31, 2024, include accepted assets from the network rollout project and leased sites. These also include intangible assets amounting to ₱4,729 million as of December 31, 2025 (₱5,486 million as of December 31, 2024) which consist of computer software and cloud-based applications used in the business.

On the other hand, the Group's total liabilities largely refer to loans payable and trade and other payables, which amounted to ₱205,087 million and ₱79,172 million, respectively, as of December 31, 2025 (₱184,394 million and ₱84,108 million, respectively, as of December 31, 2024). Trade and other payables relate to network construction as well as operating and general administrative expenses, while interest-bearing loans refer to bank syndication loans. Accrued project costs refer to construction materials and services received based on percentage of completion but not yet billed to the Group. Majority of the outstanding accrued project costs refer to EPC services.

The equity share-swap transaction between DITO CME and UCME is accounted for as a capital reorganization under a common control transaction following the guidance provided by PFRS. For this purpose, the legal parent, DITO CME, is identified as the acquiree for accounting purposes because DITO CME did not meet the definition of a business and based on the substance of the transaction, the legal subsidiary, UCME, is adjudged to be the entity that gained control over the legal parent and was thus deemed to be the acquirer for accounting purposes. Accordingly, the

consolidated financial statements of DITO CME Group have been prepared as a continuation of the consolidated financial statements of the UCME Group.

Furthermore, in November 2024, the Company executed a Subscription Framework Agreement with Summit Telco Corporation Pte. Ltd. (Summit Telco) to subscribe up to 9 billion primary common shares of the Company, subject to the execution of subscription agreements containing the terms and conditions of the relevant subscription and share issuance. The implementation of Summit Telco's potential investment under the Subscription Framework Agreement, along with other equity raising efforts, forms part of the Company's business plan to improve its equity position. The investment is subject to compliance with Philippine regulatory requirements, such as requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.

In September 2023, the Group signed a fifteen (15) year loan agreement with several creditors comprising of CNY4,266.0 million (US$600.0 million) and US$3,297.0 million, in CNY and USD tranches, respectively. As of December 31, 2025, the carrying value of the loan from various drawdowns under these tranches are CNY3,299.4 million (₱27,692.8 million) and US$3,297.0 million (₱193,880.1 million). These funds were utilized to repay the outstanding bridge loan and network construction-related payables.

As of December 31, 2025 and December 31, 2024, the Group reported a capital deficiency of ₱100,006 million and ₱73,390 million, respectively. This was primarily attributable to the net loss recognized by the Group driven by substantial fixed operating expenses, depreciation and amortization and finance costs related to syndicated loans. Despite the reported capital deficiency, management is confident in the Group's ability to continue as a going concern based on its ability to generate sufficient cash flows to meet its maturing obligations.

To achieve this, the Company continues to ramp up its commercial operations through targeted subscriber acquisition and promotional activities aimed at increasing revenue and cash inflows. Also, the Company will continue to efficiently implement its network rollout plan and cost-saving measures to improve the results of operations. In addition, to fund the Company's expenditures related to the construction of the network, the Company secured the project finance loan facility amounting to US$3.9 billion (₱217.4 billion), signed on September 20, 2023. In addition, the related parties, through the Project Coordination Deeds, will also cooperate through the extension of payments of the EPC-related obligations.

Moreover, in August 2023, the Parent Company raised an additional ₱5.5 billion through private placements with certain third-party investors, of which proceeds were used to fund DITO Tel's network expansion and operations. Furthermore, the Group received a shareholder loan from non-controlling interest to address operating expenses and maturing obligations. In December 2024, the Company conducted a successful follow-on offer (FOO) issuing 1,953,500,000 common shares, raising ₱2.05 billion in gross proceeds. The FOO was fully subscribed with strong demand from institutional investors as well as continued support from DITO's retail investor base. The proceeds were allocated for DITO Tel's network expansion and for general corporate purposes.

To further strengthen its capital position, the Company entered into a Subscription Framework Agreement with Summit Telco. In addition, Udenna Corporation, the Group's ultimate parent company, along with Summit Telco, and the minority shareholders of DITO Tel remain supportive in providing additional capital, when necessary, particularly in accelerating network growth for any identified opportunities.

Comparable discussion on Material Changes in Results of Operations for the years ended December 31, 2024 and 2023

Financial Performance	December 31,			
(In millions - Php)	2024	2023	Change	%
Revenues	**16,349**	11,241	5,108	45%
Cost and expenses				
Cost of inventories sold and used	**1,316**	677	638	94%
General, selling and administrative expenses	**14,630**	12,137	2,493	21%
Depreciation and amortization	**14,579**	13,397	1,182	9%
Sub-total	**30,525**	26,211	4,314	16%
Operating loss	**(14,175)**	(14,970)	794	-5%
Other income (charges)	**(26,821)**	(4,626)	(22,195)	480%
Profit (loss) before tax	**(40,997)**	(19,596)	(21,401)	**109%**
Tax expense	**13**	4	8	192%
Net income (loss)	**(41,009)**	(19,600)	(21,409)	**109%**
Add back:				
Foreign currency exchange losses - net	**8,285**	(5,023)	13,308	-265%
Depreciation and amortization	**14,579**	13,397	1,182	9%
Interest expense	**18,581**	9,779	8,802	90%
Interest income	**(27)**	(135)	108	-80%
Tax expense	**13**	4	8	192%
EBITDA	**422**	(1,578)	1,999	-127%

Consolidated revenues soared to ₱16,349 million in 2024 from ₱11,241 million in 2023. By the end of 2024, the DITO Tel has a total of 13.67 million subscribers with average revenue per user (ARPU) of ₱108 (monthly) during the year, while network coverage also increased from 853 to 900 cities as of December 31, 2024. Majority of the Group's revenue is derived from operations within the Philippines with no single customer exceeding ten percent (10%) of total revenues.

The Group generates revenue by providing mobile services to subscribers in prepaid and postpaid arrangements such as SMS, voice, data, over-the-top (OTT) and others, which are broken down as follows:

Net Revenue (in PHP Millions)	2024	% of Total	2023	% of Total	2022	% of Total
Mobile	**15,552**	**95%**	**11,153**	**99%**	**8,028**	**111%**
Voice	1,796	12%	1,762	16%	1,458	18%
SMS	1,359	9%	1,319	12%	1,203	15%
Data	12,397	80%	8,072	72%	5,368	67%
Broadband	**350**	**2%**	**30**	**0%**	**4**	**0%**
VAS/OTT/Others	**1,711**	**10%**	**994**	**9%**	**25**	**0%**
Gross Service Revenues	**17,612**	**108%**	**12,177**	**108%**	**8,057**	**111%**
Less: Sales Discount	(1,776)	**-11%**	(1,231)	**-11%**	(809)	**-11%**
Net Service Revenues	**15,836**	**97%**	**10,945**	**97%**	**7,247**	**100%**
Net Non-Service Revenues	514	3%	296	3%	4	0%
Net Revenues	**16,350**	**100%**	**11,241**	**100%**	**7,251**	**100%**

Depreciation and amortization amounted to ₱14,579 million (₱13,397 million in 2023) mainly due to the additional capital expenditures during the year as part of DITO Tel's continued focus on increasing network coverage nationwide. In 2024, DITO Tel passed its fifth technical audit which was conducted in July of that year. The audit showed that the Company reached a national population coverage of 86.30%, and a minimum average broadband speed of 92.87 Mbps for 4G and 345.28 Mbps for 5G, surpassing the minimum commitment of 84.01% and 55 Mbps, respectively. The increase can be further attributed to the increase in volume of accepted assets and right-of-use contracts during the year, which are mostly comprised of network sites, cables, IBS, towers, officers and stores.

General, selling, and administrative expenses as of December 31, 2024 amounted to ₱14,630 million as compared to ₱12,137 million in 2023, mainly due to the significant operating costs of DITO Tel as a result of its continuous commercial roll out during the year. General, selling, and administrative expenses are comprised of the following:

- *Salaries and employee benefits* slightly increased by ₱576 million due to the increase in headcount from 920 to 1,405 as of December 31, 2023 and 2024, respectively. The Group also made salary adjustments during the year added by the increase in statutory Philhealth contributions.

- *Outside service, professional fees, and consultancy fees* amounted to ₱2,453 million which include but are not limited to the following: legal and advisory, security, competition analysis, network lease and marketing and branding, among others, which are expected as part of the commercial roll out of DITO Tel. The increase was due to the increase in FNT IT related services, outsourced manpower deployment of sales personnel for retailers, and commitment fees on the undrawn portion of the long-term loan.

- *Taxes and licenses* increased by ₱135 million mainly due to higher volume of accepted sites requiring NTC permits and licenses and real property taxes in prior year as compared to the current year.

- *Advertising, marketing expenses, and promotions* amounted to ₱997 million as support the commercial launch and other promo launches in 2024. The Group increased its brand marketing campaigns activities on digital and advertising expense during the year.

- *Repairs and maintenance* amounted to ₱3,570 million in 2024. The account decreased due to lower volume of work tickets in 2024.

- *Rent expense* amounted to ₱573 million which mainly refers to cable leases.

- *Others,* which include light and power, communications, and other necessary operating costs increased mainly from higher number of accepted sites and assets requiring light and power and property insurance and from digital marketing services to support commercial launch.

Other charges (net of other income) amounted to ₱26,821 million and ₱4,626 million in 2024 and 2023, respectively. The Group reported a foreign currency exchange losses of ₱8,285 million from translating foreign currency denominated interest-bearing loans in 2024 as due to depreciation of Philippine Peso (PHP) against Chinese Yuan (CNY) and United States Dollar (USD) during the year. Interest expense recognized in 2024 and 2023 amounted to ₱18,581 million and ₱9,779 million, respectively, mainly amortization of lease liabilities, interest-bearing loans, and advances. Interest income, on other hand mainly refers to interest charges of the Group's outstanding receivable from its related parties and its bank deposits.

For the year ended December 31, 2024 and 2023, the Group consolidated net loss after tax was ₱41,009 million and ₱19,600 million, respectively, while earnings before interest, taxes, depreciation and amortization (EBITDA) was ₱422 million in 2024 as compared to a negative EBITDA of ₱1,578 million in 2023. This was mainly due to higher operating expenses and higher other charges offset by gross revenue generated from the start of DITO Tel's commercial operations since March 8, 2021.

Comparable discussion on Material Changes in Financial Condition for the years ended December 31, 2024 and 2023

Financial Position *(In millions - Php)*	December 31, 2024	2023	Change	%
Current assets	**6,372**	5,937	435	7%
Non-current assets	**212,561**	206,466	6,095	3%
Total Assets	**218,933**	212,403	6,530	3%
Current liabilities	**87,836**	72,594	15,242	21%
Non-current liabilities	**204,487**	175,183	29,304	17%
Total Liabilities	**292,323**	247,777	44,546	18%
Total Equity (Capital Deficiency)	**(73,390)**	(35,374)	(38,016)	107%

The Group's total assets increased by 3% to ₱218,933 million from ₱212,403 million as of December 31, 2024 and 2023, respectively. The increase was mainly attributable to the continued expansion programs which are focused on increasing network coverage nationwide.

Consolidated current assets increased by 7% to ₱6,372 million from ₱5,937 million as of December 31, 2024 and 2023, respectively mainly due to the increase in receivables, inventories and prepayments and other current assets. Prepayments and other current assets include input VAT on purchased goods and services relating to EPC, cable purchase and various procurement works and commercial operation, which amounted to ₱4,372 million as of December 31, 2024 (₱3,933 million as of December 31, 2023).

Consolidated non-current assets increased by ₱6,095 million mainly due to the continuous commercial roll out of DITO Tel in 2024. Property and equipment and right-of-use assets, which amounted to ₱187,681 million as of December 31, 2024 as compared to ₱182,109 million as of December 31, 2023, include accepted assets in the network roll out project and leased sites. This also includes intangible assets amounting to ₱5,486 million as of December 31, 2024 as compared to ₱3,070 million as of December 31, 2023, which consists of computer software and cloud-based applications used in the business.

On the other hand, total liabilities largely refer to interest-bearing loans and trade and other payables, which amounted to ₱208,117 million and ₱84,108 million, respectively, as of December 31, 2024 (₱178,154 million and ₱69,557 million, respectively, as of December 31, 2023). Trade and other payables relate to network construction and related to operation and general admin expenses, while interest bearing loans include bank loans and lease liabilities from right-of-use sites. In 2024 and 2023, the Group also obtained additional advances from minority shareholders totaling to ₱10,462 million and ₱4,811 million, respectively, to further support the Group's operations.

Furthermore, in November 2024, the Company executed a Subscription Framework Agreement with Summit Telco to subscribe up to 9 billion primary common shares of the Company, subject to the execution of subscription agreements containing the terms and conditions of the relevant subscription and share issuance. The implementation of Summit Telco's potential investment under the Subscription Framework Agreement, along with other equity raising efforts, forms part of the Company's business plan to improve its equity position. The investment is subject to

compliance with Philippine regulatory requirements, such as requirements of the Securities and Exchange Commission and the Philippine Stock Exchange. In 2024, the Company received ₱10,362 million from Summit Telco in relation to this Subscription Framework, which is currently booked as advances from affiliates in the consolidated financial statements.

In September 2023, the Group signed a fifteen (15) year loan agreement with several creditors comprising of CNY4,266.0 million (US$600.0 million) and US$3,297.0 million, in CNY and USD tranches, respectively. As of December 31, 2024, the Group has drawn CNY2,374.7 million (₱ 18,832.4 million) and US$3,130.0 million (₱175,856.7 million) from the loan facilities. Funds were utilized to repay the outstanding bridge loan and network construction related payables.

As of December 31, 2024 and 2023, the Group reported a capital deficiency of ₱73,390 million and ₱35,374 million, respectively. This was mainly attributable to the net loss recognized by the Group driven by the commercial roll out of DITO Tel offset by the capital infusions from shareholders and minority shareholders. Despite the reported capital deficiency, management is confident that the Group can continue as a going concern as management believes that the Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its maturing obligations.

To achieve this, the Company continues to ramp up its commercial operations through targeted subscriber acquisition and promotional activities aimed at increasing revenue and cash inflow. Also, the Company will continue to efficiently implement its network roll-out plan and cost-saving measures to improve the results of operations. In addition, to fund the Company's expenditures related to the construction of the network, the Company secured the project finance loan facility amounting to US$3.9 billion (₱217.4 billion), signed on September 20, 2023. In addition, the related parties, through the Project Coordination Deeds, will also cooperate through the extension of payments of the EPC-related obligations.

Moreover, in 2023, the Parent Company raised additional ₱5.5 billion through private placements, which proceeds were used to fund Dito Tel. On December 6, 2024, the Company conducted a successful follow-on offer (FOO) issuing 1,953,500,000 common shares, raising ₱2.05 billion in gross proceeds. The FOO was fully subscribed with strong demand from institutional investors as well as continued support from DITO's retail investor base.

To further improve its capital position, the Company entered into a Subscription Framework with Summit Telco. In 2024, the Company received ₱10,362 million from Summit Telco in relation to this Subscription Framework, which is currently booked as advances from affiliates in the consolidated financial statements. In addition, Udenna Corporation, the Group's ultimate parent company, Summit Telco, and the minority shareholders of Dito Tel are also committed to provide additional capital, when necessary.

Comparable discussion on Material Changes in Results of Operations for the years ended December 31, 2023 and 2022

Financial Performance *(In millions - Php)*	December 31, 2023	2022	Change	%
Revenues	**11,241**	7,281	3,960	54%
Cost and expenses				
Cost of inventories sold and used	**677**	314	363	116%
General, selling and administrative expenses	**12,137**	10,747	1,390	13%
Depreciation and amortization	**13,397**	9,491	3,906	41%
Sub-total	**26,211**	20,552	5,659	28%
Operating loss	**(14,970)**	(13,271)	(1,699)	13%
Other income (charges)	**(4,626)**	(12,361)	7,735	-63%
Profit (loss) before tax	**(19,596)**	(25,632)	6,036	**-24%**
Tax expense	**4**	1	3	300%
Net income (loss)	**(19,600)**	(25,633)	6,033	**-24%**
Add back:				
Foreign currency exchange losses - net	**(5,023)**	7,244	(12,267)	-169%
Depreciation and amortization	**13,397**	9,491	3,906	41%
Interest expense	**9,779**	5,253	4,526	86%
Interest income	**(135)**	(129)	(6)	5%
Tax expense	**4**	1	3	300%
EBITDA	**(1,578)**	(3,773)	2,195	-58%

The equity share-swap transaction between DITO CME and UCME is accounted for as a capital reorganization under a common control transaction following the guidance provided by PFRS. For this purpose, the legal parent, DITO CME, is identified as the acquiree for accounting purposes because DITO CME did not meet the definition of a business and based on the substance of the transaction, the legal subsidiary, UCME, is adjudged to be the entity that gained control over the legal parent and was thus deemed to be the acquirer for accounting purposes. Accordingly, the consolidated financial statements of DITO CME Group have been prepared as a continuation of the consolidated financial statements of the UCME Group.

For the year ended December 31, 2023 and 2022, the Group consolidated net loss after tax was ₱19,600 million and ₱25,633 million, respectively, while earnings before interest, taxes, depreciation and amortization (EBITDA) was ₱1,578 million in 2023 as compared to ₱3,773 million in 2022. This was mainly due to higher operating expenses and higher other charges offset by gross revenue generated from the start of DITO Tel's commercial operations since March 8, 2021.

Consolidated revenues, which mainly generated by DITO Tel, soared to ₱11,241 million in 2023 from ₱7,281 million in 2022. By end of 2023, the DITO Tel has a total of 9 million subscribers with average revenue per user (ARPU) of ₱128 (monthly) during the year, while network coverage also increased from 700 to 853 cities as of December 31, 2023. Majority of the Group's revenue is derived from operations within the Philippines with no single customer exceeding ten percent (10%) of total revenues.

The Group generates revenue by providing mobile services to subscribers in prepaid and postpaid arrangements such as SMS, voice, data, over-the-top (OTT) and others, which are broken down as follows:

Service Revenues (In PHP)	2023	% of total	2022	% of total	2021	% of total
Mobile	**11,183**	**99%**	**8,032**	110%	**2,477**	113%
Voice	1,762	16%	1,458	20%	312	14%
SMS	1,319	12%	1,203	17%	257	12%
Data	8,102	72%	5,371	74%	1,908	87%
VAS/OTT/Others	**1,084**	**10%**	**54**	1%	**1**	0%
Gross Service Revenues	**12,266**	**109%**	**8,085**	111%	**2,478**	113%
Less: Sales Discount	(1,231)	-11%	(809)	-11%	(291)	-13%
Net Service Revenues	11,035	98%	7,276	100%	2,186	100%
Net Non-service revenues	206	2%	5	0%	4	0%
NET REVENUES	**11,241**	**100%**	**7,281**	**100%**	**2,190**	**100%**

Depreciation and amortization amounted to ₱13,397 million (₱9,491 million) mainly due to the additional capital expenditures during the year as part of DITO Tel's continued focus on increasing network coverage nationwide. In 2023, DITO Tel passed its fourth technical audit which was conducted in July of that year. The audit showed that the company reached a population coverage of 80.65%, surpassing the commitment of 80.01%. Moreover, DITO Tel continued to generate minimum average broadband speeds of 74.97 Mbps for 4G and 639.32 Mbps for 5G, strongly surpassing the minimum average 55 Mbps commitment. The increase can be further attributed to the increase in volume of accepted assets and right-of-use contracts during the year, which are mostly comprised of network sites, cables, IBS, towers, officers and stores.

General, selling, and administrative expenses as of December 31, 2023 amounted to ₱12,137 million as compared to ₱10,747 million in 2022, mainly due to the significant operating costs of DITO Tel as a result of its continuous commercial roll out during the year. General, selling, and administrative expenses are comprised of the following:

- *Salaries and employee benefits* slightly decreased by ₱109 million due to reduced short-term benefits, including commissions and incentives, and accruals with lower headcount during the year. As of December 31, 2023, the Group has around 900 employees.

- *Outside service, professional fees, and consultancy fees* amounted to ₱1,958 million which include but not limited to the following: legal and advisory, security, competition analysis, network lease and marketing and branding, among others, which are expected as part of the commercial roll out of DITO Tel.

- *Taxes and licenses* decreased by ₱843 million mainly due to higher volume of accepted sites requiring NTC permits and licenses and real property taxes in prior year as compared to the current year. Also in 2022, the Group incurred documentary stamp taxes from issuance of shares in Dito Tel totaling to ₱647 million.

- *Advertising, marketing expenses, and promotions* amounted to ₱361 million as support the commercial launch and other promo launches in 2023.

- *Repairs and maintenance* amounted to ₱4,019 million due to higher volume of network maintenance and optimization of accepted assets.

- *Rent expense* amounted to ₱748 million which mainly refers to on cable leases.

- *Others,* which include light and power, communications, and other necessary operating costs increased mainly from higher number of accepted sites and assets requiring light and power and property insurance and from digital marketing services to support commercial launch.

Other charges (net of other income) amounted to ₱4,626 million and ₱12,361 million in 2023 and 2022, respectively. The Group reported a foreign currency exchange gains of ₱5,023 million from translating foreign currency denominated interest-bearing loans in 2023 as due to strengthening of Philippine Peso (PHP) versus Chinese Yuan (CNY) and United States Dollar (USD) during the year. Interest expense recognized in 2023 and 2022 amounted to ₱9,779 million and ₱5,253 million, respectively, mainly amortization of lease liabilities, interest-bearing loans, and advances. Interest income on other hand mainly refers to interest charges of the Group's outstanding receivable from its related parties and its bank deposits.

Comparable discussion on Material Changes in Financial Condition for the years ended December 31, 2023 and 2022

Financial Position *(In millions - Php)*	December 31, 2023	2022	Change	%
Current assets	**5,937**	4,031	1,906	47%
Non-current assets	**206,466**	188,851	17,615	9%
Total Assets	**212,403**	192,882	19,521	10%
Current liabilities	**72,594**	200,625	(128,031)	(64%)
Non-current liabilities	**175,183**	20,144	155,039	770%
Total Liabilities	**247,777**	220,769	27,008	12%
Total Equity (Capital Deficiency)	**(35,374)**	(27,887)	(7,487)	27%

The Group's total assets significantly increased by 10% to ₱212,403 million from ₱192,882 million as of December 31, 2023 and 2022, respectively. The increase was mainly attributable to the continued expansion programs which are focused on increasing network coverage nationwide.

Consolidated current assets increased by 47% to ₱5,937 million from ₱4,031 million as of December 31, 2023 and 2022, respectively mainly due to the increase in prepayments and other current assets. Cash increased by ₱965 million by capital infusions, shareholder advances, and cash collections offset by payments for various commercial operations and general and admin expenses. Prepayments and other current assets include input VAT on purchased goods and services relating to EPC, cable purchase and various procurement works and commercial operation, which amounted to ₱3,933 million as of December 31, 2023 (₱3,024 million as of December 31, 2022).

Consolidated non-current assets increased by ₱17,615 million mainly due to the continuous commercial roll out of DITO Tel in 2023. Property and equipment and right-of-use assets, which amounted to ₱182,109 million as of December 31, 2023 as compared to ₱175,931 million as of December 31, 2022, include accepted assets in the network roll out project and leased sites. This also includes intangible assets amounting to ₱3,070 million which consists of computer software and cloud-based applications used in the business. Furthermore, other non-current assets, which increased by ₱10,806 million in 2023, include advance rental payments for transmission facilities with various cable, fiber and site leases, deferred input VAT from higher purchase transactions related to network roll out project and advance payment for the purchase of cables (as required by the terms of contract).

On the other hand, total liabilities largely refer to interest-bearing loans and trade and other payables, which amounted to ₱154,520 million and ₱69,558 million, respectively, as of December 31, 2023 (₱88,217 million and ₱132,487 million, respectively, as of December 31, 2022). Trade and other payables relate to network construction and related to operation and general admin expenses, while interest bearing loans include bank loans and lease liabilities from right-of-use sites. In 2023 and 2022, the Group also obtained additional advances from minority shareholders totaling to ₱4,811 million and ₱5,105 million, respectively, to further support the Group's operations.

In September 2023, the Group signed a fifteen (15) year loan agreement with several creditors comprising of CNY4,266.0 million (US$600.0 million) and US$3,297.0 million, in CNY and USD tranches, respectively. As of December 31, 2023, the Group has drawn CNY266.7 million (₱2,063.4 million) and US$3,005.5 million (₱168,554.5 million) from the loan facilities. Funds were utilized to repay the outstanding bridge loan and network construction related payables.

As of December 31, 2023 and 2022, the Group reported a capital deficiency of ₱35,374 million and ₱27,887 million, respectively. This was mainly attributable to the net loss recognized by the Group driven by the commercial roll out of DITO Tel offset by the capital infusions from shareholders and minority shareholders. Despite the reported capital deficiency, management is confident that the Group can continue as a going concern as management believes that the Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its maturing obligations.

To achieve this, the Company continues to ramp up its commercial operations through targeted subscriber acquisition and promotional activities aimed at increasing revenue and cash inflow. Also, the Company will continue to efficiently implement its network roll-out plan and cost-saving measures to improve the results of operations. In addition, to fund the Company's expenditures related to the construction of the network, the Company secured the project finance loan facility amounting to US$3.9 billion (₱217.4 billion), signed on September 20, 2023. In addition, the related parties, through the Project Coordination Deeds, will also cooperate through the extension of payments of the EPC-related obligations.

Moreover, in 2023, the Parent Company raised additional ₱5.5 billion through private placements of a certain third-party investors, of which proceeds were used to fund Dito Tel. Furthermore, the Group received shareholder loan from non-controlling interest to address operating expenses and maturing obligations. Lastly, the Group has plans to do various fund-raising activities for the

first half of 2024, which include a follow-on offering at the Dito CME or Parent Company level, wherein proceeds will be used to fund the Group's telecommunications and digital businesses funding requirements. In addition, Udenna Corporation, the Group's ultimate parent company, and the minority shareholders of Dito Tel are also committed to provide additional capital, when necessary.

Key Performance Indicators and Relevant Ratios

The Group's key performance indicators and relevant ratios and how they are computed are listed below.

Financial Ratios	2025	2024
Current Ratio (Current Assets/Current Liabilities)	0.08 : 1.00	0.07 : 1.00
Asset to Equity Ratio (Total Assets/Total Equity)	(2.06 : 1.00)	(2.98 : 1.00)
Debt to Asset Ratio (Total Liabilities/Total Assets)	1.48 : 1.00	1.34 : 1.00
Debt to Equity Ratio (Total Liabilities/Total Equity)	(3.06 : 1.00)	(3.98 : 1.00)
Return on Total Assets (Net Income/Total Assets)	(17.41%)	(18.73%)
Return on Total Equity (Net Income/Total Equity)	(35.90%)	(55.88%)

These key indicators were selected to provide Management with a measure of the Group's financial strength (Current Ratio and Debt-to-Equity Ratio) and the Group's ability to maximize the value of its stockholders' investment (Return on Equity, Net Book Value per Share and Earnings per Share). Likewise, these ratios are used to compare the Group's performance with similar companies.

Despite the reported capital deficiency, Management is confident that the Group can continue as a going concern as management believes that the Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its maturing obligations. To achieve this, the Company continues to ramp up its commercial operations through targeted subscriber acquisition and promotional activities aimed at increasing revenue and cash inflows. Also, the Company will continue to efficiently implement its network rollout plan and cost-saving measures to improve the results of operations. In addition, to fund the Company's expenditures related to the construction of the network, the Company secured a project finance loan facility amounting to US$3.9 billion (₱217.4 billion), signed on September 20, 2023. Furthermore, the related parties, through the Project Coordination Deeds, will also cooperate through the extension of payments of the EPC-related obligations.

In 2024, the Group also obtained additional advances from minority shareholders totaling ₱10.5 billion to further support the Group's operations.

Furthermore, in November 2024, the Company executed a Subscription Framework Agreement with Summit Telco to subscribe up to 9 billion primary common shares of the Company, subject to the execution of subscription agreements containing the terms and conditions of the relevant

subscription and share issuance. The implementation of Summit Telco's potential investment under the Subscription Framework Agreement, along with other equity raising efforts, forms part of the Company's business plan to improve its equity position. The investment is subject to compliance with Philippine regulatory requirements, such as requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.

Moreover, in August 2023, the Parent Company raised an additional ₱5.5 billion through private placements with certain third-party investors, of which proceeds were used to fund DITO Tel's network expansion and operations. Furthermore, the Group received a shareholder loan from non-controlling interest to address operating expenses and maturing obligations. In December 2024, the Company conducted a successful follow-on offer (FOO) issuing 1,953,500,000 common shares, raising ₱2.05 billion in gross proceeds. The FOO was fully subscribed with strong demand from institutional investors as well as continued support from DITO's retail investor base. The proceeds were allocated for DITO Tel's network expansion and for general corporate purposes.

OTHER INFORMATION

Aging of Trade and other receivables

As of December 31, 2025, the Group's trade and other receivables totaled ₱1,275.6 million, which includes certain receivables amounting to ₱410.6 million that are all current and collectible within sixty (60) days.

Dividends

No dividends were declared for the years ended December 31, 2025 and 2024.

Known Trends or Demands, Commitments, Events or Uncertainties that will impact Liquidity

The Group is not aware of any known trends, demands, commitments, events or uncertainties that will materially affect its liquidity.

Events that will trigger Direct or Contingent Financial Obligation that is material to the Company, including any default or acceleration of an obligation

The Group is not aware of other events that will materially trigger a direct or contingent financial obligation.

Material Off-Balance Sheet Transactions, Arrangements, Obligations (including contingent obligations), and Other Relationships of the Company with Unconsolidated Entities or Other Persons Created during the Reporting Period

The Group has no material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during the period that is not included in the Audited Consolidated Financial Statements.

Material Commitments for Capital Expenditures, the General Purpose of the Commitment and Expected Sources of Funds

The Company has no material commitments for capital expenditure aside from the capital expenditure requirements for DITO Tel's continuous commercial rollout. The Group continues to ramp up its commercial operations through targeted subscriber acquisition and promotional activities aimed at increasing revenue. In addition, to fund the Group's expenditures related to the construction of the network, the Company secured the project finance loan facility amounting to US$3.9 billion (₱217.4 billion), signed on September 20, 2023. In addition, the related parties, through the Project Coordination Deeds, will also cooperate through the extension of payments of the EPC-related obligations.

Furthermore, in November 2024, the Company executed a Subscription Framework Agreement with Summit Telco to subscribe up to 9 billion primary common shares of the Company, subject to the execution of subscription agreements containing the terms and conditions of the relevant subscription and share issuance. The implementation of Summit Telco's potential investment under the Subscription Framework Agreement, along with other equity raising efforts, forms part of the Company's business plan to improve its equity position. The investment is subject to compliance with Philippine regulatory requirements, such as requirements of the Securities and Exchange Commission and the Philippine Stock Exchange.

Known Trends, Events or Uncertainties that will impact Sales / Revenues / Income from Continuing Operations

The Company is not aware of any known trends, events or uncertainties that will impact on its sales and/or income from continuing operations.

ANNEX B

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS

DITO CME HOLDINGS CORP.
21st Floor Udenna Tower, 4th Avenue corner Rizal Drive, Bonifacio Global City, Taguig

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **DITO CME HOLDINGS CORP. AND SUBSIDIARIES** (the Group) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years 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 Group'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 Group or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group'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.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Group 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.

Dennis A. Uy
Chairman

Donald Patrick L. Lim
President

Leo D. Venezuela
Chief Financial Officer

Signed this MAY 06 2026 day of _____, 2026.

SUBSCRIBED AND SWORN to before me this MAY 06 2026 at TAGUIG CITY, affiants exhibiting to me their identifications as follows:

NAME	ID NO.	DATE OF ISSUE	PLACE OF ISSUE
DENNIS A. UY			
DONALD PATRICK L. LIM			
LEO D. VENEZUELA			

Doc No. 182
Page No. 38
Book No. VII
Series of 2026.

ATTY. BRENDA C. GARCIA
Notary Public City of Taguig
Until 31 December 2026
IBP O.R. No. INV584820/1-3-2026/Makati City
PTR No. A-6736209 on Nov. 27, 2025 at Taguig City
Appointment No. 125(2025-2026)
MCLE Compliance No. VIII-0009332 APRIL 14, 2028
BGC, Taguig City
Roll No. 39443

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	0	0	0	0	8	0	8	

COMPANY NAME

D	I	T	O		C	M	E		H	O	L	D	I	N	G	S		C	O	R	P	.		A	N	D		S	U
B	S	I	D	I	A	R	I	E	S																				

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

2	1	S	T		F	L	O	O	R		U	D	E	N	N	A		T	O	W	E	R	,		R	I	Z	A	L
D	R	I	V	E		C	O	R	N	E	R		4	T	H		A	V	E	N	U	E	,		B	O	N	I	F
A	C	I	O		G	L	O	B	A	L		C	I	T	Y	,		T	A	G	U	I	G		C	I	T	Y	

Form Type	Department requiring the report	Secondary License Type, If Applicable
A F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
leandro.abarquez@udenna.ph	8403-4007	0917 503 0304

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,188	10/10	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Leandro E. Abarquez	leandro.abarquez@udenna.ph	8403-4007	0917 503 0304

CONTACT PERSON's ADDRESS

21st Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City

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

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

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
DITO CME Holdings Corp. and Subsidiaries
(A subsidiary of Udenna Corporation)
21st Floor, Udenna Tower,
Rizal Drive corner 4th Avenue,
Bonifacio Global City, Taguig City

Opinion

We have audited the consolidated financial statements of DITO CME Holdings Corp. and its Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in capital deficiency and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated 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

We draw attention to Note 1 to the consolidated financial statements, which indicates that the Group has incurred net losses amounting to ₱35.9 billion, ₱41.0 billion and ₱19.6 billion for the periods ended December 31, 2025, 2024 and 2023, respectively, resulting to a capital deficiency of ₱100.0 billion and ₱73.4 billion as of December 31, 2025 and 2024, respectively. In addition, the Group's current liabilities exceeded its current assets by ₱76.5 billion and ₱81.5 billion as of December 31, 2025 and 2024, respectively. As stated in Note 1, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The consolidated financial statements of the Group as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on April 29, 2024. As part of our audit of the December 31, 2024 consolidated financial statements, we also reviewed the adjustments described in the footnote to the statement of comprehensive income that were applied to the December 31, 2023 consolidated statement of comprehensive income and consolidated statements of changes in equity. We were not engaged to audit, review, or apply procedures to the December 31, 2023 consolidated financial statement of the Group, and accordingly, we do not express an opinion or any other form of assurance on the December 31, 2023 consolidated financial statements taken as a whole.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of Goodwill and Nonfinancial Assets

Under PFRS Accounting Standards, the Group is required to annually perform an impairment test of the carrying amounts of its goodwill. When indicators of impairment exist, the Group is also required to test for impairment its other nonfinancial assets. The impairment testing is significant to our audit because the balance of goodwill and nonfinancial assets with impairment indicators aggregating to ₱203.3 billion as at December 31, 2025 is material to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are affected by market or economic conditions.

The Group's disclosures about the impairment testing of goodwill and other nonfinancial assets are included in Notes 4 and 8 to the consolidated financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the recoverability of goodwill and nonfinancial assets. We involved our internal specialist to assist us in evaluating the assumptions and methodology used by the Group in determining recoverable amount. We reviewed the basis of the fair values used in the impairment analysis as well as the book values of the financial assets and liabilities. We reviewed the mathematical accuracy of the impairment calculation. We also compared the recoverable amount against carrying value of goodwill and nonfinancial assets.

Revenue Recognition

For the year ended December 31, 2025, the Group recognized revenue amounting to ₱20.5 billion as disclosed in Note 5 to the consolidated financial statements. The Group derives revenues from prepaid and postpaid telecommunication services, which includes bundled offers.

We considered this as a key audit matter because auditing the information technology (IT) systems used to capture accurate and complete information to recognize substantial amounts of the prepaid and postpaid telecommunication service revenues was especially challenging due to significant volume of data and transactions processed through various systems and the heavy reliance on automated processes and controls over the capture, measurement and recording of transactions.

Audit Response

We obtained an understanding of the Group's revenue recognition process, involving our IT professionals to assist us in evaluating the design and testing of the effectiveness of controls around the capture, measurement and recording of prepaid and postpaid telecommunication services revenue. To test the revenue recognition, we compared the customer billing data to the details in the billing systems for postpaid service revenue on a sample basis. We also tested the reasonableness of the prepaid service revenue and the related unearned income considering actual usage, promo duration and the ending customer wallet balance.

Other Information

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 audit 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 auditor's report is Jonathan T. Bino.

SYCIP GORRES VELAYO & CO.

Jonathan T. Bino
Partner
CPA Certificate No. 123492
Tax Identification No. 261-726-399
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 123492-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-194-2025, October 1, 2025, valid until September 30, 2028
PTR No. 10765018, January 2, 2026, Makati City

May 6, 2026

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Noncurrent Assets		
Property and equipment (Note 6)	**₱151,901,011,388**	₱158,611,708,631
Right-of-use assets (Note 16)	**25,563,898,552**	29,069,392,312
Intangible assets (Note 7)	**4,729,447,295**	5,485,934,591
Goodwill (Note 8)	**169,893,083**	169,893,083
Other noncurrent assets (Note 9)	**17,108,106,653**	19,224,603,673
Total Noncurrent Assets	**199,472,356,971**	212,561,532,290
Current Assets		
Cash (Note 10)	**786,331,892**	1,179,531,061
Receivables and contract assets (Note 11)	**914,663,366**	515,950,579
Inventories (Note 12)	**430,160,666**	304,869,028
Prepayments and other current assets (Note 13)	**4,603,754,721**	4,371,524,724
Total Current Assets	**6,734,910,645**	6,371,875,392
TOTAL ASSETS	**₱206,207,267,616**	₱218,933,407,682
LIABILITIES AND CAPITAL DEFICIENCY		
CAPITAL DEFICIENCY (Note 14)		
Equity Attributable to Equity Holders of the Parent		
Capital stock	**₱21,488,500,000**	₱21,488,500,000
Additional paid-in capital	**58,049,027,867**	58,049,027,867
Reorganization reserves	**(67,798,166,784)**	(67,798,166,784)
Revaluation and other reserves	**2,933,213,236**	2,934,080,856
Deficit	**(56,943,769,423)**	(43,194,905,166)
Total Equity Attributable to Equity Holders of the Parent	**(42,271,195,104)**	(28,521,463,227)
Non-controlling Interests (Notes 3 and 14)	**(57,735,063,037)**	(44,869,003,407)
Total Capital Deficiency	**(100,006,258,141)**	(73,390,466,634)
Noncurrent Liabilities		
Loans payable - net of current portion (Note 15)	**205,073,800,057**	184,376,555,604
Lease liabilities - net of current portion (Note 16)	**17,729,373,258**	20,012,087,332
Pension liability (Note 19)	**140,710,606**	98,755,355
Other noncurrent liabilities	**1,959,240**	–
Total Noncurrent Liabilities	**222,945,843,161**	204,487,398,291
Current Liabilities		
Accounts payable and other current liabilities (Note 17)	**79,171,777,836**	84,108,251,340
Current portion of loans payable (Note 15)	**13,100,544**	17,477,182
Current portion of lease liabilities (Note 16)	**4,082,804,216**	3,710,747,503
Total Current Liabilities	**83,267,682,596**	87,836,476,025
Total Liabilities	**306,213,525,757**	292,323,874,316
TOTAL LIABILITIES AND CAPITAL DEFICIENCY	**₱206,207,267,616**	₱218,933,407,682

See accompanying Notes to Consolidated Financial Statements

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUES FROM CONTRACTS WITH CUSTOMERS (Note 5)			
Service revenues	**₱19,978,874,167**	₱15,872,260,639	₱11,035,102,484
Non-service revenues	**563,337,836**	476,983,223	205,941,435
	20,542,212,003	16,349,243,862	11,241,043,919
COSTS AND EXPENSES			
General, selling and administrative expenses (Note 21)	**15,400,760,398**	14,629,642,654	12,136,508,230
Depreciation and amortization expense (Notes 6, 7 and 16)	**15,401,851,589**	14,579,329,860	13,397,009,695
Cost of sales and services (Note 5)	**1,564,416,145**	1,315,578,462	677,136,527
	32,367,028,132	30,524,550,976	26,210,654,452
OTHER INCOME (CHARGES)			
Interest expense (Notes 15, 16, 17, 18 and 22)	**(17,082,595,327)**	(18,580,809,728)	(9,779,221,197)
Foreign exchange gains (losses) (Notes 15 and 26)	**(6,936,491,579)**	(8,285,203,450)	5,022,866,293
Interest income (Notes 9 and 10)	**29,819,739**	26,574,349	134,878,746
Other income (charges) - net (Notes 6 and 9)	**(89,588,616)**	17,994,811	(4,723,609)
	(24,078,855,783)	(26,821,444,018)	(4,626,199,767)
LOSS BEFORE INCOME TAX	**(35,903,671,912)**	(40,996,751,132)	(19,595,810,300)
PROVISION FOR INCOME TAX (Note 20)	**(3,565,184)**	(12,723,815)	(4,362,074)
NET LOSS	**(35,907,237,096)**	(41,009,474,947)	(19,600,172,374)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains (losses) on retirement benefit obligation (Note 19)	**(7,633,711)**	3,079,881	38,989,690
Fair value gains on financial assets at FVOCI (Note 9)	**2,072,282**	4,660,834	3,110,548
Gain (loss) on disposal of equity securities at OCI (Note 9)	**(40,208)**	–	34,832
	(5,601,637)	7,740,715	42,135,070
TOTAL COMPREHENSIVE LOSS	**(₱35,912,838,733)**	(₱41,001,734,232)	(₱19,558,037,304)
NET LOSS ATTRIBUTABLE TO*:			
Parent Company's shareholders	**(₱13,748,864,257)**	(₱14,713,477,117)	(₱6,934,566,494)
Non-controlling interest	**(22,158,372,839)**	(26,295,997,830)	(12,665,605,880)
	(₱35,907,237,096)	(₱41,009,474,947)	(₱19,600,172,374)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO*:			
Parent Company's shareholders	**(₱13,749,731,877)**	(₱14,707,720,402)	(₱6,917,547,825)
Non-controlling interest	**(22,163,106,856)**	(26,294,013,830)	(12,640,489,479)
	(₱35,912,838,733)	(₱41,001,734,232)	(₱19,558,037,304)
Basic/Diluted Loss Per Share (Note 23)	**(₱0.6398)**	(₱0.7480)	(₱0.4551)

See accompanying Notes to Consolidated Financial Statements.

***** The Group restated its 2023 consolidated financial statements to correct the error pertaining to the attribution of the profit and losses to equity holders of the parent and non-controlling interest (NCI) using economic interest rather than voting interest. This resulted to the increase in the losses attributable to the noncontrolling interest with the corresponding decrease in the deficit of the parent company shareholders amounting to ₱6.0 billion.

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity Attributable to Equity Holders of the Parent								
	Capital Stock (Note 14)	Additional Paid-In Capital (Note 14)	Reorganization Reserves (Note 14)	Other Reserves (Note 14)	Revaluation Reserves (Note 14)	Deficit	Total	Non-controlling Interest (Note 14)	Total
Balance at January 1, 2025	**₱21,488,500,000**	**₱58,049,027,867**	**(₱67,798,166,784)**	**₱2,926,136,112**	**₱7,944,744**	**(₱43,194,905,166)**	**(₱28,521,463,227)**	**(₱44,869,003,407)**	**(₱73,390,466,634)**
Capital infusion from non-controlling interests (Note 14)	–	–	–	–	–	–	–	**9,297,047,226**	**9,297,047,226**
Total comprehensive loss for the year	–	–	–	–	**(867,620)**	**(13,748,864,257)**	**(13,749,731,877)**	**(22,163,106,856)**	**(35,912,838,733)**
Balance at December 31, 2025	**₱21,488,500,000**	**₱58,049,027,867**	**(₱67,798,166,784)**	**₱2,926,136,112**	**₱7,077,124**	**(₱56,943,769,423)**	**(₱42,271,195,104)**	**(₱57,735,063,037)**	**(₱100,006,258,141)**
Balance at January 1, 2024	19,535,000,000	58,011,621,700	(67,798,166,784)	2,926,136,112	2,188,029	(28,481,268,843)	(15,804,489,786)	(19,569,985,843)	(35,374,475,629)
Issuance of capital stock	1,953,500,000	97,675,000	–	–	–	–	2,051,175,000	–	2,051,175,000
Share issuance costs during the year	–	(60,268,833)	–	–	–	–	(60,268,833)	–	(60,268,833)
Acquisition of subsidiary	–	–	–	–	–	(159,206)	(159,206)	–	(159,206)
Capital infusion from non-controlling interests (Note 14)	–	–	–	–	–	–	–	994,996,266	994,996,266
Total comprehensive loss for the year	–	–	–	–	5,756,715	(14,713,477,117)	(14,707,720,402)	(26,294,013,830)	(41,001,734,232)
Balance at December 31, 2024	₱21,488,500,000	₱58,049,027,867	(₱67,798,166,784)	₱2,926,136,112	₱7,944,744	(₱43,194,905,166)	(₱28,521,463,227)	(₱44,869,003,407)	(₱73,390,466,634)
Balance at January 1, 2023*	14,035,000,000	58,011,621,700	(67,798,166,784)	9,573,765	(14,683,418)	(21,546,849,571)	(17,303,504,308)	(10,583,412,744)	(27,886,917,052)
Issuance of capital stock	5,500,000,000	–	–	–	–	–	5,500,000,000	–	5,500,000,000
Capital infusion from non-controlling interests (Note 14)	–	–	–	–	–	–	–	6,570,478,727	6,570,478,727
Changes in percentage of ownership	–	–	–	2,916,562,347	–	–	2,916,562,347	(2,916,562,347)	–
Transfer of fair value gain on financial asset at FVOCI (Note 9)	–	–	–	–	(112,390)	112,390	–	–	–
Gain on disposal of financial asset at FVOCI (Note 9)	–	–	–	–	(34,832)	34,832	–	–	–
Total comprehensive loss for the year	–	–	–	–	17,018,669	(6,934,566,494)	(6,917,547,825)	(12,640,489,479)	(19,558,037,304)
Balance at December 31, 2023	₱19,535,000,000	₱58,011,621,700	(₱67,798,166,784)	₱2,926,136,112	₱2,188,029	(₱28,481,268,843)	(₱15,804,489,786)	(₱19,569,985,843)	(₱35,374,475,629)

See accompanying Notes to Consolidated Financial Statements.

* *The Group restated its 2023 consolidated financial statements to correct the error pertaining to the attribution of the profit and losses to equity holders of the parent and non-controlling interest (NCI) using economic interest rather than voting interest. This resulted to the increase in the losses attributable to the noncontrolling interest with the corresponding decrease in the deficit of the parent company shareholders amounting to ₱6.0 billion.*

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	**(₱35,903,671,912)**	(₱40,996,751,132)	(₱19,595,810,300)
Adjustments for:			
Interest expense (Notes 16, 17, 18 and 22)	**17,082,595,327**	18,580,809,728	9,779,221,197
Depreciation and amortization (Notes 6, 7 and 16)	**15,401,851,589**	14,579,329,860	13,397,009,695
Unrealized foreign currency exchange losses (gains)	**6,828,509,126**	7,905,391,262	(4,530,311,523)
Provision for ECL (Notes 11 and 21)	**229,568,716**	120,346,167	14,948,314
Loss (gain) on disposal of property and equipment (Note 6)	**94,229,406**	184,307	(100,386)
Retirement benefit expense (Note 19)	**34,716,421**	42,243,808	38,582,538
Inventory write-down (Note 12)	**421,913**	23,094	5,095,621
Share in net income of a joint venture (Note 9)	**(2,358,016)**	(361,640)	(912,934)
Dividend income	**(2,524,577)**	–	–
Interest income (Notes 9 and 10)	**(29,819,739)**	(26,574,349)	(134,878,746)
Operating income (loss) before working capital changes	**3,733,518,254**	204,641,105	(1,027,156,524)
Decrease (increase) in:			
Receivables and contract assets	**(628,281,147)**	(118,336,509)	(3,739,280)
Inventories	**(125,713,551)**	(206,376,139)	74,926,299
Prepayments and other current assets	**(2,605,882,146)**	(2,655,087,194)	(4,859,745,417)
Other non-current assets	**969,961,550**	801,804,634	(3,057,739,952)
Increase (decrease) in:			
Accounts payable and other current liabilities	**3,368,240,988**	4,037,966,248	(20,146,142,709)
Net cash generated from (used in) operations	**4,711,843,948**	2,064,617,145	(29,019,597,583)
Dividends received	**2,524,577**	–	–
Interest received	**895,173**	1,338,736	6,612,098
Retirement benefits paid	**(394,881)**	(3,629,640)	
Income taxes paid	**(3,565,184)**	(15,014,473)	(2,332,744)
Net cash flows provided by (used in) operating activities	**4,711,303,633**	2,047,306,768	(29,015,318,229)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 6)	**(7,309,271,843)**	(20,308,175,530)	(61,302,658,830)
Intangible assets (Note 7)	**(64,172,424)**	(38,890,298)	(8,317,696)
Proceeds from disposals of:			
Financial assets at FVOCI (Note 9)	**1,759,174**	–	1,174,142
Property and equipment (Note 6)	**982,401**	48,466	142,380
Collection of advances to related parties (Note 18)	**–**	–	2,149,500
Decrease (increase) in advances to contractors	**(33,637,315)**	–	(23,033,804)
Net cash flows used in investing activities	**(7,404,340,007)**	(20,347,017,362)	(61,330,544,308)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Interest on loans payable (Note 15)	**(13,657,825,875)**	(14,823,916,427)	(6,939,012,632)
Borrowings from related parties (Note 18)	**(6,301,978,947)**	(130,000,000)	(368,793,427)
Lease liabilities (Note 16)	**(3,875,029,383)**	(3,687,729,916)	(4,315,526,337)
Debt issuance costs (Notes 9 and 15)	**(99,200,192)**	(265,501,717)	(18,679,318,712)
Principal portion of loans (Note 15)	**(14,711,124)**	(16,604,489)	(65,879,905,360)
Advance lease payments	**(273,256,974)**	(507,476,998)	–
Share issue cost	**–**	(60,268,833)	–
Proceeds from:			
Loans payable (Note 15)	**17,153,604,548**	24,071,297,667	170,617,848,221
Capital infusion from non-controlling interest (Note 14)	**9,297,047,226**	994,996,266	6,570,478,727
Borrowings from related parties (Note 18)	**60,738,574**	10,446,102,944	4,811,219,857
Issuance of shares (Note 14)	**–**	2,051,175,000	5,500,000,000
Net cash flows provided by financing activities	**2,289,387,853**	18,072,073,497	91,316,990,337
EFFECT OF EXCHANGE RATE CHANGES IN CASH	**10,449,352**	20,230,073	(6,296,115)
NET INCREASE (DECREASE) IN CASH	**(393,199,169)**	(207,407,024)	964,831,685
CASH AT BEGINNING OF YEAR	**1,179,531,061**	1,386,938,085	422,106,400
CASH AT END OF YEAR (Note 10)	**₱786,331,892**	₱1,179,531,061	₱1,386,938,085

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information and Authorization for Issuance of the Consolidated Financial Statements

Corporate Information

DITO CME Holdings Corp. (DITO CME or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 3, 1925 and is currently engaged in the business of a holding entity. The Company is incorporated and domiciled in the Philippines whose shares are publicly traded.

The Parent Company's principal address is 21st Floor, Udenna Tower, Rizal Drive corner 4th Avenue, Bonifacio Global City, Taguig City.

Enactment of Republic Act No. 12234 (Konektadong Pinoy Act)

On September 14, 2025, Republic Act No. 12234 (Konektadong Pinoy Act) and its Implementing Rules and Regulations introduced an open-access regime in the data transmission sector, including the removal of the legislative franchise requirement for data transmission services, the introduction of mandatory infrastructure sharing for digital infrastructure and services included in the regulators' Access List, and a revised spectrum management framework providing for periodic review, potential recall, and reassignment of spectrum by the NTC and the Department of Information and Communications Technology (DICT).

These regulatory changes may increase competitive intensity, requiring the Group to provide access to certain infrastructure and services on fair and non-discriminatory terms, and subject spectrum holdings to periodic review under the new Spectrum Management Policy Framework.

The implementation of performance standards, pricing transparency requirements, and other regulatory measures may also affect operating flexibility and margins.

This legislation marks a significant shift in the Philippine connectivity regulatory landscape aimed at accelerating digital connectivity and fostering a more competitive market environment.

The Group continues to monitor further regulatory guidelines from the NTC and the DICT. Management does not expect any immediate material impairment of its existing assets, though it continues to evaluate the potential long-term impact of these regulatory developments on the competitive position and overall financial performance of the Group.

Status of Operations

The Group has incurred net losses amounting to ₱35.9 billion, ₱41.0 billion and ₱19.6 billion in 2025, 2024 and 2023 respectively, and has a capital deficiency of ₱100.0 billion and ₱73.4 billion as at December 31, 2025 and 2024, respectively. In addition, the Group's current liabilities exceeded its current assets by ₱76.5 billion and ₱81.5 billion as at December 31, 2025 and 2024, respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. Albeit these conditions, management believes that the Group will be able to meet all its outstanding obligations and continue to operate as a going concern (see Note 4).

The Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its maturing obligations. To achieve this, the Group continues to ramp up its commercial operations through targeted subscriber acquisition, launching of new products and promotional activities aimed at increasing revenue, market share and cash inflows. The Group will also continue to efficiently implement its network roll-out plan and cost-saving measures to improve the results of operations.

To close the liquidity gap and fund the Group's capital and operating expenditures, the Group will continue to draw from its undrawn portion of the project finance facility secured in September 2023, as needed (see Note 15). In addition to the project finance loan facility, the Group has access to other sources of funds and support. The related parties, through the Project Coordination Deeds of Dito Telecommunity Corporation (Dito Tel), will also cooperate through the extension of payments of the Engineering, Procurement, Construction and Rollout of Telecommunications Network (EPC)-related obligations of Dito Tel. Moreover, the shareholders of Dito Tel are also committed to infuse additional capital in accordance with the schedule of infusion indicated in the executed investment agreement. In case needed, the shareholders of the Group and Dito Tel are also committed to provide shareholders' loan to ensure liquidity of the Group. With the foregoing mitigating factors, the accompanying consolidated financial statements have been prepared on a going concern basis of accounting.

Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements of the DITO CME and its subsidiaries (collectively referred to as the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were authorized for issue by the Board of Directors (BOD) on May 6, 2026.

2. Basis of Preparation and Changes in Accounting Policies and Disclosures

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group are prepared using the historical cost basis and assumed realization of assets and settlement of liabilities in the normal course of operation. The financial statements are presented in Philippine Peso (₱), which is the Group's functional and presentation currency. All amounts are rounded off to the nearest Peso, except when otherwise indicated.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards and amendments that became effective beginning January 1, 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 21*, Lack of Exchangeability*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group will adopt the applicable pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
  The standard replaces PAS 1 Presentation of Financial Statements and responds to Investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

3. Basis of Consolidation and Summary of Material Accounting Policies

3.1 Basis of Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and the following subsidiaries, joint venture and operation as at December 31:

	Nature of Business	Percentage of Economic Interest		
		2025	2024	2023
Subsidiaries (Direct Interest):				
DITO CME Ventures, Inc. (DCVI)	Digital retail and advertising	**100.0%**	100.0%	100.0%
Udenna Communications, Media and Entertainment Holdings Corp. (UCME)	Holding entity	**100.0%**	100.0%	100.0%
Wagas Consultants Limited (Wagas)	Holding entity	**100.0%**	100.0%	100.0%
Dos Holdings, Inc.	Holding entity	**100.0%**	100.0%	100.0%
Luna Technologies Inc. (Luna)	Software solutions/non operating	**75.0%**	75.0%	75.0%
Subsidiaries (Indirect Interest):				
Host Union International Limited (Host Union)	Holding entity	**100.0%**	100.0%	100.0%
Dito Holdings Corporation (Dito Holdings)	Holding entity	**77.8%**	72.9%	72.9%
Dito Tel	Telecommunications services	**38.0%**	35.6%	35.6%
Super Agila Tech Inc.	IT services/non operating	**100.0%**	100.0%	100.0%
Joint Venture and Operation				
Telecommunications Connectivity, Inc. (TCI)	Telecom infrastructure	**12.7%**	11.9%	11.9%
Black Cap Pictures, Inc. (BCP)	Film production	**40.0%**	40.0%	40.0%

Except for Wagas and Host Union, all companies above are based in the Philippines. The principal business location of Wagas and Host Union is in British Virgin Islands and Hongkong, respectively.

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries. Subsidiaries are entities controlled by the Parent Company. Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not wholly-owned by the Group. An acquisition, transfer or sale of a non-controlling interest is accounted for as an equity transaction (i.e. no gain or loss is recognized in consolidated statements of income).

Transactions Eliminated on Consolidation. All intragroup transactions and balances including income and expenses, and unrealized gains and losses are eliminated in full.

Accounting Policies of Subsidiaries. The financial statements of subsidiaries are prepared for the same reporting year using uniform accounting policies as those of the Parent Company.

3.2 Material Partly Owned Subsidiaries

Set out below are the summarized financial information of entities that have noncontrolling interest (NCI) that is material to the Group. The amounts disclosed are based on those included in the consolidated financial statements before intercompany eliminations.



Dito Tel and Dito Holdings

Significant details of the statements of financial position and statements of comprehensive income of Dito Tel and Dito Holdings are presented below as at and for the years ended December 31 (in millions):

	Dito Tel		Dito Holdings	
	2025	2024	**2025**	2024
Effective ownership interest held by NCI	**62.01%**	64.42%	**22.17%**	27.09%
Statements of Financial Position:				
Current assets	**₱6,775,331,851**	₱6,200,323,937	**₱301,407,281**	₱288,021,182
Noncurrent assets	**199,190,867,002**	212,273,605,625	**37,450,851,571**	37,450,851,571
Current liabilities	**72,218,334,611**	76,842,396,173	**10,446,038,488**	13,343,083,170
Noncurrent liabilities	**222,911,650,093**	204,447,545,364	**79,932,528**	13,279,672,274
Equity (Capital deficiency)	**(89,163,785,851)**	(62,816,011,975)	**27,226,287,836**	11,116,117,309
Equity attributable to NCI*	**(60,255,579,517)**	(44,415,021,510)	**2,520,516,480**	(453,981,897)

**Dito Holdings' capital stock attributable to NCI is eliminated as Dito Holdings owns 60% controlling interest in Dito Tel.*

Statements of Comprehensive Income:	**2025**	2024	**2025**	2024
Revenue	**20,481,149,494**	16,312,487,647	**–**	–
Loss before income tax	**(35,597,483,148)**	(40,820,563,923)	**(5,458,546)**	(151,908)
Net loss	**(35,601,048,324)**	(40,820,783,623)	**(5,458,546)**	(151,908)
Other comprehensive income	**(7,633,711)**	3,079,881	**–**	–
Total comprehensive loss	**(35,608,682,035)**	(40,817,703,742)	**(5,458,546)**	(151,908)
Net loss attributable to NCI during the year	**(22,127,558,007)**	(26,295,956,673)	**(35,548,849)**	(41,157)

Statements of Cash Flows:	**2025**	2024	**2025**	2024
Cash flows from operations	**4,996,276,875**	2,338,998,722	**(5,258,871)**	(71,504)
Cash flows used in investing activities	**(7,407,102,052)**	(20,347,017,362)	**(2,973,908,159)**	(12,705,304,741)
Cash flows used in financing activities	**2,201,356,644**	17,585,824,155	**3,012,715,878**	12,686,201,790

Dito Tel

Dito Tel is a domestic corporation registered with SEC on September 25, 1997, primarily to establish, maintain and operate telephone and telecommunications systems and to engage and/or operate in the telecommunications business as well as to manage data centers, training and educational centers; and, to hold, own, and develop property necessary and desirable for the fulfillment of the foregoing business activities. Dito Tel is a subsidiary of Dito Holdings. Dito Holdings directly hold 60% voting interest in Dito Tel.

On April 19, 1998, the Dito Tel was granted a 25-year franchise under Republic Act No. (RA) 8627 to construct, establish, install, maintain and operate wire and/or wireless telecommunication systems in the Philippines. The franchise was set to expire in 2023. On May 18, 2021, the President of the Philippines has signed into law Republic Act No. (RA) 11537 which extends the Dito Tel's franchise for another 25 years from its expiration on April 24, 2023, unless sooner revoked or canceled. RA 11537 was published in the Official Gazette on May 31, 2021.

On July 8, 2019, by virtue of National Telecommunications Commission (NTC) Memorandum Circular No. 09-09-2018, *Rules and Regulations on the Selection Process for a New Major Player in the Philippine Telecommunications Market*, the Dito Tel was granted by the NTC its Certificate of Public Convenience and Necessity (CPCN) to own install, operate and maintain fixed (wired and wireless) networks, mobile networks, and offer all types of national and international telecommunications services including broadband and to charge rates therefor under NTC Case No. 2019-116.

Dito Holdings

Dito Holdings is a domestic corporation registered with Philippine SEC on October 4, 2019, which primary purpose is to acquire, hold, sell, exchange, deal, and invest in real or personal property of all kinds including stocks, bonds, or securities of any public or private corporation, including any government or any subdivision thereof. Dito Holdings is a subsidiary of UCME.

3.3 Material Accounting Policies

Property and Equipment
Property and equipment are stated at cost, less accumulated depreciation (except land) and accumulated impairment losses, if any.

Borrowing costs directly attributable to the acquisition, construction or production of an item of property and equipment is capitalized as part of cost of the asset if the asset takes a substantial time to get ready for its intended use.

Capitalized borrowing cost is the lower between the hypothetical borrowing cost and the actual borrowing cost incurred which includes the following:

- Interest expense calculated using effective interest method as described in PFRS 9, *Financial Instruments*;
- Interest in respect of lease liabilities recognized in accordance with PFRS 16; and
- Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to borrowing cost.

Hypothetical borrowing cost is the borrowing cost that should have been incurred assuming that the borrowings are denominated in the functional currency of the Group.

The capitalization of borrowing costs: (i) commences when the activities to prepare the assets are in progress and expenditures and borrowing costs are being incurred; (ii) is suspended during the extended periods in which active development, improvement and construction of the assets are interrupted; and (iii) ceases when substantially all the activities necessary to prepare the assets are completed. All other borrowing costs are expensed as incurred.

The initial cost of property and equipment comprises its purchase price, including any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Major repairs are capitalized as property, plant and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of items can be measured reliably.

Depreciation commences on the date the property and equipment is ready for use and is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Leasehold and land improvements (presented as part of "Building and Improvements" in Note 6)	5-10 years or lease term, whichever is shorter
Buildings	25
Office equipment	3-10
Office furniture and fixtures	3-8
Telecommunications equipment	5-20
Transportation equipment	3-7

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment testing when indicators exist.

The estimated useful life of right-of-use assets are as follows:

	Years
Land included as part of network sites	64
Network sites	1 to 25
Stores	1 to 2
Poles	3 to 10
Cables	1 to 26
Office space and others	1 to 10
Towers	2 to 20
Vehicles	5

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments), less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of storage warehouses and office furniture and fixture (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.



Intangible Assets
Intangible assets acquired separately are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed at the individual asset level as either finite or indefinite.

Intangible assets with finite lives are amortized over the economic useful life of 10 years, using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit or a group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other Noncurrent Assets
Other noncurrent assets include advances to contractors, input value-added tax (VAT), advance rental, deferred charges and refundable deposit, among others, which are to be realized more than one year after the statement of financial position date.

Advances to Contractors. Advances to contractors is recognized in the statement of financial position when it is probable that the future economic benefits will flow to the Group and the assets has cost or value that can be measured reliably. These assets are regularly evaluated for any indicator of impairment in value. Current and noncurrent classification is determined based on the determined usage/realization of the asset to which it is intended for.

Input VAT. Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statements of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statements of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from the taxation authority is included as part of the "Input VAT" in the statements of financial position. Current and noncurrent classification is determined based on the estimated output VAT to be recognized in the next period.

Deferred charges. Deferred charges are recognized in the statement of financial position when it is probable that future economic benefits will flow to the Group and the assets has cost or value that can be measured reliably. This account includes debt issuance costs related to future drawdown and payment for services rendered in relation to leases agreements.

Advance rental. Advance rentals are recognized in the statement of financial position when it is probable that future economic benefits will flow to the Group and the assets has cost or value that can be measured reliably. This account includes payment made in advance relation to lease agreements.

Refundable deposits
Refundable deposits represent security rental deposit to the lessor related to the lease properties collected at the inception of the lease term measured at amortized cost after the termination of the lease or as provided for in the respective lease arrangements or applied to any unpaid obligations of the lessee. This also includes deposits made to electricity distribution companies. After initial recognition, refundable deposits are subsequently measured using the effective interest method.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that the non-financial assets (property and equipment, right-of-use assets, intangible assets, investment in joint venture, prepayments, other current and noncurrent nonfinancial assets) may be impaired or whether there is an indication that a previously recognized impairment loss may no longer exist or may have decreased. If such indications exist, the Group makes an estimate of the asset's recoverable amount. An assets' recoverable amount is the higher of the assets' or cash generating unit's fair value less costs to sell and its value in use. It 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. 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 assessments of the time value of money and the risks specific to the asset.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss or its reversal is recognized in the statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. In cases where the impairment loss no longer exists or may have decreased due to a change in estimates, the carrying amount of an asset is increased to its recoverable amount to the extent that the amount cannot exceed the carrying amount, net of depreciation or amortization, had no impairment loss been recognized in prior years.

Impairment of Goodwill
Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated profit or loss.



Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill as at the end of each financial reporting period.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition and Measurement of Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of the Group's trade receivables, the Group initially measures a financial asset at its fair value plus, transaction costs. Trade receivables are measured at the transaction price, i.e., the amount of consideration the Group is entitled to collect from the customers in exchange for services rendered.

Subsequent Measurement of Financial Assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets measured at amortized cost (debt instruments)
- Financial assets measured at fair value through other comprehensive income (FVOCI), where cumulative gains or losses previously recognized are reclassified to profit or loss (debt instruments)
- Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss
- Financial assets measured at fair value through profit or loss

As of December 31, 2025 and 2024, the Group's financial assets consist only of financial assets measured at amortized cost.

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 (SPPI) on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash in banks, receivables, contract assets, advances to related parties and refundable deposits.

Impairment of financial assets

Expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables from postpaid subscribers and contract assets, the Group applies the simplified ECL approach and always recognizes lifetime ECL for trade receivables and contract assets. The expected

credit losses on these financial assets are estimated based on the characteristics of the product and payment behavior of the subscriber at the reporting date.

For advances to related parties and refundable deposits, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for expected credit loss over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash in banks, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Financial Liabilities
Initial Recognition and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include loans payable, lease liabilities and accounts payable and other current liabilities (except 'withholding taxes payable' and other statutory liabilities).

Subsequent Measurement of Other financial liabilities
This category includes liabilities arising from operations and the Group's financing activities. Other financial liabilities are recognized initially at fair value plus directly attributable transaction costs and are subsequently carried at amortized costs, taking into account any related premium, discount by applying the EIR method of amortization (or accretion). Gains and losses on other financial liabilities are recognized in the statement of comprehensive income when the liabilities are derecognized, as well as through the amortization process.

This accounting policy applies to the Group's loans, lease liabilities and accounts payable and other current liabilities (except 'withholding taxes payable' and other statutory liabilities).

Inventories
Inventories include customer premises equipment (CPE modems), mobile handset units, sim cards and other accessories. These are initially measured at cost and subsequently valued at the lower of cost and net realizable value. Costs incurred in bringing inventories to its present location and condition are accounted for using the weighted average cost method. Net realizable value (NRV) represents either estimating the selling price in the ordinary course of business, less the estimated cost to sell.

Prepayments
Prepayments are carried at cost and are amortized on a straight-line basis, over the period of intended usage, which is equal to or less than 12 months or within the normal operating cycle.



Prepaid NTC Fees
Prepaid NTC fees are advance payments for NTC fees which are apportioned over the period covered by the payment and charged to the appropriate account in the Group's statement of income when incurred.

Revenue
Revenue is measured based on the consideration specified in an arrangement with the customer, net of any amounts collected on behalf of third parties. The Group recognizes revenue upon transfer of control of a non-service product and upon delivery of service to a customer.

Transfer of control to the customer represents the transfer of the rights with regard to the good and service whereby customer's ability to receive the benefit from the good or service is represented by its right to substantially all of the cash inflows, or the reduction of the cash outflows, generated by the goods or services. Upon transfer of control, the customer has sole possession of the right to use the goods or services for the remainder of its economic life and/or to consume the goods or services based on its validity days. The Group's revenue recognition is in accordance with PFRS 15.

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations. The Group recognizes a contract with customer when it has approved the contract, both parties are committed to perform their respective obligations and there is payment terms for the goods or services to be transferred and it is probable the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The Group's performance obligations are identified whether promised goods or services are distinct. Distinct goods or services is when a customer can benefit from the individual good or service on its own on a stand-alone basis or bundled with other goods and services. Separate performance obligation drives the allocation of the transaction price to the identified performance obligations and the timing of revenue recognition when the performance obligations are satisfied.

In assessing performance obligations, the Group evaluates its revenue arrangements to determine whether the Group is acting as principal or agent. Both the legal form and the substance of the agreement are considered to determine each party's respective roles in the agreement. Revenue is recorded at gross when acting as a principal while only net revenues are considered if only an agency services exists.

In allocating the transaction price, which includes variable consideration to each performance obligation, the Group takes into account contractually defined terms of payment and excludes VAT, or overseas communication tax, (or OCT), where applicable. Allocation of transaction price on the components of performance obligations is based on the stand-alone selling price of goods and services to arrive at the service and non-service revenue recognition.

The Group recognizes revenues from mobile prepaid and postpaid services which may be bundled with sale of handsets and other devices.

Mobile services are those provided to subscribers in prepaid arrangements such as short messaging service (SMS), voice, data or internet. Service and non-service offers are usually offered in bundles with multiple deliverables. Each component is identified by performance obligation and allocate the transaction price with stand-alone selling price ratio.

Regular load are initially recognized as deferred revenues. These are eventually charged as service revenues upon actual usage of load value. Any expired or unused remaining load value after the subscribed validity period are immediately recognized as service revenue.



Promo offer of SMS, voice, mobile internet, and other services, are recognized as service revenue over the promotional period previously approved by the Department of Trade and Industry. These are performance obligations for which the transaction price is allocated based on their standalone selling prices.

Prepaid contracts are assessed to determine the performance obligations which may be rendered separately or bundled with goods and services.

Postpaid services may be rendered separately or bundled with goods or other services.

Postpaid service arrangements include fixed monthly service fees (including excess of consumable fixed monthly service fees) generated from local exchange services primarily through landline and related services, and from fixed line and other network services primarily through broadband and leased line services, which the Group recognizes on a straight-line basis over the customer's subscription period. Services provided to postpaid subscribers are billed throughout the month according to the billing cycles of subscribers. Services availed by subscribers 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 subscribers are bundled with sale of mobile handsets and other devices.

Postpaid services bundled with handsets and modems are performance obligations for which the transaction price is allocated based on their standalone selling prices. The amount allocated to the postpaid service is recognized as service revenue over the period of subscription. Any amount allocated to the sale of device is immediately recognized as non-service revenue upon delivery of the item. Contract assets are recognized for the unbilled portion of the consideration allocated to the sale of devices which are subsequently reduced as the monthly service fees are billed to the subscribers.

Interconnection with other Carriers –Inbound Revenues and Interconnect Cost
Inbound Revenues and Roaming Charges (Local and International) Inbound traffic originating from other telecommunications providers that terminates at the Group's network are recognized as service revenues in the period when the inbound traffic occurred based on the agreed transit and termination rates with other foreign and local carriers. The equivalent amounts charged by other carriers are recorded as interconnection costs classified as cost of sales in the Group's statement of comprehensive income.

Unearned revenues
Unearned revenue is recognized when a customer pays consideration before the Group transfers goods or services to the customer. The amounts are recognized as revenue as and when the Group satisfies its obligation under the contract. Unearned revenues are mainly derived from prepaid contracts. Goods and services are expected to be delivered or transferred no more than 12 months after the reporting period thus, these contract balances are classified as current in the statement of financial position.

Operating Expenses
Expenses are recognized when a decrease in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants, has arisen that can be measured reliably. Expenses are recognized in profit or loss in the period in which they are incurred and generally measure at the amount paid or payable.



Foreign Currency Transactions

Transactions in foreign currencies are initially recorded at the respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange prevailing at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognized in the statement of comprehensive income, except for foreign exchange differences related to bank loans qualified for capitalization as borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions (historical rate).

Income Tax

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Income Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be used.

Deferred tax assets are recognized for all temporary differences, carryforward benefit of the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carry over (NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which deductible temporary differences and carryforward of MCIT and unused NOLCO can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- In respect of deductible temporary differences associated with investments in joint venture, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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 re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.



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

Retirement Benefit Cost
The Group currently does not have an established retirement plan and only conforms with Republic Act (RA) 7641, Retirement Pay Law, which is a defined benefit type.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit actuarial valuation method. Projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined benefit costs comprise service cost, net interest on the net defined benefit liability or asset and re-measurements of net defined benefit liability or asset.

Provisions
Provisions are recognized when the Group 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 the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingencies
Contingent liabilities are not recognized in the Group financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the Group financial statements but disclosed when an inflow of economic benefits is probable.

Events after balance sheet date
Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRSs requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and other comprehensive income (loss). Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

Assumption on going concern

The use of the going concern assumption involves management making judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. The Group has no plan to liquidate. Management believes that it will be able to generate positive cash flow from operations and continue to obtain the needed financing for the Group's working capital and network rollout. The consolidated financial statements are prepared on a going concern basis considering the future plans disclosed in Note 1.

Revenue recognition

Transaction price is the amount of consideration which the Group is entitled to in exchange for transferring promised goods or services to a customer. Transaction price also represents the stand-alone selling price for goods and services sold on stand-alone basis. In determining the transaction price allocated, the Group does not include nonrecurring charges and estimates for usage, nor arrangements with an original expected duration of one year or less. Stand-alone selling price of service and nonservice revenue are determined based on observable prices for goods or services regularly sold separately. Service revenue and CPE modems are sold on a stand-alone basis and are allocated using their observable prices, while mobile handsets, which are not regularly sold separately, are allocated using expected cost-plus margin approach. Service and non-service revenues are recognized per performance obligation and are allocated based on stand-alone selling price if bundled with different services or goods.

The Group's service revenues are recognized through the use of input method wherein recognition is over time based on the customer subscription period or offer validity period since the customer simultaneously receives and consumes the benefits as the seller renders the services. On the other hand, the Group recognizes revenue for non-service at a point in time when the customer obtains control of the goods. (see Note 5).

Determining lease contracts

The Group determines whether a contract is, or contains, a lease at the inception of the contract. The Group determined that the Memorandum on Conformity of Commercial Terms (MOC) executed and signed by the Group and the lessors constitute a valid enforceable lease contract that binds the parties of their rights and obligations. The Group determined that the MOC conveys to the Group the right to control the use of an identified asset for a period of time in exchange for consideration (see Note 16).

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines 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 Group has several lease contracts that include extension and termination options. The Group applies judgement 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 Group 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). (see Note 16).

Contingencies
Dito Tel has significant commitments and contingencies under the CPCN which are covered by performance security for each commitment period. As of December 31, 2025, there were no significant contingencies as it relates to CPCN because Dito Tel passed its fifth and final technical audit.

The Group, together with its counsel, believes that actual cash outflows relating to the above, if any, are not probable. The Group's management and counsel believe that the eventual liabilities under the CPCN, if any, will not have a material effect on the consolidated financial statements (see Note 24).

In addition, in the normal course of the Group's business, it is involved in various disputes and legal proceedings involving, among others, interconnection with other telecommunication companies, the Philippine Competition Act, permitting and licensing, lease agreements, and the like. Management and its legal counsel believe that the Group has substantial legal and factual bases to support its position on these disputes and proceedings, and that potential losses arising from these, if any, will not have a material adverse impact on the Group's financial position and performance. Disclosing details of these disputes and legal proceedings in addition to information that were already disclosed in the financial statement is expected to prejudice the position of the Group. As allowed under PAS 37, these information were not included in the consolidated financial statements.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below.

Estimation of impairment of nonfinancial assets
The Group reviews property and equipment, right-of-use assets, intangible assets including goodwill, input VAT, advance rental, deferred charges, advances to contractors, investment in joint venture and joint operation, and other current assets for impairment. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset and significant negative industry or economic trends.

The Group determines the recoverable amount of nonfinancial assets as the higher between value in use and fair value less cost to sell. Based on the calculation of the Group, the recoverable amount, using fair value less cost to sell is higher than the carrying values of the nonfinancial assets. The recoverable amount is then compared to the carrying value of the nonfinancial assets, and no impairment loss was recognized.

Fair value less cost to sell was estimated using a modified net asset value approach, which is primarily based on observable market inputs. Fair value was determined by reference to the quoted share prices of the Parent Company, representing the market capitalization at the reporting date. This amount was adjusted for the net financial assets and liabilities of the Group in order to derive the implied fair value attributable to the Group's underlying nonfinancial assets.

As the valuation is based on observable market data, including quoted share prices, with adjustments that do not require significant unobservable inputs, the resulting fair value measurement is classified as Level 2 in the PFRS 13 fair value hierarchy.



The carrying values of these assets as of December 31 are as follows (in millions):

	2025	2024
Property and equipment (Note 6)	**₱151,901.01**	₱158,611.71
Right-of-use assets (Note 16)	**25,563.90**	29,069.39
Input VAT (Notes 9 and 13)	**17,622.89**	17,968.36
Intangible assets, including goodwill (Notes 7 and 8)	**4,899.34**	5,655.83
Advance rental (Note 9)	**1,572.09**	1,882.97
Deferred charges (Note 9)	**911.28**	2,314.45
Advances to contractors (Notes 9 and 13)	**160.76**	136.36
Investment in joint venture and joint operation (Note 9)	**51.46**	81.74
Other current assets (Note 13)	**651.40**	539.56
	₱203,334.13	₱216,260.37

Estimation of the useful lives of property and equipment
The useful lives of each of the Group's property and equipment are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of each asset are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned above. A reduction in the estimated useful lives of any property and equipment, intangible assets or right-of-use asset would increase the recorded operating expenses and decrease noncurrent assets.

There were no changes in the estimated useful lives of these assets in 2025 and 2024. The carrying value of property and equipment as of December 31, 2025 and 2024 are disclosed in Note 6 of the consolidated financial statements.

Estimation of allowance for ECL
The Group used significant assumptions about the future economic conditions and credit behavior, like likelihood of counterparties defaulting and the resulting losses, as further detailed below.

- *Cash in banks*
  The credit risk for cash in banks is considered negligible since the counterparties are reputable banks with high quality external credit ratings (see Note 26).

- *Receivables*
  The Group's receivables, which comprises mainly of receivables from dealers and carriers and advances to related parties, are unsecured, noninterest-bearing and repayable on demand. The credit risk is dependent on the historical experience and capacity of the other party to pay the outstanding receivable.

  For the Group's ECL for receivable from postpaid subscribers and contract assets, the Group uses reasonable and supportable forward-looking information based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying value of receivables, together with its allowance for ECL are disclosed in Notes 11 and 26 to the consolidated financial statements.

- *Deposits*
  Management has assessed that these financial assets have low probability of default since these relate to continuing lease contracts and any outstanding deposit balance can be applied against future monthly rentals, as necessary (see Notes 9, 13 and 16).

The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

Estimation of right-of-use assets and liabilities at initial recognition
The initial measurement of right-of-use assets and lease liabilities on lease arrangements requires management to make estimates and assumptions. In making those estimates, management is required to determine a suitable incremental borrowing rate (IBR) at the lease commencement date, if the interest rate implicit in the lease is not determinable, to calculate the present value of lease payment.

While the Group believes that the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the consolidated financial statements. The comparative range of IBR used and the carrying amounts of right-of-use assets and lease liabilities as at December 31, 2025 and 2024 are disclosed in Note 16 of the consolidated financial statements.

Estimation of pension benefit costs and other employee benefits
The cost of defined benefit and present value of the pension obligation are determined using the projected unit credit method. An actuarial valuation includes making various assumptions which consists, among other things, discount rates, rates of compensation increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. The assumptions are reviewed at each reporting date.

The present value of defined benefit obligation as of December 31, 2025 and 2024, including the components of retirement expense and remeasurement loss recognized in other comprehensive income are disclosed in Note 19 of the consolidated financial statements.

Estimation of capitalized borrowing cost
The Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the related asset. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

The Group may borrow fund in a currency other than its functional currency. This may have been done on the basis that, over the period of the development, the borrowing cost, even after allowing for exchange differences, were expected to be less than the interest cost of an equivalent functional currency loan.

PAS 23, *Borrowing Costs* defines borrowing cost as including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost. In determining the capitalizable borrowing cost of the Group, management uses estimates to limit the exchange losses taken as borrowing cost such that the total borrowing cost capitalized do not exceed the amount of borrowing cost that would be incurred on functional currency equivalent borrowings,

taking into consideration the corresponding market interest rates and other conditions that existed at inception of the borrowings.

Borrowing cost including foreign exchange losses arising from foreign currency borrowings were capitalized to the extent allowed under PAS 23 taking into consideration the use of hypothetical borrowing cost wherein the Group estimates the borrowing cost that should have been incurred assuming that the borrowings are denominated in the functional currency of the Group. As of December 31, 2025 and 2024, capitalized borrowing cost in relation to the construction of the property and equipment are disclosed in Note 6 of the consolidated financial statements.

Determination of NRV of inventories
The Group recognizes inventory write down and losses whenever NRV becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

Estimates of NRV are based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. The adequacy of allowance for inventory write-down and losses is reviewed periodically to reflect the accurate valuation in the consolidated financial statements.

No amount for allowance for inventory obsolescence were recognized as of December 31, 2025 and 2024. The carrying amount of inventories as of December 31, 2025 and 2024 are disclosed in Note 12 to the consolidated financial statements.

Estimation of current and noncurrent portion of input VAT
The Group classifies portion of its input VAT as part of its current assets at the end of each reporting date based on the estimated output VAT to be recognized in the next period using its projected revenue.

As of December 31, 2025 and 2024, the carrying value of input VAT is disclosed in Notes 9 and 13 to the consolidated financial statements.

Determination of realizability of deferred tax assets
At the end of each reporting period, the management assesses if it has become probable that sufficient taxable income will be available to allow portion or all of the previous unrecognized deferred tax assets to be utilized. Determination of sufficient income requires making assumptions about future results of operations and timing of reversal of temporary differences.

Information about the Group's gross unrecognized deferred taxes as of December 31, 2025 and 2024 are disclosed in Note 20 of the consolidated financial statements.

5. Revenue and Cost of Sales and Services

The Group derives its revenue mainly from the transfer of goods and services over time and at a point in time by providing mobile services to subscribers in prepaid and postpaid arrangements such as SMS, voice, data and internet. Majority of the Group's revenue is derived from operations within the Philippines with no single customer exceeding ten percent (10%) of total revenues.

As of and for the year ended December 31, 2025, 2024 and 2023, following are the relevant balances:

Revenue

	2025	2024	2023
Type of goods or service (timing of revenue recognition)			
Service revenue (transferred over time)	**₱19,978,874,167**	₱15,872,260,639	₱11,035,102,484
Non-service revenue (transferred at a point in time)	**563,337,836**	476,983,223	205,941,435
Total revenue from contracts with customers	**₱20,542,212,003**	₱16,349,243,862	11,241,043,919

Cost of Sales and Services

	2025	2024	2023
Cost of CPE modems, mobile handsets and sim cards (Note 12)	**₱834,450,474**	₱596,545,209	₱281,426,024
Cost of services	**729,965,671**	719,033,253	395,710,503
Total cost of sales and services	**₱1,564,416,145**	₱1,315,578,462	₱677,136,527

Contract Balances

	2025	2024
Receivable from carriers – net of allowance (Note 11)	**₱391,638,012**	₱132,434,395
Receivables from postpaid subscribers – net of allowance (Note 11)	**230,922,890**	57,982,941
Receivables from dealers and others (Note 11)	**108,752,770**	124,197,275
Contract asset – net of allowance (Note 11)	**97,295,551**	150,051,195
Unearned revenue (Note 17)	**1,792,736,510**	1,803,874,544

Changes in the unearned revenue accounts for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Beginning balance	**₱1,803,874,544**	₱855,173,259
Deferred additions during the year	**17,784,293,952**	16,189,307,892
Recognized as prepaid service revenue during the year	**(17,795,431,986)**	(15,240,606,607)
Ending balance	**₱1,792,736,510**	₱1,803,874,544

Remaining performance obligations are associated with the postpaid services subscription contracts. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31 are as follows:

	2025	2024
Within one year	**₱1,281,734,521**	₱773,710,713
More than one year	**409,172,494**	341,640,193
	₱1,690,907,015	₱1,115,350,906

6. Property And Equipment

This account consists of:

	2025						
	Land	Building and Improvements	Office Equipment, Furniture and Fixtures	Telecommunications Equipment	Transportation Equipment	Construction-In-progress	Total
Cost							
Balance at beginning of year	**₱648,587,015**	**₱5,260,233,531**	**₱160,646,928**	**₱160,736,952,087**	**₱106,162,292**	**₱ 19,283,646,536**	**₱186,196,228,389**
Additions (Notes 15,16 and 18)	–	–	**23,009,345**	**839,305,794**	**3,553,840**	**3,504,486,516**	**4,370,355,495**
Transfers (Note 7)	–	**(112,231,942)**	**6,330,966**	**10,052,983,094**	–	**(9,793,283,815)**	**153,798,303**
Retirements	–	–	**(8,753,133)**	**(146,496,555)**	**(783,929)**	–	**(156,033,617)**
Balance at end of year	**648,587,015**	**5,148,001,589**	**181,234,106**	**171,482,744,420**	**108,932,203**	**12,994,849,237**	**190,564,348,570**
Accumulated depreciation							
Balance at beginning of year	–	**981,568,110**	**93,989,522**	**26,459,146,229**	**49,815,897**	–	**27,584,519,758**
Depreciation	–	**240,988,159**	**30,980,993**	**10,851,651,730**	**16,018,342**	–	**11,139,639,224**
Retirements	–	**-**	**(8,689,932)**	**(51,702,574)**	**(429,294)**	–	**(60,821,800)**
Balance at end of year	–	**1,222,556,269**	**116,280,583**	**37,259,095,385**	**65,404,945**	–	**38,663,337,182**
Net book value	**₱648,587,015**	**₱3,925,445,320**	**₱64,953,523**	**₱134,223,649,035**	**₱43,527,258**	**₱12,994,849,237**	**₱151,901,011,388**

	2024						
	Land	Building and Improvements	Office Equipment, Furniture and Fixtures	Telecommunications Equipment	Transportation Equipment	Construction-In-progress	Total
Cost							
Balance at beginning of year	₱648,277,015	₱4,759,066,840	₱125,685,235	₱144,894,521,192	₱102,465,860	₱18,577,605,328	₱169,107,621,470
Additions (Notes 15 and 18)	310,000	792,300	34,592,443	–	3,696,432	17,050,572,624	17,089,963,799
Transfers	–	500,374,391	1,726,130	15,842,430,895	–	(16,344,531,416)	–
Retirements	–	–	(1,356,880)	–	–	–	(1,356,880)
Balance at end of year	648,587,015	5,260,233,531	160,646,928	160,736,952,087	106,162,292	19,283,646,536	186,196,228,389
Accumulated depreciation							
Balance at beginning of year	–	693,935,600	65,445,346	16,421,999,317	34,443,547	–	17,215,823,810
Depreciation	–	287,632,510	29,668,283	10,037,146,912	15,372,350	–	10,369,820,055
Retirements	–	–	(1,124,107)	–	–	–	(1,124,107)
Balance at end of year	–	981,568,110	93,989,522	26,459,146,229	49,815,897	–	27,584,519,758
Net book value	₱648,587,015	₱4,278,665,421	₱66,657,406	₱134,277,805,858	₱56,346,395	₱ 19,283,646,536	₱158,611,708,631

Unpaid amounts of additions to property and equipment amounted to ₱6.8 billion and ₱10.7 billion as of December 31, 2025 and 2024, respectively (see Notes 17 and 18).

Borrowing costs capitalized as part of property and equipment as of December 31, 2025, 2024 and 2023 amounted to ₱5.7 billion, ₱5.6 billion and ₱5.7 billion, respectively (see Notes 15 and 16).

As of December 31, 2025 and 2024, certain property and equipment were used as collateral to secure the payment of a portion of the Group's loans payable (see Note 15).

As of December 31, 2025 and 2024, net loss on retirement and disposal of property and equipment amounted to ₱94.2 million and ₱0.2 million, respectively. Proceeds from sale of fully depreciated fixed assets amounted to ₱1.0 million in 2025 and ₱0.05 million in 2024.

The cost of fully depreciated assets that are still in use as of December 31, 2025 and 2024 amounted to ₱215.3 million and ₱159.2 million, respectively.

7. Intangible Assets

As of December 31, 2025 and 2024, this account consists of acquired licenses, computer software and cloud-based applications used in the business. As at December 31, 2025, the remaining useful life of the intangible assets range from four (4) to ten (10) years. Roll forward of the account follows:

	2025	2024
Cost:		
Balance at beginning of year	**₱6,944,972,128**	₱4,005,797,894
Additions	**64,172,424**	2,939,174,234
Asset transfer	**(153,798,303)**	–
Balance at end of year	**6,855,346,249**	6,944,972,128
Accumulated amortization:		
Balance at beginning of year	**1,459,037,537**	936,024,293
Amortization	**666,861,417**	523,013,244
Balance at end of year	**2,125,898,954**	1,459,037,537
Net Book Value	**₱4,729,447,295**	₱5,485,934,591

Unpaid additions to intangibles amounted to ₱3,892.3 million and ₱3,961.0 million as of December 31, 2025 and 2024, respectively (see Note 17).

8. Goodwill

Goodwill amounting to ₱169.9 million as of December 31, 2025 and 2024 arose from Udenna's acquisition of 60% controlling interest in Dito Tel in 2020 and primarily comprises the value of expected synergies of the telecommunications business as part of the Group's expansion program and is derived by deducting the fair values of the net assets acquired as of the date of acquisition from the amount of total consideration paid.

Goodwill is subject to annual impairment testing as required under PAS 36, *Impairment of Assets*. In 2025 and 2024, the recoverable amounts of the cash-generating units were determined based on fair value less cost to sell. Fair value was determined based on share prices of the Parent Company, adjusted by the financial assets and liabilities of the Group. The fair value is considered as level 2 in the fair value hierarchy.

No impairment losses were recognized in 2025 and 2024 as the recoverable amounts of the goodwill are higher than their carrying values.

9. Other Noncurrent Assets

This account consists of:

	2025	2024
Input VAT - net of current portion (Note 13)	**₱13,711,422,836**	₱14,182,119,567
Advance rental (Note 16)	**1,572,086,329**	1,882,967,608
Deferred charges (Notes 15 and 16)	**911,284,077**	2,314,454,216
Refundable deposits	**640,870,992**	589,658,085
Advances to contractors	**119,878,755**	86,241,440
Investment in joint venture and joint operation	**51,455,677**	81,743,338
Contract assets - net of current portion (Note 5)	**25,898,270**	47,111,535
Financial asset at FVOCI	**40,580,783**	40,307,884
Restricted cash	**34,628,934**	–
	₱17,108,106,653	₱19,224,603,673

Input VAT pertains to VAT on various purchases of goods and services which can be claimed as credits against future output VAT liabilities without prescription. It includes deferred input VAT amounting to ₱1.9 million and ₱64.5 million as of December 31, 2025 and 2024, respectively, which pertains to purchases of capital goods exceeding ₱1.0 million. Unutilized input VAT on capital goods purchased or imported prior to January 1, 2023 is amortized for a period of 60 months until fully utilized. The recognition of deferred input VAT over five (5) years is allowed only until December 31, 2021 as provided under Revenue Memorandum Circular (RMC) No. 21-2022 issued on December 9, 2021. The RMC further provides that the unutilized deferred input VAT as of December 31, 2021 can still be applied until fully utilized.

Advance rental pertains to payments made prior to the commencement date of the lease arrangement when the right-of-use asset is not yet available for use by the Group. This also includes advance payments on leases not qualified under PFRS 16.

Deferred charges mainly include debt issuance cost related to future drawdown from Dito Tel's loan agreement (see Note 15). This also includes payments made to related parties for the services rendered related to the lease of transmission network with third party and submarine capacity which will be capitalized as part of ROU or expensed upon commencement of the lease (see Note 16), the related services for which are not expected to be incurred within 12 months from the end of the reporting period.

Refundable deposits pertain to the deposits made to electricity distribution companies for the electricity supply to operate the Group's network sites such as access sites and data centers. Interest income earned from refundable deposits amounted to ₱28.9 million, ₱25.2 million and ₱21.8 million as of December 31, 2025, 2024 and 2023, respectively.

Advances to contractors pertain to advances made by the Group for the purchase and set-up of telecommunications satellites and for long term technical support of their cable systems.

Investment in joint venture and joint operation pertain to arrangements of Dito Tel and DCVI with certain third parties.

The investment in joint venture pertain to Dito Tel's agreement with Globe Telecom, Inc. and Smart Communications to form a joint venture Telecommunications Connectivity Incorporated (TCI) in compliance with the new mobile number portability initiative of the government under RA 11202 also known as the "Mobile Number Portability Act" ("the MNP Act") which was enacted on February 8, 2019. In 2020, Dito Tel invested ₱40.0 million for 33.3% ownership in TCI and assessed that this equity interest gives the Group joint control over TCI. On September 30, 2021, TCI started its commercial operations by offering mobile number portability core services to the public telecommunications companies and the public. For the years ended December 31, 2025, 2024 and 2023, the equity interest in net income of the joint venture amounted to ₱2.4 million, ₱0.4 million and ₱0.9 million, respectively. This was presented under "Other charges – net" in the statements of comprehensive income.

The investment in joint operation pertain to DCVI's joint operation agreement with BCP to engage in the film production, wherein the third party shall be contributing their industry, in the form of the planning, production, post-production, marketing and distribution, while the DCVI shall be contributing capital investment.

Financial assets at FVOCI consist of the Parent Company's investment in equity securities, which are quoted shares of stock in a publicly listed domestic entity. In 2025, the Parent Company sold a portion of the equity securities to third parties for a total consideration of ₱1.8 million. No disposals were made in 2024.

10. **Cash**

This account consists of:

	2025	2024
Cash on hand	**₱6,477,637**	₱5,921,671
Cash in banks	**779,854,255**	1,173,609,390
	₱786,331,892	₱1,179,531,061

Cash in banks earn interest at the respective bank deposit rates. Total interest income earned from cash in banks amounted to ₱0.9 million, ₱1.3 million, and ₱6.6 million in 2025, 2024, and 2023, respectively.

As of December 31, 2025 and 2024, certain cash in banks were used as collateral to secure the payment of a portion of the of the Group's loans payable (see Note 15).

11. Receivables and Contract Assets

This account consists of:

	2025	2024
Receivables from carriers (Notes 5 and 18)	**₱436,796,184**	₱132,434,395
Receivable from postpaid subscribers (Note 5)	**394,067,856**	125,723,502
Receivables from dealers and others (Note 5)	**108,752,770**	124,197,275
Contract assets, net of noncurrent portion (Notes 5 and 9)	**220,821,153**	166,647,893
Advances to officers and employees	**44,336,757**	36,068,012
Advances to affiliates (Note 18)	**32,998,473**	40,981,747
Receivable from customers	**26,692,975**	22,373,243
Others	**11,147,421**	973,305
	1,275,613,589	649,399,372
Less allowance for impairment	**360,950,223**	133,448,793
	₱914,663,366	₱515,950,579

Receivables from dealers consist mainly of receivables from distributor partners while receivables from carriers consist of domestic and international interconnect services for inbound transactions.

Receivables from postpaid subscribers arises from mobile, handsets, fixed wireless access (FWA), and broadband internet services offered by the Group under postpaid arrangements.

Advances to officers and employees pertains to payment to its officers and employees for various operational expenses that are subject to liquidation.

The roll forward of allowance for impairment are as follows:

	2025				
	Receivables from Postpaid Subscribers	**Receivables from Carriers**	**Contract Assets**	**Others**	**Total**
Balance at the beginning of the year	**₱67,740,560**	**₱–**	**₱63,708,233**	**₱2,000,000**	**₱133,448,793**
Provision during the year	**96,456,601**	**45,158,172**	**86,730,730**	**1,223,213**	**229,568,716**
Write-off during the year	**(1,052,195)**	**–**	**(1,015,091)**	**–**	**(2,067,286)**
Balance at the end of the year	**₱163,144,966**	**₱45,158,172**	**₱149,423,872**	**₱3,223,213**	**₱360,950,223**

	2024				
	Receivables from Postpaid Subscribers	Receivables from Carriers	Contract Assets	Others	Total
Balance at the beginning of the year	₱14,948,314	₱–	₱–	₱–	₱14,948,314
Provision during the year	53,219,886	–	65,126,281	2,000,000	118,346,167
Write-off during the year	(427,640)	–	(1,418,048)	–	(1,845,688)
Balance at the end of the year	₱67,740,560	₱–	₱63,708,233	₱2,000,000	₱133,448,793

As of December 31, 2025 and 2024, certain receivables were used as collateral to secure the payment of a portion of the Group's loans payable (see Note 15).

12. Inventories

This account consists of (at cost):

	2025	2024
CPE modems	**₱397,695,939**	₱205,959,412
Sim cards and sim packs	**20,154,248**	59,236,518
Mobile handsets	**8,929,357**	36,483,670
Other accessories	**3,381,122**	3,189,428
	₱430,160,666	₱304,869,028

For the years ended December 31, 2025, 2024, and 2023 the Group recorded inventory write-downs of ₱0.42 million, ₱0.02 million, ₱5.10 million and respectively.

The amount of cost of inventories sold and used recognized during the year 2025, 2024 and 2023 amounted to ₱834.5 million, ₱596.5 million and ₱281.4 million, respectively (see Note 5).

As of December 31, 2025, inventories amounting to ₱429.4 million were used as collateral to secure the payment of a portion of the Group's loans payable (see Note 15).

13. Prepayments And Other Current Assets

This account consists of:

	2025	2024
Input VAT – current portion (Note 9)	**₱3,915,866,557**	₱3,786,237,196
Prepaid NTC fees (Note 24)	**395,552,700**	371,246,434
Prepayments	**118,408,033**	113,232,449
Prepaid income tax	**81,946,623**	4,585,693
Refundable deposits	**53,861,647**	49,059,238
Advances to contractors – current portion	**40,878,372**	50,118,443
Others	**1,635,300**	1,439,782
	4,608,149,232	4,375,919,235
Less allowance for impairment loss on input VAT	**4,394,511**	4,394,511
	₱4,603,754,721	₱4,371,524,724

Input VAT pertains to VAT on various purchases of goods and services which can be claimed as credits against future output VAT liabilities without prescription. It includes deferred input VAT amounting to ₱506.2 million as of December 31, 2025 and 2024, which pertains mainly to input VAT on the purchase of services, the related liability for which remains outstanding at the end of the reporting period. This tax credit can be applied against output VAT when the corresponding liability for service purchase transactions is settled prior to the implementation of the Ease of Paying Taxes (EOPT). However, following the EOPT, it may only be claimed as a tax credit against output VAT upon the actual provision of the services.

Prepaid NTC fees pertain to advance payments of NTC spectrum user fees (SUF) and other license fees that are payable annually based on assigned frequency bands and per radio station license application (see Note 24).

Prepayments pertain to advance payments of advertising placements, property insurance policies, network related maintenance charges, project management subscriptions, flexible benefit plan for employees which are expected to be incurred within 12 months from the end of reporting period.

Prepaid income tax pertains to creditable withholding tax that can be applied against the Group's income tax liabilities.

Refundable deposits pertain to deposits on rented areas related to network sites, retail spaces, and utilities, such as electricity and water, which are expected to be refunded within 12 months from the end of reporting period subject to deductions for any potential damages or outstanding payments.

14. **Equity**

Capital Stock

The details of the Group's capital stock as of December 31, 2025, 2024 and 2023 are as follows:

	Shares			Amount		
	2025	2024	2023	**2025**	2024	2023
Common shares – ₱ 1 par value						
Authorized:						
Balance at beginning and end of year	**40,000,000,000**	40,000,000,000	40,000,000,000	**₱40,000,000,000**	₱40,000,000,000	₱40,000,000,000
Issued:						
Balance at beginning of year	**21,488,500,000**	19,535,000,000	14,035,000,000	**₱21,488,500,000**	₱19,535,000,000	₱14,035,000,000
Issued during the year	–	1,953,500,000	5,500,000,000	–	1,953,500,000	5,500,000,000
Balance at end of year	**21,488,500,000**	21,488,500,000	19,535,000,000	**₱21,488,500,000**	₱21,488,500,000	₱19,535,000,000
Total issued and outstanding shares	**21,488,500,000**	21,488,500,000	19,535,000,000	**₱21,488,500,000**	₱21,488,500,000	₱19,535,000,000

In 2023, the Parent Company issued a total of 5,500,000,000 common shares at P1.00 per share from its unissued authorized capital stock. This comprised the issuance of 1,590,000,000 shares to Summit Telco Corporation Pte. Ltd. (Summit Telco), 610,000,000 shares to Xterra Ventures Pte. Ltd., and 3,300,000,000 shares to Summit Telco Holdings Corporation (STHC), a Philippine registered corporation that is wholly owned by Summit Telco.

In 2024, the Parent Company and Summit Telco entered into a Subscription Agreement Framework, under which Summit Telco committed to subscribing to up to 9,000,000,000 common shares, subject to the execution of formal subscription agreements. In connection with this, Summit Telco advanced ₱10.4 billion (see Note 18), which was exclusively allocated to fulfill the Group's capital commitments to its operating subsidiary, Dito Tel.

On December 6, 2024, the Parent Company completed a follow-on offering of 1,953,500,000 common shares at an offer price of ₱1.05 per share. The total net proceeds from the offering amounted to ₱1,990.9 million, after offering-related expenses and underwriting fees of ₱60.3 million. The funds raised are intended to support Dito Tel's commercial roll-out and network expansion, as well as to meet general corporate needs.

Non-controlling Interests

Significant non-controlling interests represent the interest not held by the Group in Dito Holdings and Dito Tel (see Note 3). The non-controlling interest in Luna is not considered significant to the consolidated financial statements, as Luna currently has no operations.

In 2021, the Group received ₱1,247.5 million capital infusion from minority shareholders related to the increase in Dito Holdings' authorized capital stock approved in 2023. This transaction did not result in a loss of control in Dito Holdings and Dito Tel. The difference between the proportionate net book value and the consideration transferred amounting to ₱2,916.6 million is presented as Other Reserves.

In 2023, the Group received ₱6,570.5 million from CTIIPL as partial payment of its subscription to Dito Tel.

In 2024, the Group received capital infusion from Summit Global Limited (Summit Global) amounting to ₱995.0 million.

In 2025, the Group received capital infusions from CTIIPL and Summit Global amounting to ₱6,287.0 million and ₱3,010.0 million, respectively.

15. Loans Payable

This account consists of:

	2025	2024
Bank loans	**₱221,572,839,887**	₱200,464,094,956
Note payable (Note 18)	**310,378,475**	321,134,599
	221,883,218,362	200,785,229,555
Less unamortized debt issuance cost	**16,796,317,761**	16,391,196,769
	205,086,900,601	184,394,032,786
Less current portion of loans payable	**13,100,544**	17,477,182
Loans payable - net of current portion	**₱205,073,800,057**	₱184,376,555,604

A roll forward of this account is presented below:

	2025	2024
Balance at beginning of year	**₱184,394,032,786**	₱154,519,826,318
Additions	**17,153,604,548**	24,071,297,667
Foreign exchange loss	**3,959,095,382**	7,315,427,841
Debt issuance cost	**(405,120,991)**	(1,495,914,551)
Payments	**(14,711,124)**	(16,604,489)
Balance at end of year	**205,086,900,601**	184,394,032,786
Less current portion of loans payable	**(13,100,544)**	(17,477,182)
Loans payable - net of current portion	**₱205,073,800,057**	₱184,376,555,604

The movements in the unamortized debt issuance cost for 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	**₱16,391,196,769**	₱14,895,282,218
Additions	**1,492,050,721**	2,091,907,257
Amortization	**(1,086,929,729)**	(595,992,706)
Balance at end of year	**₱16,796,317,761**	₱16,391,196,769

Future undiscounted repayment of the loans payable as of 2024 and 2023 are as follows:

	2025	2024
Within one year	**₱13,100,544**	₱17,477,182
After one year but not more than five years	**23,451,639,699**	11,449,461,097
More than five years	**198,418,478,119**	189,318,291,276
	₱221,883,218,362	₱200,785,229,555

The following summarizes the loan facilities and the status of the facility as of December 31, 2025:

- *Omnibus Loan and Security Agreement*
  On September 20, 2023, Dito Tel signed a fifteen (15) year loan agreement with several creditors comprising of CNY4,266.0 million (US$600.0 million) (referred to as "Facility A1") and US$3,297.0 million (referred to as "Facility A2"), CNY and USD tranches, respectively, loan facilities:

  Facility A1 (CNY):
  Interest payment is based on five (5)-year loan prime rate (LPR), payable every 15th of June and 15th of December of each calendar year.

  Carrying value of the loan from various drawdowns under this facility as of December 31, 2025 and 2024 amounted to ₱27,692.8 million (CNY 3,299.4 million) and ₱18,878.7 million (CNY 2,374.7 million), respectively.

  Facility A2 (US$):
  Interest payment is based on Secured Overnight Financing Rate (SOFR) and credit adjustment spread, plus fixed margin of 2.2% per annum, payable every 15th of June and 15th of December of each calendar year.

  Carrying value of the loan from various drawdowns under this facility as of December 31, 2025 and 2024 amounted to ₱193,880.1 million (US$3,297.0 million) and ₱181,585.4 million (US$3,130.0 million), respectively.

The following table summarizes the status of the credit line facilities as of December 31, 2025 (amounts in millions):

Bank	Credit Line	Drawn	Unused
Facility A1	CNY4,266.0	CNY3,299.4	CNY966.6
Facility A2	US$3,297.0	US$3,297.0	US$−

Interest expense from loan facility in 2025, 2024 and 2023 amounted to ₱16,261.2 million ₱16,807.0 million, and ₱7,082.8 million, respectively (see Note 22). Total interest paid amounted to ₱13,657.8 million, ₱14,823.9 million, and ₱6,939.0 million in 2025, 2024 and 2023, respectively.

Debt covenants

The Group's debt instruments contain restrictive covenants, including positive covenants that require the Group to comply with specified financial ratios tests, such as debt to equity (D/E) and total debt to EBITDA, at relevant measurement dates, principally at the end of each semi-annual period. The D/E Ratio, on any date, is defined as the ratio of:

a) the aggregate amount of all outstanding Advances under the Facilities on that date (including any Advances under the Facilities requested to be made and expected to remain outstanding on that date) to
b) the aggregate amount of Equity actually received by Dito Tel on or prior to that date, plus any positive balance of retained earnings and reserves on that date. Equity refers to the amount of funds provided pursuant to the Sponsor Support Agreement in the form of Subordinated Advances and/or contributions made to capital stock (either in cash or, to the extent reflected in the Dito Tel's audited Financial Statements, in kind) across all classes of shares (whether in the form of common or preferred shares).

The Group is compliant with the loan covenants as of December 31, 2025.

The Group's debt instruments contain a number of other negative covenants that, subject to certain exceptions and qualifications, restrict the Group's ability to take certain actions without lenders' approval, including:

a. making any substantial change in the general nature of its business;
b. selling, leasing, transferring or disposing of assets other than in the ordinary course of business;
c. merging or consolidating with any other company;
d. establishing, acquiring or permitting to exist any Subsidiary;
e. creating any lien or security interest over all or any of its present or future revenues or assets; and,
f. making any loan, grant any credit or give any guarantee or indemnity;

As of December 31, 2025 and 2024, the Group is compliant the above general undertakings.

The Group's loan agreements also contain customary and other default provisions that permit the lender to accelerate amounts due or terminate their commitments to extend additional funds under the loan agreements upon occurrence of events of default. These provisions include:

a. cross-defaults will be triggered only if the principal amount of the defaulted indebtedness exceeds a threshold amount specified in the loan agreement;
b. acceleration may arise upon the occurrence of any material adverse change in circumstances that the Lender reasonably believes will impair the Group's ability to perform its obligations; and,
c. other typical events of default include the commencement of bankruptcy, expropriation, insolvency, liquidation or winding up proceedings.

Dito Tel's cash, receivables, inventory, property and equipment, right-of-use assets, and common and preferred shares with aggregate carrying value of ₱220,583.7 million and ₱209,520.0 million as of December 31, 2025 and 2024, respectively, were used as collateral for the Group's liabilities (see Notes 6, 10, 11, 12, 16 and 18).



Note payable to Udenna
In June 2020, Dito Tel received US$5.0 million (carrying value amounted to ₱294.0 million and ₱290.0 million as of December 31, 2025 and 2024, respectively). This represents a noninterest-bearing cash collateral which was deposited by Udenna in support of the Performance Security under the Amended and Restated Investment Agreement between Dito Tel, Udenna, CLC and China Telecom. This amount will be repaid back to Udenna after the inspection period of Dito Tel's compliance with CPCN by the NTC after the fifth (5^{th}) anniversary year of the issuance of the CPCN (see Note 18). As of December 31, 2025, the evaluation process to facilitate the repayment has yet to be initiated and the settlement is not expected to become due within the next 12 months.

Notes payable to Union Bank of the Philippines (UBP) and China Banking Corporation (CBC)
In 2021, the Group entered into a vehicle financing agreement with UBP and CBC with a fixed interest rate of 7.24% and 6.50% per annum, respectively, and payable in sixty (60) months. The purchased vehicles were used for the Group's network roll out and commercial launch. The carrying value of the collateralized transportation equipment amounted to ₱38.6 million and ₱53.4 million as of December 31, 2025 and December 31, 2024 respectively.

As of December 31, 2025 and 2024, outstanding notes payable in relation to vehicle financing amounted to ₱16.3 million (₱3.0 million for UBP and ₱13.3 million for CBC) and ₱31.1 million (₱4.5 million for UBP and ₱26.6 million for CBC), respectively.



16. **Leases**

The roll forward of the right-of-use assets as of December 31, 2025 and 2024 follows:

	2025							
	Land and Network Sites	**Poles**	**Cables**	**Towers**	**Stores**	**Office space and Others**	**Vehicles**	**Total**
Cost								
Balance at beginning of year	**₱31,881,189,027**	**₱400,842,882**	**₱2,654,097,575**	**₱7,825,649,165**	**₱126,590,770**	**₱1,045,648,975**	**₱–**	**₱43,934,018,394**
Additions	**216,053,360**	**223,459,041**	**312,032,319**	**164,326,998**	**16,752,270**	**105,461,284**	**20,979,974**	**1,059,065,246**
Modification	–	–	**(146,557,254)**	–	–	**(165,320,798)**	**–**	**(311,878,052)**
Pretermination of lease contract	–	–	**(757,926,007)**	–	–	–	**–**	**(757,926,007)**
Balance at end of year	**32,097,242,387**	**624,301,923**	**2,061,646,633**	**7,989,976,163**	**143,343,040**	**985,789,461**	**20,979,974**	**43,923,279,581**
Accumulated depreciation								
Balance at beginning of year	**11,435,210,111**	**247,782,944**	**1,466,070,240**	**1,057,585,355**	**117,221,795**	**540,755,637**	**–**	**14,864,626,082**
Amortization	**2,481,268,650**	**201,139,847**	**273,747,117**	**513,868,698**	**21,533,697**	**103,757,972**	**34,967**	**3,595,350,948**
Pretermination of lease contract		**–**	**(100,596,001)**	**–**	**–**	**–**	**–**	**(100,596,001)**
Balance at end of year	**13,916,478,761**	**448,922,791**	**1,639,221,356**	**1,571,454,053**	**138,755,492**	**644,513,609**	**34,967**	**18,359,381,029**
Net book value	**₱18,180,763,626**	**₱175,379,132**	**₱422,425,277**	**₱6,418,522,110**	**₱4,587,548**	**₱341,275,852**	**₱20,945,007**	**₱25,563,898,552**

	2024							
	Land and Network Sites	Poles	Cables	Towers	Stores	Office space and Others	Vehicles	Total
Cost								
Balance at beginning of year	₱31,613,341,446	₱380,842,689	₱2,478,324,312	₱5,846,516,775	₱95,766,265	₱980,535,092	₱–	₱41,395,326,579
Additions	267,847,581	20,000,193	175,773,263	1,979,132,390	30,824,505	65,113,883	–	2,538,691,815
Balance at end of year	31,881,189,027	400,842,882	2,654,097,575	7,825,649,165	126,590,770	1,045,648,975	–	43,934,018,394
Accumulated depreciation								
Balance at beginning of year	8,797,922,869	187,288,702	1,117,970,326	582,587,891	82,185,708	410,174,025	–	11,178,129,521
Amortization	2,637,287,242	60,494,242	348,099,914	474,997,464	35,036,087	130,581,612	–	3,686,496,561
Balance at end of year	11,435,210,111	247,782,944	1,466,070,240	1,057,585,355	117,221,795	540,755,637	–	14,864,626,082
Net book value	₱20,445,978,916	₱153,059,938	₱1,188,027,335	₱6,768,063,810	₱9,368,975	₱504,893,338	₱–	₱29,069,392,312

The Group entered into lease agreements with related and third parties (see Note 18) for various items of land and network sites, poles, cables, towers, stores and office buildings. The Group has considered in the lease term the non-cancellable period of the lease together with the periods covered by an option to extend and option to terminate the lease (see Note 4).

The lease liabilities were measured at the present value of the remaining lease payments discounted at the Group's incremental borrowing rate (IBR) ranging from 2.5% to 10.8%, 2.6% to 11.0% and 1.7% to 11.0% in 2025, 2024 and 2023, respectively.

In 2025, the Group pre-terminated its lease agreement with Sky Cable Corporation (Sky). Under the pre-termination agreement, Sky and the Group have agreed to terminate the lease agreement and transfer the title and ownership of the leased fiber optic cores to the Group for an additional consideration of ₱60.6 million. This resulted in the Group derecognizing right-of-use assets with a carrying value of ₱657.3 million and recognize additions to property and equipment amounting to ₱838.9 million (see Note 6), inclusive of certain deferred charges amounting to ₱121.0 million.

The roll forward of lease liabilities as of December 31, 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	**₱23,722,834,835**	₱23,634,434,423
Additions	**1,059,065,246**	2,538,691,815
Accretion of interest	**1,217,184,828**	1,237,438,513
Payments made during the year	**(3,875,029,383)**	(3,687,729,916)
Modification	**(311,878,052)**	–
Total	**21,812,177,474**	23,722,834,835
Less current portion	**4,082,804,216**	3,710,747,503
Noncurrent portion	**₱17,729,373,258**	₱20,012,087,332

A reconciliation of the lease liabilities as of December 31, 2025 and 2024 are as follows:

	2025	2024
Undiscounted lease payments	**₱ 28,156,046,124**	₱30,739,084,267
Less unamortized discount	**6,343,868,650**	7,016,249,432
Total	**21,812,177,474**	23,722,834,835
Less current portion	**4,082,804,216**	3,710,747,503
Lease liabilities – net of current portion	**₱17,729,373,258**	₱20,012,087,332

The Group applies the short-term lease recognition exemption for leases with the terms of one year, renewable at the option of the lessor and the Group.

The following are the amounts recognized in the statements of comprehensive income:

	2025	2024	2023
Amortization expense of right-of-use assets	**₱3,595,350,948**	₱3,686,496,561	₱3,917,231,872
Interest expense on lease liabilities, net of capitalized borrowing cost	**1,158,208,806**	1,130,744,286	925,829,417
Expenses relating to lease of short-term leases (Note 21)	**552,131,728**	573,443,295	748,498,775

Capitalized interest expense to 'Construction-in-progress' under "Property and equipment" amounted to ₱59.0 million, ₱106.7 million and ₱183.1 million in 2025, 2024, and 2023, respectively (see Note 6).

The movements in the unamortized discounts for 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of year	**₱7,016,249,432**	₱6,878,935,670
Additions	**544,804,046**	1,374,752,275
Accretion	**(1,217,184,828)**	(1,237,438,513)
Balance at end of year	**₱6,343,868,650**	₱7,016,249,432

Shown below is the maturity analysis of lease liabilities pertaining to contractual undiscounted cash flows as of December 31, 2025 and 2024:

	2025	2024
Within one year	**₱5,041,905,694**	₱4,800,822,577
After one year but not more than 5 years	**13,512,344,595**	13,707,008,592
More than five years	**9,601,795,834**	12,231,253,098
	₱28,156,046,124	₱30,739,084,267

As of December 31, 2025 and 2024, certain right-of-use assets were used as collateral to secure the payment of a portion of the Group's loans payable (see Note 15).

17. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Accounts payable (Notes 6, 18 and 26)	**₱5,286,558,190**	₱7,363,175,458
Accrued project costs (Notes 6, 18 and 26)	**33,027,162,858**	32,357,970,455
Advances from affiliates (Note 18)	**21,708,805,947**	26,626,746,951
Accrued expenses (Note 18)	**12,416,037,191**	11,213,794,449
Payables to government agencies	**2,546,172,907**	1,518,412,784
Interest payable (Note 22)	**2,249,601,957**	3,143,010,540
Unearned income (Note 5)	**1,792,736,510**	1,803,874,544
Others	**144,702,276**	81,266,159
	₱79,171,777,836	₱84,108,251,340

Accounts payable mainly represent obligations to contractors and various suppliers for the construction and development of the Group's network roll-out. These are normally settled within the next operating cycle of the Group.

Accrued project costs refer to construction materials and services received based on percentage of completion but not yet billed to the Group.

Accrued expenses pertain to accrual of consultancy fees, professional fees, outsourced services and other general and administrative expenditures, which are expected to be settled within one (1) year.

Unearned income pertains to consideration received from dealer purchases via trade wallet and subscriber balance wherein the performance of the service obligation is yet to be satisfied by the Group as of end of reporting period.

Others are mostly composed of trade wallet fund and other statutory payables that are expected to be settled within one (1) year.

18. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, and the parties are subject to common control. Related parties may be individuals or corporate entities. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Details of the Group's related party transactions and balances are as follows:

			2025		2024	
Entity	Nature		**Amount/ Volume**	**Receivable (Payable)**	Amount/ Volume	Receivable (Payable)
Ultimate parent company:						
Udenna Corporation						
	Advances granted	*(i-a)*	**₱–**	**₱25,174,890**	₱715,625	₱25,174,890
	Advances obtained	*(i-b)*	**8,010,078**	**(463,177,302)**	(69,519,936)	(496,908,080)
	Deferred charges	*(iii-a)*	**–**	**–**	–	121,581,950
	Note payable	*Note 15*	**–**	**(294,025,000)**	–	(290,070,000)
Other shareholders:						
Summit Telco Corporation Pte. Ltd. (Summit Telco)						
	Advances obtained	*(i-b)*	**–**	**(10,326,908,990)**	10,326,908,990	(10,326,908,990)
Summit Telco Holdings Corporation (STHC)						
	Advances granted		**1,108,800**	**1,108,800**	–	–
Xterra Ventures Inc. Pte. Ltd. (Xterra)						
	Advances obtained	*(i-b)*	**10,000,000**	**(110,000,000)**	100,000,000	(100,000,000)
Related parties under common ownership:						
Udenna Management & Resource Corp. (UMRC)						
	Advances obtained	*(i-b)*	**–**	**(1,264,968)**	–	(1,264,968)
Udenna Infrastructure Corporation (Udenna Infra)						
	Advances granted	*(i-a)*	**–**	**4,500,000**	–	4,500,000
	FWA installations payable	*(iii-j)*	**110,245,719**	**(74,437,637)**	39,156,351	(9,902,371)
	FWA installations receivable	*(iii-j)*	**39,567,001**		–	
Udenna Tower						
	Lease transactions	*(ii-a)*	**51,087,760**	**(359,814,313)**	1,438,364	(566,469,728)
	Advances obtained	*(i-b)*	**222,213,201**	**(195,864)**	122,296,904	(5,285,169)
	Accrued Payable	*(Note 17)*	**3,149,862**	**(5,103,129)**	5,008,267	(6,463,960)
Others:						
China Telecom						
	Performance bond fees	*(iv)*	**–**	**–**	1,385,306	–
	Intercarrier revenue	*(vi)*	**1,086,951**	**(246,158)**	–	–
	Intercarrier costs	*(vi)*	**79,451**	**12,996**	–	–
China Telecom International Investment Private Ltd. (CTIIPL)						
	Advances	*(i-b) (v)*	**–**	**(8,588,215,809)**	–	(14,155,175,386)
	Interest expense	*(i-b) (v)*	**517,107,453**	**(1,972,291,988)**	533,657,188	(1,355,697,834)
	Others	*(i-b) (v)*	**–**	**(104,647,070)**	–	(104,451,345)
FutureNet and Technology Corporation (FNT)						
	Construction contract/ Accrued project cost	*(Note 17) (iii-b)*	**2,607,361,205**	**(31,004,915,549)**	18,215,574,873	(30,247,361,119)
	Interest expense	*(iii-b)*	**–**	**(1,889,649,615)**	–	(1,839,807,561)
	Information technology software	*(Note 21) (iii-c)*	**1,093,924,080**	**(3,733,556,622)**	894,581,738	(2,550,724,656)
	Technical maintenance cost	*(Note 21) (iii-c)*	**2,599,466,039**	**(5,437,408,392)**	2,593,342,109	(5,500,086,758)
Shenzhen Cocreation Technology Co., Ltd. (Shenzhen)						
	Interest Payable	*Note 17*	**–**	**(354,289,145)**	–	(335,572,588)
China Telecom Global Limited (CTG)						
	Cable lease/ Accrued lease payable	*(i-b) (ii-b) Note 17*	**126,658,014**	**(170,907,237)**	93,779,814	(84,558,586)
	Advances	*(i-b)*	**148,397,571**	**(99,773)**	–	–
	Intercarrier revenue	*(v)*	**570,799,247**	**220,113,296**	–	–
	Intercarrier costs	*(v)*	**121,719,940**	**50,975,840**	–	–
	Data pool services	*(v)*	**19,617,670**	**16,296,988**	–	–

(Forward)

Entity	Nature		2025 Amount/ Volume	2025 Receivable (Payable)	2024 Amount/ Volume	2024 Receivable (Payable)
China Telecom (Asia Pacific) Pte. Ltd. (CTAP)						
	Cable lease/ Accrued lease payable	*(i-b) (ii-b) Note 17*	**₱8,157,491**	**(₱30,503,345)**	₱44,589,732	(₱51,142,265)
China Communications Services Philippines Corporation (CCSPC)						
	Services rendered	*(Note 17) (iii-e-h)*	**53,669,729**	**(70,118,787)**	118,979,657	(70,148,087)
	Capital expenditures	*(iii-d)*	**15,072,954**	**(33,693,390)**	96,431,893	(30,708,171)
Phoenix Petroleum Philippines, Inc.						
	Fuel Expense	*(vi)*	–	–	–	(13,233)
Worklink Services Inc.						
	Services rendered	*(iii-i)*	**35,600,413**	**(10,248,383)**	44,975,903	(27,279,744)
Summit Global Limited						
	Advances obtained	*(i-b)*	**60,738,574**	**(87,669,027)**	6,775,942	(26,930,453)
Others						
	Advances granted	*(i-a)*	–	**2,214,783**	3,219,000	11,306,857
	Advances received	*(i-b)*	–	**(54,434,930)**	6,801,477	(54,124,726)
	Sale of investment property		–	**7,838,451**	–	7,838,451

i. Advances to and from Affiliates

The Group obtains and grants cash advances from and to related parties for working capital requirements and other purposes.

a. Advances to Affiliates

The outstanding balance, including the accrued interest, are presented as Advances to affiliates under Receivables account in the consolidated statements of financial position (see Note 11).

The table presented below shows the breakdown per related party:

	2025	2024
Advances granted:		
Udenna	**₱25,174,890**	₱25,174,890
Udenna Infra	**4,500,000**	4,500,000
Summit Telco	**1,108,800**	–
Others	**2,214,783**	11,306,857
	₱32,998,473	₱40,981,747

Management has determined that there is no impairment loss to be provided from the aforementioned advances as of December 31, 2025 and 2024.

The movements in the advances to affiliates are as follows:

	Ultimate Parent	Related parties under common ownership	Summit Telco and Others	Total
December 31, 2025				
Balance at the beginning of year	**₱25,174,890**	**₱4,500,000**	**₱11,306,857**	**₱40,981,747**
Advances during the year	–	–	**1,108,800**	**1,108,800**
Offset against advances	–	–	**(9,092,074)**	**(9,092,074)**
Balance at the end of year	**₱25,174,890**	**₱4,500,000**	**₱3,323,583**	**₱32,998,473**
December 31, 2024				
Balance at the beginning of year	₱24,459,265	₱252,314,773	₱25,654,200	₱302,428,238
Advances during the year	715,625	–	3,219,000	3,934,625
Offset against advances	–	(247,814,773)	(9,069,749)	(256,884,522)
Collection of advances	–	–	(8,496,594)	(8,496,594)
Balance at the end of year	₱25,174,890	₱4,500,000	₱11,306,857	₱40,981,747

b. Advances from Affiliates

The Group also received cash advances from the noncontrolling shareholders and Udenna for working capital requirements. The advances, presented as Advances from affiliates under Trade and Other Payables account in the consolidated statements of financial position (see Note 17), are unsecured, noninterest-bearing, payable on demand and are to be settled either in cash or through offsetting.

The table presented below shows the breakdown per related party:

	2025	2024
Advances obtained:		
Udenna	**₱463,177,302**	₱496,908,080
Summit Telco	**10,326,908,990**	10,326,908,990
Xterra	**110,000,000**	100,000,000
UMRC	**1,264,968**	1,264,968
Summit Global Limited	**87,669,027**	26,930,453
Udenna Tower	**195,864**	5,285,169
CTIIPL	**10,665,154,867**	15,615,324,565
Others	**54,434,929**	54,124,726
	₱21,708,805,947	₱26,626,746,951

The movements in advances from affiliates are as follows:

	Ultimate Parent	Related parties under common ownership	Other Shareholders	Others	Total
December 31, 2025					
Balance at the beginning of year	**₱496,908,080**	**₱63,425,004**	**₱10,426,908,990**	**₱15,639,504,877**	**₱26,626,746,951**
Advances during the year	**8,010,078**	**222,213,201**	**10,000,000**	**726,243,598**	**966,466,877**
Payment of advances	**–**	**(227,092,077)**	**–**	**(6,043,431,473)**	**(6,270,523,550)**
Offset against advances	**(41,740,856)**	**–**	**–**	**–**	**(41,740,856)**
Effects of foreign exchange	**–**	**–**	**–**	**427,856,525**	**427,856,525**
Balance at the end of year	**₱463,177,302**	**₱58,546,128**	**₱10,436,908,990**	**₱10,750,173,527**	**₱21,708,805,947**
December 31, 2024					
Balance at the beginning of year	₱787,063,256	₱286,654,212	₱–	₱14,865,165,332	₱15,938,882,800
Advances during the year	–	122,296,904	10,426,908,990	663,509,800	11,212,715,694
Payment of advances	(190,000,000)	(130,526,112)	–	–	(320,526,112)
Offset against advances	(100,155,176)	(215,000,000)	–	(144,491,762)	(459,646,938)
Effects of foreign exchange	–	–	–	255,321,507	255,321,507
Balance at the end of year	₱496,908,080	₱63,425,004	₱10,426,908,990	₱15,639,504,877	₱26,626,746,951

ii. Lease Transactions

The Group has entered into lease agreements with the following related parties:

a. Office and Land Rental

In 2019, Dito Tel entered into lease contracts with Udenna Tower Corporation (Udenna Tower) and GGDC for the lease of office space and land, respectively. The lease term of the office space and land are 10 years and 64 years, respectively.

In 2021, Dito Tel entered in another lease contract with Udenna Tower Corporation in relation to retail space and in-building solution with lease term of 2 years and 5 years, respectively. In 2023, there is a renewal for another year on said retail space, and an additional office area commencing September 2023 for 5 years. In 2025, retail space renewed commencing June 2025 is converted to DITO Business Hub and is rented for another year.

Right-of-use assets and lease liabilities related to these lease contracts amounting to ₱7.3 billion and ₱334.7 million, respectively in 2025 and ₱7.6 billion and ₱566.5 million, respectively in 2024 (see Note 16).

b. Cable Lease
In 2020, Dito Tel entered into a Master Service Agreement with China Telecom Global Limited/ China Telecom (Asia Pacific) Pte. Ltd. for the lease of global internet access lines and data peering services. These are included as part of the "Rentals" and "Outsourced services" in the statements of comprehensive income (see Note 21).

iii. Services Rendered
The Group has entered into the service agreements with the following related parties:

a. Transmission Network Leasing Agreement
In 2020, Dito Tel engaged the services of Udenna to secure certain transmission network infrastructure facilities leases from third party lessor. Services include review of transmission network lease agreements from legal and commercial perspective and coordination with Dito Tel to establish the project progress monitoring process. Until the recognition of the related ROU, the initial prepayment amounting to ₱220.0 million was capitalized and classified as part of "Deferred charges" under "Other noncurrent assets" in the statements of financial position. Remaining balance of the "Deferred charges" amounted to nil and ₱121.6 million as of December 31, 2025 and 2024, respectively (see Note 9).

b. EPC Services
On December 16, 2019, Dito Tel entered into an "Early Works Agreement (EWA)" with FNT. Under this agreement, FNT shall assist Dito Tel in the engineering, procurement, construction and rollout of 4G/5G-ready telecommunications network in the Republic of the Philippines.

On August 31, 2020, Dito Tel entered into an onshore EPC agreement with FNT and offshore EPC agreement with Shenzhen Cocreation to supersede the EWA. These arrangements replace any contractual arrangements between parties under EWA. The onshore EPC agreement includes construction of 4G/5G mobile communication nationwide network across over 3,500 physical sites, greenfield towers and poles and other mobile base station supporting facilities, national optical cable metropolitan network and optical backbone network, submarine cable landing station and submarine cable and domestic submarine cable, international gateway facility, large-scale data centers, and other works as needed. On the other hand, the offshore EPC agreement includes procurement of servers and data centers, network equipment for mobile and wireless networks, cables, fiber optic networks, IT software development, and other works as needed.

In relation to these arrangements, FNT shall assist Shenzhen Cocreation in developing the procurement plan, health and safety policy and procedures, quality assurance plan, procedures manual, equipment manuals, operating procedures, the implementation schedule, general inspection and testing procedure, performance test programs and other site procedures. Dito Tel shall be responsible to acquire, use of, or provide FNT and Shenzhen Cocreation with use of the site. Any failure of Dito Tel may result to extension of time ground and entitlement of additional payment to the FNT and Shenzhen Cocreation.

On the same day, FNT, along with the other concerned affiliates of China Telecom, signed a Project Coordination Deed with Dito Tel to support the development, financing, design, procurement, construction, commissioning, testing, completion, operation and maintenance of the roll-out of the telecommunication network of the Group. This is to ensure that the independent performance by the different parties to the contract are coordinated so that the rollout of the network is completed without delay and to the standards and specifications required by the EWA/ EPC contract so as to deliver to Group a complete and fully functional network.

The guaranteed maximum contract price of onshore and offshore agreement amounted to US$4.0 billion and is inclusive of all taxes. Any costs incurred beyond the maximum contract price shall be in the account of FNT and Shenzhen Cocreation without reimbursement from the Group.

c. *Maintenance cost and IT software*
On November 2021, Dito Tel entered into a Maintenance Service Outsource Project under PTO Technical Maintenance Contract (TMC) with FNT, with a term of five years, subject to early termination or renewal. The Services shall include, without limitation, the following maintenance and technical services:

- network security maintenance and security guards
- optimization services
- network upgrades services
- network monitoring services
- limited licensed use of FNT's technology and software and relevant IT support services indirect relation to the Services; and
- any other maintenance or technical services as may be requested by Dito Tel from time to time, provided that no maintenance or technical services shall be provided that contravene the provisions of Commonwealth Act No.108, as amended by Presidential Decree No. 715.

d. *Framework Agreement for Design Service Projects for Leasing and Purchasing Fiber Optic Cables*
Dito Tel engaged the services of CCSPC for the design service projects for leasing and purchasing fiber optic cables providing a feasibility report, completing the lease and purchase fiber optic cable preliminary design and survey of the PTO project, as well as cooperating with the construction unit to carry out project management support, project technical support and other survey and on-site design work. These are included as part of the "Construction in-progress" under Property and equipment in the statements of financial position (see Note 6).

e. *Tower Certification and Design Consulting Service*
Dito Tel engaged the services of CCSPC for the consultancy work of analysis of existing tower banks, requirements research and collection, technology demonstration and selection, drawing certification and design drawing preparation, output design content including signed design drawings and corresponding calculation reports and other related consultancy work. These are included as part of the "Consultancy fees" in the statements of comprehensive income (see Note 21).



f. Power Bill Project
CCSPC will contact all lessors in advance to collect all power bills of Dito Tel under sites maintained by CCSPC. CCSPC shall receive the bill and transfer to Dito Tel after the tenant receives the bill for the corresponding sites. These are included as part of the "Utilities" in the statements of comprehensive income (see Note 21).

g. Sales Distribution of DITO FWA Products
CCSPC shall be authorized to market, distribute and resell DITO products and services, including FWA products. These are included as part of the "Cost of inventories sold and used" in the statements of comprehensive income (see Note 5).

h. Framework Agreement for the Network Planning and Feasibility Study Service
Dito Tel engaged the services of CCSPC for the feasibility study that will analyze the technical advancements, economic rationality, and construction feasibility offering practical advice for project investment. These are included as part of the "Research expense" in the statements of comprehensive income (see Note 21).

i. Advertising and Merchandising expenses
Overall DITO brand and placement strategy for digital media and above-the-line (Radio, OOH, TV, & Print) to build visibility, reach, frequency, recall, share of audience, and promote conversions. These are included as part of the "Advertising and promotions" in the statements of comprehensive income (see Note 21).

j. Freight expense
On May 24, 2021, Dito Tel signed a service level agreement with Worklink Services Inc., wherein Worklink Services Inc is engaged in providing persons, corporations and other entities with courier, forwarding, trucking, warehousing and account management services. These are included as part of Freight expense under "Others" in the statements of comprehensive income (see Note 21).

k. FWA service installation fulfillment
Dito Tel engaged the services of Udenna Infra for the end-to-end service installation of FWA to its customers. These are included as part of the "Outside services" in the statements of comprehensive income (see Note 21).

iv. Performance Bond Fees
Pursuant to the requirement of the NTC, Dito Tel shall procure the issuance of a standby letter of credit for an amount equal to the Performance Security within fifteen (15) days after the request of NTC. China Telecom agreed to procure the issuance of the performance security in exchange for a performance bond fee. The amounts of performance bond fee to China Telecom are included as part of the "Outside services" under "Operating expenses" section in the statements of comprehensive income (see Note 21). The transaction amounted to nil, ₱1.4 million and ₱7.5 million in 2025, 2024, and 2023 respectively.

v. Interconnection Agreement
On September 9, 2020 and December 12, 2024, Dito Tel has interconnection agreements with China Telecom Global for intercarrier and data pool services, respectively. Revenue recognized in relation to the agreements amounted to ₱590.4 million in 2025. The interconnection costs recognized in relation to the agreements amounted to ₱121.7 million in 2025. Both parties agree that charges for the interconnection service shall be by way of settlement after offsetting their inbound and outbound traffic settlement charges or cash.

vi. Data Roaming Agreement
On August 14, 2019, Dito Tel entered into international roaming agreements with China Telecom under which roaming subscribers of each party are permitted to access and use the public mobile network of the other. For the year ended December 31, 2025 and 2024, Dito Tel recognized International Roaming revenue amounting to ₱0.08 million and nil, respectively.

Correspondingly, international roaming payables recognized during the same period amounted to ₱1.09 million and nil, respectively. Both parties agree that charges for the data roaming service shall be by way of settlement after offsetting their inbound and outbound traffic settlement charges or cash.

vii. Advance Agreement
On March 14, 2022, Dito Tel signed another one-year interest-bearing of CNY195.0 million and CNY 455.0 million totaling CNY650.0 million or ₱5,224.2 million Advance Agreement with CTIIPL to fund its operating expenditures and working capital requirements. As of December 31, 2025, CNY627.8 million or ₱5,035.3 million was drawn. During the year, the Group paid CNY107.3 million or ₱836.9 million, leaving an outstanding balance of CNY520.5 million or ₱4,137.6 million as of December 31, 2025.

On February 13, 2023, signed another one-year interest-bearing of CNY195.0 million and CNY 455.0 million totaling CNY650.0 million or ₱5,078.3 million Advance Agreement with CTIIPL to fund its operating expenditures and working capital requirements. As of December 31, 2025, CNY502.8 million or ₱3,978.0 million remains outstanding.

As of December 31, 2025, 2024 and 2023, interest expenses incurred amount to ₱517.1 million, ₱533.7 million, and ₱476.5 million respectively, are presented as part of "Interest expense and other bank charges" in the statements of comprehensive income.

The right to the Advances Agreement were used as collateral to secure the payment of a portion of the Group's loans payable.

Offsetting of Financial Assets and Financial Liabilities
Financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from related parties can be potentially offset by the amount of outstanding liabilities to the same related parties.

As part of the consolidation adjustments to reflect the share swap transaction between the Parent Company and Udenna, the Group offset the Parent Company's outstanding receivables to Udenna against UCME's advances from Udenna amounting to ₱3,364.2 million as these advances are receivable and payable of the Group with the same related party.



Key Management Compensation

The Group's key management compensation includes short-term benefits and are presented as part of 'Salaries and employee benefits' under "General, Selling and Administrative Expenses" in the consolidated statements of comprehensive income (see Note 21).

	2025	2024	2023
Short-term employee benefits	**₱179,630,800**	₱169,788,824	₱182,451,064
Post-employment benefits (Notes 17)	**26,458,766**	30,399,172	18,285,064
	₱206,089,566	₱200,187,996	₱200,736,128

The Group's advances to its employees amounted to ₱44.3 million and ₱36.1 million as of December 31, 2025 and 2024 (see Note 11).

19. Pension Liability

The Group has an unfunded, noncontributory defined benefit retirement plan covering eligible employees and is based on Republic Act 7641, *Retirement Pay Law.* The Group provides retirement equal to 22.5 days' pay for every year of credited service. The regulatory benefit is paid in a lump sum upon retirement.

The Group engaged the services of an independent actuary to perform actuarial valuation for the Group.

The table below summarizes the components of retirement cost included in 'Salaries and employee benefits' under "General, Selling and Administrative Expenses" account in the statements of comprehensive income.

	2025	2024
Current service cost	**₱28,679,526**	₱38,381,001
Interest cost	**6,036,895**	3,862,807
	₱34,716,421	42,243,808

The present value of defined benefit obligation as of December 31, 2025 and 2024, including the components of retirement expense and remeasurement loss recognized in other comprehensive income for the years then ended are as follows:

	2025	2024
Present value of defined benefit obligation, beg	**₱98,755,355**	₱63,221,068
Current service cost	**28,679,526**	38,381,001
Interest cost	**6,036,895**	3,862,807
Benefits paid	**(394,881)**	(3,629,640)
Remeasurement gain/loss due to:		
Experience adjustments	**9,116,159**	6,454,445
Changes in financial assumptions	**(2,340,645)**	–
Changes in demographic assumptions	**858,197**	(9,534,326)
Present value of defined benefit obligation, end	**₱140,710,606**	₱98,755,355

The current service cost was measured using the projected unit credit method.

The cost of the retirement plan and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions.

The principal assumptions used in determining the retirement benefit obligation of the Group are shown below:

	2025	2024
Discount rate	**6.37%**	6.11%
Salary increase rate	**4.00%**	4.00%

Shown below are the maturity profile of the Group's defined benefit obligation based on undiscounted benefit payments:

	2025	2024
Within one year	**₱27,098,743**	₱20,300,624
After one year but not more than 5 years	**102,479,364**	52,528,902
More than 5 years	**144,392,843**	135,455,301
	₱273,970,950	₱208,284,827

The average duration of the expected benefit payments as of December 31, 2025, and 2024 is 7.2 and 7.3 years, respectively.

The Group does not expect to contribute to the plan in 2026.

The table below shows the sensitivity analysis as of December 31, 2025, and 2024 determined based on reasonably possible changes of each significant assumptions stated above, assuming all other assumptions were held constant:

	Increase (Decrease)	**Increase (Decrease) in Defined Benefit Obligation in 2025**	Increase (Decrease) in Defined Benefit Obligation in 2024
Discount rate	1.00%	**₱9,932,344**	(₱4,132,236)
	-1.00%	**11,214,191**	8,351,701
Salary increase rate	1.00%	**11,294,730**	8,479,468
	-1.00%	**(10,172,068)**	(7,449,308)

20. **Income Taxes**

Income Tax Holiday

On November 7, 2019, Dito Tel received the Board of Investments (BOI approval) for the application as New Operator of Telecommunications System (Telecommunications Services). The approval embodies the following benefits:

- ITH for four years from July 2020 or actual start of commercial operations, whichever is earlier but availment shall in no case be earlier than the date of registration;
- Importation of capital equipment, spare parts and accessories at zero duty under Executive Order No. 85 and its Implementing Rules and Regulations;

- Additional deduction for labor expense for a period of five years from registration, an amount equivalent to fifty percent (50%) of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, subject to the following conditions:
  i. the project meets the prescribed ratio of capital equipment to the number of workers set by the Board; and,
  ii. may be availed of for the first five years from date of registration but not simultaneously with ITH.
- Employment of foreign nationals for supervisory, technical or advisory positions for five years from date of registration. The president, general manager and treasurer of foreign-owned registered enterprises or their equivalent shall not be subject to the foregoing limitations; and,
- Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On July 2, 2020, the BOI, through Resolution No. 12-12, Series of 2020, has approved the request of Dito Tel to move its start of commercial operations and ITH reckoning date from July 2020 to March 2021, noting that Dito Tel's operation has been affected or disrupted by COVID-19 pandemic and Dito Tel has not fully enjoyed the incentives granted to it for reasons beyond its control pursuant to Article 7 (14) of Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987, as amended.

Income Tax Expense

The component of tax expense as reported in the consolidated statements of comprehensive income follow:

	2025	2024	2023
MCIT*	**₱3,409,134**	₱–	₱2,292,143
RCIT at 25%	–	12,480,339	1,044,757
Final tax expense	**156,050**	243,476	1,025,174
	₱3,565,184	₱12,723,815	₱4,362,074

*MCIT rate at 2% and 1.5% in 2025 and 2024, respectively

As of December 31, 2025, and 2024, the following items represent the tax base of the Group's net unrecognized deferred tax assets from deductible temporary differences and NOLCO:

	2025	2024
Unrealized forex loss - net	**₱23,209,483,387**	₱16,380,974,261
NOLCO	**22,740,083,413**	6,163,284,096
Lease liabilities*	**5,334,424,932**	4,906,373,136
Pension liability	**129,997,014**	98,755,355
Allowance for impairment loss on receivables	**360,950,223**	133,448,793
Excess of MCIT over RCIT	**6,899,235**	4,632,055
Allowance for impairment losses on input VAT	**4,394,511**	4,394,511

* *The recognized deferred tax asset on lease liabilities and recognized deferred tax liability on ROU assets as at December 31, 2025 and 2024 amounted to ₱3,767.0 million and ₱4,341.6 million, respectively.*

As of December 31, 2025, the details of the Group's NOLCO are as follows:

Year Incurred	Original Amount	Applied	Expired	Remaining Balance	Valid Until
2025	₱21,714,150,903	₱–	₱–	₱21,714,150,903	2028
2024	50,225,393	–	–	50,225,393	2027
2023	76,909,168	–	–	76,909,168	2026
2022	46,523,617	–	(46,523,617)	–	2025
2021	898,797,949	–	–	898,797,949	2026
2020	5,090,827,969	(74,917)	(5,090,753,052)	–	2025
	₱27,877,434,999	(₱74,917)	(₱5,137,276,669)	₱22,740,083,413	

The details of the Group's MCIT as of December 31, 2025 are as follows:

Year Incurred	Original Amount	Applied	Expired	Remaining Balance	Valid Until
2025	₱3,409,134	₱–	₱–	₱3,409,134	2028
2024	1,197,958	–	–	1,197,958	2027
2023	2,292,143	–	–	2,292,143	2026
2022	1,141,954	–	(1,141,954)	–	2025
	₱8,041,189	₱–	(₱1,141,954)	₱6,899,235	

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations No. 25-2020 implementing Section 4 of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The reconciliation of the income tax expense computed at statutory income tax rate and the income tax expense as shown in profit or loss for the years ended December 31 is as follows:

	2025	2024	2023
Tax on pretax loss at 25%	**(₱8,975,915,901)**	(₱10,249,195,282)	(₱4,898,952,575)
Adjustments for income subjected to lower tax rates	–	(6,121)	–
Tax effects of:			
Movement in unrecognized deferred tax assets and effect of ITH	**8,577,684,203**	10,250,567,559	4,894,812,910
Nondeductible expenses	**399,171,674**	17,755,428	12,298,058
Interest income subjected to final taxes	**(7,439,200)**	(6,617,469)	(7,104,301)
Dividend income subjected to final taxes	**(631,144)**	–	–
Excess of MCIT over RCIT	**3,409,134**	–	2,292,143
Final withholding taxes	**156,050**	219,700	1,015,839
	₱3,565,184	₱12,723,815	₱4,362,074

21. General, Selling and Administrative Expenses

This account consists of:

	2025	2024	2023
Repairs and maintenance (Note 18)	**₱3,287,070,554**	₱3,570,467,480	₱4,019,232,293
Utilities (Note 18)	**2,811,697,761**	2,384,252,299	1,811,885,811
Salaries and employee benefits (Notes 18 and 19)	**2,398,319,339**	1,954,822,129	1,378,568,412
Outside services (Note 18)	**2,198,374,798**	2,238,499,608	1,789,712,708
Taxes and licenses	**1,890,296,940**	1,496,136,499	1,361,073,769
Advertising and promotions	**522,665,377**	996,876,154	361,242,138
Rentals (Notes 16 and 18)	**552,131,728**	573,443,295	748,498,775
Provision for ECL (Note 11)	**229,568,716**	120,346,167	14,948,314
Professional fees	**89,428,144**	156,789,795	149,784,063
Consultancy fees	**29,606,159**	58,065,489	18,385,120
Research	**8,092,010**	49,731,666	56,354,905
Others	**1,383,508,872**	1,030,212,073	426,821,922
	₱15,400,760,398	₱14,629,642,654	₱12,136,508,230

Others include travel and transportation, office supplies, fuel, oil and lubricants, insurance, software, representation and entertainment and other expenses.

22. Interest Expense

This account consists of:

	2025	2024	2023
Interest expense on loans and borrowings (Note 15)	**₱16,261,177,819**	₱16,806,964,089	₱6,421,994,336
Interest expense lease liabilities (Note 16)	**1,158,208,806**	1,130,744,286	925,829,417
Interest expense on other liabilities (Notes 16 and 17)	**(336,791,298)**	643,101,353	2,431,397,444
	₱17,082,595,327	₱18,580,809,728	₱9,779,221,197

In 2025, the Group derecognized interest payable on other liabilities amounting to ₱934.9 million (see Note 17).

23. Loss Per Share

Loss per share is computed as follows:

	2025	2024	2023
Net loss attributable to Parent Company's shareholders	**(₱13,748,864,257)**	(₱14,713,477,117)	(₱6,934,566,494)
Divided by weighted number of outstanding common shares	**21,488,500,000**	₱19,670,659,722	15,235,833,333
	(₱0.6398)	(₱0.7480)	(₱0.4551)

The Group does not have dilutive potential common shares outstanding as of December 31, 2025, 2024 and 2023; hence, diluted loss per share is equal to the basic loss per share.

24. Significant Commitments and Contingencies

CPCN Commitments

On July 8, 2019, NTC issued a CPCN to Dito Tel allowing it to operate as telecommunication company. The term of the license is for a period of 15 years from the date of grant or July 8, 2034 or upon expiration of Dito Tel's congressional franchise, whichever comes first, subject to the major terms and conditions as discussed below:

a. Investment, Performance and Timeline Commitment

Dito Tel shall achieve the following capital expenditures (Capex) and operating expenditures (Opex) roll-out, network coverage plan and speed (Mbps) during the five-year period:

Commitments	Year 1	Year 2	Year 3	Year 4	Year 5
Cumulative coverage (%)	37.03	51.01	70.01	80.01	84.01
Speed	27	55	55	55	55
Capex and Opex (in Php billions)	150	176	203	230	257

As at December 31, 2025, 2024 and 2023, Dito Tel has spent ₱363.5 billion, ₱327.7 billion and ₱272.9 billion, respectively, for its telecommunication sites and equipment for the roll-out pursuant to its investment commitments under the CPCN.

Under Clarificatory Bulletin No.4, item no. 4 dated October 23, 2018 issued by NTC, not meeting the Capex and Opex requirement does not constitute breach of the CPCN, so long as the national population coverage and minimum average broadband speed are met.

b. Performance Security

Dito Tel shall maintain its performance security by submitting cash or irrevocable standby letters of credits to cover each subsequent year of the commitment period, computed in the amount of at least 10% of the remaining cumulative capital and operational commitments. The validity shall be one year from the expiration of preceding performance security and shall be submitted to the NTC at least two months prior to the expiration of the previous performance security submitted for the previous year.

As of January 1, 2024, Dito Tel had outstanding performance security through Standby Letter of Credit (Standby LC) issued by Bank of China, Beijing Branch amounting to US$48.59 million or ₱2.7 billion expiring on March 7, 2025, based on NTC letter issued on November 16, 2023 on the reduction of Committed Investment Face Value for Year 5 to ₱2.7 billion.

In November 2024, the NTC approved the cancellation of the Standby LC following the compliances with the Terms and Conditions and having passed the Technical Audit of its Commitments.

c. Spectrum User Fees (SUF)

Dito Tel shall pay annual SUF within the prescribed period and amounts, based on the number of frequency bands that was assigned by the NTC to Dito Tel including SUF per radio station license application.

In 2020, Dito Tel paid under protest the SUF to NTC amounting to ₱200.0 million for 3G frequencies. In 2025, 2024, and 2023, Dito Tel paid under protest the annual SUF to NTC amounting to ₱245.0 million for 3G frequencies. Dito Tel paid additional ₱65.0 million in 2025 and 2024, and ₱32.5 million in 2023 for temporary use of 3G frequency ranges, which is presented as part of "Taxes and licenses" in the consolidated statement of comprehensive income (see Note 21).

d. Supervision and Regulation Fees (SRF)

Dito Tel shall pay an annual SRF for annual reimbursement of the expenses incurred by the NTC in the supervision of other public services. The rate shall be fifty (50) centavos for each ₱100 or fraction thereof, of the prior year capital stock subscribed or paid, or if no shares have been issued, of the capital invested, or of the property and equipment, whichever is higher.

In 2025, 2024, and 2023, Dito Tel paid the SRF to NTC amounting to ₱234.8 million, ₱171.3 million, and ₱112.9 million respectively, which is presented as part of "Taxes and licenses" in the consolidated statements of comprehensive income (see Note 21).

e. Use of Assigned Radio Frequency (RF) Spectrum

Should Dito Tel fail to use any of the RF spectrum assigned to it within the prescribed and commitment period, as the case maybe, the subject RF spectrum shall revert to the government. As of December 31, 2025, 2024, and 2023, Dito Tel is compliant with this provision.

f. Prohibition to Enter in a Business Combination with Dominant Telecommunications Player

During the commitment period, or any extension thereof, Dito Tel is prohibited to enter in any business combination or merger with or become a related party to any dominant telecommunication player. After the said period, any business combination or merger, shall be subject to and shall comply with the Philippine Competition Act and other applicable laws. Dito Tel has no intention of entering in a business combination with other telecommunication players.

g. Technical Audit

Pursuant to NTC Memorandum Circular No. 09-09-2018 and based on the factual findings reported by R.G. Manabat and Co., the Independent Technical Auditor, NTC declared that Dito Tel passed the Technical Audit of its commitments, National Population Coverage and Minimum Average Broadband Speed, for Years 1 to 5.



25. Notes to the Statements of Cash Flows

Changes in liabilities arising from financing activities

	December 31, 2024	Cash flows	Foreign exchange movement	Noncash	December 31, 2025
Loans payable (Note 15)	**₱184,394,032,786**	**₱17,138,893,424**	**₱3,959,095,382**	**(₱405,120,991)**	**₱205,086,900,601**
Interest on loans payable (Notes 15 and 17)	**612,633,378**	**(13,657,825,875)**	**–**	**13,681,335,508**	**636,143,011**
Lease liabilities (Note 16)	**23,722,834,835**	**(3,875,029,383)**	**–**	**1,964,372,022**	**21,812,177,474**
Advances from related parties (Notes 17 and 18)	**26,882,400,176**	**(6,241,240,373)**	**427,856,525**	**639,789,619**	**21,708,805,947**
Total liabilities from financing activities	**₱235,611,901,175**	**(₱6,635,202,207)**	**₱4,386,951,907**	**₱15,880,376,158**	**₱249,244,027,033**

	December 31, 2023	Cash flows	Foreign exchange movement	Noncash	December 31, 2024
Loans payable (Note 15)	₱154,519,826,318	₱24,054,693,178	₱7,315,427,841	(₱1,495,914,551)	₱184,394,032,786
Interest on loans payable (Notes 15 and 17)	599,172,115	(14,823,916,427)	–	14,837,377,690	612,633,378
Lease liabilities (Note 16)	23,634,434,423	(3,687,729,916)	–	3,776,130,328	23,722,834,835
Advances from related parties (Notes 17 and 18)	15,938,882,800	10,316,102,944	255,321,507	116,439,700	26,626,746,951
Total liabilities from financing activities	₱194,692,315,656	₱15,859,149,779	₱7,570,749,348	₱17,234,033,167	₱235,356,247,950

	December 31, 2022	Cash flows	Foreign exchange movement	Noncash	December 31, 2023
Loans payable (Note 15)	₱66,180,540,365	₱104,737,942,861	(₱1,531,008,773)	(₱14,867,648,135)	₱154,519,826,318
Interest on loans payable (Notes 15 and 17)	460,113,496	(6,939,012,632)	(8,186,366)	7,086,257,617	599,172,115
Lease liabilities (Note 16)	22,407,922,099	(4,315,526,337)	–	5,542,038,661	23,634,434,423
Advances from related parties (Notes 17 and 18)	11,554,125,483	4,442,426,430	(171,066,308)	4,555,823,625	15,938,882,800
Total liabilities from financing activities	₱100,602,701,443	₱93,483,403,892	(₱1,710,261,447)	₱2,316,471,768	₱194,692,315,656

26. Financial Risk Management Objectives and Policies and Fair Value Measurement

The Group is exposed to a variety of financial risks in relation to cash in banks, receivables (excluding advances to employees), refundable security deposits, accounts payable and other current liabilities (excluding withholding taxes payables), loans payable and lease liabilities. The main purpose of these financial instruments is to finance the Group's network build and operations. The main risks arising from the use of these financial instruments include credit risk, liquidity risk, foreign currency risk and interest rate risk.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The BOD has established the Executive Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee identifies all issues affecting the operations of the Group and reports regularly to the BOD on its activities.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks to which the Group is exposed are summarized below.

Fair Values of Financial Instruments
The following method and assumption were used to estimate the fair value of the Group's financial instruments:

Carrying Amounts and Fair Values by Category
The Group has no financial assets and financial liabilities carried at fair value, other than its financial assets at FVOCI. The valuation is based on the market prices quoted in The Philippine Stock Exchange, Inc. (PSE) at the end of each reporting period; hence categorized within Level 1.

Cash, Receivable and Accounts payable and other current liabilities
Due to the short-term nature of the transactions, the fair values approximate their carrying values.

For refundable deposits and loans payable, difference of the fair value and carrying value is not significant since refundable deposits are stated at present value and loans payable are bearing interest at market rate.

Credit Risk
Credit risk arises because the counterparty may fail to discharge its contractual obligations. As a matter of policy, the Group limits its maximum exposure to credit risk to the amount of carrying value of the instruments. The Group transacts only with related parties and with recognized and creditworthy third parties.

The table below shows the maximum exposure to credit risk of the Group as at December 31, 2025 and 2024 as follows:

	2025	2024
At amortized cost:		
Cash in banks (Note 10)	**₱779,854,255**	₱1,173,609,390
Receivables* (Note 11)	**1,010,455,679**	446,683,467
Contract assets (Notes 9 and 11)	**246,719,423**	213,759,428
Refundable deposits (Notes 9 and 13)	**971,355,798**	851,376,073
	₱3,008,385,155	₱2,685,428,358

**Excluding advances to employees amounting to ₱44.3 million and ₱36.1 million as of December 31, 2025 and 2024, respectively.*

Financial assets of the Group are neither past due nor impaired.

The credit quality of the financial assets was determined as follows:

- Grade A
  This includes cash deposited with banks having good reputation and bank standing and receivables from customers or affiliates that always pay on time or even before the maturity date.
- Grade B
  This includes receivables that are collected on their due dates provided that they were reminded or followed up by the Group.
- Grade C
  This includes receivables which are still collected within their extended due dates.

The table below provides the information about the credit risk exposure on the Company's trade receivables and contract assets using a provision matrix:

	2025						
In millions	**Trade receivables**						
			Days past due				
	Contract asset	**0-60 days**	**61-150 days**	**151-240 days**	**241-259 days**	**> 360 days**	**Total**
ECL rate	61%	0%	30%	50%	70%	100%	
Receivables from postpaid subscribers and carriers	**₱246.72**	**₱410.58**	**₱243.45**	**₱56.54**	**₱44.34**	**₱75.96**	**₱830.87**
ECL	**149.42**	**–**	**73.03**	**28.27**	**31.04**	**75.96**	**208.30**

	2024						
In millions	Trade receivables						
			Days past due				
	Contract asset	0-60 days	61-150 days	151-240 days	241-259 days	> 360 days	Total
ECL rate	30%	0%	30%	50%	70%	100%	
Receivables from postpaid subscribers and carriers	₱213.76	₱117.94	47.42	36.25	25.98	17.20	244.79
ECL	63.71	–	14.23	18.12	18.19	17.20	67.74

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet or settle its obligations within a reasonable period of time.

The Group maintains a financial strategy to raise adequate capital, obtain long-term financing and when applicable, generate cash from its business operations to satisfy debt service requirements by entering into project finance loan facility and shareholder loans. In addition, the shareholders are also committed to infuse additional capital in accordance with the schedule of infusion indicated in the investment agreement (see Note 1).

The tables below summarize the maturity profile of the Group's financial assets and financial liabilities as at December 31, 2025 and 2024 based on contractual undiscounted payments.

	2025			
	Due and Demandable	**Less than 1 year**	**1 year or above**	**Total**
Cash in banks	**₱779,854,255**	**₱–**	**₱–**	**₱779,854,255**
Advances to affiliates	**32,998,473**	**–**	**–**	**32,998,473**
Receivables from dealers and carriers*	**556,696,375**	**–**	**–**	**556,696,375**
Receivable from postpaid subscribers	**394,067,856**	**–**	**–**	**394,067,856**
Contract assets	**–**	**220,821,153**	**25,898,270**	**246,719,423**
Refundable deposits	**–**	**53,861,647**	**917,494,151**	**971,355,798**
Financial asset at FVOCI	**–**	**–**	**40,580,783**	**40,580,783**
Financial assets	**₱1,763,616,959**	**₱274,682,800**	**₱983,973,204**	**₱3,022,272,963**
Accounts payable	**₱–**	**₱5,286,558,190**	**₱–**	**₱5,286,558,190**
Accrued project costs	**–**	**33,027,162,858**	**–**	**33,027,162,858**
Accrued expenses	**–**	**12,416,037,191**	**–**	**12,416,037,191**
Interest payable	**–**	**2,249,601,957**	**–**	**2,249,601,957**
Advances from affiliates	**–**	**21,708,805,947**	**–**	**21,708,805,947**
Note payable**	**–**	**13,750,931**	**297,493,825**	**311,244,756**
Lease liabilities	**–**	**5,041,905,694**	**23,114,140,430**	**28,156,046,124**
Loans payable**	**–**	**14,518,597,645**	**336,859,571,601**	**351,378,169,246**
Financial liabilities	**₱–**	**₱94,262,420,413**	**₱360,271,205,856**	**₱454,533,626,269**

**Including 'Other receivables'*

***Including future interest*

	2024			
	Due and Demandable	Less than 1 year	1 year or above	Total
Cash in banks	₱1,173,609,390	₱–	₱–	₱1,173,609,390
Advances to affiliates	40,981,747	–	–	40,981,747
Receivables from dealers and carriers*	257,604,976	–	–	257,604,976
Receivable from postpaid subscribers	125,723,501	–	–	125,723,501
Contract assets	–	166,647,893	47,111,535	213,759,428
Refundable deposits	–	–	851,376,073	851,376,073
Financial asset at FVOCI	–	–	40,307,884	40,307,884
Financial assets	₱1,597,919,614	₱166,647,893	₱938,795,492	₱2,703,362,999
Accounts payable	₱–	₱7,363,175,458	₱–	₱7,363,175,458
Accrued project costs	–	32,357,970,455	–	32,357,970,455
Accrued expenses	–	11,213,794,449	–	11,213,794,449
Interest Payable	–	3,143,010,540	–	3,143,010,540
Advances from affiliates	–	26,626,746,952	–	26,626,746,952
Note payable	–	19,241,175	304,523,697	323,764,872
Lease liabilities	–	4,800,822,577	25,938,261,690	30,739,084,267
Loans payable**	–	14,866,569,935	326,156,817,077	341,023,387,012
Financial liabilities	₱–	₱100,391,331,541	₱352,399,602,464	₱452,790,934,005

**Including 'Other receivables'*
***Including future interest*

Foreign currency exchange risk

The Group has recognized in the statements of comprehensive income net foreign exchange gain/loss amounting to ₱6.9 billion loss, ₱8.3 billion loss and ₱5.0 billion gain in 2025, 2024, and 2023 respectively which resulted mainly from the movements of the US Dollar (USD) and Chinese Yuan (CNY) against the Philippine Peso.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

USD and CNY foreign currency denominated financial assets and financial liabilities, translated into Philippine Pesos at the closing rate, are as follows:

	December 31, 2025			
	USD	**PHP Equivalent**	**CNY**	**PHP Equivalent**
Current financial assets				
Cash in banks	**3,433,247**	**201,892,099**	**256,360**	**2,151,681**
Noncurrent financial assets				
Refundable deposits	**450,000**	**26,462,250**	–	–
Total financial assets	**3,883,247**	**167,607,057**	**256,360**	**2,151,681**
Current financial liabilities				
Accounts payable and other current liabilities	**(77,222,097)**	**(4,541,045,414)**	**(273,909,138)**	**(2,198,974,177)**
Advances from affiliates	**(1,697)**	**(99,792)**	**(1,258,221,870)**	**(10,560,507,799)**
	(77,223,794)	**(4541,145,206)**	**(1,532,131,008)**	**(12,859,481,976)**
Noncurrent financial liabilities				
Notes payable	**(5,000,000)**	**(294,025,000)**	**–**	**–**
Loans payable	**(3,297,000,000)**	**(193,880,085,000)**	**(3,299,427,499)**	**(27,692,754,885)**
	(3,302,000,000)	**(194,174,110,000)**	**(3,299,427,499)**	**(27,692,754,885)**
Total financial liabilities	**(3,379,223,794)**	**(198,715,255,206)**	**(4,831,558,507)**	**(40,552,236,861)**

[1]The exchange rates used to convert the USD and CNY amounts into Philippine Peso were ₱58.805 and ₱8.3932, respectively, the exchange rates as quoted through the Bangko Sentral ng Pilipinas as of December 29, 2025.

	December 31, 2024			
	USD	**PHP Equivalent**	**CNY**	**PHP Equivalent**
Current financial assets				
Cash in banks	870,094	50,477,622	184,643	1,467,875
Noncurrent financial assets				
Refundable deposits	450,000	26,106,300	–	–
Total financial assets	1,320,094	76,583,922	184,643	1,467,875
Current financial liabilities				
Accounts payable and other current liabilities	(177,313,219)	(10,286,649,087)	(4,487,099,311)	(35,671,542,103)
Advances from affiliates	–	–	(1,951,543,736)	(15,514,382,392)
	(177,313,219)	(10,286,649,087)	(6,438,643,047)	(51,185,924,495)
Noncurrent financial liabilities				
Notes payable	(5,000,000)	(290,070,000)	–	–
Loans payable	(3,130,027,215)	(181,585,398,851)	(2,374,738,498)	(18,878,696,111)
	(3,135,027,215)	(181,875,468,851)	(2,374,738,498)	(18,878,696,111)
Total financial liabilities	(3,312,340,434)	(192,162,117,938)	(8,813,381,545)	(70,064,620,606)

[1]*The exchange rates used to convert the USD and CNY amounts into Philippine Peso were ₱58.014 and ₱7.9498, respectively, the exchange rates as quoted through the Bangko Sentral ng Pilipinas as of December 27, 2024.*

The following table presents the impact on the Group's loss before income tax (due to changes in the fair values of foreign currency denominated financial assets and liabilities) of changes in the exchange rate between the foreign currencies and the Philippine Peso (holding all other variables constant) as at December 31 (amounts in billions of Philippine Peso unless otherwise indicated). These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in 12 months for 2025 and 2024 estimated at 95% level of confidence. The sensitivity analysis is based on the Group's foreign currency-denominated financial instruments held at the end of the reporting period.

	2025	2024
	Effect on Loss Before Tax (in billions)	
Change in US Dollar to Philippine Peso:		
13.34% (2025) / 14.76% (2024) appreciation	**₱26.19**	₱28.31
13.34% (2025) / 14.76% (2024) depreciation	**(26.19)**	(28.31)
Change in Chinese Yuan to Philippine Peso:		
12.12% (2025) / 12.27% (2024) appreciation	**7.08**	8.59
12.12% (2025) / 12.27% (2024) depreciation	**(7.08)**	(8.59)

Exposures to foreign exchange rates vary during the year depending on the volume of transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's bank loans. The Group's policy is to manage its interest cost using a variable debt rate.

The terms of the interest-bearing financial assets and financial liabilities, together with its corresponding nominal amounts and carrying values for 2025 and 2024 are shown in the following table:

	Effective Interest Rate	**2025**
Loans payable		
SOFR rate debts	**4.104% - 8.329%**	**₱212,859,103,911**

	Effective Interest Rate	2024
Loans payable		
SOFR rate debts	4.648% - 9.027%	₱194,720,210,486

The assumed movement in basis points for interest rate sensitivity analysis is based on the Group's historical changes in market interest rates on unsecured bank loans.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with their corresponding nominal amounts and carrying values are shown in the following table:

	2025						
	Interest terms (p.a.)	**Rate Fixing Period**	**Nominal Amount**	**< 1 year**	**1 to 5 years**	**> 5 years**	**Carrying Value**
Cash in banks	**Fixed at the date of deposit**	**Various**	**₱779,854,255**	**₱779,854,255**	**₱–**	**₱–**	**₱779,854,255**
Loans payable	**SOFR rate**	**Quarterly**	**₱211,859,103,911**	**₱13,100,544**	**₱20,345,542,236**	**₱174,344,130,142**	**₱205,086,900,601**

	2024						
	Interest terms (p.a.)	Rate Fixing Period	Nominal Amount	< 1 year	1 to 5 years	> 5 years	Carrying Value
Cash in banks	Fixed at the date of deposit	Various	₱1,173,609,390	₱1,173,609,390	₱–	₱–	₱1,173,609,390
Loans payable	SOFR rate	Quarterly	₱194,720,210,486	₱17,477,182	₱10,838,303,928	₱183,864,429,376	₱184,394,032,786

Equity price risk

Financial assets at FVOCI are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, the country's economic performance, political stability, and domestic inflation rates, these prices change, reflecting how market participants view the developments. The Group's investment policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each sector and market.

The Group has not presented the sensitivity of change in market index to reasonably possible change due to the insignificance of impact of effect on equity.

27. Capital Management Objectives, Policies And Procedures

The Group's capital management objective is to ensure the Group's ability to continue as a going concern in order to provide adequate returns in the future to its stockholders and benefits for other stakeholders.

The Group monitors capital on the basis of the carrying amount of capital deficiency as presented in the consolidated statements of financial position. As of December 31, 2025 and 2024, the Group reported capital deficiencies of ₱100.01 billion and ₱73.39 billion, respectively, with corresponding debt-to-capital deficiency ratios of (3.06:1) and (3.98:1).

The BOD has overall responsibility for capital management and regularly monitors the Group's capital structure in relation to its risk profile, operating environment, and business requirements.

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
DITO CME Holdings Corp. and Subsidiaries
(A subsidiary of Udenna Corporation)
21st Floor, Udenna Tower,
Rizal Drive corner 4th Avenue,
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DITO CME Holdings Corp. and Subsidiaries (the Group) as at and for the year ended December 31, 2025 and 2024, and have issued our report thereon dated May 6, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Jonathan T. Bino
Partner
CPA Certificate No. 123492
Tax Identification No. 261-726-399
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 123492-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-194-2025, October 1, 2025, valid until September 30, 2028
PTR No. 10765018, January 2, 2026, Makati City

May 6, 2026

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

The Stockholders and the Board of Directors
DITO CME Holdings Corp. and Subsidiaries
(A subsidiary of Udenna Corporation)
21st Floor, Udenna Tower
Rizal Drive corner 4th Avenue
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DITO CME Holdings Corp. and Subsidiaries (the Group) as at and for the year ended December 31, 2025 and 2024, and have issued our report thereon dated May 6, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Group's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements. This has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Jonathan T. Bino
Partner
CPA Certificate No. 123492
Tax Identification No. 261-726-399
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 123492-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-194-2025, October 1, 2025, valid until September 30, 2028
PTR No. 10765018, January 2, 2026, Makati City

May 6, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
DITO CME Holdings Corp. and Subsidiaries
(A subsidiary of Udenna Corporation)
21st Floor, Udenna Tower
Rizal Drive corner 4th Avenue
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DITO CME Holdings Corp. and Subsidiaries (the Group) as at December 31, 2025 and 2024, and have issued our report thereon dated May 6, 2026. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the year ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Jonathan T. Bino
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CPA Certificate No. 123492
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BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 123492-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-194-2025, October 1, 2025, valid until September 30, 2028
PTR No. 10765018, January 2, 2026, Makati City

May 6, 2026

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

INDEX TO THE SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Loans Payable
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G: Capital Stock

ANNEX A

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2025

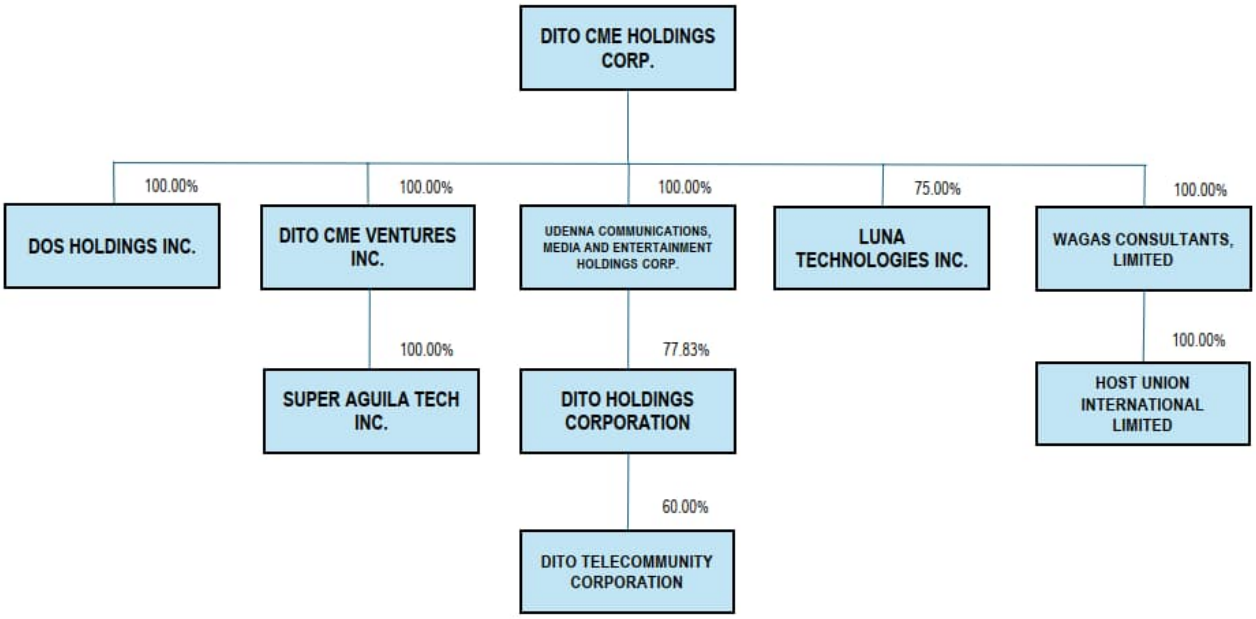
Unappropriated retained earnings, December 31, 2024	**(₱45,934,898,104)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Effect of restatements or prior-period adjustments	–
Unappropriated Retained Earnings, as adjusted	**(45,934,898,104)**
Add: Net loss for the current period	(35,907,227,096)
Total retained earnings available for dividend declaration, December 31, 2025	**(₱81,842,135,200)**

**The other categories in the reconciliation are not applicable.*

ANNEX B

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

GROUP STRUCTURE
DECEMBER 31, 2025



ANNEX C

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

SCHEDULE A: FINANCIAL ASSETS
DECEMBER 31, 2025

Financial Assets	Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Cash in banks	Various	N/A	₱779,854,255	N/A	–
Advances to affiliates	Various	N/A	32,998,473	N/A	–
Receivables from dealers and carriers	Various	N/A	556,696,375	N/A	–
Receivables from postpaid subscribers	Various	N/A	394,067,856		
Contract assets	Various	N/A	246,719,423	N/A	–
Refundable deposits	Various	N/A	971,355,798	N/A	–
Financial assets at fair value through other comprehensive income					
Quoted Equity Securities	Philippine Bank of Communications	2,429,987	40,580,783	40,580,783	2,524,577

ANNEX C

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2025

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
Dito CME	₱605,493	₱594,275	(₱1,051,031)	₱–	₱148,737	₱–	₱148,737
Dito Tel	35,462,519	301,645,140	(292,919,639)	–	44,188,020	–	44,188,020
	₱36,068,012	₱302,239,415	(₱293,970,670)	₱–	₱44,336,757	₱–	₱44,336,757

ANNEX C

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

SCHEDULE C: AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2025

Name and Designation of debtor	Affected accounts	Balance at beginning of period	Additions	Amounts collected	Amounts reclassified	Current	Not current	Balance at end of period
Dito Telecommunication Corporation	Due from related parties	₱100,000,000	₱–	₱–	₱–	₱100,000,000	₱–	₱100,000,000
Dito Holdings Corporation	Due from related parties	372,226	8,006,000	–	(8,378,226)	–	–	–

ANNEX C

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

SCHEDULE D: LOANS PAYABLE
DECEMBER 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of loans payable" in related balance sheet	Amount shown under caption "Loans payable - net of current portion" in related balance sheet
Bank loans	**₱221,572,839,887**	**₱–**	**₱221,572,839,887**
Notes payable	**310,378,475**	**13,100,544**	**297,277,931**
	₱221,883,218,362	**₱13,100,544**	**₱221,870,117,818**

**amounts are gross of debt issuance costs*

ANNEX C

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES DECEMBER 31, 2025

Name of related party	Balance at beginning of year	Balance at end of year
Udenna Corporation	₱290,070,000	₱294,025,000

ANNEX C

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

SCHEDULE F: GUARANTEE OF SECURITIES AND OTHER ISSUERS
DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
NOT APPLICABLE				

ANNEX C

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

SCHEDULE G: CAPITAL STOCK
DECEMBER 31, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding under related balance sheet caption	Number of shares reserved for options, warrants. conversion and other rights	Number of Shares Held by		
				Related parties	Directors, officers and employees	Others
Common stock – ₱1 par value	40,000,000,000	21,488,500,000	–	15,589,500,000	11,443,038	5,887,556,972

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2025 AND 2024

			2025		2024	
i.	Current Ratio	Total Current Assets / Total Current Liabilities	**6,734,910,645 / 83,267,682,596**	**0.08**	6,371,875,392 / 87,836,476,025	0.07
ii.	Acid Test Ratio	Total Current Assets less Inventories, Prepayments, and Other Current Assets / Total Current Liabilities	**1,700,995,258 / 83,267,682,596**	**0.02**	1,695,481,640 / 87,836,476,025	0.02
iii.	Solvency Ratio	Net Loss Attributable to Equity Holders of the Parent + Depreciation and amortization / Total Liabilities	**1,652,987,332 / 306,213,525,757**	**0.01**	(134,147,257) / 292,323,874,316	(0.00)
iv.	Debt-to-Equity Ratio	Total Liabilities / Equity Attributable to Equity Holders of the Parent	**306,213,525,757 / (42,271,195,104)**	**(7.24)**	292,323,874,316 / (28,521,463,227)	(10.25)
v.	Asset-to-Equity Ratio	Total Assets / Equity Attributable to Equity Holders of the Parent	**206,207,267,616 / (42,271,195,104)**	**(4.88)**	218,933,407,682 / (28,521,463,227)	(7.68)
vi.	Interest Rate Coverage Ratio	EBIT (earnings before interest and taxes) / Interest expense	**(18,821,076,585) / (17,082,595,327)**	**1.10**	(22,415,941,404) / (18,580,809,728)	1.21
vii.	Return on Equity	Net Income Attributable to Equity Holders of the Parent / Equity Attributable to Equity Holders of the Parent	**(13,748,864,257) / (42,271,195,104)**	**0.33**	(14,713,477,117) / (28,521,463,227)	0.52

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2025 AND 2024

			2025		2024	
viii.	Return on Assets	Net Income Attributable to Equity Holders of the Parent / Total Assets	**(13,748,864,257) / 206,207,267,616**	**(0.07)**	(14,713,477,117) / 218,933,407,682	(0.07)
ix.	Profitability Ratio	Net Income Attributable to Equity Holders of the Parent / Total Revenues	**(13,748,864,257) / 20,542,212,003**	**(0.67)**	(14,713,477,117) / 16,349,243,862	(0.90)

ANNEX C

DITO CME HOLDINGS CORP. AND SUBSIDIARIES
(A Subsidiary of Udenna Corporation)

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

	2025
Total Audit Fees	**₱21,000,000**
Non-audit services fees:	
Other assurance services	
Tax services	–
All other services	450,000
Total Non-audit Fees	**450,000**
Total Audit and Non-audit Fees	**₱21,450,000**

Audit and Non-audit fees of other related entities

	2025
Audit fees	–
Non-audit services fees:	
Other assurance services	–
Tax services	–
All other services	–
Total Audit and Non-audit Fees of other related entities	**₱–**

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 Taguig on MAY 0 6 2026.

By:

Dennis A. Uy
Chairman of the Board

Donald Patrick L. Lim
President

Leo Benedict D. Venezuela
Chief Financial Officer

Atty. Leandro E. Abarquez
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 0 6 2026 at TAGUIG CITY, affiants exhibiting to me their identifications as follows:

NAME	ID NO.	DATE OF ISSUE	PLACE OF ISSUE
DENNIS A. UY			
DONALD PATRICK L. LIM			
LEO BENEDICT D. VENEZUELA			
LEANDRO E. ABARQUEZ			

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Book No. VII
Series of 2026.

ATTY. BRENDA C. GARCIA
Notary Public City of Taguig
Until 31 December 2026
IBP O.R. No. INV584820/1-3-2026/Makati City
PTR No. A-6736209 on Nov. 27, 2025 at Taguig City
Appointment No. 125(2025-2026)
MCLE Compliance No. VIII-0009332 APRIL 14, 2028
BGC, Taguig City
Roll No. 39443