COVER SHEET

8 0 8

SEC Registration Number

DITO CME HOLDINGS CORP. AND SUBSIDIARIES

(Company's Full Name)

21st FLOOR UDENNA TOWER RIZAL DRIVE COR. 4TH AVENUE, BGC, TAGUIG

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

Leandro E. Abarquez
(Contact Person)

+63284034007
(Company Telephone Number)

1 2	3 1
Month	*Day*

(Fiscal Year)

17-Q

(Form Type)

1 0	1 0
Month	*Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Domestic	Foreign

4,191
Total No. of Stockholders

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended : **30 June 2026**
2. Commission 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.**
5. Province, country or other jurisdiction of incorporation or organization : **Philippines**
6. Industry Classification Code : (SEC Use Only)
7. Address of issuer's principal office/ Postal Code : **21st Floor, Udenna Tower, Rizal Drive cor. 4th Avenue, Bonifacio Global City, Taguig 1634**
8. Issuer's telephone number, including area code : **+632 84034007**
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 Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	**21,488,500,000**

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

Yes [✓] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein : **Philippine Stock Exchange**

12. Indicate by check mark whether the registrant :

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

Financial Information

The following are attached hereto as part of this report:

a. Consolidated Statements of Financial Position as of June 30, 2026 (unaudited) and December 31, 2025 (audited)

b. Consolidated Statements of Comprehensive Income for the six months and three months ended June 30, 2026 (unaudited) and 2025 (unaudited)

c. Consolidated Statements of Changes in Stockholders' Equity as of June 30, 2026 (unaudited) and 2025 (unaudited)

d. Consolidated Statements of Cash Flows as of June 30, 2026 (unaudited) and 2025 (unaudited)

e. Notes to Unaudited Interim Condensed Consolidated Financial Statements

f. Aging of Receivables and Contract Assets as of June 30, 2026

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

h. Financial Soundness Indicators

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2026 AND DECEMBER 31, 2025

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Noncurrent Assets		
Property and equipment (Note 6)	**₱145,889,287,706**	₱151,901,011,388
Right-of-use assets (Note 16)	**24,513,474,693**	25,563,898,552
Intangible assets (Note 7)	**5,500,956,229**	4,729,447,295
Goodwill (Note 8)	**169,893,083**	169,893,083
Other noncurrent assets (Note 9)	**16,475,734,292**	17,108,106,653
Total Noncurrent Assets	**192,549,346,003**	199,472,356,971
Current Assets		
Cash (Note 10)	**870,041,834**	786,331,892
Receivables and contract assets (Note 11)	**856,844,122**	914,663,366
Inventories (Note 12)	**560,815,572**	430,160,666
Prepayments and other current assets (Note 13)	**4,713,435,321**	4,603,754,721
Total Current Assets	**7,001,136,849**	6,734,910,645
TOTAL ASSETS	**₱199,550,482,852**	₱206,207,267,616
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	**2,931,199,448**	2,933,213,236
Deficit	**(68,231,618,369)**	(56,943,769,423)
Total Equity Attributable to Equity Holders of the Parent	**(53,561,057,838)**	(42,271,195,104)
Non-controlling Interests	**(76,103,494,608)**	(57,735,063,037)
Total Capital Deficiency	**(129,664,552,446)**	(100,006,258,141)
Noncurrent Liabilities		
Loans payable - net of current portion (Note 15)	**222,417,772,522**	205,073,800,057
Lease liabilities - net of current portion (Note 16)	**16,858,117,949**	17,729,373,258
Pension liability (Note 19)	**140,710,606**	140,710,606
Other noncurrent liabilities	**4,400,560**	1,959,240
Total Noncurrent Liabilities	**239,421,001,637**	222,945,843,161
Current Liabilities		
Accounts payable and other current liabilities (Note 17)	**85,610,485,813**	79,171,777,836
Current portion of loans payable (Note 15)	**7,098,676**	13,100,544
Current portion of lease liabilities (Note 16)	**4,170,525,103**	4,082,804,216
Income tax payable	**5,924,069**	–
Total Current Liabilities	**89,794,033,661**	83,267,682,596
Total Liabilities	**329,215,035,298**	306,213,525,757
TOTAL LIABILITIES AND CAPITAL DEFICIENCY	**₱199,550,482,852**	₱206,207,267,616

See accompanying Notes to Interim Condensed Consolidated Financial Statements

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS AND THREE MONTHS ENDED JUNE 30, 2026 AND 2025

	For the Six Months Ended June 30,		For the Three Months Ended June 30,	
	2026	2025	**2026**	2025
	(Unaudited)		(Unaudited)	
REVENUES FROM CONTRACTS WITH CUSTOMERS (Note 5)				
Service revenues	**₱11,386,920,698**	₱9,400,480,582	**₱5,715,198,361**	₱4,842,922,751
Non-service revenues	**281,758,817**	266,533,116	**138,606,018**	136,763,363
	11,668,679,515	9,667,013,698	**5,853,804,379**	4,979,686,114
COSTS AND EXPENSES				
General, selling and administrative expenses (Note 21)	**8,803,637,041**	8,040,971,561	**4,377,958,001**	4,018,763,614
Depreciation and amortization expense (Notes 6, 7 and 16)	**7,738,117,517**	7,644,667,648	**3,936,634,391**	3,908,815,505
Cost of sales and services (Note 5)	**870,355,923**	706,584,612	**422,753,114**	359,452,590
	17,412,110,481	16,392,223,821	**8,737,345,506**	8,287,031,709
OTHER INCOME (CHARGES)				
Interest expense (Notes 15, 16, 17 and 18)	**(10,040,436,503)**	(7,499,054,826)	**(5,027,067,678)**	(3,840,941,860)
Foreign exchange gains (losses) (Notes 15 and 24)	**(13,882,132,676)**	5,089,998,243	**(4,139,213,052)**	2,623,636,922
Interest income (Notes 9, 10 and 18)	**16,191,608**	14,433,239	**8,131,957**	7,268,937
Other charges – net (Note 9)	**4,466,145**	(140,720,960)	**114,888,849**	(94,171,497)
	(23,901,911,426)	(2,535,344,304)	**(9,043,259,924)**	(1,304,207,498)
LOSS BEFORE TAX	**(29,645,342,392)**	(9,260,554,427)	**(11,926,801,051)**	(4,611,553,093)
TAX EXPENSE	**(10,938,125)**	(1,417,954)	**(4,629,842)**	(1,370,338)
NET LOSS	**(29,656,280,517)**	(9,261,972,381)	**(11,931,430,893)**	(4,612,923,431)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Fair value gains (losses) on financial assets at FVOCI (Note 9)	**(2,315,403)**	10,343,155	**(371,342)**	7,605,261
Gain (loss) on disposal of equity securities at OCI (Note 9)	**301,615**	–	**316,392**	–
Other Comprehensive Income	**(2,013,788)**	10,343,155	**(54,950)**	7,605,261
TOTAL COMPREHENSIVE LOSS	**(₱29,658,294,305)**	(₱9,251,629,226)	**(₱11,931,485,843)**	(₱4,605,318,170)
NET LOSS ATTRIBUTABLE TO:				
Parent Company's shareholders	**(₱11,287,848,946)**	(₱3,363,133,347)	**(₱4,530,153,806)**	(₱1,700,852,261)
Non-controlling interest	**(18,368,431,571)**	(5,898,839,034)	**(7,401,277,087)**	(2,912,071,170)
	(₱29,656,280,517)	(₱9,261,972,381)	**(₱11,931,430,893)**	(₱4,612,923,431)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Parent Company's shareholders	**(₱11,289,862,734)**	(₱3,352,790,192)	**(₱4,530,208,756)**	(₱1,693,247,000)
Non-controlling interest	**(18,368,431,571)**	(5,898,839,034)	**(7,401,277,087)**	(2,912,071,170)
	(₱29,658,294,305)	(₱9,251,629,226)	**(₱11,931,485,843)**	(₱4,605,318,170)
Basic/Diluted Loss Per Share (Note 22)	**(₱0.5253)**	(₱0.1565)	**(₱0.2108)**	(₱0.0792)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

	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, 2026, as previously reported	**₱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)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**(2,013,788)**	**(11,287,848,946)**	**(11,289,862,734)**	**(18,368,431,571)**	**(29,658,294,305)**
Balance at June 30, 2026 (Unaudited)	**21,488,500,000**	**58,049,027,867**	**(67,798,166,784)**	**2,926,136,112**	**5,063,336**	**(68,231,618,369)**	**(53,561,057,838)**	**(76,103,494,608)**	**(129,664,552,446)**
Balance at January 1, 2025, as previously reported	₱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)
Total comprehensive loss for the period	–	–	–	–	10,343,155	(3,363,133,347)	(3,352,790,192)	(5,898,839,034)	(9,251,629,226)
Balance at June 30, 2025 (Unaudited)	₱21,488,500,000	₱58,049,027,867	(₱67,798,166,784)	₱2,926,136,112	₱18,287,899	(₱46,558,038,513)	(₱31,874,253,419)	(₱50,767,842,441)	(₱82,642,095,860)

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

	For the Six Months Ended June 30,	
	2026	2025
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱29,645,342,392)**	(₱9,260,554,427)
Adjustments for:		
Depreciation and amortization (Notes 6, 7 and 16)	**7,738,117,517**	7,644,667,648
Interest expense (Notes 16, 17 and 18)	**10,040,436,503**	(7,054,837,317)
Unrealized foreign currency exchange losses (gain)	**13,833,347,646**	(5,171,449,930)
Provision for impairment losses on receivables and contract assets (Note 11)	**98,300,545**	139,902,231
Loss/(gain) on disposal of property and equipment (Note 6)	**11,022,884**	35,741,104
Interest income (Notes 9 and 17)	**(16,191,608)**	(14,433,239)
Retirement benefit expense (Note 19)	**16,222,958**	13,764,548
Inventory write-down (reversal of inventory write-down) (Note 12)	**(163,889)**	204,393
Operating income (loss) before working capital changes	**2,075,750,164**	(13,666,994,989)
Decrease (increase) in:		
Receivables and contract assets	**(38,772,311)**	(354,661,206)
Inventories	**(130,491,017)**	33,118,358
Prepayments and other current assets	**(106,896,491)**	119,778,615
Other non-current assets	**824,602,501**	71,585,266
Increase (decrease) in:		
Accounts payable and other current liabilities	**539,073,625**	19,931,013,901
Net cash generated from operations	**3,163,266,471**	6,133,839,945
Interest received	**605,507**	1,176,843
Income taxes paid	**(6,345,547)**	(88,405)
Net cash flows provided by operating activities	**3,157,526,431**	6,134,928,383
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 6)	**(343,090,261)**	(2,938,586,280)
Proceeds from disposals of:		
Financial assets at FVOCI	**2,775,137**	–
Property and equipment	**210,687**	620,215
Net cash flows used in investing activities	**(340,104,437)**	(2,937,966,065)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Interest on loans payable (Note 15)	**(7,757,684,646)**	(7,277,975,827)
Lease liabilities (Note 16)	**(1,939,212,079)**	(2,397,504,041)
Advance lease payments	**(43,232,768)**	(221,410,078)
Debt issuance costs (Notes 9 and 15)	**(11,338,416)**	(13,462,830)
Principal portion of loans (Note 15)	**(7,741,876)**	(8,840,402)
Proceeds from:		
Loans payable (Note 15)	**7,029,841,574**	6,562,982,148
Net cash flows used in financing activities	**(2,729,368,211)**	(3,356,211,030)
EFFECT OF EXCHANGE RATE CHANGES IN CASH	**(4,343,841)**	(11,094,017)
NET INCREASE (DECREASE) IN CASH	**83,709,942**	(170,342,729)
CASH AT BEGINNING OF YEAR	**786,331,892**	1,179,531,061
CASH AT END OF PERIOD	**₱870,041,834**	₱1,009,188,332

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

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

NOTES TO INTERIM 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 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, and its shares are publicly traded.

The 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 ₱29.7 billion and ₱9.3 billion for the six months ended June 30, 2026 and 2025, respectively, and has a capital deficiency of ₱129.7 billion and ₱100.0 billion as at June 30, 2026 and December 31, 2025, respectively. In addition, the Group's current liabilities exceeded its current assets by ₱82.8 billion and ₱76.5 billion as at June 30, 2026 and December 31, 2025, 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 interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") as at June 30, 2026 (including comparative consolidated financial statements as at December 31, 2025), and for the six months and three months ended June 30, 2026 and 2025, were authorized for issue by the Board of Directors (BOD) on August 13, 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, 2026. 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, 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:
  o Required totals, subtotals and new categories in the statement of profit or loss
  o Disclosure of management-defined performance measures
  o 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 and Financial Reporting 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 June 30, 2026 and December 31, 2025:

		Percentage of Economic Interest	
	Nature of Business	**2026 (Unaudited)**	2025 (Audited)
Subsidiaries (Direct Interest):			
DITO CME Ventures, Inc. (DCVI)	Digital retail and advertising	**100.0%**	100.0%
Udenna Communications, Media and Entertainment Holdings Corp. (UCME)	Holding entity	**100.0%**	100.0%
Wagas Consultants Limited (Wagas)	Holding entity	**100.0%**	100.0%
Dos Holdings, Inc.	Holding entity	**100.0%**	100.0%
Luna Technologies Inc. (Luna)	Software solutions/non-operating	**75.0%**	75.0%
Subsidiaries (Indirect Interest):			
Host Union International Limited (Host Union)	Holding entity	**100.0%**	100.0%
Dito Holdings Corporation (Dito Holdings)	Holding entity	**77.8%**	77.8%
Dito Tel	Telecommunications services	**38.0%**	38.0%
Super Agila Tech Inc.	IT services/non-operating	**100.0%**	100.0%
Joint Venture and Operation			
Telecommunications Connectivity, Inc. (TCI)	Telecom infrastructure	**12.7%**	12.7%
Black Cap Pictures, Inc. (BCP)	Film production	**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 Hong Kong, 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

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 holds 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.

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

<u>Leases</u>
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 fixtures (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 have 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 have cost or value that can be measured reliably. This account includes debt issuance costs related to future drawdowns 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 have cost or value that can be measured reliably. This account includes payment made in advance in 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 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 at June 30, 2026 and December 31, 2025, 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 sales 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 is 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 ventures, 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 assets 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 are considered.

Stand-alone selling price is determined based on the transaction price of a goods or service which the Group regularly sells the non-service and service components in a separate transaction or individual performance obligation. Non-service revenues like handsets 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.

Determination of indicators of impairment of nonfinancial assets
The Group reviews property and equipment, intangible assets, goodwill, right-of-use assets, investment in a joint venture, advances to contractors, input VAT and deferred charges 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 carrying values of these assets are reflected in Notes 6, 7, 8, 9, 13 and 16, respectively.

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). The Group assessed that the renewal periods are to be included as part of the lease term if these are reasonably certain to be exercised (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 at June 30, 2026, there were no significant contingencies as it relates to CPCN because Dito Tel passed its 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 23). 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 was already disclosed in the financial statement is expected to prejudice the position of the Group. As allowed under PAS 37, this information was not included in the consolidated financial statements.

<u>Estimates and Assumptions</u>
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.

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 2026 and 2025. The carrying value of property and equipment as at June 30, 2026 and December 31, 2025 are disclosed in Note 6 of the consolidated financial statements.

The carrying values of these assets as of June 30, 2026 and December 31, 2025 are as follows (in millions):

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Property and equipment (Note 6)	**₱145,889.29**	₱151,901.01
Right-of-use assets (Note 16)	**24,513.47**	25,563.90
Input VAT (Notes 9 and 13)	**17,432.86**	17,622.89
Intangible assets, including goodwill (Notes 7 and 8)	**5,670.85**	4,899.34
Advance rental (Note 9)	**1,437.85**	1,572.09
Deferred charges (Note 9)	**411.73**	911.28
Advances to contractors (Notes 9 and 13)	**146.23**	160.76
Investment in joint venture and joint operation (Note 9)	**51.46**	51.46
Other current assets (Note 13)	**934.95**	651.40
	₱196,488.69	₱203,334.13

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 24).

- *Receivables*
  The Group's receivables, which comprise 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 24 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 of June 30, 2026 and December 31, 2025 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 June 30, 2026 and December 31, 2025, 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 funds 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, was 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 at June 30, 2026 and December 31, 2025, 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 was recognized as at June 30, 2026 and December 31, 2025. The carrying amount of inventories as at June 30, 2026 and December 31, 2025 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 at June 30, 2026 and December 31, 2025, 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.

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 at and for the six months ended June 30, 2026 and 2025, following are the relevant balances:

Revenue

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Type of goods or service (timing of revenue recognition)		
Service revenue (transferred over time)	**₱11,386,920,698**	₱9,400,480,582
Non-service revenue (transferred at a point in time)	**281,758,817**	266,533,116
Total revenue from contracts with customers	**₱11,668,679,515**	₱9,667,013,698

Cost of Sales and Services

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Cost of CPE modems, mobile handsets and sim cards	**₱511,698,596**	₱334,360,577
Cost of services	**358,657,327**	372,224,035
Total cost of sales and services	**₱870,355,923**	₱706,584,612

As at June 30, 2026 and December 31, 2025, following are the relevant balances:

Contract Balances

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Receivable from carriers – net of allowance (Note 11)	**₱412,724,286**	₱391,638,012
Receivables from postpaid subscribers – net of allowance (Note 11)	**200,223,034**	230,922,890
Receivables from dealers and others (Note 11)	**110,885,837**	108,752,770
Contract asset – net of allowance (Note 11)	**55,148,249**	97,295,551
Unearned revenue (Note 16)	**1,723,561,556**	1,792,736,510

Changes in the unearned revenue accounts for the six months ended June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Beginning balance	**₱1,792,736,510**	₱1,803,874,544
Deferred additions during the period	**9,896,731,445**	17,784,293,952
Recognized as prepaid service revenue during the period	**(9,965,906,399)**	(17,795,431,986)
Ending balance	**₱1,723,561,556**	₱1,792,736,510

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:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within one year	**₱1,695,766,429**	₱1,281,734,521
More than one year	**200,447,250**	409,172,494
	₱1,896,213,679	₱1,690,907,015

6. Property and Equipment

This account consists of:

	June 30, 2026 (Unaudited)						
	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**	**₱5,148,001,589**	**₱181,234,106**	**₱171,482,744,420**	**₱108,932,203**	**₱12,994,849,237**	**₱190,564,348,570**
Additions (Notes 15,16 and 18)	–	–	**21,183,142**	**6,058,848**	–	**851,698,607**	**878,940,597**
Transfers (Note 7)	–	**17,445,037**	**2,300,978**	**1,259,827,285**	**79,911**	**(2,412,514,823)**	**(1,132,861,612)**
Retirements	–	–	**(7,694,501)**	**(30,881,419)**	–	–	**(38,575,920)**
Balance at end of period	**648,587,015**	**5,165,446,626**	**197,023,725**	**172,717,749,134**	**109,012,114**	**11,434,033,021**	**190,271,851,635**
Accumulated depreciation							
Balance at beginning of year	–	**1,222,556,269**	**116,280,583**	**37,259,095,385**	**65,404,945**	–	**38,663,337,182**
Depreciation	–	**134,690,474**	**14,959,845**	**5,588,764,356**	**8,150,841**	–	**5,746,565,516**
Retirements	–	–	**(7,670,942)**	**(19,667,827)**	–	–	**(27,338,769)**
Balance at end of period	–	**1,357,246,743**	**123,569,486**	**42,828,191,914**	**73,555,786**	–	**44,382,563,929**
Net book value	**₱648,587,015**	**₱3,808,199,883**	**₱73,454,239**	**₱129,889,557,220**	**₱35,456,328**	**₱11,434,033,021**	**₱145,889,287,706**

	December 31, 2025 (Audited)						
	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

Unpaid amounts of additions to property and equipment amounted to ₱7.3 billion and ₱6.8 billion as at June 30, 2026 and December 31, 2025, respectively (see Notes 17 and 18).

Borrowing costs capitalized as part of property and equipment as at June 30, 2026 and December 31, 2025 amounted to ₱5.7 billion and ₱5.7 billion, respectively (see Notes 15 and 16).

As at June 30, 2026 and December 31, 2025, 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 at June 30, 2026 and December 31, 2025, net loss on retirement and disposal of property and equipment amounted to ₱10.9 million and ₱94.2 million, respectively. Proceeds from sale of fully depreciated fixed assets amounted to ₱0.2 million in 2026 and ₱1.0 million in 2025.

The cost of fully depreciated assets that are still in use as at June 30, 2026 and December 31, 2025 amounted to ₱215.0 million and ₱215.3 million, respectively.

7. Intangible Assets

As at June 30, 2026 and December 31, 2025, this account consists of acquired licenses, computer software and cloud-based applications used in the business. Roll-forward of the account follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost:		
Balance at beginning of year	**₱6,855,346,249**	₱6,944,972,128
Additions	**1,132,861,614**	64,172,424
Asset transfer	−	(153,798,303)
Balance at end of period	**7,988,207,863**	6,855,346,249
Accumulated amortization:		
Balance at beginning of year	**2,125,898,954**	1,459,037,537
Amortization	**361,352,680**	666,861,417
Balance at end of period	**2,487,251,634**	2,125,898,954
Net Book Value	**₱5,500,956,229**	₱4,729,447,295

Unpaid amounts of additions to intangibles amounted to ₱3,892.3 million as at June 30, 2026 and December 31, 2025 (see Note 17).

8. Goodwill

Goodwill amounting to ₱169.9 million as at June 30, 2026 and 2025 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 2026 and 2025, 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 for the six months ended June 30, 2026 and for the year ended December 31, 2025, as the recoverable amounts of the goodwill are higher than their carrying values.

9. Other Noncurrent Assets

As at June 30, 2026 and December 31, 2025, this account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Input VAT - net of current portion (Note 13)	**₱13,679,721,351**	₱13,711,422,836
Advance rental (Note 16)	**1,437,846,894**	1,572,086,329
Deferred charges (Notes 13, 15 and 16)	**411,731,483**	911,284,077
Refundable deposits	**686,568,606**	640,870,992
Advances to contractors	**120,888,193**	119,878,755
Investment in joint venture and joint operation	**51,455,677**	51,455,677
Contract assets - net of current portion (Note 5)	**15,673,858**	25,898,270
Financial asset at FVOCI	**35,791,858**	40,580,783
Restricted cash	**36,056,372**	34,628,934
	₱16,475,734,292	₱17,108,106,653

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 ₱0.5 million and ₱1.9 million as at June 30, 2026 and December 31, 2025, 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 at 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.

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.

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. For the six months ended June 30, 2026 and for the year ended December 31, 2025, the Parent Company sold a portion of the equity securities to third parties for a total consideration of ₱2.8 million and ₱1.8 million, respectively.

10. Cash

As at June 30, 2026 and December 31, 2025, this account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	**₱6,889,593**	₱6,477,637
Cash in banks	**863,152,241**	779,854,255
	₱870,041,834	₱786,331,892

Cash in banks earn interest at the respective bank deposit rates. Total interest income earned from cash in banks are presented as part of Interest income in the consolidated statements of comprehensive income.

As at June 30, 2026 and December 31, 2025, certain cash in banks were used as collateral to secure the payment of a portion of the Group's loans payable (see Note 15).

11. Receivables and Contract Assets

As at June 30, 2026 and December 31, 2025, this account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Receivables from carriers (Notes 5 and 18)	**₱450,494,706**	₱436,796,184
Receivable from postpaid subscribers (Note 5)	**438,972,176**	394,067,856
Receivables from dealers and others (Note 5)	**110,885,837**	108,752,770
Contract assets, net of noncurrent portion (Notes 5 and 9)	**214,204,906**	220,821,153
Advances to officers and employees	**43,966,274**	44,336,757
Advances to affiliates (Note 18)	**32,250,841**	32,998,473
Receivable from customers	**16,161,738**	26,692,975
Others	**4,360,933**	11,147,421
	1,311,297,411	1,275,613,589
Less allowance for impairment	**454,453,289**	360,950,223
	₱856,844,122	₱914,663,366

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 arise from mobile, handsets, fixed wireless access (FWA), and broadband internet services offered by the Group under postpaid arrangements.

Advances to officers and employees pertain to payment to its officers and employees for various operational expenses that are subject to liquidation.

The roll-forward of allowance for impairment is as follows:

	June 30, 2026 (Unaudited)				
	Receivables from Postpaid Subscribers	**Receivables from Carriers**	**Contract Assets**	**Others**	**Total**
Balance at the beginning of the year	**₱163,144,966**	**₱45,158,172**	**₱149,423,872**	**₱3,223,213**	**₱360,950,223**
Provision during the period	**80,388,636**	**(7,407,752)**	**25,319,661**	**–**	**98,300,545**
Write-off during the period	**(4,784,460)**	**–**	**(13,019)**	**–**	**(4,797,479)**
Balance at the end of the period	**₱238,749,142**	**₱37,750,420**	**₱174,730,514**	**₱3,223,213**	**454,453,289**

	December 31, 2025 (Audited)				
	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

As at June 30, 2026 and December 31, 2025, certain receivables were used as collateral to secure the payment of a portion of the Group's loans payable (see Note 15).

12. Inventories

As at June 30, 2026 and December 31, 2025, this account consists of (at cost):

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
CPE modems	**₱490,918,584**	₱397,695,939
Sim cards and sim packs	**48,052,503**	20,154,248
Mobile handsets	**9,733,822**	8,929,357
Other accessories	**12,110,663**	3,381,122
	₱560,815,572	₱430,160,666

For the six months ended June 30, 2026 and 2025, the Group recorded a reversal of inventory write-down ₱0.16 million and an inventory write-down of ₱0.20 million, respectively.

The amount of cost of inventories sold and used recognized for the six months ended June 30, 2026 and 2025 is presented as part of as part of "Costs of sales and services" in the consolidated statements of comprehensive income (see Note 5).

The amount of cost of inventories sold and used recognized during the six months ended June 30, 2026 and 2025 amounted to ₱511.6 million and ₱338.8 million, respectively (see Note 5).

As at June 30, 2026 and December 31, 2025, inventories amounting to ₱560.2 and ₱429.4 million, respectively, 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

As at June 30, 2026 and December 31, 2025, this account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Input VAT – current portion (Note 9)	**₱3,757,532,780**	₱3,915,866,557
Prepaid NTC fees (Note 23)	**649,828,922**	395,552,700
Prepayments	**87,547,040**	118,408,033
Prepaid income tax	**27,857,373**	81,946,623
Refundable deposits	**27,903,825**	53,861,647
Advances to contractors – current portion	**25,343,374**	40,878,372
Others	**141,816,518**	1,635,300
	4,717,829,832	4,608,149,232
Less allowance for impairment loss on input VAT	**4,394,511**	4,394,511
	₱4,713,435,321	₱4,603,754,721

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 at June 30, 2026 and December 31, 2025, 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 23).

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 at June 30, 2026, and December 31, 2025 are as follows:

	Shares		Amount	
	June 30, 2026	December 31, 2025	**June 30, 2026**	December 31, 2025
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
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
Issued:				
Balance at beginning of year	**21,488,500,000**	**21,488,500,000**	**₱21,488,500,000**	₱21,488,500,000
Issued during the period	–	–	–	–
Balance at end of period	**21,488,500,000**	21,488,500,000	**₱21,488,500,000**	₱21,488,500,000
Subscription receivable:				
Balance at beginning of year	–	–	**₱–**	₱–
Paid during the period	–	–	–	–
Subscribed during the period	–	–	–	–
Balance at end of period	–	–	**₱–**	₱–
Total issued and outstanding shares	**21,488,500,000**	21,488,500,000	**₱21,488,500,000**	₱21,488,500,000

In 2023, the Parent Company issued a total of 5,500,000,000 common shares at ₱1.00 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:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Bank loans	**₱238,583,927,906**	₱221,572,839,887
Note payable (Note 18)	**314,756,599**	310,378,475
	238,898,684,505	221,883,218,362
Less unamortized debt issuance cost	**16,473,813,307**	16,796,317,761
	222,424,871,198	205,086,900,601
Less current portion of loans payable	**7,098,676**	13,100,544
Loans payable - net of current portion	**₱222,417,772,522**	₱205,073,800,057

A roll-forward of this account is presented below:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱205,086,900,601**	₱184,394,032,786
Additions	**7,029,841,574**	17,153,604,548
Foreign exchange loss	**9,993,366,445**	3,959,095,382
Debt issuance cost	**322,504,454**	(405,120,991)
Payments	**(7,741,876)**	(14,711,124)
Balance at end of period	**222,424,871,198**	205,086,900,601
Less current portion of loans payable	**(7,098,676)**	(13,100,544)
Loans payable - net of current portion	**₱222,417,772,522**	₱205,073,800,057

The movements in the unamortized debt issuance cost as at June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱16,796,317,761**	₱16,391,196,769
Additions	**556,694,876**	1,492,050,721
Amortization	**(879,199,330)**	(1,086,929,729)
Balance at end of period	**₱16,473,813,307**	₱16,796,317,761

Future undiscounted repayment of the loans payable as at June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within one year	**₱7,098,676**	₱13,100,544
After one year but not more than five years	**32,540,346,583**	23,451,639,699
More than five years	**206,351,239,246**	198,418,478,119
	₱238,898,684,505	₱221,883,218,362

The following summarizes the loan facilities and the status of the facility as at June 30, 2026:

- *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 at June 30, 2026 and December 31, 2025 amounted to ₱36,711.9 million (CNY 4,074.8 million) and ₱27,692.8 million (CNY 3,299.4 million), respectively.

  Facility A2 (US$):
  Interest payment is based on SOFR and CAS, 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 at June 30, 2026 and December 31, 2025 amounted to ₱201,872.0 million (US$3,297.0 million) and ₱193,880.1 million (US$3,297.0 million), respectively.

The following table summarizes the status of the credit line facilities as at June 30, 2026 (amounts in millions):

Bank	Credit Line	Drawn	Unused
Facility A1	CNY4,266.0	CNY4,074.8	CNY191.2
Facility A2	US$3,297.0	US$3,297.0	US$−

Interest expense from loan facility for the six months ended June 30, 2026 and 2025 amounted to ₱9,479.2 million and ₱6,914.9 million, respectively. Total interest paid amounted to ₱7,757.7 million and ₱7,278.0 million for the six months ended June 30, 2026 and 2025, 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 at June 30, 2026.

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 at June 30, 2026 and December 31, 2025, the Group is in compliance with 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.

As at June 30, 2026 and December 31, 2025, the Group is in compliance with the above provisions.

Dito Tel's cash, receivables, inventory, property and equipment, right-of-use assets, and common and preferred shares with aggregate carrying value of ₱256,287.8 million and ₱220,583.7 million as at June 30, 2026 and December 31, 2025, 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 ₱306.1 million and ₱294.0 million as at June 30, 2026 and December 31, 2025, 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 (5th) anniversary year of the issuance of the CPCN (see Note 18). As at June 30, 2026 and 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 ₱31.5 million and ₱38.6 million as at June 30, 2026 and December 31, 2025 respectively.

As at June 30, 2026 and December 31, 2025, outstanding notes payable in relation to vehicle financing amounted to ₱8.6 million (₱2.2 million for UBP and ₱6.4 million for CBC) and ₱16.3 million (₱3.0 million for UBP and ₱13.3 million for CBC), respectively.

16. Leases

The roll-forward of the right-of-use assets as at June 30, 2026 and December 31, 2025 follows:

	June 30, 2026 (Unaudited)							
	Land and Network Sites	**Poles**	**Cables**	**Towers**	**Stores**	**Office space and Others**	**Vehicles**	**Total**
Cost								
Balance at beginning 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**
Additions	**178,220,622**	**8,056,839**	**230,595,000**	**122,510,376**	**3,120,835**	**16,291,534**	**20,980,256**	**579,775,462**
Balance at end of period	**32,275,463,009**	**632,358,762**	**2,292,241,633**	**8,112,486,539**	**146,463,875**	**1,002,080,995**	**41,960,230**	**44,503,055,043**
Accumulated depreciation								
Balance at beginning 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**
Amortization	**1,164,735,293**	**25,275,902**	**117,284,448**	**263,560,744**	**6,382,237**	**50,489,689**	**2,471,008**	**1,630,199,321**
Balance at end of period	**15,081,214,054**	**474,198,693**	**1,756,505,804**	**1,835,014,797**	**145,137,729**	**695,003,298**	**2,505,975**	**19,989,580,350**
Net book value	**₱17,194,248,955**	**₱158,160,069**	**₱535,735,829**	**₱6,277,471,742**	**₱1,326,146**	**₱307,077,697**	**₱39,454,255**	**₱24,513,474,693**

	December 31, 2025 (Audited)							
	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

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 2.81% to 10.75% and 2.5% to 10.8% for the six months ended June 30, 2026 and for the year ended December 31, 2025, 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 at June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱21,812,177,474**	₱23,722,834,835
Additions	**579,775,462**	1,059,065,246
Accretion of interest	**580,528,069**	1,217,184,828
Payments made during the period	**(1,943,837,953)**	(3,875,029,383)
Modification	**–**	(311,878,052)
Total	**21,028,643,052**	21,812,177,474
Less current portion	**4,170,525,103**	4,082,804,216
Noncurrent portion	**₱16,858,117,949**	₱17,729,373,258

A reconciliation of the lease liabilities as at June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Undiscounted lease payments	**₱26,929,628,999**	₱28,156,046,124
Less unamortized discount	**5,900,985,947**	6,343,868,650
Total	**21,028,643,052**	21,812,177,474
Less current portion	**4,170,525,103**	4,082,804,216
Lease liabilities – net of current portion	**₱16,858,117,949**	₱17,729,373,258

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:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Amortization expense of right-of-use assets	**₱1,630,199,321**	₱1,805,735,823
Interest expense on lease liabilities, net of capitalized borrowing cost	**561,086,382**	584,110,666
Expenses relating to lease of short-term leases (Note 21)	**275,196,101**	269,174,031

Capitalized interest expense to 'Construction-in-progress' under "Property and equipment" amounted to ₱19.44 million and ₱59.0 million as at June 30, 2026 and December 31, 2025, respectively (see Note 6).

The movements in the unamortized discounts for June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱6,343,868,650**	₱7,016,249,432
Additions	**137,645,364**	544,804,046
Accretion	**(580,528,067)**	(1,217,184,828)
Balance at end of period	**₱5,900,985,947**	₱6,343,868,650

Shown below is the maturity analysis of lease liabilities pertaining to contractual undiscounted cash flows as at June 30, 2026 and December 31, 2025:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Within one year	**₱5,052,436,105**	₱5,041,905,694
After one year but not more than 5 years	**13,077,791,786**	13,512,344,595
More than five years	**8,799,401,108**	9,601,795,834
	₱26,929,628,999	₱28,156,046,124

As at June 30, 2026 and December 31, 2025, 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:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Accounts payable (Notes 6, 18 and 24)	**₱8,478,738,184**	₱5,286,558,190
Accrued project costs (Notes 6, 18 and 24)	**32,633,682,133**	33,027,162,858
Advances from affiliates (Note 18)	**22,666,261,567**	21,708,805,947
Accrued expenses (Note 18)	**13,628,291,385**	12,416,037,191
Payables to government agencies	**3,223,394,438**	2,546,172,907
Interest payable	**3,032,825,712**	2,249,601,957
Unearned income (Note 5)	**1,723,561,556**	1,792,736,510
Others	**223,730,838**	144,702,276
	₱85,610,485,813	₱79,171,777,836

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 at the end of reporting period.

Others are mostly composed of other statutory payables that are expected to be settled within one (1) year.

18. Related Party Transactions

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:

			June 30, 2026		December 31, 2025	
Entity	Nature		**Amount/ Volume**	**Receivable (Payable)**	Amount/ Volume	Receivable (Payable)
Ultimate parent company:						
Udenna Corporation						
	Advances granted	*(i-a)*	**₱–**	**₱25,174,890**	₱–	₱25,174,890
	Advances obtained	*(i-b)*	**–**	**(455,167,223)**	8,010,078	(463,177,302)
	Deferred charges	*(iii-a)*	**–**	**–**	–	–
	Note payable	*Note 15*	**–**	**(306,145,000)**	–	(294,025,000)
Other shareholders:						
Summit Telco Corporation Pte. Ltd. (Summit Telco)						
	Advances obtained	*(i-b)*	**–**	**(10,326,908,990)**	–	(10,326,908,990)
Summit Telco Holdings Corporation (STHC)						
	Advances granted		**–**	**–**	1,108,800	1,108,800
Xterra Ventures Pte. Ltd. (Xterra)						
	Advances obtained	*(i-b)*	**–**	**(108,500,000)**	10,000,000	(110,000,000)
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)*	**–**	**(51,939,387)**	110,245,719	(74,437,637)
	FWA installations receivable	*(iii-j)*	**–**		39,567,001	
Udenna Tower						
	Lease transactions	*(ii-a)*	**14,455,884**	**(297,683,041)**	51,087,760	(359,814,313)
	Advances obtained	*(i-b)*	**22,220,239**	**(22,408,907)**	222,213,201	(195,864)
	Accrued Payable	*(Note 17)*	**10,782,242**	**(4,723,444)**	3,149,862	(5,103,129)
Others:						
China Telecom						
	Performance bond fees	*(iv)*	**–**	**–**	–	–
	Intercarrier revenue	*(vi)*	**(94,944)**	**50,402**	1,086,951	(246,158)
	Intercarrier costs	*(vi)*	**304,145**	**182,658**	79,451	12,996
China Telecom International Investment Private Ltd. (CTIIPL)						
	Advances	*(i-b) (v)*	**–**	**(9,218,835,526)**	–	(8,588,215,809)
	Interest expense	*(i-b) (v)*	**168,023,570**	**(2,285,137,980)**	517,107,453	(1,972,291,988)
	Others	*(i-b) (v)*	**–**	**(913,415,422)**	–	(104,647,070)
FutureNet and Technology Corporation (FNT)						
	Construction contract/ Accrued project cost	*(Note 17) (iii-b)*	**387,744,608**	**(35,871,660,396)**	2,607,361,205	(31,004,915,549)
	Interest expense	*(iii-b)*	**701,195,225**	**(2,745,092,414)**	–	(1,889,649,615)
	Information technology software	*(Note 21) (iii-c)*	**657,475,994**	**(4,649,865,465)**	1,093,924,080	(3,733,556,622)
	Technical maintenance cost	*(Note 21) (iii-c)*	**1,139,938,668**	**(5,059,317,378)**	2,599,466,039	(5,437,408,392)
	Marketing consultancy		**150,480,000**	**(157,761,000)**	–	–
Shenzhen Cocreation Technology Co., Ltd. (Shenzhen)						
	Interest Payable	*Note 17*	–	**(380,304,062)**	–	(354,289,145)
China Telecom Global Limited (CTG)						
	Cable lease/ Accrued lease payable	*(i-b) (ii-b) Note 17*	**54,636,574**	**(141,099,842)**	126,658,014	(170,907,237)
	Advances	*(i-b)*	–	–	148,397,571	(99,773)
	Intercarrier revenue	*(v)*	**272,745,149**	**162,692,081**	570,799,247	220,113,296
	Intercarrier costs	*(v)*	**26,530,575**	**(10,745,508)**	121,719,940	50,975,840
	Data pool services	*(v)*	**1,053,462**	**17,241,027**	19,617,670	16,296,988

(Forward)

Entity	Nature		June 30, 2026 Amount/ Volume	June 30, 2026 Receivable (Payable)	December 31, 2025 Amount/ Volume	December 31, 2025 Receivable (Payable)
China Telecom (Asia Pacific) Pte. Ltd. (CTAP)						
	Cable lease/ Accrued lease payable	*(i-b) (ii-b) Note 17*	**₱2,949,093**	**(₱17,623,890)**	₱8,157,491	(₱30,503,345)
China Communications Services Philippines Corporation (CCSPC)						
	Services rendered	*(Note 17) (iii-e-h)*	**27,587,271**	**(371,682,933)**	53,669,729	(70,118,787)
	Capital expenditures	*(iii-d)*	**-**	**(34,060,358)**	15,072,954	(33,693,390)
Phoenix Petroleum Philippines, Inc.						
	Fuel Expense	*(vi)*	–	–	–	–
Worklink Services Inc.						
	Services rendered	*(iii-i)*	**7,179,515**	**(5,730,618)**	35,600,413	(10,248,383)
Summit Global Limited						
	Advances obtained	*(i-b)*	–	**(87,669,027)**	60,738,574	(87,669,027)
Others						
	Advances granted	*(i-a)*	–	**2,575,951**	–	2,214,783
	Advances received	*(i-b)*	–	**54,360,041**	–	(54,434,930)
	Sale of investment property		–	**7,838,451**	–	7,838,451

<u>Advances to and from Affiliates</u>

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

i. 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:

	June 30, 2026 (Unaudited)	December 31,2025 (Audited)
Advances granted:		
Udenna	**₱25,174,890**	₱25,174,890
Udenna Infra	**4,500,000**	4,500,000
Summit Telco	**–**	1,108,800
Others	**2,575,951**	2,214,783
	₱32,250,841	₱32,998,473

Management has determined that there is no impairment loss to be provided from the aforementioned advances as at June 30, 2026 and December 31, 2025.

The movements in the advances to affiliates are as follows:

	Ultimate Parent	**Related parties under common ownership**	**Summit Telco and Others**	**Total**
June 30, 2026				
Balance at the beginning of year	**₱25,174,890**	**₱4,500,000**	**₱3,323,583**	**₱32,998,473**
Advances during the period	**–**	**–**	**361,168**	**361,168**
Collection of advances	**–**	**–**	**(1,108,800)**	**(1,108,800)**
Balance at the end of period	**₱25,174,890**	**₱4,500,000**	**₱2,575,951**	**₱32,250,841**
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 the year	₱25,174,890	₱4,500,000	₱3,323,583	₱32,998,473

ii. Advances from Affiliates

The Group also received cash advances from the minority 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, non-interest-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:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Advances obtained:		
Udenna	**₱455,167,223**	₱463,177,302
Summit Telco	**10,326,908,990**	10,326,908,990
Xterra	**108,500,000**	110,000,000
UMRC	**1,264,968**	1,264,968
Summit Global Limited	**87,669,027**	87,669,027
Udenna Tower	**23,509,469**	195,864
CTIIPL	**11,608,881,849**	10,665,154,867
Others	**54,360,041**	54,434,929
	₱22,666,261,567	₱21,708,805,947

The movements in advances from affiliates are as follows:

	Ultimate Parent	**Related parties under common ownership**	**Other Shareholders**	**Others**	**Total**
June 30, 2026					
Balance at the beginning of year	**₱463,177,302**	**₱58,546,128**	**₱10,436,908,990**	**₱10,750,173,527**	**₱21,708,805,947**
Advances during the period	–	–	–	**765,004,867**	**765,004,867**
Payment of advances	**(8,010,079)**	–	–	**(579,203,929)**	**(587,214,008)**
Effects of foreign exchange	–	–	–	**779,664,761**	**779,664,761**
Balance at the end of period	**₱455,167,223**	**₱58,546,128**	**₱10,436,908,990**	**₱11,715,639,226**	**22,666,261,567**
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

iii. 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 terms 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 five years.

Right-of-use assets and lease liabilities related to these lease contracts amounting to ₱7.15 billion and ₱297.7 million, respectively as at June 30, 2026 and ₱7.3 billion and ₱334.7 million, respectively, as at December 31, 2025 (see Note 16).

In 2019, Dito Tel entered into an intercompany offsetting arrangement with Udenna and GGDC. GGDC assigned the lease receivable from Dito Tel amounting to ₱3.9 billion to Udenna for the latter's payment of subscription payable to Dito Tel (see Notes 16 and 17).

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 (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 consolidated statements of financial position. There was no remaining balance of "Deferred charges" as at June 30, 2026 and December 31, 2025 (see Note 9).

b. *EPC Services (see Note 21)*
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 consolidated statement of financial position (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 consolidated statement of comprehensive income (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 consolidated statement of comprehensive income (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 consolidated statement of comprehensive income (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 consolidated statement of comprehensive income (Note 21).

i. *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 consolidated statement of comprehensive income (see Note 21).

j. 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 consolidated statement of comprehensive income (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 in 2024 are included as part of the "Outside services" under "Operating expenses" section in the consolidated statement of comprehensive income (see Note 21). There were no transactions for the six months ended June 30, 2026 and 2025.

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 ₱273.8 million and ₱590.4 million for the six months ended June 30, 2026 and for the year ended December 31, 2025, respectively. The interconnection costs recognized in relation to the agreements amounted to ₱26.5 million and ₱121.7 million for the six months ended June 30, 2026 and for the year ended December 31, 2025, respectively. 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 six months ended June 30, 2026 and for the year ended December 31, 2025, respectively, Dito Tel recognized International Roaming revenue amounting to ₱1.40 million and ₱0.08 million, respectively.

Correspondingly, international roaming payables recognized during the same period amounted to ₱0.37 million and ₱1.09 million, 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 CNY455.0 million totaling CNY650.0 million or ₱5,224.2 million Advance Agreement with CTIIPL to fund its operating expenditures and working capital requirements. As at June 30, 2026, CNY627.8 million or ₱5,035.3 million was drawn. In 2025, the Group paid CNY107.3 million or ₱836.9 million, leaving an outstanding balance of CNY520.5 million or ₱4,137.6 million as at June 30, 2026.

On February 13, 2023, signed another one-year interest-bearing of CNY195.0 million and CNY455.0 million totaling CNY650.0 million or ₱5,078.3 million Advance Agreement with CTIIPL to fund its operating expenditures and working capital requirements. As at June 30, 2026, CNY502.8 million or ₱3,978.0 million remains outstanding.

As at June 30, 2026, and 2025, interest expenses incurred amount to ₱168.0 million, and ₱260.3 million respectively, are presented as part of "Interest expense and other bank charges" in the consolidated 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 section in the consolidated statements of comprehensive income (see Note 21).

The Group's advances to its employees amounted to ₱44.0 million and ₱44.3 million as at June 30, 2026 and December 31, 2025, respectively (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 Group does not expect to contribute to the plan in 2026.

As at June 30, 2026 and December 31, 2025, the Group's outstanding retirement obligation amounted to ₱140.7 million as presented in the consolidated statements of financial position.

20. Income Taxes

Income Tax Holiday
On November 7, 2019, Dito Tel received the 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.

On March 7, 2025, the Company's incentives related to ITH as a non-pioneer registered enterprise have expired. Other incentives with no specific number of years of entitlement may be enjoyed for a maximum period of ten (10) years from the start of actual commercial operation and/or date of registration.

21. General, Selling And Administrative Expenses

This account consists of:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Repairs and maintenance (Note 18)	**₱1,758,876,368**	₱1,848,582,820
Utilities (Note 18)	**1,609,206,232**	1,422,045,084
Salaries and employee benefits (Notes 18 and 19)	**1,398,189,773**	1,187,601,022
Outside services (Note 18)	**1,447,237,337**	1,062,787,836
Taxes and licenses	**1,104,895,832**	1,171,191,277
Advertising and promotions	**325,853,120**	221,149,811
Rentals (Notes 16 and 18)	**275,206,871**	269,183,954
Provision for ECL (Note 11)	**98,300,545**	139,902,230
Professional fees	**93,937,243**	50,068,321
Consultancy fees	**19,012,235**	12,656,510
Research	**5,901,944**	3,455,530
Others	**667,019,540**	652,347,166
	₱8,803,637,041	₱8,040,971,561

Others include travel and transportation, office supplies, fuel, oil and lubricants, insurance, software, representation and entertainment and other expenses.

22. Loss Per Share

Loss per share is computed as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Net loss attributable to Parent Company's shareholders	**(₱11,287,848,946)**	(₱3,363,133,347)
Divided by weighted number of outstanding common shares	**21,488,500,000**	21,488,500,000
	(0.5253)	(0.1565)

The Group does not have dilutive potential common shares outstanding as at June 30, 2026 and 2025; hence, diluted loss per share is equal to the basic loss per share.

23. Significant Commitments and Contingencies

The following are the significant commitments and contingencies involving the Group:

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 June 30, 2026 and December 31, 2025, Dito Tel has spent ₱383.8 billion and ₱363.5 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 at 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). For the six months ended June 30, 2026, Dito Tel paid under protest the annual SUF to NTC amounting to ₱245.0 million for 3G frequencies and an additional ₱65.0 million for temporary use of 3G frequency ranges.

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). For the six months ended June 30, 2026, accrual is at ₱140.5 million.

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 at June 30, 2026 and December 31, 2025, 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.

24. 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 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 June 30, 2026 and December 31, 2025 as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
At amortized cost:		
Cash in banks (Note 10)	**₱863,152,241**	₱779,854,255
Receivables* (Note 11)	**1,053,126,231**	1,010,455,679
Contract assets (Notes 9 and 11)	**229,878,764**	246,719,423
Refundable deposits (Notes 9 and 13)	**714,472,431**	971,355,798
	₱2,860,629,667	₱3,008,385,155

**Excluding advances to employees amounting to ₱44.0 million and ₱44.3 million as at June 30, 2026 and December 31, 2025, 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.

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.

The tables below summarize the maturity profile of the Group's financial assets and financial liabilities as at June 30, 2026 and December 31, 2025 based on contractual undiscounted payments.

	June 30, 2026			
	Due and Demandable	**Less than 1 year**	**1 year or above**	**Total**
Cash in banks	**₱863,152,241**	**₱–**	**₱–**	**₱863,152,241**
Advances to affiliates	**32,250,841**	**–**	**–**	**32,250,841**
Receivables from dealers and carriers*	**565,741,476**	**–**	**–**	**565,741,476**
Receivable from postpaid subscribers	**438,972,176**	**–**	**–**	**438,972,176**
Contract assets	**–**	**214,204,906**	**15,673,858**	**229,878,764**
Refundable deposits	**–**	**27,878,825**	**684,746,886**	**712,625,711**
Financial asset at FVOCI	**–**	**–**	**35,791,858**	**35,791,858**
Financial assets	**₱1,900,116,734**	**₱242,083,731**	**₱736,212,602**	**₱2,878,413,067**
Accounts payable	**–**	**8,478,738,184**	**–**	**8,478,738,184**
Accrued project costs	**–**	**32,633,682,133**	**–**	**32,633,682,133**
Accrued expenses	**–**	**13,628,291,385**	**–**	**13,628,291,385**
Interest payable	**–**	**3,032,825,712**	**–**	**3,032,825,712**
Advances from affiliates	**–**	**22,666,261,567**	**–**	**22,666,261,567**
Note payable**	**–**	**7,098,676**	**307,657,923**	**314,756,599**
Lease liabilities	**–**	**4,088,243,135**	**16,854,797,894**	**20,943,041,029**
Loans payable**	**–**	**–**	**238,891,585,829**	**238,891,585,829**
Financial liabilities	**₱–**	**₱84,535,140,792**	**₱256,054,041,646**	**₱340,589,182,438**

**Including 'Other receivables'*
***Including future interest*

	December 31, 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*

Foreign currency exchange risk

The Group has recognized in the statements of comprehensive income net foreign exchange gain/loss amounting to ₱13.9 billion loss and ₱5.1 billion gain for the six months ended June 30, 2026 and 2025, 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:

	June 30, 2026			
	USD	**PHP Equivalent**	**CNY**	**PHP Equivalent**
Current financial assets				
Cash in banks	**3,028,089**	**185,406,844**	**221,713**	**1,997,523**
Noncurrent financial assets				
Refundable deposits	–	–	–	–
Total financial assets	**3,028,089**	**185,406,844**	**221,713**	**1,997,523**
Current financial liabilities				
Accounts payable and other current liabilities	**(118,588,356)**	**(7,261,046,450)**	**(4,827,543,144)**	**(43,493,749,956)**
Advances from affiliates	**2,573**	**157,542**	**(1,277,312,886)**	**(11,507,950,446)**
	(118,585,783)	**(7,260,888,908)**	**(6,104,856,030)**	**(55,001,700,402)**
Noncurrent financial liabilities				
Notes payable	**(5,000,000)**	**(306,145,000)**	–	–
Loans payable	**(3,297,000,000)**	**(201,872,013,000)**	**(4,074,800,478)**	**(36,711,914,907)**
	(3,302,000,000)	**(202,178,158,000)**	**(4,074,800,478)**	**(36,711,914,907)**
Total financial liabilities	**(3,420,585,783)**	**(209,439,046,908)**	**(10,179,656,508)**	**(91,713,615,309)**

[1]*The exchange rates used to convert the USD and CNY amounts into Philippine Peso were ₱61.229 and ₱9.010, respectively, the exchange rates as quoted through the Bangko Sentral ng Pilipinas as at June 30, 2026.*

	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	228,354,349	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)	(27,692,754,886)
	(3,302,000,000)	(194,174,110,000)	(3,299,427,499)	(27,692,754,886)
Total financial liabilities	(3,379,223,794)	(198,715,255,206)	(4,831,558,507)	(40,552,236,862)

[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 at December 31, 2025.*

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 June 30 (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 6 months for 2026 and 2025 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.

	June 30, 2026	June 30, 2025
	Effect on Loss Before Tax (in billions)	
Change in US Dollar to Philippine Peso:		
24.50% (2026) / 13.40% (2025) appreciation	**₱51.29**	₱26.6
24.50% (2026) / 13.40% (2025) depreciation	**(51.29)**	(26.6)
Change in Chinese Yuan to Philippine Peso:		
39.07% (2026) / 14.69% (2025) appreciation	**35.83**	5.96
39.07% (2026) / 14.69% (2025) depreciation	**(35.83)**	(5.96)

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.

<u>Interest rate risk</u>
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 June 30, 2026 and December 31, 2025 are shown in the following table:

	Effective Interest Rate	**June 30, 2026 (Unaudited)**
Loans payable		
SOFR rate debts	**4.104% - 8.329%**	**₱222,368,421,198**

	Effective Interest Rate	December 31, 2025 (Audited)
Loans payable		
SOFR rate debts	4.648% - 8.553%	₱212,859,103,911

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:

				June 30, 2026 (Unaudited)			
	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**	**₱863,152,241**	**₱863,152,241**	**₱–**	**₱–**	**₱863,152,241**
Loans payable	**SOFR rate**	**Quarterly**	**₱222,368,421,198**	**₱7,098,676**	**₱32,540,346,583**	**₱189,877,425,939**	**₱222,424,871,198**

	December 31, 2025 (Audited)						
	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

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.

25. Capital Management Objectives, Policies And Procedures

The Group's capital management objectives are 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 at June 30, 2026 and December 31, 2025, the Group reported capital deficiencies of ₱129.66 billion and ₱100.01 billion, respectively, with corresponding debt-to-capital deficiency ratios of (2.54 : 1.00) and (3.06 : 1.00).

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business operations and industry.

BOD uses debt-to equity ratio to monitor and review, on a regular basis, the Group's capital, defined as total equity includes capital stock, additional paid-in capital, revaluation reserves and retained earnings, as shown in the consolidated statements of financial position.

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

AGING OF RECEIVABLES AND CONTRACT ASSETS
AS OF JUNE 30, 2026

			Days Past Due				
	Contract Assets	**0-60 days**	**61-150 days**	**151-240 days**	**241-259 days**	**> 360 days**	**Total**
Receivables from carriers	**₱–**	**₱321,941,629**	**₱120,908,523**	**₱6,117,187**	**₱1,398,010**	**₱129,357**	**₱450,494,706**
Receivable from postpaid subscribers	**–**	**95,017,285**	**89,760,115**	**39,837,731**	**64,723,456**	**149,633,589**	**438,972,176**
Receivables from dealers and others	**–**	**52,374,774**	**1,044,314**	**2,707,921**	**16,539,426**	**38,219,402**	**110,885,837**
Contract assets, net of noncurrent portion	**214,204,906**	**–**	**–**	**–**	**–**	**–**	**214,204,906**
Advances to officers and employees	**–**	**366,085**	**824,776**	**9,225,110**	**5,410,623**	**28,139,680**	**43,966,274**
Advances to affiliates	**–**	**–**	**–**	**–**	**–**	**32,250,841**	**32,250,841**
Receivable from customers	**–**	**1,989,345**	**2,647,946**	**1,317,637**	**636,832**	**9,569,978**	**16,161,738**
Others	**–**	**–**	**–**	**–**	**–**	**4,360,933**	**4,360,933**
Total	**₱214,204,906**	**₱471,689,118**	**₱215,185,674**	**₱59,205,586**	**₱88,708,347**	**₱262,303,780**	**₱1,311,297,411**
Less: Allowance for expected credit losses							**454,453,289**
Total Receivables - net							**₱856,844,122**

MANAGEMENT REPORT

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

DITO CME Holdings Corp. (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, 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 June 30, 2026 and December 31, 2025 and for the six-month periods ended June 30, 2026 and 2025. The following discussions should be read in conjunction with the attached unaudited interim consolidated financial statements of the Group as of June 30, 2026.

Comparable discussion on Material Changes in Results of Operations for the six-month periods ended June 30, 2026 and 2025

Financial Performance	June 30,			
(In millions - Php)	2026	2025	Change	%
Revenue from contracts with customers	**11,669**	9,667	2,002	21%
Cost and expenses				
Cost of sales and services	**870**	707	163	23%
General, selling and administrative expenses	**8,804**	8,041	763	9%
Depreciation and amortization expense	**7,738**	7,645	93	1%
Sub-total	**17,412**	16,393	1,019	6%
Operating loss	**(5,743)**	(6,726)	983	15%
Other income (charges)	**(23,902)**	(2,535)	(21,367)	(843%)
Loss before tax	**(29,645)**	(9,261)	(20,384)	(220%)
Tax expense	**(11)**	(1)	(10)	(1,000%)
Net loss	**(29,656)**	(9,262)	(20,394)	(220%)
Add back:				
Foreign exchange losses (gains)	**13,882**	(5,090)	18,972	373%
Depreciation and amortization	**7,738**	7,645	93	1%
Interest expense	**10,040**	7,499	2,541	34%
Interest income	**(16)**	(14)	(2)	(14%)
Tax expense	**11**	1	10	1,000%
EBITDA	**1,999**	779	1,220	157%

For the six-month period ended June 30, 2026, earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 157% to ₱1,999 million from ₱779 million for the same period last year. The significant improvement in the Group's EBITDA was the result of the significant increase in revenues and effective cost-containment measures.

Consolidated revenues, which are mainly generated by DITO Telecommunity Corporation (DITO Tel), the country's third telecommunications provider, increased by 21% for the six-month period ended June 30, 2026 to ₱11,669 million from ₱9,667 million for the same period last year.

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.

The Group reported consolidated net losses after tax of ₱29,656 million and ₱9,262 million, respectively, reflecting a 220% year-on-year variance which was primarily attributable to the net foreign currency exchange loss of ₱13,882 million mainly arising from translating foreign currency denominated interest-bearing loans and trade payables for the six-month period ended June 30, 2026 as compared to a net foreign currency exchange gain of ₱5,090 million for the same period last year.

For the six-month period ended June 30, 2026, DITO Tel's mobile subscribers (prepaid and postpaid) grew by 0.45 million to 16.62 million as of June 30, 2026 from 16.17 million as of December 31, 2025, while FWA subscribers grew by 0.14 million to 0.54 million as of June 30, 2026 from 0.40 million as of December 31, 2025.

DITO Telecommunity continued to strengthen its position as the country's fastest-growing telecommunications provider by driving subscriber growth through innovative consumer offerings, expanding its digital and enterprise ecosystem, earning global recognition for network excellence and innovation, forging strategic partnerships, and advancing its Environmental, Social and Governance (ESG) commitments.

The Company's continued growth in mobile and FWA subscribers was driven by a series of targeted consumer acquisition and distribution initiatives. Mobile subscriber growth was supported by promotional campaigns such as the eSIM Double Day Campaign and the DITO eShop Select Your Number Promo, while the rollout of the License Store Light concept expanded DITO's reach into underserved communities. Additional promotional activities targeting students across schools and university campuses further accelerated subscriber acquisition. FWA subscriber activations likewise increased following the introduction of new FWA products bundled with mobile SIM packs, supported by extensive promotions across social media platforms and DITO eShop channels. Throughout the period, DITO also strengthened its nationwide distribution infrastructure, enabling higher daily activations and broader market penetration.

To further enrich the customer experience, DITO introduced a range of innovative products and value-added services. These included the launch of GameZone 99 and GameZone 199, the country's first gaming-centric mobile offers providing free Mobile Legends: Bang Bang Diamonds and Garena Shells bundled with all-access data, gaming app data, and unlimited calls and texts. During the Holy Week period, the Company introduced the DITO 199 special promo, providing customers with 25GB of data, unlimited calls and texts valid for 15 days. In June, DITO expanded its digital entertainment portfolio with the launch of StreamZone 199, combining all-access data, unlimited calls and texts, data rollover, and complimentary access to Prime Video Mobile, iWant and BLAST TV, further enhancing its digital lifestyle ecosystem.

Consumer momentum was further strengthened with the launch of StreamZone, unveiled through the Cine Mo 'To event. The new StreamZone 199 prepaid offer combines high-value connectivity with premium entertainment, featuring dedicated streaming data, unlimited calls and texts, data rollover, and complimentary access to Prime Video Mobile, iWant, and BLAST TV.

The offering reinforces DITO’s commitment to delivering innovative lifestyle experiences that deepen customer engagement and provide greater value beyond connectivity, supporting continued subscriber acquisition and retention.

The Company’s focus on network quality and digital innovation continued to receive international recognition. During the 2026 Mobile World Congress (MWC) Barcelona, DITO was recognized as the #1 Rated Mobile Network in the Philippines by Ookla and the Fastest Mobile Network in the Philippines by Opensignal, underscoring the Company’s sustained investments in network quality and reinforcing its competitiveness in the Philippine telecommunications market. In addition, DITO’s AI-powered digital assistant KAi received the Bronze Stevie Award at the 13th Asia-Pacific Stevie Awards under the AI-Driven Customer Service in Telecommunications category. KAi further strengthened its industry leadership by becoming the first-ever recipient of the Best Use of AI Award at the CX Asia Excellence Awards 2026, recognizing its measurable contribution to enhancing customer experience through artificial intelligence.

The Company likewise expanded its ecosystem through strategic partnerships that strengthened its consumer, enterprise and technology platforms. DITO renewed its partnership with Team Liquid PH, reaffirming its commitment to supporting Philippine esports following the team’s historic third consecutive MPL Philippines championship. It also partnered with iWant to provide subscribers with complimentary daily streaming benefits, further enriching its digital entertainment offerings. To support Filipino entrepreneurs, DITO launched the DITO BizBayani Awards, a nationwide recognition program celebrating the resilience, innovation and community impact of MSMEs in collaboration with government agencies, business organizations and industry partners. On the enterprise front, DITO welcomed senior executives of HGC Global Communications to strengthen regional carrier and enterprise connectivity collaboration, participated in Philippine Blockchain Week 2026 to promote trusted digital transformation and enterprise cybersecurity, and joined MWC Shanghai 2026 to deepen engagements with global technology leaders and explore emerging innovations in artificial intelligence, cloud computing, Internet of Things (IoT) and next-generation telecommunications infrastructure. The Company likewise entered into a strategic partnership with Stere Asia Pacific to expand access to digital insurance solutions for underserved Filipinos through digital platforms.

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 of 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	YTD June 2026		YTD June 2025	
(in millions - Php)	Amount	%	Amount	%
Mobile	**9,951**	**85%**	**9,008**	**93%**
Data	9,191	92%	8,425	94%
SMS	690	7%	430	5%
Voice	70	1%	153	2%
FWA/Broadband	**1,220**	**11%**	**489**	**5%**
VAS/OTT/Others	**1,300**	**11%**	**1,051**	**11%**
Gross Service Revenues	**12,471**	**107%**	**10,548**	**109%**
Less: Sales Discount	(1,084)	(9%)	(1,148)	(12%)
Net Service Revenues	**11,387**	**98%**	**9,400**	**97%**
Net Non-Service Revenues	282	2%	267	3%
Net Revenues	**11,669**	**100%**	**9,667**	**100%**

Within the Group, Mobile remained the largest revenue contributor, generating ₱9,951 million for the six-month period ended June 30, 2026, up from ₱9,008 million for the same period last year. This was followed by VAS/OTT/Others which contributed ₱1,300 million compared to ₱1,051 million for the same period last year, and by FWA and Non-Service Revenues, with contributions of ₱1,220 million and ₱282 million, respectively, versus ₱489 million and ₱267 million for the same period last year.

Data generated revenue amounting to ₱9,191 million for the six-month period ended June 30, 2026, up from ₱8,425 million for the same period last year. FWA grew 2.5x year-on-year on the back of strong subscriber activations and increased its revenue contribution. Within Mobile, SMS revenue increased to ₱690 million from ₱430 million for the same period last year, while Voice revenue declined to ₱70 million from ₱153 million for the same period last year.

For the six-month period ended June 30, 2026, mobile subscribers generated a monthly average revenue per user (ARPU) of ₱94 for prepaid and ₱265 for postpaid, resulting in a blended ARPU of ₱96, compared to ₱101 for the same period last year. Prepaid subscribers grew by 3% to 16.50 million as of June 30, 2026, representing 99% of total mobile subscribers, up from 16.06 million (also 99%) as of December 31, 2025. Meanwhile, postpaid subscribers increased by 9% to 0.12 million as of June 30, 2026 from 0.11 million as of December 31, 2025. The stronger growth in postpaid subscribers can be attributed to additional promotions launched during the period.

For the FWA segment, prepaid and postpaid subscribers generated ₱314 and ₱1,088 in ARPU, respectively, resulting in a blended ARPU of ₱396, compared to ₱314 for the same period last year, reflecting a 26% increase. Prepaid subscribers increased by 40% to 0.49 million as of June 30, 2026 from 0.35 million as of December 31, 2025. On the other hand, postpaid FWA subscribers remained at the same level of 0.05 million as of June 30, 2026, compared to December 31, 2025.

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.

The Group's depreciation and amortization for the six-month period ended June 30, 2026 increased by 1% to ₱7,738 million from ₱7,645 million for the same period last year due to newly capitalized telecommunications equipment, computer licenses and office equipment. This was partially offset by a decrease in amortization of rights of use assets due to expired contracts in 2025. On the other hand, DITO Tel spent ₱343 million in capital expenditures for the six-month period ended June 30, 2026, a 88% decrease from the ₱2,939 million spent for the same period last year. The 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 June 30, 2026, DITO Tel has 7,349 lighted up towers versus 7,308 for the same period last year, representing an increase of 41 towers, reflecting the Company's continued network expansion and rollout efforts to enhance coverage and service capacity. Population coverage remained at 86.40% for the same period last year.

The Group's general, selling, and administrative expenses for the six-month period ended June 30, 2026 amounted to ₱8,804 million as compared to ₱8,041 million, a 9% increase for the same period last year. This increase was mainly due to the significant operating costs of DITO Tel during the period 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 ₱211 million or 18% primarily due to the increase in manpower coupled by increments in basic pay and allowances due to annual merit increase and short-term employee benefits, commissions, incentives, and retirement obligations. As of June 30, 2026, the Group had a little over 1,500 employees compared to a little over 1,400 employees for the same period last year.

- *Outside services, professional fees, and consultancy fees* increased by ₱435 million or 39% from last year due to increase in marketing consultancy fees for business and financial planning, digital strategy support, foreign enterprise collaboration, consumer and enterprise solutions, digitalization, and digital-intelligent service as well as an increase in professional fees related to the strategic plan and policy on spectrum management.

- *Taxes and licenses* decreased by ₱66 million or 6% mainly due to lower local business taxes (LBT) and business permits from one-time accrual of LBT in February last year covering 12-month period which did not occur in current period and lower documentary stamp taxes (DST) on property insurance due to expiration in January 2026 which was only renewed in April 2026. This was partially offset by higher NTC supervision and regulation fees (SRF) and other related charges such as Spectrum Usage Fees (SUF) and radio station licenses, real property taxes and local business taxes due to higher number of accepted sites.

- *Advertising and promotions* increased by ₱105 million or 47% mainly due to increased digital campaigns on TikTok livestream boosting, Mobile Prepaid Always-On, e-shop and FWA WowFi promo campaigns offset by lower spending on out-of-home advertising, marketing campaign activities, sales events and promotions compared to same period last year.

- *Repairs and maintenance* decreased by ₱90 million or 5% primarily due to decrease in technical maintenance cost from lower number of service request tickets for technical support, data configuration, operational analysis, on-site maintenance and monitoring as a result of the network optimization project which enhanced operational efficiency.

- *Utilities* increased by ₱187 million or 13% primarily due to higher electricity consumption resulting from higher accepted 4G and 5G assets, as well as higher rate *per kilowatt hour* driven by global fuel price surge. The number of accepted sites increased to 7,534 from 7,418 for the same period last year.

- *Other general and administrative expenses* decreased by ₱18 million or 2%, primarily due to lower provision for expected credit losses (ECL) resulting from *collection from* customers and offsetting with other carriers and lower impairment on contract assets *from* lower terminated accounts. This was partially offset by higher payment facility fees from online sales and distribution cost, cable rentals and 3rd party commissions.

The Group's other charges (net of other income) amounted to ₱23,902 million and ₱2,535 million for the six-month periods ended June 30, 2026 and 2025, respectively. The Group reported a net foreign currency exchange loss of ₱13,882 million from translating foreign currency denominated interest-bearing loans and trade payables for the six-month period ended June 30, 2026 as compared to a net foreign currency exchange gain of ₱5,090 million for the same period last year. Interest expense, primarily arising from the amortization of lease liabilities, interest-bearing loans, and advances amounted to ₱10,040 million for the six-month period ended June 30, 2026 as compared to ₱7,499 million for the same period last year. Interest income, on the other hand, mainly refers to income from bank deposits. Interest income grew 14% to ₱16 million from ₱14 million for the same period last year.

Comparable discussion on Material Changes in Financial Condition for the periods ended June 30, 2026 and December 31, 2025

Financial Position (In millions - Php)	June 30, 2026	December 31, 2025	Change	%
Current assets	**7,001**	6,735	266	4%
Noncurrent assets	**192,549**	199,472	(6,923)	(3%)
Total Assets	**199,550**	206,207	(6,657)	(3%)
Current liabilities	**89,794**	83,267	6,527	8%
Noncurrent liabilities	**239,421**	222,946	16,475	7%
Total Liabilities	**329,215**	306,213	23,002	8%
Total Capital Deficiency	**(129,665)**	(100,006)	(29,659)	(30%)

The Group's total assets slightly decreased by 3% to ₱199,550 million as of June 30, 2026 from ₱206,207 million as of December 31, 2025. The decrease was mainly due to the reduction in non-current assets portion.

Current assets slightly increased by 4% to ₱7,001 million from ₱6,735 million as of June 30, 2026 and December 31, 2025, respectively, due to higher collection from revenue generating units and capital infusion in December 2025. Inventories also increased due to purchases, net of cost of sales, while prepayments and other current assets increased primarily due to input VAT on purchases of goods and services and NTC fees.

Non-current assets, which mainly consist of property and equipment, slightly decreased by 3% or ₱6,923 million due to depreciation and amortization expense recognized during the period. Property and equipment and right-of-use assets, which amounted to ₱170,402 million as of June 30, 2026 as compared to ₱177,465 million as of December 31, 2025, include newly capitalized assets from the network rollout project and leased sites. Additionally, intangible assets amounted to ₱5,501 million as of June 30, 2026, as compared to ₱4,729 million as of December 31, 2025, 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 accounts payable and other current liabilities, which amounted to ₱222,425 million and ₱85,610 million, respectively, as of June 30, 2026, as compared to ₱205,087 million and ₱79,171 million, respectively, as of December 31, 2025. Loans payable consist of bank syndication loans, while accounts payable and other current liabilities pertain to network construction, as well as operating and general administrative expenses. Furthermore, included under accounts payable and other current liabilities are accrued project costs pertaining to construction materials and services based on percentage of completion but not yet billed to the Group. The majority of the outstanding accrued project costs pertain to accepted 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 June 30, 2026, the carrying value of the loan from various drawdowns under these tranches are CNY4,074.8 million (₱36,711.9 million) and US$3,297.0 million (₱201,872.0 million). These funds were utilized to repay the outstanding bridge loan and network construction-related payables.

As of June 30, 2026 and December 31, 2025, the Group reported a capital deficiency of ₱129,665 million and ₱100,006 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.

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.

Comparable discussion on Material Changes in Results of Operations for the six-month periods ended June 30, 2025 and 2024

Financial Performance	**June 30,**			
(In millions - Php)	**2025**	**2024**	**Change**	**%**
Revenue from contracts with customers	**9,667**	7,661	2,006	26%
Cost and expenses				
Cost of sales and services	**707**	615	92	15%
General, selling and administrative expenses	**8,041**	6,657	1,384	21%
Depreciation and amortization expense	**7,645**	6,872	773	11%
Sub-total	**16,393**	14,144	2,249	16%
Operating loss	**(6,726)**	(6,483)	(243)	(4%)
Other income (charges)	**(2,535)**	(21,701)	19,166	88%
Loss before tax	**(9,261)**	(28,184)	18,923	67%
Tax expense	**(1)**	(10)	9	90%
Net loss	**(9,262)**	(28,194)	18,932	67%
Add back:				
Foreign exchange losses (gains)	**(5,090)**	12,383	(17,473)	141%
Depreciation and amortization	**7,645**	6,872	773	(11%)
Interest expense	**7,499**	9,316	(1,817)	20%
Interest income	**(14)**	(13)	(1)	8%
Tax expense	**1**	10	(9)	90%
EBITDA	**779**	374	405	108%

For the six (6)-month periods ended June 30, 2025 and 2024, the Group reported consolidated net losses after tax of ₱9,262 million and ₱28,194 million, respectively, or a reduction of 67% on a year-on-year basis.

Consolidated revenues, which are mainly generated by DITO Tel, increased by 26% to ₱9,667 million in the first half of 2025 from ₱7,661 million in the same period last year. The year-on-year increase in revenues was driven by the growth in mobile and in fixed wireless access (FWA) subscribers as well as an increase in population coverage.

In 1H2025, DITO Tel's mobile and FWA subscribers grew by 0.911 million and 0.102 million, respectively. Mobile subscriber growth can be attributable to various promotional activities such as the ESIM Double Day campaign and DITO eShop Select Your Number promo. New license stores were opened as well as the launch of the License Store Light concept, which further penetrated the consumer market. Promotional activities targeting students on campuses and school sites were also launched during the year. The strong growth in FWA subscriber activations was driven by a new FWA product with a mobile SIM pack promoted on several popular social media platforms as well as on the DITO eShop.

Further fueling subscriber growth was the increased network coverage (+57 cities and municipalities in 1H2025) versus an increase of 19 cities and municipalities in the same period last year.

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.

DITO Tel continued to be the largest revenue contributor to the Group accounting for nearly all of 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, which are broken down as follows:

Net Revenue	**YTD June 2025**		**YTD June 2024**	
(in millions - Php)	**Amount**	**%**	**Amount**	**%**
Mobile	**9,008**	**93%**	**6,964**	**91%**
Data	8,425	93%	5,468	79%
SMS	430	5%	559	8%
Voice	153	2%	937	13%
FWA/Broadband	**489**	**5%**	**89**	**1%**
VAS/OTT/Others	**1,042**	**11%**	**1,183**	**15%**
Gross Service Revenues	**10,539**	**109%**	**8,236**	**107%**
Less: Sales Discount	(1,148)	(12%)	(846)	(11%)
Net Service Revenues	**9,391**	**97%**	**7,390**	**96%**
Net Non-Service Revenues	276	3%	271	4%
Net Revenues	**9,667**	**100%**	**7,661**	**100%**

Within DITO Tel, Mobile continued to be the largest revenue contributor, accounting for 93% of its net revenues, up from 91% in the same period last year. This was followed by VAS/OTT/Others with 11% followed by FWA and Non-Service Revenues with contributions of 5% and 4%, respectively.

Within Mobile, Voice and SMS revenues collectively declined by 61% year-on-year while Data revenue grew 54% year-on-year. Data revenue in the first six months of the year now accounts for 87% of DITO Tel revenue, up from 71% in the same period last year. FWA grew 5.5x year-on-year on the back of strong subscriber activations and increased its revenue contribution to 5% from 1% last year.

By end of June 2025, DITO Tel had a total of 14.599 million mobile (prepaid and postpaid) subscribers and 0.240 million FWA subscribers. For the first six months of the year, mobile subscribers generated a monthly average revenue per user (ARPU) of ₱101 for blended prepaid and postpaid and ₱292 for FWA customers. Despite being lower on a year-on-year basis compared to the ₱118 and ₱357, respectively, in ARPU generated during the same period last year, the increase still resulted in a substantial year-on-year increase in revenues.

Network coverage continued to increase in the first six months of the year to 957 cities and municipalities as of June 30, 2025, from 900 and 872 at the beginning of the year and at the end of the same period last year, respectively.

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. Ookla recognized DITO Tel as the “Rated #1 Mobile Network in the Philippines” for three consecutive periods Q1-Q2 2024 and Q3-Q4 2024. In Opensignal’s October 2024 report, DITO Tel was named the “Fastest Mobile Network”, excelling in 14 categories. It maintained recognition in Opensignal’s April 2025 Mobile Network Experience Report.

Depreciation and amortization increased by 11% to ₱7,645 million from ₱6,872 million incurred in the same period last year primarily due to capital expenditure recognized following the completion of DITO Tel’s final audit in September 2024. Meanwhile, DITO Tel spent ₱1,647 million in capital expenditures in the first six months of 2025, a 77% year-on-year decrease from the ₱7,057 million spent in the same period last year, due to lower capital expenditure requirements following the final audit’s completion.

As of June 30, 2025, DITO Tel has 7,308 lighted up towers versus 7,225 at the end of the same period last year and 7,280 at the beginning of the year. This resulted in an increase of 28 towers in the first half of this year compared to 289 towers added in the same period last year, consistent with the year-on-year decline in capital expenditure.

General, selling, and administrative expenses for the six (6) months period ended June 30, 2025 amounted to ₱8,041 million as compared to ₱6,657 million in the same period of 2024. This increase was mainly due to the significant operating costs of DITO Tel as part of its continuous commercial rollout during the year. General, selling, and administrative expenses were comprised of the following:

- *Salaries and employee benefits* increased by ₱358 million or 43% primarily due to the increase in manpower and short-term employee benefits, commissions, incentives, and retirement obligations. As of June 30, 2025, the Group had a little over 1,400 employees compared to 1,300 employees in the same period last year.

- *Outside services, professional fees, and consultancy fees* increased by ₱21 million or 2% from the same period last year, attributable to: 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 ₱335 million or 40% mainly due to higher volume of accepted sites requiring NTC permits and licenses, as well as higher real property taxes in 2025 compared to 2024.

- *Advertising and promotions* decreased by ₱253 million or 53% mainly due to lower spending on advertising 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* increased by ₱474 million or 35% and *Utilities* increased by ₱ 156 million or 12% primarily due to higher volume of network maintenance and optimization of accepted assets.

- *Other general and administrative expenses* increased by ₱292 million or 38%, primarily reflecting the continued growth of the business.

Other income (charges) amounted to net charges of ₱2,535 million and ₱21,701 million in 2025 and 2024, respectively. The Group reported a foreign currency exchange gain of ₱5,090 million from translating foreign currency denominated interest-bearing loans and trade payables in 2025 as compared to foreign currency exchange loss of ₱12,383 million in 2024. Interest expense, primarily arising from the amortization of lease liabilities, interest-bearing loans, and advances amounted to ₱7,499 million in 2025 as compared to ₱9,316 million in 2024. Interest income, on the other hand, mainly refers to interest charges of the Group's outstanding receivable from its related parties and its bank deposits.

Furthermore, adjusted earnings before income tax, depreciation and amortization (EBITDA) rose by 108% year-on-year from ₱374 million to ₱779 million for the first six months of the year. The significant improvement in the Group's EBITDA was the result of unrelenting efforts to increase revenues, instituting effective cost-containment efforts.

Comparable discussion on Material Changes in Financial Condition for the period ended June 30, 2025 and December 31, 2024

Financial Position *(In millions - Php)*	June 30, 2025	December 31, 2024	Change	%
Current assets	**6,261**	6,372	(111)	(2%)
Noncurrent assets	**206,218**	212,562	(6,344)	(3%)
Total Assets	**212,479**	218,934	(6,455)	(3%)
Current liabilities	**92,350**	87,836	4,514	5%
Noncurrent liabilities	**202,771**	204,487	(1,716)	(1%)
Total Liabilities	**295,121**	292,323	2,798	1%
Total Capital Deficiency	**(82,642)**	(73,389)	(9,253)	(13%)

The Group's total assets slightly decreased to ₱212,479 million as of June 30, 2025 from ₱218,934 million as of December 31, 2024. The decrease was mainly due to the reduction in consolidated non-current assets.

Consolidated current assets slightly decreased by 2% to ₱6,261 million from ₱6,372 million as of June 30, 2025 and December 31, 2024, respectively, primarily due to the reduction in Prepayments and other current assets. These include input VAT, which amounted to ₱3,504 million as of June 30, 2025 (₱3,786 million as of December 31, 2024).

Consolidated non-current assets, which mainly consist of property and equipment, slightly decreased by ₱6,344 million. Property and equipment and right of use assets, which amounted to ₱182,261 million as of June 30, 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 ₱5,182 million as of June 30, 2025 (₱5,486 million as of December 31, 2024) 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 ₱185,188 million and ₱87,583 million, respectively, as of June 30, 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 include bank loans and lease liabilities from right-of-use sites. Accrued project costs refer to construction materials and services received based on percentage of completion but not yet billed to the Group. The majority of the outstanding accrued project costs refer to EPC services provided by FutureNet and Technology Corporation (FNT). In 2025 and 2024, the Group also obtained additional advances from shareholders and minority shareholders totaling to ₱3.1 billion and ₱10.5 billion, respectively, to further support the Group's operations.

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 divided into US$600.0 million (CNY4,266.0 million) and US$3,297.0 million, in CNY and USD tranches, respectively. As of June 30, 2025, the Group has drawn CNY2,418.0 million (₱19,070.2 million) and US$3,241.2 million (₱183,391.4 million) from the loan facilities. These funds were utilized to repay the outstanding bridge loan and network construction-related payables.

As of June 30, 2025 and December 31, 2024, the Group reported a capital deficiency of ₱82,642 million and ₱73,390 million, respectively. This was primarily attributable to the net loss recognized by the Group driven by the commercial rollout of DITO Tel. 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 inflow. 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.

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	June 30, 2026	December 31, 2025
Current Ratio (Current Assets/Current Liabilities)	0.08 : 1.00	0.08 : 1.00
Asset to Equity Ratio (Total Assets/Total Equity)	(1.54 : 1.00)	(2.06 : 1.00)
Debt to Asset Ratio (Total Liabilities/Total Assets)	1.65 : 1.00	1.48 : 1.00
Debt to Equity Ratio (Total Liabilities/Total Equity)	(2.54 : 1.00)	(3.06 : 1.00)
Return on Total Assets (Net Income/Total Assets)	(14.86%)	(17.41%)
Return on Total Equity (Net Income/Total Equity)	22.87%	35.90%

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 Total Equity). 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 Receivables and Contract Assets

As of June 30, 2026, the Group's receivables and contract assets totaled ₱1,311 million, which includes certain receivables amounting to ₱472 million that are all current and collectible within sixty (60) days.

Dividends

No dividends were declared for the periods ended June 30, 2026 and December 31, 2025.

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.

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

FINANCIAL SOUNDNESS INDICATORS
JUNE 30, 2026 AND DECEMBER 31, 2025

			June 30, 2026		December 31, 2025	
i.	Current Ratio	Total Current Assets	**7,001,136,849**	**0.08**	6,734,910,645	0.08
		Total Current Liabilities	**89,794,033,661**		83,267,682,596	
ii.	Acid Test Ratio	Total Current Assets less Inventories, Prepayments, and Other Current Assets	**1,726,885,956**	**0.02**	1,700,995,258	0.02
		Total Current Liabilities	**89,794,033,661**		83,267,682,596	
iii.	Solvency Ratio	Net Loss Attributable to Equity Holders of the Parent + Depreciation and amortization	**(3,549,731,429)**	**(0.01)**	1,652,987,332	0.01
		Total Liabilities	**329,215,035,298**		306,213,525,757	
iv.	Debt-to-Equity Ratio	Total Liabilities	**329,215,035,298**	**(6.15)**	306,213,525,757	(7.24)
		Equity Attributable to Equity Holders of the Parent	**(53,561,057,838)**		(42,271,195,104)	
v.	Asset-to-Equity Ratio	Total Assets	**199,550,482,852**	**(3.73)**	206,207,267,616	(4.88)
		Equity Attributable to Equity Holders of the Parent	**(53,561,057,838)**		(42,271,195,104)	
vi.	Interest Rate Coverage Ratio	EBIT (earnings before interest and taxes)	**(19,604,905,889)**	**1.95**	(18,821,076,585)	1.10
		Interest expense	**(10,040,436,503)**		(17,082,595,327)	
vii.	Return on Equity	Net Income Attributable to Equity Holders of the Parent	**(11,287,848,946)**	**0.21**	(13,748,864,257)	0.33
		Equity Attributable to Equity Holders of the Parent	**(53,561,057,838)**		(42,271,195,104)	

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

FINANCIAL SOUNDNESS INDICATORS
JUNE 30, 2026 AND DECEMBER 31, 2025

			June 30, 2026		December 31, 2025	
viii.	Return on Assets	Net Income Attributable to Equity Holders of the Parent	**(11,287,848,946)**	**(0.06)**	(13,748,864,257)	(0.07)
		Total Assets	**199,550,482,852**		206,207,267,616	
ix.	Profitability Ratio	Net Income Attributable to Equity Holders of the Parent	**(11,287,848,946)**	**(0.97)**	(13,748,864,257)	(0.67)
		Total Revenues	**11,668,679,515**		20,542,212,003	

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report for the second quarter of 2026 to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: **DITO CME HOLDINGS CORP.**

Dennis A. Uy
Chairman of the Board

Donald Patrick L. Lim
President

Kim Jay T. Villamar
Treasurer

Atty. Leandro E. Abarquez
Corporate Secretary

Date: August 13, 2026

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