



February 27, 2026

The Philippine Stock Exchange, Inc.

6/F Philippine Stock Exchange Tower
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: Atty. Johanne Daniel M. Negre
Officer-in-Charge – Disclosure Department

Securities and Exchange Commission

7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City

Attention: Atty. Oliver O. Leonardo
Director – Markets and Securities Regulation Department

Dear All:

In accordance with Section 17.1 (b) of the Securities Regulation Code ("SRC") and SRC Rule 17.3, we submit herewith SEC Form 17-A, with Management's Discussion and Analysis, accompanying audited consolidated financial statements as at and for the year ended December 31, 2025, and Sustainability Report.

This submission shall also serve as our compliance with Section 17.1 of the Securities Regulation Code regarding the filing of reports on significant developments.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark David P. Martinez", written over a light grey circular stamp.

Mark David P. Martinez
Assistant Corporate Secretary

COVER SHEET

SEC Registration Number

P	W	-	5	5					

Company Name

P	L	D	T		I	N	C	.											

Principal Office (No./Street/Barangay/City/Town/Province)

R	A	M	O	N		C	O	J	U	A	N	G	C	O		B	U	I	L	D	I	N	G					
M	A	K	A	T	I		A	V	E	N	U	E		M	A	K	A	T	I		C	I	T	Y				

Form Type

1	7	-	A

Department requiring the report

M	S	R	D

Secondary License Type, If
Applicable

COMPANY INFORMATION

Company's Email Address

gdgarcia@pldt.com.ph

Company's Telephone Number/s

(632) 8816-8056

Mobile Number

No. of Stockholders

**11,330
as at December 31, 2025**

Annual Meeting
Month/Day

Every 2nd Tuesday in June

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Gil Samson D. Garcia

Email Address

gdgarcia@pldt.com.ph

Telephone Number/s

(632) 8816-8056

Mobile Number

Contact Person's Address

5/F MGO Building, Dela Rosa corner Legaspi Sts., Makati City

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

SEC Number **PW-55**
File Number _____

PLDT INC.

(Company's Full Name)

**Ramon Cojuangco Building
Makati Avenue, Makati City**

(Company's Address)

(632) 82500254

(Telephone Number)

December 31st
(Fiscal Year Ending)
(month & day)

**SEC Form 17-A
(Annual Report)**

Form Type

Not Applicable

Amendment Designation (if applicable)

December 31, 2025
Period Ended Date

Not Applicable

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended December 31, 2025
2. SEC Identification Number PW-55 3. BIR Tax Identification No. 000-488-793-000
4. Exact name of registrant as specified in its charter PLDT Inc.
5. Republic of the Philippines 6. (SEC Use Only)
Province, country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. Ramon Cojuangco Building, Makati Avenue, Makati City 1200
Address of principal office Postal Code
8. (632) 8250-0254
Registrant's telephone number, including area code
9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code, or Sections 4 and 8 of the then Revised Securities Act.

Title of Each Class

Number of Shares of Common Stock Outstanding

Common Capital Stock, Php5 par value

216,055,775 shares as at December 31, 2025

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

Yes [X] No []

12. Check whether the registrant

- (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and paragraph (2)(a) Rule 17 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes [X] No []

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

Yes [X] No []

13. Aggregate market value of the voting stock held by non-affiliates:

Php114,547,030,920 (90,910,342 shares @ Php1,260 per share as at December 31, 2025)

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CERTAIN CONVENTIONS AND TERMS USED IN THIS ANNUAL REPORT

Unless the context indicates or otherwise requires, references to “we,” “us,” “our” or “PLDT Group” in this annual report mean PLDT Inc. (formerly Philippine Long Distance Telephone Company) and its consolidated subsidiaries, and references to “PLDT” or “the Company” mean PLDT Inc., excluding its consolidated subsidiaries (see *Note 2 – Summary of Material Accounting Policies* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for a list of these subsidiaries, including a description of their respective principal business activities).

Unless the context indicates or otherwise requires, “Board of Directors” or the “Board” refer to the board of directors of PLDT.

Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

In this annual report, each reference to:

- ARPU means average revenue per user;
- BIR means Bureau of Internal Revenue;
- BSP means Bangko Sentral ng Pilipinas;
- CMTS means cellular mobile telephone system;
- CPCN means Certificate of Public Convenience and Necessity;
- DFON means domestic fiber optic network;
- DICT means Department of Information and Communications Technology;
- Digitel means Digital Telecommunications Phils., Inc.;
- DMPI means Digitel Mobile Philippines, Inc.;
- First Pacific means First Pacific Company Limited;
- First Pacific Group means First Pacific and its Philippine affiliates;
- FP Parties means First Pacific and certain Philippine affiliates and wholly-owned non-Philippine subsidiary;
- FTTH means Fiber-to-the-HOME;
- GAAP means Generally Accepted Accounting Principles;
- GSM means global system for mobile communications;
- ICT means Information and Communication Technology
- IGF means international gateway facility;
- IT means information technology;
- KP Act means Konektadong Pinoy Act;
- LEC means local exchange carrier;
- LTE means long-term evolution;
- NTC means the National Telecommunications Commission of the Philippines;
- NTT means Nippon Telegraph and Telephone Corporation;
- NTT Communications means NTT Communications Corporation, a wholly-owned subsidiary of NTT;
- NTT DOCOMO means NTT DOCOMO, Inc., a majority-owned and publicly traded subsidiary of NTT;
- NYSE means New York Stock Exchange;
- OTT means over-the-top;
- PAPTELCO means Philippine Association of Private Telephone Companies, Inc.;
- PAS means Philippine Accounting Standards;
- PCEV means PLDT Communications and Energy Ventures, Inc.;

- PFRS means Philippine Financial Reporting Standards;
- PDRs means Philippine Depositary Receipts;
- Philippine SEC means the Philippine Securities and Exchange Commission;
- PLDT Beneficial Trust Fund means the beneficial trust fund created by PLDT to pay the benefits under the PLDT Employees' Benefit Plan;
- PSE means the Philippine Stock Exchange, Inc.;
- R.A. means Republic Act;
- SBI means Smart Broadband, Inc.;
- SIM means Subscriber Identification Module;
- Smart means Smart Communications, Inc.;
- U.S. SEC means the United States Securities and Exchange Commission;
- VAS means Value-Added Service;
- VoIP means Voice over Internet Protocol;
- VPN means virtual private network; and
- WiFi means a wireless network technology that uses radio waves to provide high-speed internet and network connections.

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Description of Business

Overview

We are one of the leading telecommunications and digital services providers in the Philippines, serving the fixed line, wireless and broadband markets. Through our three principal business segments, Wireless, Fixed Line and Others, we offer a wide range of telecommunications and digital services across our extensive fiber optic backbone and wireless and fixed line networks.

As at December 31, 2025, we served 67.8 million users through the provision of mobile, fixed line and data services.

Our common shares are listed and traded on the PSE and our ADSs are listed and traded on the NYSE in the United States.

Our three business units are as follows:

Wireless. Our Wireless business segment focuses on driving the growth of our data services while managing our legacy business of voice and short messaging services (SMS). We generate data revenues across all segments of our wireless business, whether through the access of mobile internet via smartphones, mobile broadband using pocket WiFi or home WiFi using fixed wireless broadband devices. We provide the following mobile telecommunications services through our wireless business: (i) mobile services, (ii) fixed wireless broadband services, and (iii) other services.

Fixed Line. We are the leading provider of fixed line telecommunications services throughout the Philippines, servicing retail, corporate and small and medium-sized enterprises (SME) clients. Our Fixed Line business segment offers data, voice, and miscellaneous services. We also offer secure data center, multi-cloud, cyber security, data and artificial intelligence (AI) solutions through ePLDT Inc. and Vitro Inc. (“Vitro”), our ICT subsidiaries.

Others. Our other business consists primarily of our interests in digital platforms and other technologies, including our interests in Maya Innovations Holdings, Pte. Ltd. (MIH) and Kayana Solutions, Inc. (Kayana).

We had a market capitalization of approximately Php272,230 million as at December 31, 2025. We had total revenues of Php218,388 million and net income attributable to equity holders of PLDT of Php30,011 million for the year ended December 31, 2025.

We operate under the jurisdiction of the NTC, which jurisdiction extends, among other things, to approving major services that we offer and rates that we can charge.

Our principal executive offices are located at the Ramon Cojuangco Building, Makati Avenue, Makati City, Philippines and our telephone number is +(632) 8250-0254. Our website address is www.pldt.com. The contents of our website are not a part of this annual report.

Business Groups

As at December 31, 2025, our business activities were categorized into three business units: Wireless, Fixed Line and Others.

We monitor the operating results of each business unit separately for purposes of making decisions about resource allocation and performance assessment. *See Note 4 – Operating Segment Information* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

Wireless

Our wireless business focuses on driving growth in our data services while managing our legacy business of voice and SMS. We generate data revenues across all segments of our wireless business, whether through the access of mobile internet using smartphones, mobile broadband using pocket WiFi or home WiFi using fixed wireless broadband devices.

We provide (i) mobile services, (ii) fixed wireless broadband services, and (iii) other services, through our wireless business, with mobile services contributing 98% of our 2025 wireless service revenues, and fixed wireless broadband and other services contributing the remaining 2% of our 2025 wireless service revenues. Mobile data usage has surged in the past several years and now accounts for 83% of our mobile service revenues. Wireless revenues, gross of intersegment transactions, contributed 47% of our consolidated revenues for the year ended December 31, 2025 as compared to 49% in 2024 and 2023.

Our mobile services, which accounted for 98% of our wireless service revenues for the year ended December 31, 2025, are provided through Smart and DMPI with 59,891,520 total subscribers as at December 31, 2025 as compared to 58,989,807 total subscribers as at December 31, 2024, and 57,827,126 total subscribers as at December 31, 2023. Based on corporate public disclosures, our estimated mobile subscriber market share stood at 42%, 45% and 47% as at December 31, 2025, 2024 and 2023, respectively.

As at December 31, 2025, approximately 96% of our mobile subscribers were prepaid service subscribers. The predominance of prepaid service reflects one of the distinguishing characteristics of the Philippine mobile market, allowing us to reduce billing and administrative costs, as well as to control credit risk.

Our mobile internet revenues, which primarily consist of our mobile data service revenues, increased by Php1,283 million, or 2%, to Php76,344 million in 2025 from Php75,061 million in 2024 primarily due to the increase in video streaming, gaming and social media data usage by our subscribers driven by the enhanced product offerings, marketing promotions and content partnerships. Migration initiatives also resulted in higher numbers of LTE and 5G device and data users. Our mobile internet revenues contributed 96% and 95% of our mobile data service revenues in 2025 and 2024, respectively.

Mobile data traffic on Smart's network increased from 4,898 petabytes in 2023 to 5,359 petabytes in 2024 and 5,550 petabytes in 2025, 13% higher compared to 2023.

Fixed Line

We believe we are the leading provider of fixed line telecommunications services throughout the Philippines, servicing retail, corporate and small and medium-sized (SME) clients. Our fixed line business group offers (i) data services; (ii) voice services; and (iii) miscellaneous services.

We had 3,689,997 fixed line voice subscribers as at December 31, 2025, a decrease of 21,374, or 1%, from 3,711,371 fixed line subscribers as at December 31, 2024, while our fixed line broadband subscribers increased by 362,142, or 11%, to 3,793,927 as at December 31, 2025 from 3,431,785 as at December 31, 2024. Revenues, gross of intersegment transactions, from our fixed line business were 60%, 58% and 57% of our consolidated revenues for the years ended December 31, 2025, 2024 and 2023, respectively. Domestic voice revenues have been declining largely due to a drop in call volumes as a result of the availability of alternative calling options and over-the-top (OTT) services, as well as subscribers' shift to mobile services. An increase in our data service revenues in recent years has mitigated such decline to a certain extent. Recognizing the growth potential of data services, we have put considerable emphasis on the development of new data-capable and IP-based networks.

Our fixed line network reaches all of the major cities and municipalities in the Philippines, with a concentration in the greater Metro Manila area. We believe our network offers the country's most extensive connections to our customers with the FTTH and fiber to the building (FTTB) installations. Our nationwide fiber backbone DFON extends to underground inland and submarine cables. It is a fully resilient network spanning the whole archipelago. Our international network is comprised of various regional and transoceanic submarine cable systems in which we have economic interests.

We offer postpaid and prepaid fixed line services. Our prepaid fixed line services are intended to be an affordable alternative telephone service for consumers under difficult economic conditions.

See Item 1. "Description of Business – Infrastructure – Fixed Line Network Infrastructure" for further information on our fixed line infrastructure.

Others

Our other business consists primarily of our interests in digital platforms and other technologies, including our interests in MIH and Kayana.

Historical Background

PLDT was incorporated in the Philippines under the old Corporation Law of the Philippines (Act 1459, as amended) on November 28, 1928 as Philippine Long Distance Telephone Company, following the merger of four telephone companies under common U.S. ownership. Pursuant to Section 11 of the Revised Corporation Code, which states that corporations shall have perpetual existence unless the corporation elects to retain the specific corporate term indicated in its Articles of Incorporation, PLDT has a perpetual corporate term.

PLDT's original franchise was granted in 1928 and was last amended in 1991, extending its term until 2028 and broadening its franchise to permit it to provide virtually every type of telecommunications service. PLDT's franchise covers the business of providing basic and enhanced telecommunications services in and between the provinces, cities and municipalities in the Philippines and between the Philippines and other countries and territories including mobile, wired or wireless telecommunications systems, fiber optics, multi-channel transmission distribution systems, VAS (including, but not limited to, the transmission of voice, data, audio and video), information services bureau and all other telecommunications systems technologies available. Our subsidiaries, including Smart, SBI and DMPI, also maintain their own franchises with a different range of services and periods of legal effectiveness for their licenses.

Recent Developments

Sale of AppCard Inc. ("AppCard") Shares

On October 13, 2025, PLDT Digital sold all of its AppCard Series B preferred shares for an aggregate amount of US\$3 million, or Php175 million, resulting in the full divestment of the investment in AppCard.

Investment in Kayana Solutions Inc. ("Kayana")

On September 1, 2025, Kayana entered into another share subscription agreement with its shareholders, wherein PLDT subscribed to additional common shares equivalent to Php594 million. PLDT's equity ownership in Kayana remained at 45%. As at December 31, 2025, the carrying value of PLDT's investment in Kayana amounted to Php1,355 million.

Acquisition of Additional Interest in Multisys

On April 2, 2025, PGIH entered into a Share Purchase Agreement for the purchase of 228 common shares of Multisys, representing a 5.01% interest, for a total consideration of Php257.5 million. The transaction was completed on April 5, 2025. Following this acquisition, PGIH owns 2,308 common shares representing 50.74% equity interest in Multisys.

Other Matters

For updates on matters relating to the (1) Sale and Leaseback of Telecom Towers, see *Note 9 – Property and Equipment and Note 10 – Leases* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements"; (2) DITO, PCC and NTC Complaints, see

Note 26 – Provisions and Contingencies; (3) DOLE Compliance Order Issued Against PLDT, see Note 26 – Provisions and Contingencies; (4) Petition against the Philippine Competition Commission, see Note 11 – Investment in Associates and Joint Ventures to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”; and (6) Petition against the PCC, see Item 3. Legal Proceedings and Note 11 – Investment in Associates and Joint Ventures, to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

Strategy

The key elements of our business strategy are:

- *Focus on the customer and improving customer experience.* One of the key pillars of PLDT’s strategy is a greater focus on customer-centricity through the delivery of an improved customer experience. The critical enabler of this is a network that serves our customers’ data and communication needs. In addition to investments in our network, we have also invested in platforms that support after-sales customer support, including call center capability, and data analytics. Our capabilities in the latter also allow us to better understand our customers and design products and plans that are tailored to their specific preferences.
- *Build on Our Strong Positions in the Fixed Line and Wireless Businesses.* We continue to leverage on our strong brand equity in the market to help grow and expand our fixed and wireless businesses. In addition, having an expanded on-ground distribution network of retailers, complemented by our store presence nationwide, allows us to reach existing and potential customers. With the growing adoption of e-commerce, we are expanding our distribution network to include digital channels. We will continue to leverage our unique position of being an integrated network operator to further extract operational efficiencies and economies of scale.
- *Capitalize on Our Strength as a Fully Integrated Telecommunications Service Provider.* We are committed to investing in our integrated fixed and wireless networks in the Philippines as we believe this is key to our ability to continue providing a differentiated experience and value proposition to our customers. We will primarily focus on improving our network capacity, coverage and reliability, areas in which we are market leaders, based on third party surveys. We intend to further enhance our leading position through strategic and synergetic investments in the network and IT platforms.

We offer a broad range of telecommunications and ICT services. We plan to capitalize on this position to maximize revenue opportunities by cross-selling our products and services, and by developing convergent products that feature the combined benefits of voice and data, broadband, wireless, data center, cloud, managed services, and other products and services, such as our content portfolio which includes videos, streaming services, entertainment, music, shopping channels, and games.

In line with the KP Act and its Implementing Rules and Regulations, we will comply with applicable open access and Reference Access Offer requirements as may be prescribed by regulators, while continuing to focus our commercial strategy on differentiated, VAS delivered through service quality, innovation, and customer experience.

- *Maintain a Strong Financial Position.* We are focused on growing profitability by complementing revenue growth with more effective cost management and operating efficiencies. As at December 31, 2025, we have a well spread out debt maturity profile, with 78% of debt maturing after 2028. We are focused on sequentially reducing our capital expenditure investments and capital intensity as we aim to maintain positive free cash flow and a leverage ratio of 2.0x net debt to EBITDA. We also have in place a dividend payout policy of 60% of core telecommunications income and regularly assess the return of capital to investors vis-à-vis the need to invest to grow the business.
- *Identifying new areas for growth.* As the digital space continues to evolve, PLDT continues to identify trends and evaluate business opportunities as possible sources of new growth, whether in the existing telco space or in adjacent businesses such as fintech, data centers, and AI, among others.
- *Commitment to sustainability.* PLDT recognizes that in order to ensure long-term profitability, it must do business responsibly. As such, PLDT is committed to embedding sustainability in the business, and aims to be a leading ESG telecommunications operator in the region. Its ESG ratings have progressively improved, including its inclusion in the S&P Global Sustainability Yearbook for a second straight year. It recognizes its responsibility to identify risks and opportunities in the environmental, social and governance space, including the impact of climate change to the business, and implements the appropriate strategies in response. Part of PLDT’s sustainability roadmap is a decarbonization roadmap that aims to reduce Scope 1 and 2 greenhouse gas emissions by 40% by 2030 against a 2019 baseline. It has also included sustainability targets in the organizational scorecard, including that of the CEO.

Subsidiaries

As part of our competitive and overall development strategy, we have made strategic acquisitions and investments to further enhance our ability to provide not only basic telephony but also a wide range of value-added and enhanced services, as well as advanced and bundled services.

Wireless

Smart

Smart was incorporated in the Philippines in 1991 and was granted a legislative franchise under R.A. No. 7294, which took effect on April 15, 1992 to establish, install, maintain, lease and operate integrated telecommunications, computer, electronic services, and stations throughout the Philippines for public domestic and international telecommunications, and for other purposes.

In March 2000, PLDT acquired Smart in an all-stock transaction to further strengthen the PLDT Group's market leadership in the telecommunications sector. Combined with PLDT's existing fixed line business, the investment resulted in revenue-generating enhancements as well as cost efficiencies for the PLDT Group.

On April 21, 2017, R.A. 10926, which effectively extends Smart's franchise until 2042, was signed into law by the President.

The following are the major subsidiaries of Smart:

Smart Broadband, Inc. or SBI

SBI was incorporated and registered with the Philippine SEC on July 11, 1996 and was granted a 25-year legislative franchise under R.A. No. 8337 to construct, install, establish, maintain, lease and operate wire and/or wireless telecommunications systems throughout the Philippines. On April 8, 2022, the Philippine president approved R.A. 11678, an act renewing for another 25 years the franchise granted to SBI from November 11, 2022 to November 11, 2047.

PLDT Communications and Energy Ventures, Inc., or PCEV (formerly Pilipino Telephone Corporation)

PCEV was incorporated on July 18, 1968. In April 2018, PCEV acquired 100% of MIH but subsequently lost control in November 2018. PCEV owns 37.66% of MIH as at December 31, 2025.

DMPI

On September 18, 2001, Digitel established its wholly-owned subsidiary, DMPI, to provide wireless telecommunications services in the country. It offered GSM technology, provisioning voice services (local, national, international calling), messaging services (short text or multi-messaging), outbound and inbound international roaming, and VAS. On December 11, 2002, R.A. No. 9180 was signed into law, and it granted DMPI a franchise to construct, install, establish, operate and maintain wired and/or wireless telecommunications systems throughout the Philippines.

Fixed Line

PLDT Clark Telecom, Inc., or ClarkTel

ClarkTel was incorporated on January 28, 1997. It was previously a joint venture between PLDT, owning 60%, and Clark Development Corporation, or CDC, holding the remaining 40%. In August 1999, CDC ceded its 40% ownership interest in ClarkTel to PLDT, thus, making ClarkTel a wholly-owned subsidiary of PLDT. ClarkTel provides basic and enhanced telecommunications services within the Clark Special Economic Zone, or CSEZ, in Clark Field, Pampanga, and between the CSEZ and other cities and municipalities in the country as well as other countries and territories worldwide.

ClarkTel's franchise expired on July 1, 2024. Prior to the expiration, ClarkTel's Board of Directors applied for a national franchise. The franchise application has been filed and for evaluation of Congress as at report date. Considering the timeline for the national franchise grant, the Company also applied for VAS license with the NTC to ensure continued services to subscribers. The license was approved on November 20, 2024 with a validity period of up to November 19, 2029.

Bonifacio Communications Corporation, or BCC

In 2002 and 2003, PLDT entered into a separate Deed of Assignment of Subscription with Smart and Fort Bonifacio Development Corporation, or FBDC, respectively, where Smart and FBDC assigned, transferred and conveyed in favor of PLDT their total subscription to 750,000 common shares and 750,000 preferred shares of BCC and all their interest and rights therein for a total consideration of Php93 million. The assignment included a subscription payable of Php68 million. The shares represent 75% of the subscribed capital stock of BCC.

BCC was incorporated primarily to own, construct, establish, maintain, lease and otherwise operate, to the extent allowed by law, communication infrastructure and to provide related services, including but not limited to, VAS, within the Fort Bonifacio Global City and Villamor Air Base.

PLDT Global Corporation, or PLDT Global

PLDT Global, a wholly-owned subsidiary, was incorporated on December 15, 2000 in the British Virgin Islands to position PLDT as a full service global telecommunications player through a strategy of establishing presence in key countries with substantial Overseas Filipino Professionals or Workers. The following are the subsidiaries of PLDT Global:

- *PLDT (HK) Limited* is a Unified Carrier License and Service-Based Operator License holder that offers wholesale termination, enterprise solutions and retail business. PLDT (HK) Limited has four wholly-owned subsidiaries in 2025, namely, *PLDT 1528 Limited*, *PLDT Japan GK*, *PLDT Global Middle East FZ LLC* and *PLDT Middle East Limited*. *PLDT 1528 Limited*, which conducts telecommunications and other related services in Hong Kong, is in the process of dissolution as at 2025. *PLDT Japan GK* offers mobile data services and other telecommunication-related businesses in Japan. *PLDT Global Middle East FZ LLC*, which was set up to offer management services and marketing of telecommunication and related products in the United Arab Emirates, is in the process of dissolution and was replaced by *PLDT Middle East Limited*, a company incorporated in the Kingdom of Saudi Arabia in February 2025;

- *PLDT (SG) Pte Ltd.* is a holding company and provides enterprise solutions and general wholesale trade of telecommunication products & services in Singapore. Its wholly-owned subsidiary, *PLDT (SG) Retail Service Pte Ltd.*, conducts telecommunication and other related services in Singapore;
- *PLDT (US) LTD* is a licensed international common carrier that provides a range of Private Line solutions and related services to its enterprise customers;
- *PLDT Online, Inc.* is incorporated in the British Virgin Islands and registered in Hong Kong, specializes in selling telecommunication products and services through an online portal; and
- *PLDT (UK) Limited* is a company incorporated under the laws of the United Kingdom which conducts telecommunication and other related services.

ePLDT

ePLDT, as the ICT subsidiary of PLDT, provides cloud, cybersecurity, data, and artificial intelligence (AI) solutions to Philippine enterprises and public sector institutions. Its offerings are designed to address regulatory requirements, data security considerations, and varying business needs.

ePLDT operates a multi-cloud portfolio which includes the country's first sovereign cloud, a locally hosted cloud infrastructure designed to ensure that sensitive data remains within Philippine jurisdiction. The portfolio also covers public, private, and hybrid cloud services, Infrastructure-as-a-Service (IaaS), Software-as-a-Service (SaaS), and Contact-Center-as-a-Service (CCaaS), as well as AI-enabled platforms.

VITRO

VITRO, the PLDT Group's data center subsidiary, marked its 25th year of operations in 2025. Since establishing the Philippines' first commercial data center, *VITRO* has developed a nationwide network of carrier-neutral facilities, allowing multiple telecommunications providers to interconnect within the same data center, improving redundancy and customer choice.

A key milestone during the year was the launch of *VITRO Santa Rosa*, the Philippines' first AI-ready hyperscale data center. Hyperscale facilities are designed to support large computing loads, including AI-based and data-intensive workloads. *VITRO Santa Rosa* currently hosts ePLDT's Pilipinas AI platform and supports enterprise and hyperscaler requirements.

Others

Our other business consisted primarily of investments in digital platforms and other technologies, made through our investment companies, PCEV, PGIH and PLDT Digital and its subsidiaries.

See *Note 2 – Summary of Material Accounting Policies*, *Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions* and *Note 11 – Investments in Associates and Joint Ventures* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion of our subsidiaries.

Products and Services, Rates and Revenues

Wireless

We provide mobile, fixed wireless broadband, and other services, through our Wireless business segment.

The following table summarizes key measures of our wireless business as at and for the years ended December 31, 2025, 2024 and 2023:

	December 31,		
	2025	2024	2023
Systemwide mobile subscriber base	59,891,520	58,989,807	57,827,126
Prepaid	57,534,812	56,731,489	55,667,880
Postpaid	2,356,708	2,258,318	2,159,246
Fixed Wireless Broadband subscriber base	457,290	446,082	439,815
Growth rate of mobile subscribers			
Prepaid	1%	2%	(13)%
Postpaid	4%	5%	7%
Growth rate of Fixed Wireless Broadband subscribers	3%	1%	(41)%
Wireless service revenues (in millions)	Php97,568	Php97,779	Php95,677
Mobile	95,619	96,246	94,007
Fixed Wireless Broadband	1,896	1,481	1,629
Other services	53	52	41
Percentage to wireless service revenues			
Mobile	98%	98%	98%
Fixed Wireless Broadband	2%	2%	2%
Other services	—	—	—
Percentage of wireless service revenues to total service revenues	46%	47%	47%

Mobile Services

We offer prepaid and postpaid mobile communications services all over the country under the brand names Smart and TNT, each of which focuses on the needs of specific market segments. With a continuous and in-depth consumer understanding program, each of our brands commits to providing relevant products that will cater to the communications, entertainment and services requirements of its respective target market segments.

- **Prepaid**

Smart launched new products and network capabilities in 2025. Smart upgraded its core network and provisioned the 4G base for Voice over LTE (VoLTE) and enabled Video over LTE (ViLTE). This also enabled Smart to shut down its 3G network to focus on LTE and 5G. Moreover, in the fourth quarter of 2025, Smart launched hyper-personalized offers via Customer Value Management and social media channels to upsell users. Other innovations in 2025 were the launch of the multi-eSIM which converts any smartphone into an eSIM-capable device and Smart Travel eSIM which provides Smart subscribers the ability to enjoy eSIMs while abroad. The Smart Prepaid brands also made a big push to promote 5G with the 5G Max launch.

Smart introduced new variants of Power All and Saya All data-packed promos for Smart Prepaid and TNT, respectively, in 2024. Power All and Saya All are now the flagship product families for Smart Prepaid and TNT, respectively.

Smart introduced the first prepaid e-SIM in the country in July 2023 and introduced digital delivery of eSIMs in September 2023. For 2024, Smart expanded eSIMs for TNT and opened eSIM upgrade with current subscribers.

- **Postpaid**

Smart Postpaid offers Signature plans with data priority. Smart Signature subscribers receive real-time billing and usage alerts on Smart app and has access to exclusive rewards and events, and the latest smartphones. Smart also offers enhanced postpaid *Signature Plans+*, a postpaid line that features unlimited access for 12 months. In 2025, Smart Postpaid added Plan 799 as part of its portfolio of postpaid plans. Moreover, Smart Postpaid launched the Junior Plan which catered to the youth market as their first postpaid plan. Other innovations for Smart Postpaid is the introduction of call forking for Samsung devices which was also launched in 2025.

Fixed Wireless Broadband Services

Prepaid Home WiFi

PHW is a wireless internet service introduced to address the growing demand for affordable home broadband in the Philippines. It is a plug-and-play device powered by Smart's network that can simultaneously connect multiple WiFi-capable devices. In mid-2025, PHW launched Big Data which offered large data allocations for sharing with the family at home.

In 2025, Smart launched its first postpaid plans for Fixed Wireless.

Wireless revenues are driven and influenced by the following key metrics:

- (i) *Growing data users and usages*

Our active data users reached 43.2 million as at December 31, 2025, while mobile data traffic as at December 31, 2025 increased to 5,550 petabytes, higher by 4% from 2024. Data traffic on Smart's 5G network grew in 2025, increasing by 88% as compared to 2024. This growth was driven by aggressive 5G network roll-outs and 5G product offerings. As part of its program to sustain the growing data usages of subscribers and maintain network quality, Smart continues to roll-out new sites in various locations throughout the Philippines.

- (ii) *Strategic brand building campaigns and product innovations*

Our strategic brand building campaigns and product innovations include aggressive 5G handset usage offers, and applications. To further stimulate and maximize the customer experience on 5G network, Smart offers various plans bundled with 5G capable handsets. Smart also offers device financing for prepaid devices including Apple devices for Smart Prepaid and TNT.

Brand building and customer engagement hit new strides with Smart App, Smart's mobile app which enables Smart subscribers to manage their accounts and enjoy exclusive offers and special promotions. Other features and integrations also enhance further the customers' digital lifestyle.

Rates for wireless services

Smart Prepaid data, call and text cards are sold in denominations of Php100, Php300 and Php500, while TNT Prepaid cards are sold in denominations of Php50, Php100 and Php300. Our eLoad's over-the-air reloads, which ranges from Php10 to Php1,000 are available through the Smart app, Smart and PLDT online stores, e-wallet providers such as Maya, e-commerce platforms such as Lazada and Shopee and via Smart eLoad retailers nationwide. The stored value of a prepaid card and eLoads remain valid for 365 days regardless of the denomination, pursuant to the MC No. 05-12-2017 issued by the NTC and the DICT.

Smart also provides open-access data offers with its Giga Power, Magic Data, All Data and Power All services. These data packages provide access to any app or website and are priced from Php50 to Php499.

In view of the SIM Registration Act, we recognize a prepaid mobile subscriber as active upon registration of the SIM card. Beginning in the fourth quarter of 2023, we consider a prepaid mobile subscriber as churned if the subscriber does not reload within 180 days after the full usage or expiry of the last reload and does not latch to the network within 180 days.

Smart postpaid “Signature” plans were further enhanced to provide higher data allocations with Unli 5G promo for 12 months, unlimited texts and calls to all networks including landline in the form of small, medium, large and extra-large plans, ranging from Php999 to Php2,499. Plans ranging from Php499 to Php599 were also introduced with unlimited texts and calls to all networks including landline. These fixed monthly plans alleviate concerns of unwanted charges.

“Smart Infinity” is our premium mobile postpaid brand with plans ranging from Php3,500 to Php8,000. With “Smart Infinity”, customers can enjoy local non-stop surf and uninterrupted local mobile services with the “Smart Infinity Limitless Plan”. This plan comes with a premium mobile device bundled with exclusive lifestyle perks and privileges accessible through a dedicated concierge.

Smart Enterprise Postpaid is a mobile plan comprised of data, voice, and short message services, with a built-in data bill-cap feature that automatically protects the subscriber from unwanted excess charges up to Php2,500. Postpaid plans may be availed with or without a device bundle at a fixed monthly subscription, defined by a standard contract period.

For international roaming, we offer various data roaming packages such as GigaRoam with up to 100GB for 10 days on popular travel destinations like Japan, South Korea, Thailand, Saudi Arabia, USA and many more. Data roaming plans ranges from Php150 to Php9,999, and are open to both prepaid and postpaid subscribers.

Our SmartBro Home WiFi 4G devices start at Php599 with free unlimited WiFi valid for 30 days and connectivity of up to five devices, while Smart Bro Home WiFi 5G is offered at Php7,995 with 20GB open access data valid for seven days and connectivity of up to 10 devices.

Fixed Line

We provide data, voice services, including LEC, international and domestic services, and miscellaneous services under our fixed line business.

The following table summarizes key measures of our fixed line services as at and for the years ended December 31, 2025, 2024 and 2023:

	December 31,		
	2025	2024	2023
Systemwide fixed line voice subscriber base	3,689,997	3,711,371	3,766,105
Growth rate of fixed line subscribers	—	(1)%	(2)%
Number of LEC employees	9,264	9,543	10,035
Number of LEC subscribers per employee	398	389	375
Systemwide broadband subscriber base	3,794,136	3,432,149	3,269,726
Fixed Line broadband	3,793,927	3,431,785	3,268,996
Fixed Wireless broadband	209	364	730
Growth rate of broadband subscribers	11%	5%	1%
Fixed Line broadband	11%	5%	1%
Fixed Wireless broadband	(43)%	(50)%	(67)%
Fixed line service revenues (in millions)	Php130,355	Php125,994	Php120,336
Data	99,068	96,269	93,597
Voice	31,226	29,660	26,686
Miscellaneous	61	65	53
Percentage to fixed line service revenues			
Data	76%	76%	78%
Voice	24%	24%	22%
Miscellaneous	—	—	—
Percentage of fixed line service revenues to total service revenues	61%	60%	60%

Data Services

Our data service revenues include charges for broadband, leased lines, Ethernet-based and IP-based services. These services are used for broadband internet and domestic and international private data networking communications. We also offer secure data center, multi-cloud, cyber security, data and AI solutions.

Recognizing the growth potential of data services, and in light of their importance to our business strategy, we have placed considerable emphasis on these service segments. Our data services segments registered the highest percentage growth in revenues among our fixed line services from 2023 to 2025.

Home Broadband Services

We believe that PLDT Home is the country’s leading and fastest home broadband service provider, serving 3.76 million Fiber subscribers nationwide as at December 31, 2025.

We believe that PLDT Home is the Philippines’ fastest fixed network providing broadband data services. PLDT’s FTTH fixed line network has the most extensive transmission and distribution network infrastructure, providing broadband availability to 19.4 million homes passed in 74% of the country’s towns and 91% of total provinces as at December 31, 2025. The number of homes passed refers to the approximate potential number of residences that could avail of broadband connectivity services provided through PLDT facilities.

PLDT's robust FTTH infrastructure enables customers to enjoy symmetrical internet speeds of up to 10 Gbps, supporting bandwidth-intensive digital activities at home with various broadband solutions. In 2025, PLDT Home expanded into a new growth segment with the launch of Fiber Prepaid, addressing strong demand for flexible, prepaid connectivity solutions. PLDT Home also strengthened its postpaid offerings with the introduction of the Fiber Netflix plan, combining unlimited fiber internet, calls and entertainment in a single subscription. Further enhancing its broadband portfolio, PLDT Home integrated premium entertainment content, including Netflix, HBO Max and Cignal, into its high-speed plans. These value-added bundles continue to support PLDT Home's ARPU.

PLDT Home also elevated customer experience with the Speed Add-On, allowing subscribers to boost their existing plans to up to 1 Gbps for an additional Php500 per month. In parallel, all PLDT Home Fiber plan speeds were boosted to deliver up to twice the previous speeds, providing customers with enhanced value and enriched digital experiences.

To further expand Filipinos' access to reliable connectivity, PLDT Home rolled out its biggest Fiber Fest program in 2025, offering same-day fiber installations and exclusive digital experiences across Luzon, Visayas and Mindanao.

Aligned with the PLDT Group's long-standing commitment to advancing the United Nations Sustainable Development Goals (UN SDG), particularly UN SDG No. 9: Industry, Innovation, and Infrastructure, PLDT Home continues to accelerate fiber rollout in underserved communities. In 2025, the company expanded its fiber network to previously unfiberized barangays in provinces such as Abra, Aklan, Northern Samar and Southern Leyte, helping bring reliable connectivity to more Filipino households.

PLDT Home Life

PLDT Home Life marked a pivotal shift in 2025, transforming PLDT Home Fiber into a more complete "household experience." Built around three everyday needs, entertainment, security and smart home living, all powered by reliable connectivity, PLDT Home Life allowed customers to layer upgrades onto their Fiber plans. These upgrades enhanced performance and continuity, expanded content choices, and enabled a safer, smarter, more modern home. More importantly, this direction laid the foundation for VAS to evolve beyond standalone bolt-ons into a curated ecosystem, one that is easier to discover, understand and adopt, supported by a unified customer journey and consolidated billing.

Throughout 2025, PLDT Home Life scaled awareness and adoption by anchoring its offers in clear, practical use-cases. Reliability was strengthened with PLDT Home Always On, which keeps households connected even when fiber service is disrupted. Entertainment expanded through IPTV and OTT add-ons, giving access to blockbuster films, award-winning series, premium HD/4K streaming quality, and faster access to titles following theatrical release windows, hundreds of AAA gaming titles through IGV Game Pass, and Fiber plans bundled with top-tier content streaming partners Netflix and HBO Max. Home security was strengthened through the Eufy portfolio, while smart living initiatives, such as the Smart Home Starter Kit, accelerated connected home adoption.

Collectively, these initiatives reinforced PLDT Home's promise of enriching everyday moments at home, with the VAS portfolio as a key driver of customer value, differentiation, and long-term loyalty.

Home Rewards

PLDT Home Rewards remained a key driver of customer value in 2025, providing a simple and benefits-led way for subscribers to earn and redeem Crystals for treats, promos and discounts from partner brands. The program continued to be positioned as "bigger and better," reinforcing its role in giving back to loyal PLDT Home customers while they enjoy their broadband services.

Members earned Crystals by paying their PLDT Home bills on time and in full, as well as through plan upgrades and add-ons. Under the program's clear earn structure, every Php50 paid was equivalent to one Crystal, an approach that helped sustain engagement and encouraged consistent on-time payments across the subscriber base.

Redemption remained straightforward and relevant to households, with customers using Crystals to access exclusive deals and discounts from participating partners. This ensured that Home Rewards continued to deliver practical, day-to-day savings aligned with the needs of PLDT Home families.

The program's value proposition was strengthened by PLDT Home's fiber-fast and reliable network, ensuring that rewards engagement, whether through billing, upgrades or add-ons, was anchored on a consistently strong at-home experience. This connectivity foundation supported the steady growth of the Home Rewards program and positioned it for continued expansion of partnerships and offers beyond 2025.

Rates for home broadband services

Monthly charges for our home fixed broadband services vary depending on bandwidth, speed, market demand and the competitive landscape.

Corporate Data and ICT

PLDT Enterprise is the corporate business arm of the PLDT Group. It provides integrated digital, connectivity, and ICT solutions to enterprises and government institutions in the Philippines and overseas.

Combining PLDT and Smart's network leadership with the specialized capabilities of its operating subsidiaries, ePLDT, VITRO, PLDT Global, and Multisys, PLDT Enterprise offers fixed line and wireless connectivity, data center services, cloud and cybersecurity solutions, and digital platforms that support operational efficiency, service delivery, and digital transformation across multiple industries and sectors.

ICT, Cloud, and Data Center Capabilities

ePLDT, as the ICT subsidiary of PLDT, provides cloud, cybersecurity, data, and AI solutions to Philippine enterprises and public sector institutions. Its offerings are designed to address regulatory requirements, data security considerations, and varying business needs.

ePLDT operates a multi-cloud portfolio which includes the country's first sovereign cloud, a locally hosted cloud infrastructure designed to ensure that sensitive data remains within Philippine jurisdiction. The portfolio also covers public, private, and hybrid cloud services, IaaS, SaaS, and CCaaS, as well as AI-enabled platforms.

These solutions are supported by professional and managed services. Professional services include cloud assessment, migration, optimization, and cybersecurity enhancement. Managed services involve the ongoing operation, monitoring, and maintenance of customer IT environments, allowing clients to focus on their core business activities.

ePLDT's service capabilities are reinforced by strategic partnerships with global technology providers across cloud computing, cybersecurity, and AI. These commitments earned ePLDT industry awards such as Microsoft's Solutions Partner for Security recognition and Elite Partner status from leading global technology partners. These partnerships enable ePLDT to support a broad range of enterprise and government requirements while maintaining alignment with international technology standards.

In addition, ePLDT launched Pilipinas AI, described as the country's first sovereign AI solutions stack. This allows organizations to develop and deploy AI applications using locally hosted infrastructure, addressing data residency, security, and regulatory compliance requirements.

VITRO the PLDT Group's data center subsidiary, marked its 25th year of operations in 2025. Since establishing the Philippines' first commercial data center, VITRO has developed a nationwide network of carrier-neutral facilities, allowing multiple telecommunications providers to interconnect within the same data center, improving redundancy and customer choice.

A key milestone during the year was the launch of VITRO Santa Rosa, the Philippines' first AI-ready hyperscale data center. Hyperscale facilities are designed to support large computing loads, including AI-based and data-intensive workloads. VITRO Santa Rosa currently hosts ePLDT's Pilipinas AI platform and supports enterprise and hyperscaler requirements.

As demand for large-scale and AI-driven computing continues to grow, VITRO continues to invest in data center design, operational resilience, and energy-efficient infrastructure to support long-term digital and economic development.

Beyond physical infrastructure, the Group continued to invest in workforce development through the VITRO Academy. Since its launch, the program has trained more than 400 students across three progressive levels focused on data center operations and related skills. From the inaugural graduating cohort, the majority advanced to paid internships, and selected top performers were offered full-time employment at VITRO Inc. This initiative supports the development of local technical talent in a rapidly growing industry.

Core Services: Fixed, Wireless, Satellite, and International Connectivity

By integrating ICT, cloud, and data center capabilities with its core connectivity solutions, PLDT Enterprise delivers end-to-end fixed-line and wireless services to enterprises of all sizes across the Philippines.

Wireless offerings include A2P messaging, which refers to business-generated messages sent to individual users; IoT connectivity for connected devices; enterprise postpaid mobile services; and network application programming interfaces (APIs) that allow enterprises to integrate telecommunications functions into their digital platforms.

To strengthen mobile security, PLDT Enterprise introduced SmartSafe SilentAccess, a silent authentication solution that verifies user identity in the background without requiring one-time passwords (OTPs). The service aligns with regulatory guidance from the BSP on enhancing digital security in financial transactions. During the year, PLDT Enterprise became the first Philippine telecommunications provider to receive Open Gateway API certification from the GSMA, a global mobile industry association.

Network coverage was further expanded through 5G Fixed Wireless Access, an enterprise-grade solution that delivers high-speed internet to locations where fiber infrastructure is limited or unavailable.

Beyond its wireless services, PLDT Enterprise also introduced satellite-enabled enterprise connectivity through Starlink, becoming the first telecommunications provider in the Philippines authorized to resell the service for enterprise use. This offering extends high-speed internet access to remote and underserved areas.

International connectivity was strengthened through investments in subsea cable systems, including the Asia Direct Cable (ADC), which reached operational and commercial readiness in the first quarter of 2025. ADC enhances regional connectivity and provides low-latency access to our leading VITRO data centers, including VITRO Santa Rosa. As a result of these investments, PLDT's total international capacity reached approximately 100 terabits per second (Tbps).

Domestically, PLDT operates an extensive fiber optic network which supports enterprise and broadband services for small and medium enterprises, enabling business expansion and digital adoption nationwide.

PLDT Enterprise also provides managed network services that integrate connectivity, monitoring, and operational management into a single service model. These services cover network design, deployment, ongoing optimization, and performance monitoring across multiple locations.

In recognition of its managed services capabilities, PLDT Enterprise received multiple industry awards during the year, including Managed Service Provider of the Year and Managed Security Services Provider of the Year from global technology partners.

Digital Inclusion Across Enterprise Markets and Public Sector Support

To support digital inclusion, PLDT Enterprise partnered with the DICT, with support from the Private Sector Advisory Council (PSAC), to launch the Bayanihan SIM initiative. The program provides connectivity to students, teachers, and households in geographically isolated and disadvantaged areas (GIDAs), enabling access to digital education and essential online services.

During the 2025 national elections, PLDT Enterprise supported the command center of the Parish Pastoral Council for Responsible Voting. The support included nationwide connectivity and technology services that enabled real-time coordination, monitoring, and data transmission for the organization's parallel vote count.

In support of government modernization and public safety initiatives, ePLDT led the rollout of Unified e911, a nationwide emergency response system developed in coordination with national government agencies. The platform integrates telecommunications infrastructure with a world class emergency services platform to improve response coordination and coverage.

PLDT Enterprise also serves customers across sectors including SMEs, large enterprises, financial institutions, retail organizations, and government agencies. In 2025, the Group conducted Tech Week PH, a multi-city technology event held in Davao and Cebu, complemented by MSME-focused roadshows in several regional locations to support broader digital adoption.

Internationally, PLDT Global continued to support carriers and multinational enterprises with digital and connectivity solutions, while Multisys delivered nationwide systems integration and software-as-a-service platforms supporting both public and private sector clients.

With its integrated portfolio of digital infrastructure, connectivity, and ICT services, PLDT Enterprise remains focused on supporting enterprise resilience, regulatory compliance, and sustainable growth. Through continued investment in infrastructure, partnerships, and talent, the Group is positioned to support the evolving digital requirements of businesses and government institutions in the Philippines and selected international markets.

Rates for Corporate Data and ICT Services

Charges for our corporate data service vary by customer.

Voice Services

Our voice services are delivered through our (i) local exchange service; (ii) international service; and (iii) domestic service.

Local Exchange Service

Our local exchange service, which consists of the basic voice telephony business, is provided primarily through PLDT. We also provide local exchange services through our subsidiaries.

Rates for local exchange service

Basic monthly charges for the local exchange service varies according to the type of customer (business or residential) and location, with charges for urban customers generally being higher than those for rural/provincial customers.

International Service

We have been pursuing a number of initiatives to sustain our international service business, including: (i) rationalizing our inbound voice termination rates; (ii) managing unauthorized voice traffic terminating to our network; (iii) partnering with Saudi Telecom Company for inbound international long distance (ILD) traffic management; and (iv) growing international data sales by leveraging PLDT's sub-sea cable ownership and PLDT Global's reach.

In addition, PLDT Global is enhancing the presence of PLDT in other international markets by providing high quality communications infrastructure and innovative platforms to global carriers, corporate customers and distribution partners, enabling it to achieve its desired connectivity, reach and business relevance. With offices in key markets abroad, PLDT Global also delivers a full range of digital consumer and enterprise solutions that serve the evolving needs of Filipinos overseas and global enterprises.

Rates for international service

Our rates for outbound international calls are quoted in U.S. dollars and are billed in Philippine pesos. The Philippine peso amounts are determined at the time of billing. We charge a flat rate per minute to retail customers at any time on any day of the week.

Domestic Service

Our domestic services are provided primarily through PLDT. This service consists of voice services for calls made by our fixed line customers outside of their local service areas within the Philippines and the domestic interconnect access charges by other telecommunications carriers for wireless and fixed line calls carried through PLDT's backbone network and/or terminating to our fixed line customers.

Mobile substitution, OTT voice call alternatives and the widespread availability of free non-voice communications, such as e-mails, SMS, video conferencing applications and social networking sites, have negatively affected our domestic call volumes.

Rates for domestic service

Rates for domestic calls traditionally were based on the type of service provided, such as whether the call is operator-assisted or direct-dialed. However, PLDT simplified these rates in recent years for calls originating from and terminating to the PLDT fixed line network and for calls terminating to fixed line networks of other local exchange carriers. PLDT also simplified its rates for calls terminating to mobile subscribers.

In addition, PLDT bundles the free PLDT-to-PLDT calls in some promotions and product/service launches to stimulate fixed line usage.

Miscellaneous

Miscellaneous services include the provision of facilities management, rental fees and other services.

We sell and distribute our products and services through the following channels:

Distributors and Key Account Partners

We sell our fixed line and mobile services primarily through our regional and key account partners who generally have their own direct sales forces and retail networks. We have field sales distribution partners and key account partners for fixed line services, and exclusive regional and provincial distributors and key account partners for wireless services. A number of our trade partners are likewise major distributors of smartphones and devices that are retailed in their owned telecommunications outlets. Account managers from our sales force manage the distribution network and regularly update these business partners on upcoming marketing strategies, promotional campaigns and new products. Our distribution network encompasses approximately over one million retailers, a combination of directly served outlets and retailers using e-wallets and loading apps to sell *SmartLoad*. With the prepaid reloading distribution network extended to corner store and individual retailer levels, Smart's prepaid service has become even more affordable and accessible to subscribers.

Retail Stores

Our frontlines enable unique digital experiences through daily customer interaction. We offer enticing products and services based on the customer needs. We also cater to customers' after-sales requests and inquiries. Our stores also accept payment for bills, postpaid and prepaid sales.

Satellite branches are partner-owned Smart branded stores operating as auxiliary touchpoints for converged wired and wireless sales, aftersales and bills payment.

Enterprise Business

PLDT Enterprise, together with its operating subsidiaries, ePLDT, VITRO, PLDT Global, and Multisys, is responsible for the sales and marketing of fixed line, wireless, corporate data, and ICT products and services to corporate partners including large domestic enterprises, SMEs, the public sector, and international customers.

Telesales

As part of our telesales, we reach out to our subscribers to offer the latest services, solutions and promotions. Our telesales agents, in partnership with different contact center providers, enable new connect application and existing subscribers to avail value-added solutions, upgrade and migrate their fixed line and wireless accounts, as well as recontract their expiring accounts over the phone. All orders are delivered directly to customer's address for devices and handsets.

Online sales

Customers can conveniently access our services through our PLDT Home website and Smart Online Store, an end-to-end portal, where they can conduct various online transactions, including selecting fiber broadband or mobile subscription plans, avail of a wide array of the latest 5G and 4G mobile handsets, renewing or upgrading an existing plan, purchasing prepaid SIMs, network devices, Smart Home devices, or subscribing for e-load and various add-on promotions. All orders are delivered directly to the customers' addresses, while fiber broadband is installed to their respective homes.

Smart App is a mobile application which allows users to link and manage multiple prepaid and postpaid accounts. With the Smart App, users can buy load, pay bills, subscribe to promotions, and earn Gigapoints. By offering various marketing promotions and events within the app, the Smart App has gained a lot of traction. Other online channels include My Smart website, Smart Chatbot, and Paywall which allow our mobile subscribers to avail of add-on promotions.

For e-Commerce, the PLDT and Smart flagship stores are now available in Lazada, Shopee, Tiktok and NextUpgrade. Our presence in these e-commerce platforms will further enhance the accessibility of our products to customers.

Others

Our other business consists primarily of our interests in digital platforms and other technologies, including our interests in MIH and Kayana.

MIH, Maya Philippines, and Maya Bank

MIH is the ultimate parent holding company of Maya Philippines, Inc. (formerly PayMaya Philippines, Inc.). In addition, MIH holds investment in Maya Bank.

Maya Philippines is registered with the BSP as an electronic money issuer, remittance and transfer company, operator of payments system, and virtual asset services provider. Maya Bank is one of only six digital banks in the Philippines licensed by the BSP.

Together, Maya Philippines and Maya Bank power the platforms under the Maya group, providing the next generation of integrated financial products to both consumers and businesses in the Philippines.

Maya continues to scale its consumer and business platforms to grow its ecosystem, expanding its portfolio of fully integrated financial services for its customers. As digital payments and banking adoption accelerate in the country, Maya's approach enables it to drive financial penetration and reinforce its position as a leading player in the Philippines' digital financial landscape.

In 2025, the Maya group achieved profitability, driven by topline growth, high-engagement savings activity, and disciplined cost management.

Infrastructure

Wireless Network Infrastructure

Mobile

Our mobile network supports 5G, 4G and other technologies. We continue to expand our LTE capacity, increase our 5G coverage, and roll out more physical sites to widen our coverage in order to sustain the growing demand for our services. We believe our mobile network covers 97% of the population and is present in 97% of the country's cities and municipalities, as at December 31, 2025.

Fixed wireless services are also offered to residential and corporate clients through our high capacity mobile network. This complements our fibered fixed network as our fixed wireless services are able to reach areas that are not currently serviced through wired connections.

Fixed Line Network Infrastructure

Our fixed line network reaches all of the major cities and municipalities in the Philippines, with a concentration in the greater Metro Manila area. We believe our network offers the country's most extensive connections to our customers with the FTTH and fiber to the building (FTTB) installations. Our nationwide fiber backbone DFON extends to underground inland and submarine cables. It is a fully resilient network spanning the whole archipelago. Our international network is comprised of various regional and transoceanic submarine cable systems in which we have economic interests.

Domestic

PLDT's fixed line infrastructure is comprised of the latest technologies, delivering voice, broadband and ICT services to home and corporate customers. We deliver voice and high-speed broadband to each home through our all-fiber network, FTTH, an IP-based platform. At present, FTTH is capable of delivering 2.5 Gbps and up to 10 Gbps, and we have deployed FTTH in all cities and in the majority of municipalities in the Philippines. This network provides broadband availability to approximately 19.4 million homes passed, as at December 31, 2025.

PLDT provides enterprise and ICT services through its Carrier Ethernet network (CEN). PLDT's CEN is based on Metro Ethernet Forum (MEF) 3.0, the latest standardized, carrier-class service and network. This highly reliable and resilient system provides high capacity and high-speed VPN services for all corporate customers. It supports enterprise requirements such as data storage, headquarter to branch connectivity, headquarter to disaster recovery site connectivity, cloud services and backhaul for mobile/LTE services. PLDT also uses the "Software Defined Wide Area Network" to deliver such enterprise services across different service providers and over the internet in a secured manner.

We likewise have an IP backbone (IPBB) network, composed of high-capacity, high-performance core and edge routers, with capacities of up to 100Gbps per port in key exchanges that provide IP connectivity to the different network elements built for PLDT, Smart and other subsidiaries and affiliates. It serves as a common and highly resilient IP transport platform for all of our IP-based services. In 2020, the IPBB underwent a transformation project called the "Transport Network Transformation Project" (TNT Project), which significantly increased the network's capacity and upgraded its routing technology to the latest technology, including segment routing and software defined network (SDN) technology.

All our networks are connected nationwide through PLDT's nationwide fiber backbone, the DFON. DFON is comprised of transport nodes connected by terrestrial and submarine cable links configured in loops and appendages. The DFON loops provide self-healing and alternative segment route protection for added resiliency against single and multiple fiber breaks along the different segments. The DFON network also connects three of PLDT's international cable landing stations. Following the implementation of the TNT Project, the DFON network gained added resiliency and network reliability as we implemented an automatic fail capability into the DFON network to

automatically transfer traffic to other redundancy links in the event the DFON experiences downtime. The DFON is complemented by a terrestrial microwave backbone network to deliver services to remote areas unreachable by the fixed terrestrial transport network.

International

PLDT's international network was designed and built to support IP-based international services, including voice, messaging, international enterprise solutions, and the biggest use of international network resources today, the Internet services of the PLDT Group. The international network also supports in part requirements of the international retail business run by PLDT Global in various locations in Asia, Europe and the United States.

For voice services, PLDT operates two IP voice gateways. PLDT's facilities allow the exchange of traffic with foreign carriers and can reach foreign destinations (including fixed and wireless network destination "breakouts", or specific areas within a country) worldwide.

The Company has international internet gateways to fortify PLDT Group's infrastructure for internet and IP-based services, as well as connections of our fixed and wireless networks to content and internet services available from, and businesses connected to, the global internet. All these gateways employ high-capacity and high-performance routers. Together with ancillary facilities (such as security against network/service attacks), they provide premium and differentiated internet and/or IP services to all types of customers ranging from ordinary broadband to high bandwidth internet requirements of corporate customers, knowledge processing solution providers, internet service providers (ISPs) and even other service providers. PLDT also operates offshore/ forward gateway routers in Hong Kong, Singapore, United States, and Japan to support optimized and direct access to content providers and businesses connected to the internet in Asia, as well as the continental U.S., which we expect to result in faster internet speed. All gateway routers utilize high capacity interface and transmission facilities.

To localize international internet content, PLDT employs local transparent caching network, and additionally, a network of content provider/distributor-supplied local caching servers at key locations. With these facilities, high demand contents from popular content and content delivery network providers are available locally and are delivered to PLDT customers.

PLDT operates the Philippines' most extensive international submarine cable network. As at December 31, 2025, PLDT maintains and operates three international cable landing stations in La Union and Batangas for international cables coming from the West Philippine Sea, and in Daet in the east for international cables coming from the Pacific Ocean. In May 2023, the NTC issued provisional authority to build new international cable landing stations in Baler, Aurora in the Northeast, which is targeted for completion in 2026, and in Digos, Davao in the Southern coastal borders of the Philippines, which was completed in 2025. These will provide telco carriers new alternative routes which do not traverse the usual West Philippine Sea Waters.

In February 2025, ADC went into service and expected to support new fixed and mobile services requirements.

PLDT is also working closely with other Asian carriers and Hyperscalers to build the Apricot Cable. The completion of the Apricot cable in 2028 will further augment PLDT's international capacity for data traffic, particularly to the U.S. and across Asia and the Pacific.

PLDT's international automatic optical transport switching system and carrier ethernet network continues to provide effective redundancy and continuity of service to Hong Kong, Japan, Singapore, and the U.S. Mainland for premium enterprise clients. Additional dedicated submarine cable circuits were provisioned, and capacity of nodes upgraded, to support growing business requirements.

Cyber Security

The PLDT Group's Cyber Security Operations Group ("CSOG") continued to execute strategic, budgeted cyber security initiatives aligned with the NIST Cybersecurity Framework, with strong focus on network security modernization, detection and response enhancements, and identity and access management. These initiatives directly strengthened the Group's ability to prevent, detect, and respond to increasingly sophisticated cyber threats.

Key completed initiatives included Privileged Access Management Modernization, Governance, Risk, and Compliance expansion, Secure User Internet Access, Endpoint Advanced Security Modernization, and Firewall Management & Policy Analyzer. These programs enhanced privileged access governance, automated compliance and control testing, standardized endpoint protection, and centralized firewall policy management across the enterprise.

Major infrastructure and network security programs recorded substantial progress, improving network segmentation, maintain operational resiliency even during high network traffic, technical preparedness of networks, devices, software, and services to support the latest communications protocol, and protection of highly restricted environments. In parallel, the Security Information and Event Management migration advanced SOC capabilities through enhanced log visibility, analytics, automation, and incident response readiness, with successful transition to operations.

To further strengthen the PLDT Group's security posture, pre-project initiatives including Breach Attack Simulation, firewall consolidation were initiated to enhance attack surface visibility, proactively validate defensive controls, and safeguard critical Tier-2 environments. Throughout these efforts, CSOG maintained strong project governance, disciplined cost utilization, and active Risk, Issue, Decision, Action, and Change monitoring to ensure cyber security investments continue to support operational resilience, regulatory compliance, and protection of the PLDT Group's critical assets and customers.

We continue to conduct regular cyber security awareness campaigns for our employees and mandatory annual e-learning courses for all employees. While we continue to see persistent phishing attacks targeting our employees, we perform periodic phishing simulations to assess the awareness of our employees on social engineering schemes. These periodic exercises resulted in heightened awareness among employees of phishing and scamming tactics.

In further strengthening the Group's cyber security governance and risk management posture, the CSOG completed and formalized several foundational frameworks:

- The Risk Assessment Methodology establishes a consistent, enterprise-wide approach for identifying, analyzing, and prioritizing cyber risks based on PLDT Group's business impact and likelihood. This enables timely risk treatment decisions, supports management and Board oversight, and mitigates the potential operational, financial, legal, and reputational impacts arising from cyber threats.
- The Vulnerability Management Methodology defines standardized processes for vulnerability identification, risk-based prioritization, remediation, and validation across infrastructure, applications, and endpoints. This strengthens the PLDT Group's ability to proactively reduce attack surfaces, address weaknesses before exploitation, and mitigate risks associated with increasingly sophisticated and frequent cyber-attacks.
- The Third-Party Risk Assessment Framework provides a structured approach to assessing, monitoring, and managing cyber risks arising from vendors, partners, and service providers, thereby strengthening supply-chain security and mitigating risks associated with external dependencies and potential data compromise.

In recognition of the increasing use of AI by both threat actors and enterprises, CSOG also initiated the preparation of an AI Risk Management Framework to guide the responsible, secure, and compliant use of AI technologies within the organization. This framework is intended to address risks related to model misuse, data privacy, integrity, bias, and regulatory compliance, as well as the use of AI by adversaries to enhance attack sophistication. As part of the PLDT Group's forward-looking cyber security strategy, future enhancements include the controlled adoption of security-focused AI capabilities to improve threat detection, behavioral analytics, incident response, and operational efficiency, while ensuring appropriate governance, oversight, and risk controls are in place.

Interconnection Agreements

Since the issuance of Executive Order, or E.O., No. 59 in 1993, which requires the non-discriminatory interconnection of Philippine carriers' networks, PLDT had entered into bilateral interconnection arrangements with other Philippine fixed line and mobile carriers. See Item 1. "Description of Business – Licenses and Regulations – Regulatory Tariffs" for further discussion.

PLDT has direct interconnection agreements with foreign carriers. PLDT also carries international calls terminating to Smart network where it has no direct interconnections.

Franchises, Licenses and Regulations

Franchises

The table below provides the expiry dates of franchises for each company, renewal of which are subject to the provisions of the KP Act:

Company	Expiry Dates of Franchises
PLDT	November 28, 2028
Clarktel ⁽¹⁾	June 30, 2024
Smart	May 19, 2042
SBI	November 11, 2047
DMPI	April 1, 2028
CURE	May 26, 2026
PDSI	January 26, 2026

⁽¹⁾ Clarktel applied for an extension which remains pending with the Congress as at the date of this report. On November 20, 2024, Clarktel was granted a VAS license by the NTC valid until November 2029. However, with the effectivity of the KP Act on September 14, 2025, a legislative franchise is no longer required.

Licenses

Pursuant to RA 7925, a franchise holder is required to obtain a Certificate of Public Convenience and Necessity (CPCN) / Provisional Authority (PA) from the National Telecommunications Commission (NTC) to provide specific telecommunications services authorized under its franchise. The NTC, an attached agency of the Department of Information and Communications Technology (DICT) regulates and supervises our business under the provisions of the Public Service Act (RA 11659, as amended), Executive Order (EO) Nos. 59 and 109, and RA 7925.

Material Effects of Regulation on our Business

In addition to the KP Act, laws enacted by the Philippine Congress and issuances of certain Philippine Government Agencies regulate the manner in which we conduct our business, including:

- Executive Order No. 109, requires operators of international gateway facilities and mobile telephone operators to install a minimum number of local exchange lines. Smart and PCEV were required to install 700,000 and 400,000 rural lines, respectively, and each received a certificate of compliance from the NTC in 1999.
- Republic Act No. 11930, otherwise known as the Anti-Online Sexual Abuse or Exploitation of Children (OSAEC) and Anti-Child Sexual Abuse or Exploitation Materials (CSAEM) Act. Internet Service Providers are required to develop, establish and install mechanisms or measures designed to prevent, detect, respond or report violations of this Act.
- NTC Memorandum Circular No. 5-07-2009, issued on July 23, 2009, amends the mode of billing for voice services from per minute to per pulse billing, with a maximum of 6 seconds per pulse. On December 9, 2009, the NTC issued Show Cause and Cease and Desist Orders against Smart and other providers, alleging non-compliance with the Circular. On appeal, the CA in its

December 28, 2010 Decision, reversed and set aside the NTC Orders. This decision was later upheld by the Supreme Court on February 13, 2023, finding that the NTC failed to provide Smart and other providers due process.

- NTC Memorandum Order No. 07-07-2011, issued on July 15, 2011, prescribes a formula for computing service reliability and sets the minimum service reliability at 80% for fixed broadband/internet.
- NTC Memorandum Circular No. 07-08-2015, issued on August 13, 2015, sets the rules on the measurement of fixed broadband/internet speed.
- NTC Memorandum Order No. 10-12-2016, issued on December 13, 2016, sets out the rules for measuring mobile broadband and internet access service, including guidelines for testing mobile broadband and internet speed.
- NTC Memorandum Order No. 10-10-2017, issued on October 27, 2017, prescribes the migration of all existing seven-digit telephone numbers to eight-digit telephone numbers for local telephone service within the “02” local exchange area.
- Joint Memorandum Circular (JMC) No. 05-12-2017 jointly issued by NTC, DICT and Department of Trade and Industry, (DTI), on December 20, 2017, extends the validity of all prepaid load to one year from the date of the latest top-up. Prepaid loads purchased for promotions and bucket of services with a specific period of use duly approved by the DTI and/or NTC are excluded from the mandatory one-year validity period.
- Executive Order No. 56, issued by former President Rodrigo Duterte on May 25, 2018, institutionalized the Emergency 911 Hotline as the nationwide emergency answering point and replaced Patrol 117.
- Memorandum No. 2018-055 issued by the National Electrification Administration (NEA) on August 15, 2018, sets the standard pole rental rate of electric cooperatives at Php420 per cable position per pole per annum.
- Memorandum Order No. 04, series of 2018 issued by the DICT on December 14, 2018 and NTC Memorandum Circular No 01-05-2019, issued on May 31, 2019, directed PTEs and/or wireless service providers who offer customers mobile phones and devices, free of charge or at a subsidized cost, in exchange for an agreed fixed lock-in period to provide their customers convenient sites, facilities and processes to unlock the mobile phones and devices of customers who wish to change between compatible wireless service providers, provided that such customers must have completed the applicable lock-in periods and have no outstanding obligations under their subscription agreement.
- Republic Act No. 11202 or the Mobile Number Portability (MNP) Act and NTC Memorandum Circular No. 03-06-2019 (the IRR of MNP Act, issued on June 11, 2019), allow qualified customers to retain their mobile numbers when they move from one mobile service provider (MSP) to another, or change the type of subscription from postpaid to prepaid or vice versa. MNP is completely free of charge.
- JMC No. 2019-001, series of 2019 (the IRR of the Ease of Doing Business Act), jointly issued by the Civil Service Commission, (CSC), Anti-Red Tape Authority (ARTA), and DTI on July 17, 2019, directs all agencies which provide Government service to reduce bureaucratic red tape and processing time, and to promote efficiency and simplicity of process.
- Rules on the Accelerated Roll-Out of Common Towers, issued by the DICT on May 24, 2019, provides for the speedy roll-out of common towers and/or conversion of common towers including hard-to-access areas.
- Department Circular No. 008 issued by the DICT on May 29, 2020, provides for the policy guidelines on the co-location and sharing of passive telecommunication tower infrastructure (PTTIs) for macro cell sites.
- Executive Order No. 32 (“Streamlining the Permitting Process for the Construction of Telecommunications and Internet Infrastructure”) signed by President Ferdinand Marcos, Jr. on July 4, 2023, streamlined the permitting process for the construction of telecommunications and internet infrastructure. EO 32 further extends the implementation of streamlined permitting processes and procedures under the Bayanihan to Recover as One Act (RA 11494) and the Joint Memorandum Circulars issued by the Anti Red Tape Authority, et al. which expired in September 2023. On December 1, 2023, ARTA released the signed copy of EO 32’s IRR.
- RA 11659 or the Amendment to the Public Service Act took effect on April 12, 2022, limits the definition of public utilities to the distribution and transmission of electricity, petroleum and petroleum products pipeline transmission systems, water pipeline distribution and wastewater pipeline systems, seaports and public utility vehicles. This law excludes telecommunications from the definition of public utility thereby allowing full foreign ownership in companies engaged in telecommunications.
- RA 11934 or the SIM Registration Act took effect on October 28, 2022. Under this law, all end-users are required to register their SIMs with PTEs as a pre-requisite to the activation thereof. On September 18, 2023, the NTC issued Memorandum Order No. 010-09-2023 providing for guidelines for PTEs in the conduct of processes to verify submitted information and data by end-users of SIMs under the SIM Registration Act and its IRR.
- Memorandum Circular No. 2023-017 issued by the DILG on January 25, 2023, reiterated previous DILG issuance/policy enjoining local officials to exercise their powers to reclaim and clear public roads which are being used for private purposes. As a consequence, many PLDT poles, including cables and cabinets, were required to be removed or relocated.
- On September 27, 2023, the NTC issued a Memorandum ordering Public Telecommunications Entities to block or deactivate person-to-person text messages with clickable domains, Uniform Resource Locators (URLs), URL shortening services links, Smart Links and/or QR Codes.

- NTC Memorandum Circular No. 006-010-2023, issued on October 20, 2023, provides for a Zero Spectrum User Fee (SUF) for the use of radio frequency bands 2400MHz to 2483.5MHz, 5150MHz-5350MHz, 5470MHz-5850MHz for wireless connectivity under: (a) Short-Range Devices; b) Wireless Data Networks (WDN); and c) Broadband Wireless Access (BWA).

See Item 6. “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Risk and Uncertainties – Risks Relating to Us – Our business is subject to extensive laws and regulations, including regulations in respect of our service rates, taxes and antitrust laws” for further discussion.

Regulatory Tariffs

Interconnect access charges are paid by one carrier to another for calls originating from a carrier’s network and terminating to another carrier’s network. Pursuant to NTC Memorandum Circular No. 05-07-2018, effective on September 1, 2018, PLDT’s interconnection charges for all calls is uniformly set at Php0.50 per minute.

PLDT has continually and actively negotiated with other legitimate Philippine fixed and CMTS carriers for interconnection based on the guidelines issued by the NTC or any authorized government agency. These carriers include the major fixed and mobile players with nationwide operations, PAPTELCO and other non-PAPTELCO players, both of which usually operate in selected towns in the countryside.

By virtue of RA No. 11202 or the MNP Act, interconnection fees or charges are no longer imposed by MSPs for domestic calls and SMS made by subscribers. Thus, as at January 2, 2020, no interconnect fees are charged for mobile domestic calls and SMS. This provision does not cover interconnection fees charged by fixed-line operators.

Competition

The telecommunications market is competitive. Including us, there are five major local exchange carriers, seven major international gateway facility providers and three major mobile operators in the Philippines. Some new entrants in the Philippine telecommunications market have entered into strategic alliances with foreign telecommunications companies, which provide them with access to technological and funding support, as well as service innovations and marketing strategies. To protect our market position, we need to continually invest in our network infrastructure to comply with regulatory obligations and to ensure that our services remain competitive. We also need to be able to identify market trends and customer preferences in order for our services to remain relevant.

Mobile Services

Currently, there are three major mobile operators, namely Smart, Globe and Dito. As at December 31, 2025, mobile market penetration in the Philippines was approximately 125%, based on the number of SIM cards issued.

Competition in the mobile telecommunications industry has remained active with greater availability of offers from telecommunications operators including increased data allocations and calls and texts resulting in declining yields. Competition has also increased in the postpaid space with more promotions involving greater handset subsidies. The principal bases of competition are price, including handset prices in the case of postpaid plans, quality of service, network reliability, geographic coverage and attractiveness of packaged services, including video content.

In recent years, the prevalence of OTT services, such as social media, instant messaging and internet telephone, also known as VoIP services, has greatly affected our legacy revenues from voice and SMS services. We are also facing growing competition from providers offering services using alternative wireless technologies and IP-based networks, including efforts by the Philippine Government to roll-out its free WiFi services to various municipalities in the country.

Data Services

In recent years, the market for data services has been the fastest growing segment in the Philippine telecommunications industry. This development has been spurred by the significant growth in demand for consumer and retail broadband internet access, enterprise resource planning applications, customer relationship management, knowledge processing solutions, online gaming and other e-services that drive the need for broadband and internet-protocol based solutions both in the Philippines and abroad. Our major competitors in this area are Globe and Converge ICT Solutions, Inc. The principal bases of competition in the data services market are coverage, price, content, value for money, bundles or free gifts, user experience, and customer service. PLDT remains committed to compete in this segment by leveraging on its overall strategy to focus on customer-centricity, maintain network leadership, broaden its distribution platform and increase its ability to deliver multimedia content.

Voice Services

Local Exchange

Although the growth of the fixed line voice market has been impacted by higher demand for mobile services, we have sustained our leading position in the fixed line market on account of PLDT’s extensive fixed line and transmission network nationwide. In most areas, we face one or two competitors. Our principal competitor in the local exchange market, Globe, provides local exchange service through both fixed and fixed wireless landline services.

Fixed wireless landline services are delivered using mobile technology to a fixed device in the home with a tariff structure similar to that of a fixed line service such as the charging of monthly service fees. Our major competitor, Globe, offers services in limited areas of Metro Manila such as Makati and Las Piñas, the Visayas region and selected areas of Southern Luzon, such as Cavite and Batangas.

International

Revenues from this segment of the industry have significantly declined over the years with the advent of: (i) the popularity of alternative and cheaper modes of communication such as e-mail, instant messaging, social-networking (such as Facebook, Twitter and Instagram), including “free services” over the internet (such as Viber, Telegram, Line, Facebook Messenger, Zoom and WhatsApp, and similar services); and (ii) the establishment of VPNs for several corporate entities, which have further heightened competition.

With respect to outbound calls from the Philippines the significance of which has also reduced over the years, we generate revenues through our local exchange and mobile businesses, which are the origination points of outbound international calls. We also have introduced a number of marketing initiatives to stimulate growth of outbound call volumes, including tariff reductions and volume discounts for large corporate subscribers.

The number of inbound international voice calls into the Philippines continues to be negatively impacted by the popularity of OTT services due to improved internet access and continued increase of smartphone adoption. One measure to slow down the decline in the remaining ILDT traffic is PLDT’s strategic partnership with Saudi Telecom Company. Joint efforts on traffic sales management and anti-fraud programs have resulted in sustained business value for the ILDT business.

Domestic

Our domestic service business has been negatively affected by the widespread availability and growing popularity of alternative economical to free non-voice methods of communication, particularly OTT services, e-mail and social media, resulting in the change in the market’s communications habits as evidenced by the growing number of mobile subscribers in the Philippines. In addition, VAS providers have launched voice services via the internet to their subscribers nationwide.

While domestic call volumes have been declining, we have remained the leading provider of domestic service in the Philippines due to our significant subscriber base and ownership of the Philippines’ most extensive transmission network.

Principal Competitors

The table below sets out our principal competitors’ market share and other relevant information for 2025.

	Asset Base	Service Revenues (in millions)	Net Income (Loss)	Market Share	
				Subscriber base	
				Fixed Line ⁽¹⁾	Mobile
Globe ⁽²⁾	656,754	121,676	17,691	20%	46%
Converge ⁽³⁾	109,341	32,972	8,900	35%	—
DITO ⁽⁴⁾	209,333	14,503	(24,934)	—	11%

⁽¹⁾ Includes Fixed Line broadband.

⁽²⁾ Based on Globe’s Third Quarter 2025 Form 17-Q filed with the Philippine SEC on November 6, 2025.

⁽³⁾ Based on Converge’s Third Quarter 2025 Form 17-Q filed with the Philippine SEC on November 6, 2025.

⁽⁴⁾ Based on Dito’s Third Quarter 2025 Form 17-Q filed with the Philippine SEC on November 14, 2025.

Competitive Strengths

We believe our business is characterized by the following competitive strengths:

- Exposure to Large and Attractive Markets.** Our mobile data and home broadband services are well positioned to serve markets with continuing growth potential. As data adoption continues to grow in a market largely comprised of a young, digitally savvy population, combined with widespread smartphone ownership, the increasing utility of data for everyday activities, and with around 73% of our mobile subscribers being active data users as at December 31, 2025, we believe that demand for mobile data will continue to grow meaningfully. Meanwhile, we believe there is still room to grow in the home broadband market. After the opening of the economy and increased mobility after the pandemic lockdowns, PLDT continues to significantly serve the market demand for connectivity and home broadband services which allow our customers to work, study, conduct business and enjoy entertainment.
- Superior Integrated Networks.** With our extensive fixed and integrated telecommunications networks in the Philippines, we are able to offer a wide array of communications services. As part of our capital expenditure program, we continue to invest in expanding the reach and capability of our transmission and FTTH network and increasing our international bandwidth capacity. We also continue to invest in capacity and coverage of our mobile network to serve the unabated growth in mobile data traffic and provide our customers with faster, more reliable services and a superior data experience. To supplement our current LTE network and to prepare our network for the future, we continue to rollout 5G base stations. Our network architecture and investments also increase the resiliency and robustness of the network to enable minimum disruption to network services. PLDT’s domestic and international fiber optic networks connect to VITRO’s network of data centers which enables the seamless transfer and secured hosting of massive data flowing in and out of the country.
- Recognized Brands.** PLDT has a strong and diverse portfolio of brands, including PLDT Home, Smart, TNT, and PLDT Enterprise, among others, which are widely recognized brand names in the Philippines.
- Diversified Revenue Sources.** We have a diverse portfolio of business lines across our wireless and fixed line business segments, serving a wide spectrum of customer segments, including individuals, households and enterprises. Revenue sources of our wireless business include mobile (mobile data, voice, SMS, and inbound roaming and other mobile services), wireless home broadband, and other services. The revenues from data services, particularly mobile data services, have increased steadily over the past several years and account for 89% of the wireless consumer segment revenues as at December 31, 2025. Our fixed line business derives service revenues from consumer data/broadband, with 92% of service revenues in 2025 attributable to fiber, voice (local exchange,

international and domestic services) and miscellaneous services. The fixed line business revenues also include contribution from our enterprise business, which mainly comprises corporate data and ICT services such as data center, cloud and cybersecurity solutions which are considered as an emerging growth driver because of the country's rapid digital adoption.

- *Innovative Products and Services.* We launched consumer products that answer the need for Connectivity, Entertainment, and e-Games such as the Smart App, our customer management app, Smart Live Stream, our video player app which houses the PBA and FIBA. To allow subscribers easy access to healthcare products and services, Smart has partnered with mWell for convenient access to online doctor consultations and other services via the mWell app, the Philippines' first fully integrated health app. Smart also partnered with Metro Pacific Tollways Corporation to introduce a simpler and easier way of reloading the Easytrip RFID using the country's first toll top-up via mobile load service. To support businesses in their journey towards digitalization and cloud, PLDT Enterprise offers a fully-managed Software-Defined Wide Area Networking (SD-WAN) solution which enables customers to securely connect their multiple offices and branches and Smart Internet of Things (IoT) and obtain full control, transparency, visibility, and self-management of their Smart IoT SIMs.

We also create and launch platforms, services and solutions in the area of digital financial services through our associated companies MIH, Maya Philippines, Inc. and Maya Bank, which was awarded the sixth and last digital banking license in 2021.

- *Strong and Experienced Management Team and Key Strategic Relationships.* Our senior management combines decades of deep expertise in the telecommunications industry with diverse backgrounds in various industries, including banking, utilities, infrastructure and venture capital. We continue to refresh our talent pool with new hires who have either regional experience or digital expertise, among others. In addition, we have important strategic relationships with our institutional investors, namely, First Pacific, NTT DOCOMO and NTT Communications. We believe the technological support, international experience, and management expertise made available to us through these strategic relationships will enable us to enhance our market leadership and provide/cross-sell a wider range of products and services.

Intellectual Property Rights

We do not own any material intellectual property rights apart from our brand names and logos. We are not dependent on patents, licenses or other intellectual property which are material to our business or results of operations, other than licenses to use the software that accompany most of our equipment purchases and licenses for certain contents used in VAS of our wireless business. See *Note 14 – Goodwill and Intangible Assets* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements".

Major Suppliers

Substantially all the telecommunications equipment thus far obtained in connection with our development programs have been purchased outside the Philippines, and we expect that a large portion of the equipment requirements of our future development programs will also be purchased from foreign sources.

The major suppliers for Smart for its LTE New Site Rollout and Expansion Program and 5G Deployments are Huawei Technologies Co. Ltd., and Ericsson Telecommunications, Inc. Core network is also being expanded and replaced with Next Generation Cloud-based Core Network obtained from Nokia Oy and Huawei Technologies, Co. Ltd.

For mobile devices, Smart's principal suppliers are Apple South Asia and Samsung Electronics Co., Ltd.

For PLDT's continued expansion of its optical transmission backbone and IP core equipment, Huawei Technologies, Co., Ltd. and Cisco Systems, Inc. are the principal suppliers of the hardware and related software components. Ciena provides optical transmission solution for Enterprise Business.

For FTTH, principal suppliers for active equipment and passive components are Huawei Technologies, Co. Ltd., Fiberhome International Technology Co., Ltd., ZTE Philippines, Inc., Nokia Oy and HXPT Philippines.

For IT, PLDT engaged the services of Amdocs, Salesforce, SAP, Amazon, Microsoft, Google and other global technology leaders to transform IT platforms, modernize IT infrastructure, including Cloud Transformation, and broaden its digital technologies adoption for consumer and employee engagements.

Governmental Regulations

We are subject to governmental regulations with respect to our operations, services, rates and ownership. We believe that we are in compliance with all applicable governmental regulations and that our relations with government regulators are satisfactory. For further discussion on governmental laws and regulations affecting our business, see Item 6. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Risks and Uncertainties – Risks Relating to Us – Our business is significantly affected by governmental laws and regulations, including regulations in respect of rates and taxes and laws relating to anti-competitive practices and monopoly."

Compliance with Environmental Laws

Environmental Management and Stewardship

Environmental management is a key component to PLDT's sustainability roadmap and commitment towards responsible business conduct. Beyond regulatory compliance, we strive to continuously embed environmental stewardship principles into our operations, risk management, value creation, governance, and disclosure frameworks.

Management Approach

The PLDT Board of Directors through its Governance, Nomination, and Sustainability Committee (GNSC), oversees the Company's environmental and climate-related management strategies and programs. Additionally, the Board Risk Committee maintains parallel oversight of these matters with respect to the inclusion of climate and nature-related risks into the Company's top enterprise risks.

Various Board-approved PLDT and Smart policies guide our environmental management approach, including our commitments on biodiversity, energy management, and water, as well as our CEO-approved Occupational Safety and Health & Environmental Commitments. These policies recognize the importance of environmental stewardship as a contributor to achieving business goals, as well as strengthening our alignment and compliance with environmental laws and regulations. These also foster alignment of values and commitments with our supply chain and business partners, reinforcing the PLDT Group Supplier Code of Conduct which enjoins suppliers to actively manage their environmental impact and ensure parallel compliance with regulations.

To ensure continuous improvement and transparency, we adhere to the ISO 14001:2015 (Environmental Management System) Standards, and align with relevant environmental principles, indicators, and disclosure standards of the United Nations Global Compact, the Philippine Financial Reporting Standards S2 on Climate-related Disclosures, Taskforce on Nature-related Financial Disclosures, and CDP, among others.

Operationalizing our commitments, PLDT and Smart Corporate Environment, Health, and Safety (CEHS), Property, Facilities, Asset Resilience Management (PFARM) and Network units implement environmental management processes and mechanisms to assess and manage our environmental impact, as well as ensure regular monitoring of the performance of all facilities, equipment, and generator sets across the country. These teams also create and implement risk mitigation plans for facilities located in or near ecologically protected areas, including reforestation initiatives and stakeholder consultation efforts.

In addition, the PLDT Group has also designated Pollution Control Officers (PCOs) assigned to each company facility to reinforce environmental performance review and facilitate reporting on operational progress on a regular basis to the Department of Environment and Natural Resources (DENR), the Laguna Lake Development Authority, and other national and local regulatory bodies. The PCOs monitor compliance with laws and regulations on air, water, and pollution.

Across the organization, we conduct various trainings and campaigns for employees to promote awareness and ensure understanding of the impact of workplace operations on the environment and in communities where we operate.

To aid in the review and evaluation of our performance, we undertake periodic audits of our environmental management system through trained Internal Auditors and International Register of Certificated Auditors (IRCA)-certified Lead Auditors facilitating the implementation of the Environment, Health, and Safety (EHS) audit program across the different sites.

In 2025, PLDT and Smart As part of our supply chain management processes, we enforce a Supplier Code of Conduct and complementing sustainability guidelines and EHS manuals that mandate suppliers to actively manage their environmental impact and comply with applicable environmental laws and regulations. We also integrate environmental criteria in the screening performance of suppliers, as well as hold forums and various engagements with suppliers to ensure their alignment with our policies on environmental management.

CEHS teams successfully renewed relevant ISO certifications, following a surveillance audit conducted by the Group's independent certifying body BSI Philippines Inc. The audit concluded with zero nonconformity findings, affirming the robustness, consistency, and effective implementation of the integrated Quality, Environmental, and Occupational Health and Safety (QEHS) Management System.

This successful renewal builds on the milestones achieved in 2024, when PLDT earned certifications for various international standards, including the ISO 14001:2015 (Environmental Management System). Smart was likewise recommended for these same set of certifications.

Opportunities for improvement identified during the audit were proactively addressed to further strengthen system effectiveness, governance, and operational discipline. These actions reinforce the PLDT Group's culture of continuous improvement and its sustained commitment to high standards of quality, environmental performance, and workplace safety across operations.

Beyond our own operations, we work with our supply chain to undertake regular assessments and stakeholder consultations to manage the environmental impact of our facilities and operations. We integrate environmental criteria in the screening performance of our suppliers, as well as hold various engagements to foster alignment of the supply chain with our policies and standards on environmental management.

Climate Change

The PLDT Group continues to recognize climate change as one of its top enterprise risks. This considers the high-risk profile and vulnerability of the Philippines to the worsening impacts of climate change, including more frequent and severe typhoons and weather disturbances with consequential effects such as flooding. The effects of climate change increase the likelihood of damage to the Group's physical infrastructure and network equipment, which can consequently disrupt operations and delivery of services.

In 2025, we have expanded conduct of a comprehensive analysis to identify impact of various climate scenarios on our assets and financials. Results guide continuing efforts to integrate climate and nature-related risk mitigation strategies into key aspects of our strategic planning, operational design, resource allocation, employee upskilling, and supply chain management programs.

Aside from managing physical impacts, the urgent need to address climate change in the Philippines may lead to the enactment of more stringent laws and regulations, which will further entail necessary investments, resources, and capacity-building efforts for the PLDT Group to remain compliant and competitive. We also continue to support the government in fostering a whole-of-nation approach towards climate action, helping ensure just transition of our key stakeholders and anchoring our climate strategies on human welfare.

Operational Resource Efficiency

In support of the Philippines' Nationally Determined Contribution under the Paris Agreement and the global ambition to achieve Net Zero by 2050, the PLDT Group developed a decarbonization roadmap that aims to reduce its Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 40% by 2030 against a 2019 baseline. Such target is underpinned by various initiatives that promote energy and operational resource efficiency, as well as the adoption of renewable energy and green technologies across our operations. These measures are also aimed at achieving resource cost-efficiencies and ensuring uninterrupted operations and delivery of services.

In line with Republic Act No. 11285 or the Energy Efficiency and Conservation Act, the PLDT Group continues to strengthen its energy efficiency and management initiatives across its network sites and facilities nationwide. We have established dedicated teams and internal experts to manage our energy management performance, including Certified Energy Managers and Certified Energy Auditors.

In addition, we have ramped up audits of the energy management performance of our critical network sites and base stations nationwide. These audits evaluate equipment performance, cooling systems, site layouts, and onsite energy practices to identify targeted improvements that enhance energy efficiency and strengthen network reliability. These also serve as capacity-building engagements for our field personnel, reinforcing their ability to apply energy management best practices on the ground.

As part of our broader efforts to optimize energy use and advance our decarbonization roadmap, we implement various energy efficiency measures, including the installation of direct current generator sets, solar panels, and photovoltaic cells. These have been designed to enable us to ensure wireless network coverage in remote areas, and reduce our dependence on diesel-fueled generators in cases of power failures and emergency situations. We have also put in place a company-wide mechanism for fuel requests, as well as active tools to validate electricity use and improve resource consumption efficiency.

Alongside energy efficiency initiatives, we have also been expanding supply partnerships to further increase the share of renewables in our energy mix, under the Department of Energy's Green Energy Option Program and the Energy Regulatory Commission's Retail Aggregation Program. For our fleet, we are advancing a rationalization program which is expected to contribute to reductions in our fuel consumption and GHG emissions.

Meanwhile, we also keep track of our water consumption and operationalize water efficiency efforts, recognizing water as a scarce natural resource. These include the use of advanced cooling systems in our data centers and the installation of rainwater catchment systems in key facilities. We also ensure that our wastewater is treated and disposed of in accordance with regulatory requirements, especially for facilities not served by local water utilities. Throughout the year, we also integrate water into our organizational campaigns to promote employee awareness on our consumption and encourage them to contribute to efficiency initiatives.

Circularity and Waste Management

Circularity and effective waste management are among the key focus areas of the PLDT Group's environmental management roadmap. With the goal of reducing our overall waste generation, we implement mechanisms continuously to track our waste performance, set targets for programs that minimize waste, capacitate our employees, and leverage innovation and strategic partnerships in support of circularity.

To manage solid waste, we have deployed waste segregation mechanisms and refreshed waste bin systems to our facilities nationwide. In parallel, we continuously capacitate our personnel to ensure adherence of each facility with national and local government regulations and waste collection schemes.

To manage plastic packaging waste, PLDT and Smart have strengthened commitment to the Extended Producers Responsibility Act (EPR) as registered Obligated Enterprises. In accordance with the law, the Group has engaged PCX Markets Philippines, Inc. as its Producer Responsibility Organization (PRO) for the implementation of its EPR programs and reporting.

During the year, we continued to train our employees and enable communities to reduce waste that end up in landfills, particularly through our participation in the X-Trash Challenge of the Philippine Business for Social Progress and Basic Environmental Systems and Technologies. PLDT and Smart employees participated by segregating their waste and exchanging recyclables, such as plastics, paper, and metals for environmental points. Accumulated points were subsequently used to procure grocery packs, which were consequently donated to an indigent community in Quezon City.

To promote circular use of network assets and better organize workplaces, we have strengthened our 5S Program and launched "AYOS 5S" in 2025. Under this program, we conducted a full inventory of network assets such as cables, radio equipment, modules, electrical and electronic components, computers, routers, servers, and power racks. Functional and reusable decommissioned network equipment were segregated for redeployment in new rollouts, sold, and repurposed, while non-usable assets were properly retired in accordance with environmental regulations. This initiative not only strengthened waste reduction and circularity practices, but also generated substantial cost savings, highlighting the business value of efficient asset utilization and responsible waste management.

To manage our hazardous and electronic waste (e-waste), we have maintained partnerships with various hazardous waste transporters and treaters accredited by the Department of Environment and Natural Resources (DENR). These covered used lead acid batteries from company vehicles, as well as e-wastes generated within our facilities and own operations.

Beyond our organization, we continued to expand our “Be Kind. Recycle.” program to encourage employees, customers, and stakeholder communities to properly dispose and recycling their e-wastes. While PLDT and Smart may not be producers of electronics, we recognize that the delivery of our services contributes to the generation of e-waste. To address this, we have set a target to make proper e-waste disposal and recycling accessible to PLDT and Smart employees, customers, and the public nationwide. Through partnerships with commercial establishments, schools, enterprise clients, and local government units like Baguio City where we continue to support a TSD facility, we have increased roll-out of e-waste collection bins and activated over 200 community partners from June 2023 to end December 2025.

Employees and Labor Relations

As at December 31, 2025, we had 14,304 employees, with 10,456 and 3,848 employees in our fixed line and wireless businesses, respectively. PLDT had 9,231 employees as at December 31, 2025, of which 39% were rank and file employees, 53% were management/supervisory staff and 8% were executives.

PLDT has three employee unions, representing in the aggregate 7,533, or 53% of the employees of the PLDT Group. PLDT considers its relationship with our rank-and-file employees’ union, our supervisors’ union and our sales supervisors’ union to be good.

We and our business units had the following employees as at December 31 of each of the following years:

	December 31,		
	2025	2024	2023
PLDT Group	14,304	14,904	15,596
Fixed Line	10,456	10,813	11,373
LEC	9,264	9,543	10,035
Others	1,192	1,270	1,338
Wireless	3,848	4,091	4,223
PLDT Only	9,231	9,513	10,004

For a detailed discussion of Department of Labor and Employment (DOLE) Compliance Order to PLDT, See Item 3. “Legal Proceedings” and *Note 26 – Provisions and Contingencies – DOLE Compliance Order to PLDT* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

Pension and Retirement Benefits

Defined benefit pension plans

PLDT has defined benefit pension plans, operating under the legal name “The Board of Trustees for the account of the Beneficial Trust Fund created pursuant to the Benefit Plan of PLDT Co.” and covering all of our permanent and regular employees. For the purpose of complying with Revised PAS 19, *Employee Benefits*, pension benefit expense has been actuarially computed based on defined benefit plan.

Defined contribution plans

Smart’s and certain of its subsidiaries’ contributions to the plan are made based on the employees’ years of tenure and range from 5% to 10% of the employee’s monthly salary. Additionally, an employee has the option to make a personal contribution to the fund, at an amount not exceeding 10% of his monthly salary. The employer then provides an additional contribution to the fund ranging from 10% to 50% of the employee’s contribution based on the employee’s years of tenure. Although the plan has a defined contribution format, Smart and certain of its subsidiaries regularly monitor their compliance with Republic Act No. 7641. As at December 31, 2025 and 2024, Smart and certain of its subsidiaries were in compliance with the requirements of Republic Act No. 7641.

See *Note 2 – Summary of Material Accounting Policies – Retirement Benefits* and *Note 25 – Pension and Other Employee Benefits* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for a discussion of our defined benefit pension plans and defined contribution plans.

Item 2. Description of Property

As at December 31, 2025, the PLDT Group owns three office buildings located in Makati City and owns and operates fixed line exchanges nationwide.

As at December 31, 2025, our principal properties, excluding property under construction, consisted of the following, based on net book values:

- 45% consisted of central office equipment and network facilities, including IGFs, pure national toll exchanges and combined local and toll exchanges;
- 40% consisted of cable, wire and mobile facilities, including our DFON, subscriber cable facilities, inter-office trunking and toll cable facilities and mobile facilities;
- 7% consisted of land and improvements and buildings and improvements, which we acquired to house our telecommunications equipment, personnel, inventory and/or fleet; and
- 8% consisted of other work equipment.

For more information on these properties, see *Note 9 – Property and Equipment* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

These properties are located in areas where our subscribers are being served. In our opinion, these properties are in good condition, except for ordinary wear and tear, and are adequately insured.

The majority of our connecting lines are above or under public streets and properties owned by others. For example, for many years, the PLDT Group has been using the power pole network of Meralco in Metro Manila for PLDT’s fixed line aerial cables in this area pursuant to short-term lease agreements with Meralco with typically five-year and more recently one-year terms.

The PLDT Group has various lease contracts for periods ranging from one to thirty years covering various items of sites, buildings, leased circuits and poles used in our operations. For more information on the obligations relating to these properties and long-term obligations, see *Note 10 – Leases*, *Note 20 – Interest-bearing Financial Liabilities* and *Note 27 – Financial Assets and Liabilities* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

We expect that in 2026, cash from operating activities should enable us to fund our capital expenditures for the continued expansion and upgrading of our network infrastructure. We expect to make additional investments in our core facilities to leverage existing technologies and increase capacity. Our current estimate for consolidated capital expenditures in 2026 will be in the mid-Php50 billion range. See Item 6. “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Plans” for further discussion on our capital expenditures.

Item 3. Legal Proceedings

Except as disclosed in the following paragraphs, neither PLDT nor any of its subsidiaries is a party to, and none of their respective properties is subject to, any pending legal proceedings that PLDT considers to be potentially material to its and its subsidiaries’ business.

DITO, PCC and NTC Complaints

The NTC proceedings between Smart and DITO over interconnection capacity and bypass traffic have been largely overtaken by subsequent events. In 2024, Smart informed the NTC and PCC that it had provided DITO with additional interconnection capacity and that both parties had executed a Memorandum of Agreement on Bypass Activities, under which DITO acknowledged its ISR liabilities for 2021 to August 2023.

During 2023–2024, Smart representatives appeared before the PCC Competition Enforcement Office (PCC-CEO) in relation to an ongoing administrative investigation concerning alleged violations of the Philippine Competition Act. Smart submitted required documents and attended clarificatory hearings in June, July, and November 2023, and filed several Manifestations in 2024 confirming its agreement with DITO and subsequent compliance actions.

On March 18, 2025, Smart received another Subpoena Duces Tecum from the PCC-CEO, directing it to submit documents and information on or before April 11, 2025 pertaining to its operations as a PTE and its relationship with other PTEs for the period of March 2021 to December 2024. On April 11, 2025, Smart requested for an additional thirty (30) days to comply with the Subpoena. Thereafter, on May 13, 2025, Smart filed its Compliance to the PCC-CEO’s Subpoena.

On May 30, 2025, Smart received a resolution from the PCC-CEO requiring it to clarify documents to be further submitted in relation to the March 18, 2025 Subpoena, and scheduling a videoconference on June 11, 2025. Smart, through its representatives then attended the June 11, 2025 clarificatory hearing via videoconference, and simultaneously filed its partial compliance with the Subpoena and a prayer that it be given a period of fifteen (15) days from June 11, 2025 or until June 26, 2025, to submit other information and documents required in the Subpoena. Accordingly, Smart filed its Compliance on June 25, 2025. Thereafter, the PCC-CEO issued a Resolution dated June 25, 2025, directing Smart to submit further documents in relation to the issues on or before July 07, 2025. In compliance therewith, Smart filed its Manifestation on July 07, 2025.

As at the date of this report, the PCC-CEO’s investigation remains pending resolution.

See *Note 26 – Provisions and Contingencies – Notice of Material Breach and Demand for Payment on DITO* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

DOLE Compliance Order Issued Against PLDT

In a series of orders, including a compliance order issued by the DOLE in 2018, PLDT was ordered to regularize 7,344 workers from 38 of PLDT's third party service contractors. PLDT questioned these regularization orders before the CA. The CA partially ruled in favor of PLDT by holding that the following services can be validly outsourced: (i) janitorial, messengerial, clerical; (ii) IT support and application development; (iii) back office support and BPOs; and (iv) sales, and other professional services. This ruling considerably reduced by at least half, the number of workers of service contractors required to be regularized. PLDT filed a petition for review with the Supreme Court because the CA ordered the regularization of individuals performing installation, repair, and maintenance functions on the basis that they are usually necessary and desirable to the usual course of PLDT's business.

The Supreme Court resolved the consolidated Petitions in a Decision promulgated on February 14, 2024. The Decision affirmed the Court of Appeals in setting aside the Secretary of Labor's orders for PLDT to regularize the 7,344 workers of its contractors, except those workers performing "installation, repair and maintenance" services, whose regularization is subject to a remand of proceedings before the Regional Director of the DOLE. In setting aside the Secretary of Labor's orders, the Supreme Court ruled that the exercise of the Secretary's visitorial and enforcement powers is subject to the "basic tenets of appreciating evidence," and that it was improper to rely on the anecdotal evidence that was used as basis in the Secretary's orders because such evidence is "malleable and may be tailored to suit any narrative or conclusion." The remand will require the Regional Director of DOLE to determine the appropriateness of regularization of employees of contractors engaged in installation, repair, and maintenance, by undertaking the following: (a) to review and properly determine the effects of the regularization of the workers performing installation, repair, and maintenance services; (b) to review, compute, and properly determine, the monetary award on the labor standards violation, to which PLDT, and the concerned contractors are solidarily liable; and (c) to conduct further appropriate proceedings, consistent with this Decision. Motions for Reconsideration may be filed by the parties, subject to their receipt of the Supreme Court decision by official service.

PLDT filed a Motion for Partial Reconsideration on April 4, 2024, and received MKP's separate motion on April 16, 2024.

The Supreme Court, First Division, in its Resolution dated November 5, 2025, which was received by counsel on February 24, 2026, resolved to deny with finality the motions for partial reconsideration filed by PLDT and MKP and held that no further pleadings, motions, letters, or other communications will be entertained. Accordingly, the Decision of the Supreme Court to remand the case stands.

See *Note 26 – Provisions and Contingencies – DOLE Compliance Order to PLDT* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

Petition against the PCC

In July 2016, PLDT filed before the CA a petition for certiorari and prohibition (with urgent application for a temporary restraining order and/or writ of preliminary injunction) against the PCC. The Petition seeks to enjoin the PCC from proceeding with the review of the acquisition by PLDT and Globe of equity interest, including outstanding advances and assumed liabilities, in the telecommunications business of SMC, and performing any act which challenges or assails the "deemed approved" status of the said transactions. In August 2016, the CA issued a writ of preliminary injunction enjoining the PCC to cease and desist from conducting further proceedings for the pre-acquisition review and/or investigation of the SMC Transactions. In April 2017, the PCC filed before the Supreme Court a petition to annul the writ of preliminary injunction issued by the CA. The petition remains pending with the Supreme Court.

See *Note 11 – Investments in Associates and Joint Ventures – In the Matter of the Petition against the PCC* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

Attys. Baquiran and Tecson vs. NTC, et al.

In October 2018, a petition for mandamus was filed against the NTC, the PCC, Liberty Telecoms Holdings, Inc. (also known as Tori Spectrum Telecom, Inc.), Bell Telecommunication, Inc., Globe, PLDT and Smart. This involves the 700 MHz frequency, among others, that was originally assigned to Liberty and which eventually became subject of a co-use agreement between Globe, PLDT and Smart. The petition remains pending with the Supreme Court.

See *Note 26 – Provisions and Contingencies – Attys. Baquiran and Tecson vs. NTC, et al.* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

Arbitration with Eastern Telecommunications Philippines, Inc., or ETPI

Since 1990 up to the present, PLDT and ETPI have been engaged in legal proceedings involving a number of issues in connection with their business relationship. To avoid protracted litigation and to preserve their business relationship, PLDT and ETPI agreed to submit their differences and issues to voluntary arbitration. In April 2008, PLDT and ETPI signed an Arbitration Settlement Agreement. Subsequent to such submissions, PLDT and ETPI agreed to suspend the arbitration proceedings.

See *Note 26 – Provisions and Contingencies – Arbitration with Eastern Telecommunications Philippines, Inc.* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

Local Business and Franchise Taxes

As at December 31, 2025, PLDT has no contested LGU assessments for franchise taxes based on gross receipts received or collected for services within its respective territorial jurisdiction.

Smart, SBI and DMPI currently face various local business and franchise tax assessments by different local government units, while Digitel is discussing with various local government units as to the settlement of its local taxes.

See *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this annual report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters

Market Information

Common Capital Stock and ADSs

The shares of common stock of PLDT are listed and traded on the PSE under the symbol of “TEL”. On October 19, 1994, an American Depositary Receipt (ADR) facility was established, pursuant to which Citibank, N.A., as the depository, issued ADRs evidencing ADSs with each ADS representing one PLDT common share with a par value of Php5.00 per share. Effective February 10, 2003, PLDT appointed JP Morgan Chase Bank as successor depository of PLDT’s ADR facility. The ADSs are listed on the NYSE and are traded on the NYSE under the symbol of “PHI”.

The public ownership level of PLDT common shares listed on the PSE as at December 31, 2025 is 42.08%.

As at December 31, 2025, 9,789 stockholders were Philippine persons and held approximately 65.74% of PLDT’s common capital stock. In addition, as at December 31, 2025, there were a total of approximately 17,150 million ADSs outstanding, substantially all of which PLDT believes were held in the United States by 201 holders.

High and low sales prices for PLDT’s common shares on the PSE and ADSs on the NYSE for each of the full quarterly period during 2025 and 2024 and for the first two months of 2026 were as follows:

	Philippine Stock Exchange		New York Stock Exchange	
	High	Low	High	Low
2026				
First Quarter	1,418.00	1,245.00	24.51	21.13
January	1,373.00	1,245.00	23.20	21.13
February (through February 25)	1,418.00	1,344.00	24.51	22.43
2025				
First Quarter	1,406.00	1,271.00	25.12	21.70
Second Quarter	1,337.00	1,200.00	24.09	20.29
Third Quarter	1,333.00	1,093.00	23.46	18.61
Fourth Quarter	1,330.00	1,067.00	22.59	18.66
2024				
First Quarter	1,425.00	1,255.00	30.39	22.07
Second Quarter	1,480.00	1,286.00	26.00	22.56
Third Quarter	1,624.00	1,420.00	29.05	24.29
Fourth Quarter	1,565.00	1,245.00	27.73	21.00

Holders

As at December 31, 2025, there were 11,328 holders of record of PLDT's common shares. Listed below were the top 20 common shareholders, including their nationalities, the number of shares held, the amount of their holdings, and the approximate percentages of their respective shareholdings to PLDT's total outstanding common stocks:

Name of Holder of Record		Nationality	Number of Shares Held	Amount of Holding	Approximate % to Total Outstanding Common Stock
1.	PCD Nominee Corporation	Various – Filipino	55,953,034	Php279,765,170	
		Various – Foreign	26,442,868	132,214,340	38.14
2.	Philippine Telecommunications Investment Corporation	Filipino	26,034,263	130,171,315	12.05
3.	JG Summit Holdings, Inc.	Filipino	24,255,732	121,278,660	11.23
4.	NTT DOCOMO, INC.	Japanese	22,796,902	113,984,510	10.55
5.	Metro Pacific Resources, Inc.	Filipino	21,556,676	107,783,380	9.98
6.	NTT DOCOMO BUSINESS, Inc.	Japanese	12,633,487	63,167,435	5.85
7.	J. P. Morgan Hong Kong Nominees Limited	Chinese	11,515,131	57,575,655	5.33
8.	Social Security System, or SSS	Filipino	9,613,282	48,066,410	4.45
9.	James L. Go	Filipino	885,724	4,428,620	0.41
10.	Pan-Malayan Management & Investment Corp.	Filipino	781,124	3,905,620	0.36
11.	Manuel V. Pangilinan	Filipino	363,521	1,817,605	0.17
12.	Malayan Insurance Co., Inc.	Filipino	288,000	1,440,000	0.13
13.	Social Security System Assigned to Employees Compensation Fund	Filipino	134,700	673,500	0.06
14.	Alfonso T. Yuchengco	Filipino	118,458	592,290	0.05
15.	Albert F. del Rosario &/or Margaret Gretchen V. del Rosario	Filipino	106,780	533,900	0.05
16.	JG Digital Equity Ventures, Inc.	Filipino	86,723	433,615	0.04
17.	Enrique T. Yuchengco, Inc.	Filipino	59,868	299,340	0.03
18.	Social Security System Assigned to Mandatory Provident Fund	Filipino	50,100	250,500	0.02
19.	Henry O. Chusuey / Henry O. Chusuey or suey/Chusuey Henry Ong or Anna Lissa Chusuey	Filipino	49,385	246,925	0.02
	Anna Lissa Chusuey / Chusuey Henry Ong or Anna Lissa Chusuey				
20.	JDC Investment Realty Enterprises, Inc.	Filipino	47,708	238,540	0.02
			213,773,466	Php1,068,867,330	

Dividends

The following table shows the dividends declared to common shareholders from the earnings for the years ended December 31, 2023, 2024 and 2025:

Earnings	Date			Amount	
	Approved	Record	Payable	Per share (in Php)	Total Declared (amounts in million Php)
2023	August 3, 2023	August 17, 2023	September 4, 2023	49	10,587
2023	March 7, 2024	March 21, 2024	April 5, 2024	46	9,939
				95	20,526
2024	August 13, 2024	August 27, 2024	September 11, 2024	50	10,803
2024	February 27, 2025	March 13, 2025	April 3, 2025	47	10,155
				97	20,958
2025	August 12, 2025	August 28, 2025	September 10, 2025	48	10,370
2025	February 26, 2026	March 26, 2026	April 16, 2026	46	9,939
				94	20,309

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes as at December 31, 2025 and 2024 and for each of the three years ended December 31, 2025, 2024 and 2023 included elsewhere in this Annual Report. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements.

Selected Financial Data and Key Performance Indicators

(amounts in million Php, except earnings per common share amounts)	Years ended December 31,		
	2025	2024	2023
Income Statement Data:			
Revenues	218,388	216,833	210,953
Service revenues	212,186	208,382	201,939
Non-service revenues	6,202	8,451	9,121
Expenses	168,040	166,346	170,259
Other expenses – net	10,859	7,794	4,217
Income before income tax	39,489	42,693	36,477
Net income	30,218	32,555	26,824
Continuing operations	30,218	32,555	26,865
Discontinued operations	—	—	(41)
Core income	34,636	34,232	32,421
Continuing operations	34,636	34,232	32,462
Discontinued operations	—	—	(41)
Telco core income	33,925	35,138	34,341
EBITDA			
Continuing operations	111,231	108,515	104,233
Discontinued operations	111,231	108,515	104,297
EBITDA margin ⁽¹⁾	52%	52%	52%
Reported earnings per common share:			
Basic	138.63	149.26	122.91
Diluted	138.63	149.26	122.91
Reported earnings per common share from continuing operations:			
Basic	138.63	149.26	123.10
Diluted	138.63	149.26	123.10
Core earnings per common share:			
Basic	160.04	158.17	149.78
Diluted	160.04	158.17	149.78
Core earnings per common share from continuing operations:			
Basic	160.04	158.17	149.97
Diluted	160.04	158.17	149.97
Other Data:			
Net cash provided by operating activities	98,738	81,731	85,765
Net cash used in investing activities	(60,979)	(65,704)	(55,118)
Payment for purchase of property and equipment, including capitalized interest	(62,864)	(68,257)	(78,435)
Net cash used in financing activities	(35,927)	(22,331)	(39,418)
Operational Data			
Number of mobile subscribers:	59,891,520	58,989,807	57,827,126
Prepaid	57,534,812	56,731,489	55,667,880
Postpaid	2,356,708	2,258,318	2,159,246
Number of fixed line voice subscribers	3,689,997	3,711,371	3,766,105
Number of broadband subscribers:	4,251,426	3,878,231	3,709,541
Fixed Line broadband	3,793,927	3,431,785	3,268,996
Fixed Wireless broadband	457,499	446,446	440,545
Number of employees:	14,304	14,904	15,596
Fixed Line	10,456	10,813	11,373
LEC	9,264	9,543	10,035
Others	1,192	1,270	1,338
Wireless	3,848	4,091	4,223

⁽¹⁾ EBITDA margin for the year is measured as EBITDA from continuing operations divided by service revenues.

Overview

We are one of the leading telecommunications and digital services providers in the Philippines, serving the fixed line, wireless and broadband markets. Through our three principal business segments, Wireless, Fixed Line and Others, we offer a wide range of telecommunications and digital services across our extensive fiber optic backbone and wireless and fixed line networks. See Note 4 – Operating Segment Information to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further information on each of these segments.

Key performance indicators and drivers that our management uses to monitor and direct the operation of our businesses include, among others, the general economic conditions in the Philippines; market trends, such as customer demands, behavior and satisfaction parameters; technological developments; network performance (in terms of speed, coverage and capacity); market share; and profitability.

In addition, our results of operations and financial position are affected by fluctuations of the Philippine peso against the U.S. dollar.

Performance Indicators

We use a number of non-GAAP performance indicators to monitor financial performance. These are summarized below and discussed later in this report.

EBITDA

EBITDA for the year is measured as net income excluding depreciation and amortization, amortization of intangible assets, asset impairment on noncurrent assets, financing costs – net, interest income, equity share in net earnings (losses) of associates and joint ventures, foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net, provision for (benefit from) income tax, other income (expense) – net, manpower rightsizing program (MRP) and non-recurring income (expenses). EBITDA is monitored by management for each business unit separately for purposes of making decisions about resource allocation and performance assessment. EBITDA is presented because our management believes that it is widely used by investors in their analysis of the performance of PLDT and can assist them in their comparison of PLDT's performance with those of other companies in the technology, media and telecommunications sector. Companies in the technology, media and telecommunications sector have historically reported EBITDA as a supplement to financial measures in accordance with PFRS Accounting Standards. EBITDA should not be considered as alternative to net income as an indicator of our performance, nor should EBITDA be considered as an alternative to cash flows from operating activities, as a measure of liquidity or as an alternative to any other measure determined in accordance with PFRS Accounting Standards. Unlike net income, EBITDA does not include depreciation and amortization, or financing costs and, therefore, does not reflect current or future capital expenditures or the cost of capital. We compensate for these limitations by using EBITDA as only one of several comparative tools, together with PFRS Accounting Standards-based measurements, to assist in the evaluation of operating performance. Such PFRS Accounting Standards-based measurements include income before income tax, net income, and operating, investing and financing cash flows. We have significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in EBITDA. Our calculation of EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited. A reconciliation of our consolidated net income to our consolidated EBITDA for the years ended December 31, 2025, 2024 and 2023 is presented in Item 6. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review"

Core Income and Telco Core Income

Core income for the year is measured as net income attributable to equity holders of PLDT (net income less net income attributable to noncontrolling interests), excluding foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net (excluding hedge costs), asset impairment on noncurrent assets, non-recurring gains (losses), net of tax effect of aforementioned adjustments, as applicable, and similar adjustments to equity share in net earnings (losses) of associates and joint ventures. Core income results are monitored by management for each business unit separately for purposes of making decisions about resource allocation and performance assessment.

Meanwhile, telco core income for the year is measured as net income attributable to equity holders of PLDT (net income less net income attributable to noncontrolling interests), excluding foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net (excluding hedge costs), asset impairment on noncurrent assets, non-recurring gains (losses), net of tax effect of aforementioned adjustments, as applicable, and similar adjustments to equity share in net earnings (losses) of associates and joint ventures, adjusted for the effect of the share in Maya Innovations Holdings, Pte. Ltd., or MIH, (formerly Voyager Innovations Holdings Pte. Ltd.), and Kayana Solutions, Inc. (Kayana), formerly Limitless Growth Ventures, Inc.) income (losses), asset sales, and depreciation due to change in accounting estimate. Telco core income is used by the management as a basis for determining the level of dividend payouts to shareholders and one of the bases for granting incentives to employees.

Core income and telco core income should not be considered as alternatives to income before income tax or net income determined in accordance with PFRS Accounting Standards as an indicator of our performance. Unlike net income, core income and telco core income do not include certain items, among others, foreign exchange gains and losses, gains and losses on derivative financial instruments, impairment on non-current assets and non-recurring gains and losses. We compensate for these limitations by using core income and telco core income as a few of several comparative tools, together with PFRS Accounting Standards-based measurements, to assist in the evaluation of operating performance. Such PFRS Accounting Standards-based measurements include income before income tax and net income. Our calculation of core income may be different from the calculation methods used by other companies and, therefore, comparability may be limited. A reconciliation of our consolidated net income to our consolidated core income and consolidated telco core income for the years ended December 31, 2025, 2024 and 2023 is presented in Item 6. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review".

Management's Financial Review

We use our EBITDA, core income and telco core income to assess our operating performance. Set forth below is a reconciliation of our consolidated net income to our consolidated EBITDA and a reconciliation of our consolidated net income to our consolidated core income and consolidated telco core income for the years ended December 31, 2025, 2024 and 2023.

The following table shows the reconciliation of our consolidated net income to our consolidated EBITDA for the years ended December 31, 2025, 2024 and 2023:

(amounts in million Php)

For the year ended December 31, 2025

	Wireless	Fixed Line	Others	Elims	Consolidated
Consolidated net income	9,344	27,041	568	(6,735)	30,218
Add (deduct) adjustments:					
Depreciation and amortization	40,560	26,928	—	(8,001)	59,487
Financing costs – net	9,941	9,411	—	(1,184)	18,168
Provision for income tax	2,678	7,291	(29)	(669)	9,271
Manpower rightsizing program (MRP)	296	1,092	—	—	1,388
Foreign exchange losses (gains) – net	12	545	(4)	(3)	550
Equity share in net losses (earnings) of associates and joint ventures	11	924	(507)	—	428
Impairment of non-current assets	—	8	—	—	8
Income from prescription of liability on subscriber investment plan deposits	—	(672)	—	—	(672)
Interest income	(554)	(171)	(11)	17	(719)
Gain on sale and leaseback of telecom towers – net of transaction costs	(871)	—	—	—	(871)
Gains on derivative financial instruments – net	(350)	(1,466)	—	—	(1,816)
Others – net	(3,478)	(7,678)	(24)	6,971	(4,209)
Total adjustments	48,245	36,212	(575)	(2,869)	81,013
Consolidated EBITDA	57,589	63,253	(7)	(9,604)	111,231
Service Revenues	97,568	130,355	—	(15,737)	212,186
EBITDA Margin	59%	49%	—	61%	52%

For the year ended December 31, 2024

Consolidated net income	11,060	32,392	(1,069)	(9,828)	32,555
Add (deduct) adjustments:					
Depreciation and amortization	36,483	29,132	—	(9,387)	56,228
Financing costs – net	9,763	7,456	—	(1,719)	15,500
Provision for income tax	3,276	6,501	(9)	370	10,138
MRP	69	1,619	—	—	1,688
Equity share in net losses of associates and joint ventures	—	67	923	—	990
Impairment of non-current assets	1	68	—	—	69
Foreign exchange losses (gains) – net	(775)	819	75	(83)	36
Income from prescription of liability on redeemable preferred shares	—	(71)	—	—	(71)
Interest income	(698)	(230)	(15)	27	(916)
Gain on sale and leaseback of telecom towers – net of transaction costs	(951)	—	—	—	(951)
Gains on derivative financial instruments – net	(1,434)	(2,589)	—	—	(4,023)
Others – net	(1,160)	(13,211)	47	11,596	(2,728)
Total adjustments	44,574	29,561	1,021	804	75,960
Consolidated EBITDA	55,634	61,953	(48)	(9,024)	108,515
Service Revenues	97,779	125,994	—	(15,391)	208,382
EBITDA Margin	57%	49%	—	59%	52%

For the year ended December 31, 2023

Net income from continuing operations	17,522	26,514	(2,270)	(14,901)	26,865
Net loss from discontinued operations	—	—	—	—	(41)
Consolidated net income	17,522	26,514	(2,270)	(14,901)	26,824
Add (deduct) adjustments to continuing operations:					
Depreciation and amortization	31,684	36,890	—	(9,912)	58,662
Financing costs – net	9,034	6,824	—	(2,103)	13,755
Provision for income tax	5,537	4,015	1	59	9,612
Equity share in net earnings of associates and joint ventures	—	595	2,211	—	2,806
Additional amortization of subscriber contract cost to obtain MRP	—	2,135	—	—	2,135
MRP	327	1,694	—	—	2,021
Interest income	(720)	(324)	(7)	35	(1,016)
Foreign exchange losses (gains) – net	(981)	(138)	76	(106)	(1,149)
Gains on derivative financial instruments – net	(114)	(1,084)	—	—	(1,198)
Gain on sale and leaseback of telecom towers – net of transaction costs	(6,992)	—	—	—	(6,992)
Others – net	(928)	(18,019)	(29)	17,772	(1,204)
Total adjustments	36,847	32,588	2,252	5,745	77,432
EBITDA from continuing operations	54,369	59,102	(18)	(9,156)	104,297
EBITDA from discontinued operations	—	—	—	—	(64)
Consolidated EBITDA	54,369	59,102	(18)	(9,156)	104,233
Service Revenues	95,677	120,336	—	(14,181)	201,832
EBITDA Margin	57%	49%	—	65%	52%

The following table shows the reconciliation of our consolidated net income to our consolidated core income and telco core income for the years ended December 31, 2025, 2024 and 2023:

(amounts in million Php)

For the year ended December 31, 2025

	Wireless	Fixed Line	Others	Elims	Consolidated
Consolidated net income	9,344	27,041	568	(6,735)	30,218
Add (deduct) adjustments:					
Accelerated depreciation and amortization	5,776	981	—	—	6,757
MRP	296	1,092	—	—	1,388
Core income adjustment on equity share in net losses of associates and joint ventures	—	610	33	—	643
Foreign exchange losses (gains) – net	12	545	(4)	(3)	550
Amortization of debt discount from debt modification	113	49	—	—	162
Impairment of non-current assets	—	8	—	—	8
Net income attributable to noncontrolling interests	(15)	(65)	—	(127)	(207)
Income from prescription of liability on subscriber investment plan deposits	—	(672)	—	—	(672)
Gain on sale and leaseback of telecom towers – net of transaction costs	(871)	—	—	—	(871)
Losses on derivative financial instruments – net, excluding hedge costs	(399)	(1,615)	—	—	(2,014)
Net tax effect of aforementioned adjustments	(1,231)	(97)	1	1	(1,326)
Total adjustments	3,681	836	30	(129)	4,418
Consolidated core income	13,025	27,877	598	(6,864)	34,636
Add (deduct) adjustments:					
Share in Kayana losses	—	—	92	—	92
Share in MIH income	—	—	(716)	—	(716)
Gain on asset sales, net of tax	—	—	(87)	—	(87)
Total adjustments	—	—	(711)	—	(711)
Consolidated telco core income	13,025	27,877	(113)	(6,864)	33,925

For the year ended December 31, 2024

Consolidated net income	11,060	32,392	(1,069)	(9,828)	32,555
Add (deduct) adjustments:					
Accelerated depreciation and amortization	2,787	2,899	—	—	5,686
MRP	69	1,619	—	—	1,688
Amortization of debt discount from debt modification	124	59	—	—	183
Other non-recurring expenses	—	151	—	—	151
Impairment of non-current assets	1	68	—	—	69
Foreign exchange losses (gains) – net	(775)	819	75	(83)	36
Core income adjustment on equity share in net loss (income) of associates and joint ventures	—	66	(71)	—	(5)
Income from prescription of liability on redeemable preferred shares	—	(71)	—	—	(71)
Net income attributable to noncontrolling interests	(16)	(66)	—	(166)	(248)
Gain on sale and leaseback of telecom towers – net of transaction costs	(951)	—	—	—	(951)
Gains on derivative financial instruments – net, excluding hedge costs	(1,492)	(2,760)	—	—	(4,252)
Net tax effect of aforementioned adjustments	45	(658)	(19)	23	(609)
Total adjustments	(208)	2,126	(15)	(226)	1,677
Consolidated core income	10,852	34,518	(1,084)	(10,054)	34,232
Add (deduct) adjustments:					
Share in MIH losses	—	—	1,006	—	1,006
Share in Kayana losses	—	—	46	—	46
Gain on deconsolidation of Kayana	—	(146)	—	—	(146)
Total adjustments	—	(146)	1,052	—	906
Consolidated telco core income	10,852	34,372	(32)	(10,054)	35,138

For the year ended December 31, 2023

Net income from continuing operations	17,522	26,514	(2,270)	(14,901)	26,865
Net loss from discontinued operations	—	—	—	—	(41)
Consolidated net income	17,522	26,514	(2,270)	(14,901)	26,824
Add (deduct) adjustments to continuing operations:					
Accelerated depreciation and amortization ⁽¹⁾	—	13,924	—	—	13,924
MRP	327	1,694	—	—	2,021
Core income adjustment on equity share in net loss (income) of associates and joint ventures	—	364	102	—	466
Other non-recurring expenses	—	433	—	—	433
Amortization of debt discount from debt modification	125	52	—	—	177
Impairment of investments	70	—	—	—	70
Net income attributable to noncontrolling interests	(19)	(129)	—	(62)	(210)
Foreign exchange losses (gains) – net	(981)	(142)	77	(106)	(1,152)
Losses on derivative financial instruments – net, excluding hedge costs	(180)	(1,256)	—	—	(1,436)
Gain on sale and leaseback of telecom towers – net of transaction costs	(6,992)	—	—	—	(6,992)
Net tax effect of aforementioned adjustments	1,878	(3,568)	(19)	5	(1,704)
Total adjustments	(5,772)	11,372	160	(163)	5,597
Core income from continuing operations	11,750	37,886	(2,110)	(15,064)	32,462
Core loss from discontinued operations	—	—	—	—	(41)
Consolidated core income	11,750	37,886	(2,110)	(15,064)	32,421
Core income from continuing operations	11,750	37,886	(2,110)	(15,064)	32,462
Add (deduct) adjustments:					
Share in MIH losses	—	—	2,175	—	2,175
Gain on asset sales, net of tax	—	(296)	—	—	(296)
Total adjustments	—	(296)	2,175	—	1,879
Consolidated telco core income	11,750	37,590	65	(15,064)	34,341

⁽¹⁾ In 2023, accelerated depreciation and amortization includes subscriber contract cost to obtain of Php2,135 million and cost to fulfill of Php11,789 million.

The following table shows the reconciliation of our consolidated basic and diluted earnings per share, or EPS, attributable to common equity holders of PLDT to our consolidated basic and diluted core EPS for the years ended December 31, 2025, 2024 and 2023:

	2025		2024		2023	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
			(amounts in Php)			
EPS from continuing operations	138.63	138.63	149.26	149.26	123.10	123.10
EPS from discontinued operations	—	—	—	—	(0.19)	(0.19)
Consolidated EPS attributable to common equity holders of PLDT	138.63	138.63	149.26	149.26	122.91	122.91
Add (deduct) adjustments:						
Accelerated depreciation and amortization	23.45	23.45	19.74	19.74	48.34	48.34
MRP	4.82	4.82	5.86	5.86	7.02	7.02
Foreign exchange losses (gains) – net	1.91	1.91	0.13	0.13	(4.00)	(4.00)
Core income adjustment on equity share in net (income) losses of associates and joint ventures	2.98	2.98	(0.02)	(0.02)	2.16	2.16
Net losses on debt modification	0.56	0.56	0.64	0.64	0.61	0.61
Impairment of investments/noncurrent assets	—	—	0.31	0.31	0.32	0.32
Gains on derivative financial instruments – net, excluding hedge costs	(6.99)	(6.99)	(14.76)	(14.76)	(4.99)	(4.99)
Gain on sale and leaseback of telecom towers	(3.02)	(3.02)	(3.30)	(3.30)	(24.59)	(24.59)
Income from prescription of liability on redeemable preferred shares/subscriber investment plan deposits	(2.33)	(2.33)	(0.33)	(0.33)	—	—
Other non-recurring expenses	0.03	0.03	0.64	0.64	2.00	2.00
Total adjustments	21.41	21.41	8.91	8.91	26.87	26.87
Core EPS from continuing operations	160.04	160.04	158.17	158.17	149.97	149.97
Core EPS from discontinued operations	—	—	—	—	(0.19)	(0.19)
Consolidated core EPS	160.04	160.04	158.17	158.17	149.78	149.78

Results of Operations

The table below shows the contribution by each of our business segments to our consolidated revenues, expenses, other income (expenses), income (loss) before income tax, provision for (benefit from) income tax, net income (loss), segment profit (loss), EBITDA, EBITDA margin and core income for the years ended December 31, 2025, 2024 and 2023. In each of the years ended December 31, 2025, 2024 and 2023, the majority of our revenues was derived from our operations within the Philippines. Our revenues derived from outside the Philippines consist primarily of incoming international calls to the Philippines.

	Wireless	Fixed Line	Others	Inter-segment Transactions	Consolidated
	(amounts in million Php)				
For the year ended December 31, 2025					
Revenues	103,316	130,810	—	(15,738)	218,388
Expenses	86,583	95,585	7	(14,135)	168,040
Other income (expenses) – net	(4,711)	(893)	546	(5,801)	(10,859)
Income (loss) before income tax	12,022	34,332	539	(7,404)	39,489
Provision for (benefit from) income tax	2,678	7,291	(29)	(669)	9,271
Net income/Segment profit	9,344	27,041	568	(6,735)	30,218
EBITDA	57,589	63,253	(7)	(9,604)	111,231
EBITDA margin	59%	49%	—	—	52%
Telco core income	13,025	27,877	(113)	(6,864)	33,925
Core income	13,025	27,877	598	(6,864)	34,636
For the year ended December 31, 2024					
Revenues	105,734	126,490	—	(15,391)	216,833
Expenses	86,653	95,357	90	(15,754)	166,346
Other income (expenses) – net	(4,745)	7,760	(988)	(9,821)	(7,794)
Income (loss) before income tax	14,336	38,893	(1,078)	(9,458)	42,693
Provision for (benefit from) income tax	3,276	6,501	(9)	370	10,138
Net income (loss)/Segment profit (loss)	11,060	32,392	(1,069)	(9,828)	32,555
EBITDA	55,634	61,953	(48)	(9,024)	108,515
EBITDA margin	57%	49%	—	—	52%
Telco core income	10,852	34,372	(32)	(10,054)	35,138
Core income	10,852	34,518	(1,084)	(10,054)	34,232
For the year ended December 31, 2023					
Revenues	104,401	120,734	—	(14,182)	210,953
Expenses	82,827	102,352	18	(14,938)	170,259
Other income (expenses) – net	1,485	12,147	(2,251)	(15,598)	(4,217)
Income (loss) before income tax	23,059	30,529	(2,269)	(14,842)	36,477
Provision for income tax	5,537	4,015	1	59	9,612
Net income (loss)/Segment profit (loss)	17,522	26,514	(2,270)	(14,901)	26,824
Continuing operations	17,522	26,514	(2,270)	(14,901)	26,865
Discontinued operations	—	—	—	—	(41)
EBITDA	54,369	59,102	(18)	(9,156)	104,233
Continuing operations	54,369	59,102	(18)	(9,156)	104,297
Discontinued operations	—	—	—	—	(64)
EBITDA margin ⁽¹⁾	57%	49%	—	—	52%
Telco core income	11,750	37,590	65	(15,064)	34,341
Core income	11,750	37,886	(2,110)	(15,064)	32,421
Continuing operations	11,750	37,886	(2,110)	(15,064)	32,462
Discontinued operations	—	—	—	—	(41)

⁽¹⁾ EBITDA margin for the year is measured as EBITDA from continuing operations divided by service revenues.

Years Ended December 31, 2025 and 2024

On a Consolidated Basis

Revenues

We reported consolidated revenues of Php218,388 million in 2025, an increase of Php1,555 million, or 1%, as compared with Php216,833 million in 2024, primarily due to higher consolidated revenues from data and voice services, partially offset by lower consolidated non-service revenues.

Our consolidated service revenues of Php212,186 million in 2025, increased by Php3,804 million, or 2%, from Php208,382 million in 2024. Our consolidated non-service revenues of Php6,202 million in 2025, decreased by Php2,249 million, or 27%, from Php8,451 million in 2024.

Consolidated service revenues, net of interconnection costs of Php16,010 million, amounted to Php196,176 million in 2025, an increase of Php1,512 million, or 1%, from Php194,664 million in 2024.

The following table shows the breakdown of our consolidated revenues by service for the years ended December 31, 2025 and 2024:

	Wireless	Fixed Line	Inter-segment Transactions	Consolidated
	(amounts in million Php)			
For the year ended December 31, 2025				
Service Revenues				
Wireless	97,568		(699)	96,869
Mobile	95,619		(646)	94,973
Fixed Wireless broadband	1,896		—	1,896
Other services	53		(53)	—
Fixed Line		130,355	(15,038)	115,317
Voice ⁽¹⁾		31,226	(1,254)	29,972
Data		99,068	(13,784)	85,284
Home broadband		53,375	(17)	53,358
Corporate data and ICT		45,693	(13,767)	31,926
Miscellaneous		61	—	61
Total Service Revenues	97,568	130,355	(15,737)	212,186
Non-Service Revenues				
Sale of devices and accessories	5,748	455	(1)	6,202
Total Non-Service Revenues	5,748	455	(1)	6,202
Total Revenues	103,316	130,810	(15,738)	218,388
For the year ended December 31, 2024				
Service Revenues ⁽²⁾				
Wireless	97,779		(790)	96,989
Mobile	96,246		(738)	95,508
Fixed Wireless broadband	1,481		—	1,481
Other services	52		(52)	—
Fixed Line		125,994	(14,601)	111,393
Voice ⁽¹⁾		29,660	(1,560)	28,100
Data		96,269	(13,041)	83,228
Home broadband		51,759	(18)	51,741
Corporate data and ICT		44,510	(13,023)	31,487
Miscellaneous		65	—	65
Total Service Revenues	97,779	125,994	(15,391)	208,382
Non-Service Revenues				
Sale of devices and accessories	7,955	496	—	8,451
Total Non-Service Revenues	7,955	496	—	8,451
Total Revenues	105,734	126,490	(15,391)	216,833

⁽¹⁾ Consolidated voice services revenues include wholesale international voice of Php15,151 million and Php12,772 million with corresponding costs of Php14,887 million and Php12,535 million for the years ended December 31, 2025 and 2024, respectively.

⁽²⁾ Certain amounts for the year ended December 31, 2024 were reclassified to conform with the current presentation.

The following table shows the breakdown of our consolidated revenues by business segment for the years ended December 31, 2025 and 2024:

	2025	%	2024	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	103,316	47	105,734	49	(2,418)	(2)
Fixed Line	130,810	60	126,490	58	4,320	3
Inter-segment transactions	(15,738)	(7)	(15,391)	(7)	(347)	(2)
Consolidated	218,388	100	216,833	100	1,555	1

Expenses

Consolidated expenses increased by Php1,694 million, or 1%, to Php168,040 million in 2025 from Php166,346 million in 2024, primarily due to higher depreciation and amortization, and interconnection costs, partially offset by lower expenses related to general operating costs, cost of devices, accessories and contract-specific services, and asset impairment.

The following table shows the breakdown of our consolidated expenses by business segment for the years ended December 31, 2025 and 2024:

	2025	%	2024	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	86,583	51	86,653	52	(70)	—
Fixed Line	95,585	57	95,357	57	228	—
Others	7	—	90	—	(83)	(92)
Inter-segment transactions	(14,135)	(8)	(15,754)	(9)	1,619	10
Consolidated	168,040	100	166,346	100	1,694	1

Other Income (Expenses) – Net

Consolidated other expenses – net amounted to Php10,859 million in 2025, an increase of Php3,065 million, or 39%, from Php7,794 million in 2024, primarily due to the combined effects of the following: (i) higher net financing costs by Php2,668 million; (ii) lower net gains on derivative financial instruments by Php2,207 million; (iii) higher net foreign exchange losses by Php514 million;

(iv) lower interest income by Php197 million; (v) lower equity share in net losses by Php562 million; and (vi) higher other miscellaneous income – net by Php1,959 million.

Net Income

Consolidated net income decreased by Php2,337 million, or 7%, to Php30,218 million in 2025 from Php32,555 million in 2024. The decrease was mainly due to the combined effects of the following: (i) higher consolidated other expenses – net by Php3,065 million; (ii) higher consolidated expenses by Php1,694 million; (iii) higher consolidated revenues by Php1,555 million; and (iv) lower provision for income tax by Php867 million. Our consolidated basic and diluted EPS decreased to Php138.63 in 2025 from Php149.26 in 2024. Our weighted average number of outstanding common shares was approximately 216.06 million for each of the years ended December 31, 2025 and 2024.

EBITDA

Our consolidated EBITDA amounted to Php111,231 million in 2025, an increase of Php2,716 million, or 3%, as compared with Php108,515 million in 2024.

The following table shows the breakdown of our consolidated EBITDA by business segment for the years ended December 31, 2025 and 2024:

	2025	%	2024	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	57,589	52	55,634	51	1,955	4
Fixed Line	63,253	57	61,953	57	1,300	2
Others	(7)	—	(48)	—	41	85
Inter-segment transactions	(9,604)	(9)	(9,024)	(8)	(580)	(6)
Consolidated	111,231	100	108,515	100	2,716	3

See Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review for the reconciliation of our consolidated net income to our consolidated EBITDA.

Telco Core Income

Our consolidated telco core income amounted to Php33,925 million in 2025, a decrease of Php1,213 million, or 3%, as compared with Php35,138 million in 2024, mainly due to higher financing costs and depreciation and amortization, partially offset by higher EBITDA and other miscellaneous income.

The following table shows the breakdown of our consolidated telco core income by business segment for the years ended December 31, 2025 and 2024:

	2025	%	2024	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	13,025	38	10,852	31	2,173	20
Fixed Line	27,877	82	34,372	98	(6,495)	(19)
Others	(113)	—	(32)	—	(81)	253
Inter-segment transactions	(6,864)	(20)	(10,054)	(29)	3,190	32
Consolidated	33,925	100	35,138	100	(1,213)	(3)

Core Income (Loss)

Our consolidated core income amounted to Php34,636 million in 2025, an increase of Php404 million, or 1%, as compared with Php34,232 million in 2024, mainly on account of higher EBITDA, equity share in net earnings of associates and joint ventures in 2025 as against equity share in net losses of associates and joint ventures in 2024, and higher other miscellaneous income, partially offset by higher depreciation and amortization and financing costs. Our consolidated basic and diluted core EPS increased to Php160.04 in 2025 from Php158.17 in 2024.

The following table shows the breakdown of our consolidated core income by business segment for the years ended December 31, 2025 and 2024:

	2025	%	2024	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	13,025	38	10,852	32	2,173	20
Fixed Line	27,877	80	34,518	101	(6,641)	(19)
Others	598	2	(1,084)	(3)	1,682	155
Inter-segment transactions	(6,864)	(20)	(10,054)	(30)	3,190	32
Consolidated	34,636	100	34,232	100	404	1

See Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review for the reconciliation of our consolidated net income to our consolidated telco core income.

On a Business Segment Basis

Wireless

Revenues

We generated revenues of Php103,316 million from our Wireless business segment in 2025, a decrease of Php2,418 million, or 2%, from Php105,734 million in 2024.

The following table summarizes our total revenues by service from our Wireless business segment for the years ended December 31, 2025 and 2024:

	2025	%	2024	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Service Revenues:						
Mobile	95,619	92	96,246	91	(627)	(1)
Fixed Wireless broadband	1,896	2	1,481	1	415	28
Other services ⁽¹⁾	53	—	52	—	1	2
Total Wireless Service Revenues	97,568	94	97,779	92	(211)	—
Non-Service Revenues:						
Sale of devices and accessories	5,748	6	7,955	8	(2,207)	(28)
Total Wireless Revenues	103,316	100	105,734	100	(2,418)	(2)

⁽¹⁾ Includes facility service fees.

Service Revenues

Our wireless service revenues decreased by Php211 million to Php97,568 million in 2025 as compared with Php97,779 million in 2024, primarily due to lower revenues from our legacy mobile services (voice and SMS), partially offset by higher revenues from mobile data and fixed wireless broadband services. As a percentage of our total wireless revenues, service revenues accounted for 94% and 92% in 2025 and 2024, respectively.

Wireless service revenues, net of interconnection costs, amounted to Php96,527 million in 2025, a decrease of Php281 million from Php96,808 million in 2024.

Mobile Services

Our mobile service revenues amounted to Php95,619 million in 2025, a decrease of Php627 million, or 1%, from Php96,246 million in 2024. Mobile service revenues accounted for 98% of our wireless service revenues in each of 2025 and 2024.

The following table shows the breakdown of our mobile service revenues for the years ended December 31, 2025 and 2024:

	2025	%	2024 ⁽¹⁾	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Mobile Services:						
Data	79,604	83	78,971	82	633	1
Voice	8,446	9	9,374	10	(928)	(10)
SMS	6,401	7	6,761	7	(360)	(5)
Others ⁽²⁾	1,168	1	1,140	1	28	2
Total	95,619	100	96,246	100	(627)	(1)

⁽¹⁾ Certain amounts for the year ended December 31, 2024 were reclassified to conform with the current year presentation.

⁽²⁾ Refers to other non-subscriber-related revenues.

Data Services

Mobile revenues from our data services, which include mobile internet, mobile broadband and other data services, increased by Php633 million, or 1%, to Php79,604 million in 2025 from Php78,971 million in 2024 due to higher mobile internet revenues, partially offset by lower mobile broadband data revenues.

Data services accounted for 83% and 82% of our mobile service revenues for the years ended December 31, 2025 and 2024, respectively.

The following table shows the breakdown of our mobile data service revenues for the years ended December 31, 2025 and 2024:

					Increase (Decrease)	
	2025	%	2024	%	Amount	%
					(amounts in million Php)	
Data Services:						
Mobile internet ⁽¹⁾	76,344	96	75,061	95	1,283	2
Mobile broadband	1,677	2	2,255	3	(578)	(26)
Other data	1,583	2	1,655	2	(72)	(4)
Total	79,604	100	78,971	100	633	1

⁽¹⁾ Includes revenues from web-based services, net of discounts and content provider costs.

Mobile Internet

Mobile internet service revenues increased by Php1,283 million, or 2%, to Php76,344 million in 2025 from Php75,061 million in 2024, primarily due to our mobile data offerings, such as Power All, Magic Data and Unli 5G offers. Smart continues to drive usage and top-ups via Smart App, the Smart Online Store, digital touchpoints and its retailer network. The increase in data traffic was driven by the 5G network expansion, growth of 5G devices, leading to higher 5G data usage.

Smart has also rolled out 5G offers and device financing through partnerships with credit card companies to drive more users on 5G. Smart also launched iPhones on prepaid to drive 5G adoption in the prepaid category.

Mobile internet services accounted for 80% and 78% of our mobile service revenues in 2025 and 2024, respectively.

Mobile Broadband

Mobile broadband revenues generated from the use of pocket WiFi, amounted to Php1,677 million in 2025, a decrease of Php578 million, or 26%, from Php2,255 million in 2024, primarily due to lower demand for pocket WiFi devices.

Mobile broadband services accounted for 2% of our mobile service revenues in each of 2025 and 2024.

Other Data

Revenues from our other data services, which include VAS and domestic leased lines, decreased by Php72 million, or 4%, to Php1,583 million in 2025 from Php1,655 million in 2024.

Voice Services

Mobile revenues from our voice services, which include all voice traffic, decreased by Php928 million, or 10%, to Php8,446 million in 2025 from Php9,374 million in 2024, due to subscribers' shift to alternative calling options, digital teleconferencing solutions, and other OTT services. Nevertheless, our core modernization phase 1 which was finished in the fourth quarter of 2025 has enabled better voice services such as VoLTE, Voice over WiFi (VoWiFi) and ViLTE which has improved our voice revenues despite our 3G shutdown. Mobile voice services accounted for 9% and 10% of our mobile service revenues in 2025 and 2024, respectively.

SMS Services

Mobile revenues from our SMS services, which include all SMS-related services, decreased by Php360 million, or 5%, to Php6,401 million in 2025 from Php6,761 million in 2024, mainly on account of the decline in SMS volumes resulting from the increased adoption of alternative messaging solutions such as OTT messaging, social media and chat applications. Mobile SMS services accounted for 7% of our mobile service revenues in each of 2025 and 2024.

Other Mobile Services

Mobile revenues from other services increased by Php28 million, or 2%, to Php1,168 million in 2025 from Php1,140 million in 2024 mainly due to higher other subscriber-related revenues.

Subscriber Base, ARPU and Churn Rates

The following table shows our mobile subscriber base as at December 31, 2025 and 2024:

	2025	2024	Increase (Decrease)	
			Amount	%
Mobile subscriber base ⁽¹⁾				
Prepaid	57,534,812	56,731,489	803,323	1
Smart ⁽²⁾	21,713,502	21,759,728	(46,226)	—
TNT	35,821,310	34,971,761	849,549	2
Postpaid	2,356,708	2,258,318	98,390	4
Total	59,891,520	58,989,807	901,713	2

⁽¹⁾ Includes mobile broadband subscribers.

⁽²⁾ Includes KIQ subscribers.

In view of the SIM Registration Act, we recognize a prepaid mobile subscriber as active upon registration of the SIM card. We consider a prepaid mobile subscriber as churned if the subscriber does not reload within 180 days after the full usage or expiry of the last reload.

The average monthly churn rates for Smart Prepaid subscribers were 2.5% and 2.2% in 2025 and 2024, respectively, while the average monthly churn rates for TNT subscribers were 2.3% and 2.0% in 2025 and 2024, respectively.

The average monthly churn rates for Postpaid subscribers were 1.2% and 1.1% in 2025 and 2024, respectively.

The following table summarizes our average monthly ARPU for the years ended December 31, 2025 and 2024:

	Gross ⁽¹⁾		Increase (Decrease)		Net ⁽²⁾		Increase (Decrease)	
	2025	2024	Amount	%	2025	2024	Amount	%
	(amounts in Php)							
Prepaid								
Smart	132	137	(5)	(4)%	119	123	(4)	(3)%
TNT	112	115	(3)	(3)%	102	105	(3)	(3)%
Postpaid	719	729	(10)	(1)%	670	688	(18)	(3)%

⁽¹⁾ Gross monthly ARPU is calculated by dividing gross mobile service revenues for the year, including interconnection income, but excluding inbound roaming revenues, gross of discounts, and content provider costs, by the average number of subscribers for the period.

⁽²⁾ Net monthly ARPU is calculated by dividing gross mobile service revenues for the year, including interconnection income, but excluding inbound roaming revenues, net of discounts, and content provider costs, by the average number of subscribers for the period.

Fixed Wireless Broadband

Revenues from our Fixed Wireless Broadband services amounted to Php1,896 million in 2025, an increase of Php415 million, or 28%, from Php1,481 million in 2024.

Other Services

Revenues from our other services amounted to Php53 million in 2025, an increase of Php1 million, or 2%, from Php52 million in 2024.

Non-Service Revenues

Our wireless non-service revenues consist of sale of mobile handsets, broadband data routers and devices. Our wireless non-service revenues decreased by Php2,207 million, or 28%, to Php5,748 million in 2025 from Php7,955 million in 2024, primarily due to tighter credit parameters resulting in lower number of mobile handsets issued.

Expenses

Expenses associated with our Wireless business segment amounted to Php86,583 million in 2025, a decrease of Php70 million from Php86,653 million in 2024. The decrease was attributable to lower cost of devices, accessories and contract-specific services, general operating costs and asset impairment, partially offset by higher expenses related to depreciation and amortization and interconnection costs. As a percentage of our total wireless revenues, expenses associated with our Wireless business segment accounted for 84% and 82% in 2025 and 2024, respectively.

The following table summarizes the breakdown of our total wireless-related expenses for the years ended December 31, 2025 and 2024 and the percentage of each expense item in relation to the total:

	2025	%	2024	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Depreciation and amortization	40,560	47	36,483	42	4,077	11
General operating costs	36,637	42	37,813	44	(1,176)	(3)
Cost of devices, accessories and cost-specific services	7,693	9	10,480	12	(2,787)	(27)
Asset impairment	652	1	906	1	(254)	(28)
	85,542	99	85,682	99	(140)	—
Interconnection costs	1,041	1	971	1	70	7
Total	86,583	100	86,653	100	(70)	—

General operating costs decreased by Php1,176 million, or 3%, from 2024 to Php36,637 million in 2025, primarily due to lower expenses related to selling and promotions, compensation and employee benefits, and professional and other contracted services, partially offset by higher expenses related to taxes and licenses, and repairs and maintenance.

Depreciation and amortization charges increased by Php4,077 million, or 11%, from 2024 to Php40,560 million in 2025, mainly on account of higher accelerated depreciation recognized in 2025 for the modernization of certain technology equipment, combined with the depreciation of newly capitalized property and equipment, and higher amortization of capitalized leases arising from the sale and leaseback of telecom towers.

Cost of devices, accessories and contract-specific services decreased by Php2,787 million, or 27%, from 2024 to Php7,693 million in 2025, primarily due to lower number of units issued for mobile handsets and lower SIM printing costs.

Interconnection costs increased by Php70 million, or 7%, from 2024 to Php1,041 million in 2025.

Asset impairment decreased by Php254 million, or 28%, from 2024 to Php652 million in 2025, primarily due to lower provision for inventory obsolescence.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total wireless-related other income (expenses) – net for the years ended December 31, 2025 and 2024:

	2025	2024	Change	
			Amount	%
			(amounts in million Php)	
Other Income (Expenses) – Net:				
Interest income	554	698	(144)	(21)
Gains on derivative financial instruments – net	350	1,434	(1,084)	(76)
Equity share in net earnings (losses) of associates and joint ventures	(11)	—	(11)	(100)
Foreign exchange gains (losses) – net	(12)	775	(787)	(102)
Financing costs – net	(9,941)	(9,763)	(178)	(2)
Other income – net	4,349	2,111	2,238	106
Total	(4,711)	(4,745)	34	1

Our Wireless business segment's other expenses – net amounted to Php4,711 million in 2025, a decrease of Php34 million, or 1%, from Php4,745 million in 2024, primarily due to the combined effects of the following: (i) lower net gains on derivative financial instruments by Php1,084 million mainly due to lower depreciation of the Philippine peso relative to the U.S. dollar in 2025 as compared to 2024; (ii) net foreign exchange losses of Php12 million in 2025 from net foreign exchange gains of Php775 million in 2024 mainly on account of revaluation of net foreign currency-denominated liabilities; (iii) higher net financing costs by Php178 million; (iv) lower interest income by Php144 million; (v) equity share in net losses of associates of Php11 million; and (vi) higher other income – net by Php2,238 million, which includes reversal of excess LTIP accrual.

Provision for Income Tax

Provision for income tax amounted to Php2,678 million in 2025, a decrease of Php598 million, or 18%, from Php3,276 million in 2024, mainly due to lower net income before tax.

Net Income

As a result of the foregoing, our Wireless business segment's net income decreased by Php1,716 million, or 16%, to Php9,344 million in 2025 from Php11,060 million in 2024.

EBITDA

Our Wireless business segment's EBITDA increased by Php1,955 million, or 4%, to Php57,589 million in 2025 from Php55,634 million in 2024. EBITDA margin increased to 59% in 2025 from 57% in 2024.

Core Income

Our Wireless business segment's core income increased by Php2,173 million, or 20%, to Php13,025 million in 2025 from Php10,852 million in 2024, mainly on account of higher EBITDA and other miscellaneous income, partially offset by higher depreciation and amortization, and financing costs.

Fixed Line

Revenues

Revenues generated from our Fixed Line business segment amounted to Php130,810 million in 2025, an increase of Php4,320 million, or 3%, from Php126,490 million in 2024.

The following table summarizes our total revenues by service from our Fixed Line business segment for the years ended December 31, 2025 and 2024:

	2025	%	2024 ⁽¹⁾	%	Increase (Decrease)	
					Amount	%
					(amounts in million Php)	
Service Revenues:						
Data	99,068	76	96,269	76	2,799	3
Voice	31,226	24	29,660	24	1,566	5
Miscellaneous	61	—	65	—	(4)	(6)
Total Fixed Line Service Revenues	130,355	100	125,994	100	4,361	3
Non-Service Revenues:						
Sale of devices and accessories	455	—	496	—	(41)	(8)
Total Fixed Line Revenues	130,810	100	126,490	100	4,320	3

⁽¹⁾ Certain amounts for the year ended December 31, 2024 were reclassified to conform with current presentation.

Service Revenues

Our fixed line service revenues increased by Php4,361 million, or 3%, to Php130,355 million in 2025 from Php125,994 million in 2024, primarily due to higher revenues from our data and voice services.

Fixed Line service revenues, net of interconnection costs, amounted to Php114,122 million in 2025, an increase of Php2,447 million, or 2%, from Php111,675 million in 2024.

Data Services

Our data services, which include Home broadband, corporate data, and ICT, posted revenues of Php99,068 million in 2025, an increase of Php2,799 million, or 3%, from Php96,269 million in 2024, primarily due to higher revenues from Home broadband and ICT services, partially offset by lower revenues from corporate data and leased lines. The percentage contribution of this service segment to our fixed line service revenues accounted for 76% in each of 2025 and 2024.

The following table shows information of our data service revenues for the years ended December 31, 2025 and 2024:

	2025	%	2024	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Data service revenues						
Home broadband	53,375	54	51,759	54	1,616	3
Corporate data and ICT	45,693	46	44,510	46	1,183	3
Total	99,068	100	96,269	100	2,799	3

Home Broadband

Home broadband data revenues amounted to Php53,375 million in 2025, an increase of Php1,616 million, or 3%, from Php51,759 million in 2024, mainly driven by the increasing demand for broadband services. Home broadband revenues accounted for 54% of fixed line data service revenues in each of 2025 and 2024.

Corporate Data and ICT

Corporate data services amounted to Php36,278 million in 2025, a decrease of Php398 million, or 1%, as compared with Php36,676 million in 2024, mainly due to lower revenues from legacy data networking services. Corporate data revenues accounted for 37% and 38% of our total data service revenues in 2025 and 2024, respectively.

ICT revenues increased by Php1,581 million, or 20%, to Php9,415 million in 2025 from Php7,834 million in 2024, mainly due to higher revenues from managed IT services, data center, and data and AI solutions. The percentage contribution of this service segment to our total data service revenues accounted for 9% and 8% in 2025 and 2024, respectively.

Voice Services

Revenues from our voice services increased by Php1,566 million, or 5%, to Php31,226 million in 2025 from Php29,660 million in 2024, primarily due to higher revenues from wholesale international voice of PLDT Global driven by higher traffic volume. Excluding wholesale international voice revenues of Php15,533 million and Php13,224 million in 2025 and 2024, respectively, our voice services decreased by Php743 million, or 5%, to Php15,693 million in 2025 from Php16,436 million in 2024.

The percentage contribution of voice service revenues to our fixed line service revenues accounted for 24% in each of 2025 and 2024.

Miscellaneous Services

Miscellaneous service revenues are derived mostly from rentals and management fees. These service revenues decreased by Php4 million, or 6%, to Php61 million in 2025 from Php65 million in 2024.

Non-service Revenues

Non-service revenues decreased by Php41 million, or 8%, to Php455 million in 2025 from Php496 million in 2024.

Expenses

Expenses related to our Fixed Line business segment totaled Php95,585 million in 2025, an increase of Php228 million as compared with Php95,357 million in 2024. The increase was primarily due to higher interconnection costs, and cost of devices, accessories and contract-specific services, partly offset by lower depreciation and amortization, and general operating costs. As a percentage of our total fixed line revenues, expenses associated with our Fixed Line business segment accounted for 73% and 75% in 2025 and 2024, respectively.

The following table shows the breakdown of our total fixed line-related expenses for the years ended December 31, 2025 and 2024 and the percentage of each expense item in relation to the total:

	2025	%	2024	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
General operating costs	43,867	46	44,850	47	(983)	(2)
Depreciation and amortization	26,928	28	29,132	30	(2,204)	(8)
Cost of devices, accessories and contract-specific services	5,239	6	3,641	4	1,598	44
Asset impairment	3,318	3	3,415	4	(97)	(3)
	79,352	83	81,038	85	(1,686)	(2)
Interconnection costs	16,233	17	14,319	15	1,914	13
Total	95,585	100	95,357	100	228	—

General operating costs decreased by Php983 million, or 2%, from 2024 to Php43,867 million in 2025, primarily due to lower expenses related to compensation and employee benefits, professional and other contracted services, and communication, training and travel, partially offset by higher expenses related to selling and promotions, rent and repairs and maintenance.

Depreciation and amortization charges decreased by Php2,204 million, or 8%, from 2024 to Php26,928 million in 2025, mainly due to lower accelerated depreciation recognized in 2025 for the modernization of certain technology equipment, partially offset by higher amortization of subscriber contract cost to fulfill and capitalized leases.

Interconnection costs increased by Php1,914 million, or 13%, from 2024 to Php16,233 million in 2025, primarily due to higher cost of wholesale international voice of PLDT Global driven by higher traffic volume. Excluding cost of wholesale international voice of Php15,269 million and Php12,987 million in 2025 and 2024, respectively, our interconnection costs decreased by Php368 million, or 28%, to Php964 million in 2025 from Php1,332 million in 2024.

Cost of devices, accessories and contract-specific services increased by Php1,598 million, or 44%, from 2024 to Php5,239 million in 2025, primarily due to higher cost of content and services from third-party vendors.

Asset impairment decreased by Php97 million, or 3%, from 2024 to Php3,318 million in 2025.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total fixed line-related other income (expenses) – net for the years ended December 31, 2025 and 2024:

	2025	2024	Change	
			Amount	%
			(amounts in million Php)	
Other Income (Expenses) – Net:				
Gains on derivative financial instruments – net	1,466	2,589	(1,123)	(43)
Interest income	171	230	(59)	(26)
Foreign exchange gains (losses) – net	(545)	(819)	274	(33)
Equity share in net losses of associates and joint ventures	(924)	(67)	(857)	(1,279)
Financing costs – net	(9,411)	(7,456)	(1,955)	(26)
Other income – net	8,350	13,283	(4,933)	(37)
Total	(893)	7,760	(8,653)	(112)

Our Fixed Line business segment's other expenses – net amounted to Php893 million in 2025, a change of Php8,653 million from other income – net of Php7,760 million in 2024, primarily due to the combined effects of the following: (i) lower other income – net by Php4,933 million mainly due to lower dividend income recognized from the subsidiaries of our wireless business segment; (ii) higher net financing costs by Php1,955 million mainly due to higher weighted average outstanding principal amounts, higher interest rates, and lower capitalized interest; (iii) lower gains on derivative financial instruments by Php1,123 million mainly due to lower depreciation of the Philippine peso to the U.S. dollar in 2025 as compared with 2024; (iv) higher equity share in net losses of associates by Php857 million mainly from Radius Telecoms ("Radius") and Cignal TV; (v) lower interest income by Php59 million; and (vi) lower net foreign exchange losses by Php274 million.

Provision for (Benefit from) Income Tax

Provision for income tax amounted to Php7,291 million in 2025, an increase of Php790 million, or 12%, from Php6,501 million in 2024, mainly due to higher taxable income.

Net Income

As a result of the foregoing, our Fixed Line business segment registered a net income of Php27,041 million in 2025, a decrease of Php5,351 million, or 17%, as compared with Php32,392 million in 2024.

EBITDA

Our Fixed Line business segment's EBITDA increased by Php1,300 million, or 2%, to Php63,253 million in 2025 from Php61,953 million in 2024. EBITDA margin remained stable at 49% in 2025 and 2024.

Core Income

Our Fixed Line business segment's core income decreased by Php6,641 million, or 19%, to Php27,877 million in 2025 from Php34,518 million in 2024, primarily due to lower other miscellaneous income and higher financing costs, partially offset by higher EBITDA.

Others

Revenues

Revenues generated from our Other business segment amounted to nil for each of the years ended December 31, 2025 and 2024.

Expenses

Expenses related to our Other business segment decreased by Php83 million to Php7 million in 2025 from Php90 million in 2024.

Other Income (Expenses) – Net

The following table summarizes the breakdown of other income (expenses) – net for Other business segment for the years ended December 31, 2025 and 2024:

	2025	2024	Change	
			Amount	%
			(amounts in million Php)	
Other Income (Expenses) – Net:				
Equity share in net gains (losses) of associates and joint ventures	507	(923)	1,430	155
Interest income	11	15	(4)	(27)
Foreign exchange gains (losses) – net	4	(75)	79	105
Other income – net	24	(5)	29	580
Total	546	(988)	1,534	155

Our Other business segment's other income – net amounted to Php546 million in 2025, a change of Php1,534 million from other expenses – net of Php988 million in 2024, primarily due to equity share in net income of MIH in 2025 as against equity share in net losses in 2024.

Net Income (Loss)

As a result of the foregoing, our Other business segment registered a net income of Php568 million in 2025, a change of Php1,637 million as against net loss of Php1,069 million in 2024.

Core Income (Loss)

Our Other business segment's core income amounted to Php598 million in 2025, a change of Php1,682 million as against core loss of Php1,084 million in 2024.

Years Ended December 31, 2024 and 2023

On a Consolidated Basis

Revenues

We reported consolidated revenues of Php216,833 million in 2024, an increase of Php5,880 million, or 3%, as compared with Php210,953 million in 2023, primarily due to higher consolidated revenues from data, voice and SMS services, partially offset by lower consolidated non-service revenues and fixed wireless broadband service revenues.

Our consolidated service revenues of Php208,382 million in 2024, increased by Php6,550 million, or 3%, from Php201,832 million in 2023. Our consolidated non-service revenues of Php8,451 million in 2024, decreased by Php670 million, or 7%, from Php9,121 million in 2023.

Consolidated service revenues, net of interconnection costs of Php13,718 million, amounted to Php194,664 million in 2024, an increase of Php3,250 million, or 2%, from Php191,414 million in 2023.

The following table shows the breakdown of our consolidated revenues by service for the years ended December 31, 2024 and 2023:

	Wireless	Fixed Line	Inter-segment Transactions	Consolidated
	(amounts in million Php)			
For the year ended December 31, 2024				
Service Revenues ⁽¹⁾				
Wireless	97,779		(790)	96,989
Mobile	96,246		(738)	95,508
Fixed Wireless broadband	1,481		—	1,481
Other services	52		(52)	—
Fixed Line		125,994	(14,601)	111,393
Voice ⁽²⁾		29,660	(1,560)	28,100
Data		96,269	(13,041)	83,228
Home broadband		51,759	(18)	51,741
Corporate data and ICT		44,510	(13,023)	31,487
Miscellaneous		65	—	65
Total Service Revenues	97,779	125,994	(15,391)	208,382
Non-Service Revenues				
Sale of devices and accessories	7,955	496	—	8,451
Total Non-Service Revenues	7,955	496	—	8,451
Total Revenues	105,734	126,490	(15,391)	216,833

For the year ended December 31, 2023

Service Revenues ⁽¹⁾				
Wireless	95,677		(683)	94,994
Mobile	94,007		(642)	93,365
Fixed Wireless broadband	1,629		—	1,629
Other services	41		(41)	—
Fixed Line		120,336	(13,498)	106,838
Voice ⁽²⁾		26,686	(1,526)	25,160
Data		93,597	(11,972)	81,625
Home broadband		50,876	(24)	50,852
Corporate data and ICT		42,721	(11,948)	30,773
Miscellaneous		53	—	53
Total Service Revenues	95,677	120,336	(14,181)	201,832
Non-Service Revenues				
Sale of devices and accessories	8,724	398	(1)	9,121
Total Non-Service Revenues	8,724	398	(1)	9,121
Total Revenues	104,401	120,734	(14,182)	210,953

⁽¹⁾ Certain amounts for the years ended December 31, 2024 and 2023 were reclassified to conform with the current presentation.

⁽²⁾ Consolidated voice revenues include wholesale international voice of Php12,772 million and Php9,304 million with corresponding costs of Php12,535 million and Php9,258 million for the years ended December 31, 2024 and 2023, respectively.

The following table shows the breakdown of our consolidated revenues by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	105,734	49	104,401	50	1,333	1
Fixed Line	126,490	58	120,734	57	5,756	5
Inter-segment transactions	(15,391)	(7)	(14,182)	(7)	(1,209)	(9)
Consolidated	216,833	100	210,953	100	5,880	3

Expenses

Consolidated expenses decreased by Php3,913 million, or 2%, to Php166,346 million in 2024 from Php170,259 million in 2023, primarily due to lower expenses related to general operating costs, depreciation and amortization, cost of devices, accessories and contract-specific services, and provisions, partially offset by higher interconnection costs and asset impairment.

The following table shows the breakdown of our consolidated expenses by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	86,653	52	82,827	49	3,826	5
Fixed Line	95,357	57	102,352	60	(6,995)	(7)
Others	90	—	18	—	72	400
Inter-segment transactions	(15,754)	(9)	(14,938)	(9)	(816)	(5)
Consolidated	166,346	100	170,259	100	(3,913)	(2)

Other Income (Expenses) – Net

Consolidated other expenses – net amounted to Php7,794 million in 2024, an increase of Php3,577 million, or 85%, from Php4,217 million in 2023, primarily due to the combined effects of the following: (i) lower other income – net from our Wireless business segment mainly on

account of a lower gain on sale and leaseback of telecom towers, and from our Fixed Line business segment owing mainly to lower dividend income recognized from the subsidiaries of Wireless business segment; (ii) higher net financing costs from our Fixed Line and Wireless business segments; (iii) net foreign exchange losses from our Fixed Line business segment in 2024 as compared with net foreign exchange gains in 2023; (iv) higher net gains on derivative financial instruments from our Fixed Line and Wireless business segments; and (v) lower equity share in net losses from our Fixed Line and Other business segments.

The following table shows the breakdown of our consolidated other income (expenses) – net by business segment for the years ended December 31, 2024 and 2023:

	2024	2023	Change	
			Amount	%
		(amounts in million Php)		
Wireless	(4,745)	1,485	(6,230)	(420)
Fixed Line	7,760	12,147	(4,387)	(36)
Others	(988)	(2,251)	1,263	56
Inter-segment transactions	(9,821)	(15,598)	5,777	37
Consolidated	(7,794)	(4,217)	(3,577)	(85)

Net Income

Consolidated net income increased by Php5,731 million, or 21%, to Php32,555 million in 2024 from Php26,824 million in 2023. The increase was mainly due to the combined effects of the following: (i) higher consolidated revenues by Php5,880 million; (ii) lower consolidated expenses by Php3,913 million; (iii) higher consolidated other expenses – net by Php3,577 million; (iv) higher provision for income tax by Php526 million; and (v) net loss from discontinued operations of Php41 million in 2023. Our consolidated basic and diluted EPS increased to Php149.26 in 2024 from Php122.91 in 2023. Our weighted average number of outstanding common shares was approximately 216.06 million for each of the years ended December 31, 2024 and 2023.

The following table shows the breakdown of our consolidated net income by business segment for the years ended December 31, 2024 and 2023:

	2024		2023		Change	
	Amount	%	Amount	%	Amount	%
			(amounts in million Php)			
Wireless	11,060	34	17,522	65	(6,462)	(37)
Fixed Line	32,392	99	26,514	99	5,878	22
Others	(1,069)	(3)	(2,270)	(8)	1,201	53
Inter-segment transactions	(9,828)	(30)	(14,901)	(56)	5,073	34
Continuing operations	32,555	100	26,865	100	5,690	21
Discontinued operations	—	—	(41)	—	41	100
Consolidated	32,555	100	26,824	100	5,731	21

EBITDA

Our consolidated EBITDA amounted to Php108,515 million in 2024, an increase of Php4,282 million, or 4%, as compared with Php104,233 million in 2023.

The following table shows the breakdown of our consolidated EBITDA by business segment for the years ended December 31, 2024 and 2023:

	2024		2023		Change	
	Amount	%	Amount	%	Amount	%
			(amounts in million Php)			
Wireless	55,634	51	54,369	52	1,265	2
Fixed Line	61,953	57	59,102	57	2,851	5
Others	(48)	—	(18)	—	(30)	(167)
Inter-segment transactions	(9,024)	(8)	(9,156)	(9)	132	1
Continuing operations	108,515	100	104,297	100	4,218	4
Discontinued operations	—	—	(64)	—	64	100
Consolidated	108,515	100	104,233	100	4,282	4

See Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review for the reconciliation of our consolidated net income to our consolidated EBITDA.

Telco Core Income

Our consolidated telco core income amounted to Php35,138 million in 2024, an increase of Php797 million, or 2%, as compared with Php34,341 million in 2023, mainly due to higher EBITDA and lower equity share in net losses of associates and joint ventures, partially offset by higher depreciation and amortization and financing costs.

The following table shows the breakdown of our consolidated telco core income by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
			(amounts in million Php)			
Wireless	10,852	31	11,750	34	(898)	(8)
Fixed Line	34,372	98	37,590	110	(3,218)	(9)
Others	(32)	—	65	—	(97)	(149)
Inter-segment transactions	(10,054)	(29)	(15,064)	(44)	5,010	33
Consolidated	35,138	100	34,341	100	797	2

Core Income (Loss)

Our consolidated core income amounted to Php34,232 million in 2024, an increase of Php1,811 million, or 6%, as compared with Php32,421 million in 2023, mainly on account of higher EBITDA and lower equity share in net losses of associates and joint ventures, partially offset by higher depreciation and amortization and financing costs. Our consolidated basic and diluted core EPS increased to Php158.17 in 2024 from Php149.78 in 2023.

The following table shows the breakdown of our consolidated core income by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
			(amounts in million Php)			
Wireless	10,852	32	11,750	36	(898)	(8)
Fixed Line	34,518	101	37,886	117	(3,368)	(9)
Others	(1,084)	(3)	(2,110)	(7)	1,026	49
Inter-segment transactions	(10,054)	(30)	(15,064)	(46)	5,010	33
Continuing operations	34,232	100	32,462	100	1,770	5
Discontinued operations	—	—	(41)	—	41	100
Consolidated	34,232	100	32,421	100	1,811	6

See Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review for the reconciliation of our consolidated net income to our consolidated telco core income.

On a Business Segment Basis

Wireless

Revenues

We generated revenues of Php105,734 million from our Wireless business segment in 2024, an increase of Php1,333 million, or 1%, from Php104,401 million in 2023.

The following table summarizes our total revenues by service from our Wireless business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Service Revenues:						
Mobile	96,246	91	94,007	90	2,239	2
Fixed Wireless broadband	1,481	1	1,629	2	(148)	(9)
Other services ⁽¹⁾	52	—	41	—	11	27
Total Wireless Service Revenues	97,779	92	95,677	92	2,102	2
Non-Service Revenues:						
Sale of devices and accessories	7,955	8	8,724	8	(769)	(9)
Total Wireless Revenues	105,734	100	104,401	100	1,333	1

⁽¹⁾ Includes facility service fees.

Service Revenues

Our wireless service revenues increased by Php2,102 million, or 2%, to Php97,779 million in 2024 as compared with Php95,677 million in 2023, primarily due to higher revenues from mobile, partially offset by lower revenues from fixed wireless broadband. As a percentage of our total wireless revenues, service revenues accounted for 92% in each of 2024 and 2023.

Wireless service revenues, net of interconnection costs, amounted to Php96,808 million in 2024, an increase of Php1,965 million, or 2%, from Php94,843 million in 2023.

Mobile Services

Our mobile service revenues amounted to Php96,246 million in 2024, an increase of Php2,239 million, or 2%, from Php94,007 million in 2023. Mobile service revenues accounted for 98% of our wireless service revenues in each of 2024 and 2023.

The following table shows the breakdown of our mobile service revenues for the years ended December 31, 2024 and 2023:

	2024 ⁽¹⁾	%	2023 ⁽¹⁾	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Mobile Services:						
Data	78,971	82	75,725	81	3,246	4
Voice	9,374	10	11,474	12	(2,100)	(18)
SMS	6,761	7	5,733	6	1,028	18
Others ⁽²⁾	1,140	1	1,075	1	65	6
Total	96,246	100	94,007	100	2,239	2

⁽¹⁾ Certain amounts for the years ended December 31, 2024 and 2023 were reclassified to conform with the current presentation.

⁽²⁾ Refers to other non-subscriber-related revenues.

Data Services

Mobile revenues from our data services, which include mobile internet, mobile broadband and other data services, increased by Php3,204 million, or 4%, to Php78,971 million in 2024 from Php75,725 million in 2023 due to higher mobile internet revenues driven mainly by the continued strength of our mobile network, and promotion of data offers such as Power All, Double Giga and Magic Data, which cater to the needs of prepaid subscribers, partially offset by lower mobile broadband data revenues.

Data services accounted for 82% and 81% of our mobile service revenues for the years ended December 31, 2024 and 2023, respectively.

The following table shows the breakdown of our mobile data service revenues for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Data Services:						
Mobile internet ⁽¹⁾	75,061	95	71,268	94	3,793	5
Mobile broadband	2,255	3	2,900	4	(645)	(22)
Other data	1,655	2	1,557	2	98	6
Total	78,971	100	75,725	100	3,246	4

⁽¹⁾ Includes revenues from web-based services, net of discounts and content provider costs.

Mobile Internet

Mobile internet service revenues increased by Php3,793 million, or 5%, to Php75,061 million in 2024 from Php71,268 million in 2023, primarily due to our mobile data offerings, such as All Access+, Power All, Magic Data, TNT's Saya All, and Smart Postpaid's Unli 5G plans. Smart continues to drive usage and top-ups via Smart App, the Smart Online Store and its retailer network.

Smart has also rolled out 5G offers and device financing through partnerships with credit card companies to drive more users on 5G. Smart also launched iPhones on prepaid to drive 5G adoption in the prepaid category.

Mobile internet services accounted for 78% and 76% of our mobile service revenues in 2024 and 2023, respectively.

Mobile Broadband

Mobile broadband revenues generated from the use of pocket WiFi, amounted to Php2,255 million in 2024, a decrease of Php645 million, or 22%, from Php2,900 million in 2023, primarily due to lower mobile broadband subscriber base.

Mobile broadband services accounted for 2% and 3% of our mobile service revenues in 2024 and 2023, respectively.

Other Data

Revenues from our other data services, which include VAS and domestic leased lines, increased by Php98 million, or 6%, to Php1,655 million in 2024 from Php1,557 million in 2023.

Voice Services

Mobile revenues from our voice services, which include all voice traffic, decreased by Php2,100 million, or 18%, to Php9,374 million in 2024 from Php11,474 million in 2023, due to subscribers' shift to alternative calling options, digital teleconferencing solutions, and other OTT services. To adapt to these evolving consumer behaviors, PLDT is accelerating its transition toward a mobile-data-centric ecosystem, leveraging its extensive 4G and 5G networks and investing in next-generation voice technologies.

To enhance call quality and improve customer experience, Smart has been providing its mobile users with VoLTE and VoWiFi services, enabling voice calls to be transmitted over high-speed digital networks. These technologies provide superior voice clarity and better integration with mobile data service, ensuring continued relevance of voice offerings within a data-first environment.

PLDT is also optimizing its network investments to sustain growth in high-speed connectivity and digital voice solutions, ensuring long-term revenue stability despite the industry-wide decline in traditional voice services.

Mobile voice services accounted for 10% and 12% of our mobile service revenues in 2024 and 2023, respectively.

SMS Services

Mobile revenues from our SMS services, which include all SMS-related services, increased by Php1,028 million, or 18%, to Php6,761 million in 2024 from Php5,733 million in 2023, mainly due to the increase in application-to-person (A2P) messaging services. While traditional person-to-person (P2P) SMS volumes continue to decline due to the rise of OTT messaging, social media, and chat applications, A2P messaging remains a key growth driver. Businesses are increasingly utilizing SMS for secure authentication, customer engagement, and real-time notifications, reinforcing its role as a critical communication channel for enterprises. Mobile SMS services accounted for 7% and 6% of our mobile service revenues in 2024 and 2023, respectively.

Others

Mobile revenues from other services increased by Php65 million, or 6%, to Php1,140 million in 2024 from Php1,075 million in 2023 mainly due to higher other subscriber-related revenues.

Subscriber Base, ARPU and Churn Rates

R.A. No. 11934 or the SIM Registration Act took effect on October 28, 2022. Under this law, all end-users are required to register their SIMs with public telecommunications entities (“PTEs”) as a pre-requisite to the activation thereof. On September 18, 2023, the NTC issued Memorandum Order No. 010-09-2023 providing for guidelines for PTEs in the conduct of processes to verify submitted information and data by end-users of SIMs under the SIM Registration Act and its IRR.

The following table shows our mobile subscriber base as at December 31, 2024 and 2023:

	2024	2023	Increase (Decrease)	
			Amount	%
Mobile subscriber base ⁽¹⁾				
Prepaid	56,731,489	55,667,880	1,063,609	2
<i>Smart</i>	21,759,728	21,530,993	228,735	1
<i>TNT</i>	34,971,761	34,136,887	834,874	2
Postpaid	2,258,318	2,159,246	99,072	5
Total	58,989,807	57,827,126	1,162,681	2

⁽²⁾ Includes mobile broadband subscribers.

In view of the SIM Registration Act, we recognize a prepaid mobile subscriber as active upon registration of the SIM card. Beginning the fourth quarter of 2023, we consider a prepaid mobile subscriber as churn if the subscriber does not reload within 180 days after the full usage or expiry of the last reload, and does not latch to the network within 180 days.

The average monthly churn rates for Smart Prepaid subscribers were 2.2% and 2.6% in 2024 and 2023, respectively, while the average monthly churn rates for TNT subscribers were 2.0% and 2.8% in 2024 and 2023, respectively.

The average monthly churn rates for Postpaid subscribers were 1.1% and 1.4% in 2024 and 2023, respectively.

Smart introduced the first prepaid eSIM in the country in July 2023 and introduced digital delivery of eSIMs in September 2023. Smart enabled physical SIM to eSIM upgrades in the second quarter of 2024 to help mitigate churn.

The following table summarizes our average monthly ARPUs for the years ended December 31, 2024 and 2023:

	Gross ⁽¹⁾		Increase (Decrease)		Net ⁽²⁾		Increase (Decrease)	
	2024	2023	Amount	%	2024	2023	Amount	%
	(amounts in Php)							
Prepaid								
<i>Smart</i>	137	135	2	1%	123	119	4	3%
<i>TNT</i>	115	110	5	5%	105	99	6	6%
Postpaid	729	727	2	—	688	688	—	—

⁽¹⁾ Gross monthly ARPU is calculated by dividing gross mobile service revenues for the year, including interconnection income, but excluding inbound roaming revenues, gross of discounts, and content provider costs, by the average number of subscribers for the period.

⁽²⁾ Net monthly ARPU is calculated by dividing gross mobile service revenues for the year, including interconnection income, but excluding inbound roaming revenues, net of discounts, and content provider costs, by the average number of subscribers for the period.

Fixed Wireless Broadband

Revenues from our Fixed Wireless Broadband services amounted to Php1,481 million in 2024, a decrease of Php148 million, or 9%, from Php1,629 million in 2023.

Other Services

Revenues from our other services amounted to Php52 million in 2024, an increase of Php11 million, or 27%, from Php41 million in 2023.

Non-Service Revenues

Our wireless non-service revenues consist of sale of mobile handsets, broadband data routers and devices. Our wireless non-service revenues decreased by Php769 million, or 9%, to Php7,955 million in 2024 from Php8,724 million in 2023, primarily due to a lower sale of postpaid mobile handsets.

Expenses

Expenses associated with our Wireless business segment amounted to Php86,653 million in 2024, an increase of Php3,826 million, or 5%, from Php82,827 million in 2023. The increase was attributable to higher expenses related to depreciation and amortization, provisions, general operating costs, and interconnection costs, partially offset by lower cost of devices, accessories and contract-specific services. As a percentage of our total wireless revenues, expenses associated with our Wireless business segment accounted for 82% and 79% in 2024 and 2023, respectively.

The following table summarizes the breakdown of our total wireless-related expenses for the years ended December 31, 2024 and 2023 and the percentage of each expense item in relation to the total:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
			(amounts in million Php)			
General operating costs	37,813	44	37,643	45	170	—
Depreciation and amortization	36,483	42	31,684	38	4,799	15
Cost of devices, accessories and contract-specific services	10,480	12	12,018	15	(1,538)	(13)
Asset impairment	906	1	648	1	258	40
	85,682	99	81,993	99	3,689	4
Interconnection costs	971	1	834	1	137	16
Total	86,653	100	82,827	100	3,826	5

General operating costs increased by Php170 million from 2023 to Php37,813 million in 2024, primarily due to higher expenses related to repairs and maintenance, and rent, partially offset by lower professional and other contracted services, compensation and employee benefits, selling and promotions, and communication, training and travel.

Depreciation and amortization charges increased by Php4,799 million from 2023, or 15%, to Php36,483 million in 2024, mainly on account of accelerated depreciation recognized for the modernization of certain technology equipment resulting mainly from the migration to cloud-based platform, combined with the depreciation of newly capitalized property and equipment, and the higher amortization of capitalized leases of telecom towers.

Cost of devices, accessories and contract-specific services decreased by Php1,538 million from 2023, or 13%, to Php10,480 million in 2024, primarily due to lower number of units issued for mobile handsets, and lower SIM registration and SIM printing costs.

Interconnection costs increased by Php137 million from 2023, or 16%, to Php971 million in 2024, primarily due to higher interconnection costs on A2P transactions.

Asset impairment increased by Php258 million from 2023, or 40%, to Php906 million in 2024, primarily due to higher provision for expected credit losses and provision for inventory obsolescence.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total wireless-related other income (expenses) – net for the years ended December 31, 2024 and 2023:

	2024	2023	Change	
			Amount	%
			(amounts in million Php)	
Other Income (Expenses) – Net:				
Gains on derivative financial instruments – net	1,434	114	1,320	1,158
Foreign exchange gains – net	775	981	(206)	(21)
Interest income	698	720	(22)	(3)
Financing costs – net	(9,763)	(9,034)	(729)	(8)
Other income – net	2,111	8,704	(6,593)	(76)
Total	(4,745)	1,485	(6,230)	(420)

Our Wireless business segment's other expenses – net amounted to Php4,745 million in 2024, a change of Php6,230 million as against other income – net of Php1,485 million in 2023, primarily due to the combined effects of the following: (i) lower other income – net by Php6,593 million mainly due to lower gain on sale and leaseback of telecom tower, gross of transactions, which decreased by Php6,335 million to Php1,442 million in 2024 from Php7,777 million in 2023; (ii) higher net financing costs by Php729 million mainly due to higher interest rates and lower capitalized interest; (iii) lower net foreign exchange gains by Php206 million mainly on account of revaluation of net foreign currency-denominated liabilities due to depreciation of the Philippine peso relative to the U.S. dollar in 2024 as compared to the appreciation of the Philippine peso relative to the U.S. dollar in 2023; (iv) lower interest income by Php22 million; and

(v) higher net gains on derivative financial instruments by Php1,320 million mainly due to the depreciation of the Philippine peso relative to the U.S. dollar in 2024 as compared to the appreciation of the Philippine peso relative to the U.S. dollar in 2023.

Provision for Income Tax

Provision for income tax amounted to Php3,276 million in 2024, a decrease of Php2,261 million, or 41%, from Php5,537 million in 2023, mainly due to lower net income before tax.

Net Income

As a result of the foregoing, our Wireless business segment's net income decreased by Php6,462 million, or 37%, to Php11,060 million in 2024 from Php17,522 million in 2023.

EBITDA

Our Wireless business segment's EBITDA increased by Php1,265 million, or 2%, to Php55,634 million in 2024 from Php54,369 million in 2023. EBITDA margin remained stable at 57% in 2024 and 2023.

Core Income

Our Wireless business segment's core income decreased by Php898 million, or 8%, to Php10,852 million in 2024 from Php11,750 million in 2023, mainly on account of higher depreciation and amortization, and financing costs, partially offset by higher EBITDA and lower provision for income tax.

Fixed Line

Revenues

Revenues generated from our Fixed Line business segment amounted to Php126,490 million in 2024, an increase of Php5,756 million, or 5%, from Php120,734 million in 2023.

The following table summarizes our total revenues by service from our Fixed Line business segment for the years ended December 31, 2024 and 2023:

	2024 ⁽¹⁾	%	2023 ⁽¹⁾	%	Increase (Decrease)	
					Amount	%
(amounts in million Php)						
Service Revenues:						
Data	96,269	76	93,597	78	2,672	3
Voice	29,660	24	26,686	22	2,974	11
Miscellaneous	65	—	53	—	12	23
Total Fixed Line Service Revenues	125,994	100	120,336	100	5,658	5
Non-Service Revenues:						
Sale of devices and accessories	496	—	398	—	98	25
Total Fixed Line Revenues	126,490	100	120,734	100	5,756	5

⁽¹⁾ Certain amounts for the years ended December 31, 2024 and 2023 were reclassified to conform with the current presentation.

Service Revenues

Our fixed line service revenues increased by Php5,658 million, or 5%, to Php125,994 million in 2024 from Php120,336 million in 2023, primarily due to higher revenues from our voice, data and miscellaneous services.

Fixed Line service revenues, net of interconnection costs, amounted to Php111,675 million in 2024, an increase of Php2,469 million, or 2%, from Php109,206 million in 2023.

Data Services

Our data services, which include Home broadband, corporate data, and ICT portfolio with data center, cloud, cybersecurity, and managed IT offerings, posted revenues of Php96,269 million in 2024, an increase of Php2,672 million, or 3%, from Php93,597 million in 2023, primarily due to higher revenues from Home broadband, corporate data and leased lines, and ICT services, inclusive of intersegment transactions. The percentage contribution of this service segment to our fixed line service revenues accounted for 76% and 78% in 2024 and 2023, respectively.

The following table shows information of our data service revenues for the years ended December 31, 2024 and 2023:

					Increase (Decrease)	
	2024	%	2023	%	Amount	%
	(amounts in million Php)					
Data service revenues						
Home broadband	51,759	54	50,876	54	883	2
Corporate data and ICT	44,510	46	42,721	46	1,789	4
Total	96,269	100	93,597	100	2,672	3

Home Broadband

Home broadband data revenues amounted to Php51,759 million in 2024, an increase of Php883 million, or 2%, from Php50,876 million in 2023, mainly driven by the increasing demand for broadband services. Home broadband revenues accounted for 54% of fixed line data service revenues in each of 2024 and 2023.

Corporate Data and ICT

Corporate data services amounted to Php36,676 million in 2024, an increase of Php1,087 million, or 3%, as compared with Php35,589 million in 2023, mainly due to the sustained demand for broadband internet and data networking services. Corporate data revenues accounted for 38% of our total data service revenues in each of 2024 and 2023.

ICT revenues increased by Php702 million, or 10%, to Php7,834 million in 2024 from Php7,132 million in 2023, mainly due to higher revenues from managed IT, data center and cloud services. The percentage contribution of this service segment to our total data service revenues accounted for 8% in each of 2024 and 2023.

Voice Services

Revenues from our voice services increased by Php2,974 million, or 11%, to Php29,660 million in 2024 from Php26,686 million in 2023, primarily due to higher revenues from wholesale international voice of PLDT Global driven by higher traffic volume. Excluding wholesale international voice revenues of Php13,224 million and Php9,323 million in 2024 and 2023, respectively, our voice services decreased by Php927 million, or 5%, to Php16,436 million in 2024 from Php17,363 million in 2023.

The percentage contribution of voice service revenues to our fixed line service revenues accounted for 24% and 22% in 2024 and 2023, respectively.

Miscellaneous Services

Miscellaneous service revenues are derived mostly from rentals and management fees. These service revenues increased by Php12 million, or 23%, to Php65 million in 2024 from Php53 million in 2023.

Non-service Revenues

Non-service revenues increased by Php98 million, or 25%, to Php65 million in 2024 from Php53 million in 2023, primarily due higher sale of devices.

Expenses

Expenses related to our Fixed Line business segment totaled Php95,357 million in 2024, a decrease of Php6,995 million, or 7%, as compared with Php102,352 million in 2023. The decrease was primarily due to lower depreciation and amortization, general operating costs and provisions, partly offset by higher interconnection costs, cost of devices, accessories and contract-specific services and asset impairment. As a percentage of our total fixed line revenues, expenses associated with our Fixed Line business segment accounted for 75% and 85% in 2024 and 2023, respectively.

The following table shows the breakdown of our total fixed line-related expenses for the years ended December 31, 2024 and 2023 and the percentage of each expense item in relation to the total:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
General operating costs	44,850	47	47,469	46	(2,619)	(6)
Depreciation and amortization	29,132	31	36,855	36	(7,723)	(21)
Cost of devices, accessories and contract-specific services	3,641	4	3,114	3	527	17
Asset impairment	3,415	4	3,784	4	(369)	(10)
	81,038	85	91,222	89	(10,184)	(11)
Interconnection costs	14,319	15	11,130	11	3,189	29
Total	95,357	100	102,352	100	(6,995)	(7)

General operating costs decreased by Php2,619 million, or 6%, to Php44,850 million in 2024, primarily due to lower expenses related to selling and promotions, repairs and maintenance, professional and other contracted services, and communication, training and travel. This is partly offset by higher expenses related to rent and compensation and employee benefits.

Depreciation and amortization charges decreased by Php7,723 million, or 21%, to Php29,132 million in 2024, mainly due to accelerated depreciation and amortization in 2023 of subscriber contract cost to fulfill, partially offset by accelerated depreciation recognized in 2024 for the modernization of some core and transport network equipment, and depreciation of newly capitalized property and equipment.

Interconnection costs increased by Php3,189 million, or 29%, to Php14,319 million in 2024, primarily due to higher international interconnection costs of PLDT Global driven by higher traffic volume. Excluding cost of wholesale international voice of Php12,987 million and Php9,277 million in 2024 and 2023, respectively, our interconnection costs decreased by Php521 million, or 28%, to Php1,332 million in 2024 from Php1,853 million in 2023.

Cost of devices, accessories and contract-specific services increased by Php527 million, or 17%, to Php3,641 million in 2024, primarily due to higher cost of services, mainly from higher cost of content, and managed IT solutions and services.

Asset impairment decreased by Php369 million, or 10%, to Php3,415 million in 2024, primarily due to lower provision for expected credit losses, mainly on account of higher collection efficiency for Home.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total fixed line-related other income (expenses) – net for the years ended December 31, 2024 and 2023:

	2024	2023	Change	
			Amount	%
			(amounts in million Php)	
Other Income (Expenses) – Net:				
Gains on derivative financial instruments – net	2,589	1,084	1,505	139
Interest income	230	324	(94)	(29)
Equity share in net losses of associates and joint ventures	(67)	(595)	528	89
Foreign exchange gains (losses) – net	(819)	138	(957)	(693)
Financing costs – net	(7,456)	(6,824)	(632)	(9)
Other income – net	13,283	18,020	(4,737)	(26)
Total	7,760	12,147	(4,387)	(36)

Our Fixed Line business segment's other income – net amounted to Php7,760 million in 2024, a decrease of Php4,387 million, or 36%, from Php12,147 million in 2023, primarily due to the combined effects of the following: (i) lower other income – net by Php4,737 million mainly due to lower dividend income recognized from the subsidiaries of Wireless business segment; (ii) net foreign exchange losses of Php819 million in 2024 as against net foreign exchange gains of Php138 million in 2023 mainly due to the depreciation of the Philippine peso relative to the U.S. dollar in 2024 as compared to the appreciation of the Philippine peso relative to the U.S. dollar in 2023; (iii) higher net financing costs by Php632 million mainly due to higher interest rates and higher accretion on lease liabilities, partly offset by higher capitalized interest; (iv) lower interest income by Php94 million; (v) lower equity share in net losses of associates by Php528 million mainly due to lower equity share in net losses of Signal TV; (vi) higher net gains on derivative financial instruments by Php1,505 million mainly due to the depreciation of the Philippine peso relative to the U.S. dollar in 2024 as compared to the appreciation of the Philippine peso relative to the U.S. dollar in 2023.

Provision for (Benefit from) Income Tax

Provision for income tax amounted to Php6,501 million in 2024, an increase of Php2,486 million, or 62%, from Php4,015 million in 2023, mainly due to higher net income before tax.

Net Income

As a result of the foregoing, our Fixed Line business segment registered a net income of Php32,392 million in 2024, an increase of Php5,878 million, or 22%, as compared with Php26,514 million in 2023.

EBITDA

Our Fixed Line business segment's EBITDA increased by Php2,851 million, or 5%, to Php61,953 million in 2024 from Php59,102 million in 2023. EBITDA margin remained stable at 49% in 2024 and 2023.

Core Income

Our Fixed Line business segment's core income decreased by Php3,368 million, or 9%, to Php34,518 million in 2024 from Php37,886 million in 2023, primarily due to lower other miscellaneous income and higher financing costs, partially offset by higher EBITDA.

Others

Revenues

Revenues generated from our Other business segment amounted to nil for each of the years ended December 31, 2024 and 2023.

Expenses

Expenses related to our Other business segment increased by Php72 million to Php90 million in 2024 from Php18 million in 2023.

Other Income (Expenses) – Net

The following table summarizes the breakdown of other income (expenses) – net for Other business segment for the years ended December 31, 2024 and 2023:

	2024	2023	Change	
			Amount	%
(amounts in million Php)				
Other Income (Expenses) – Net:				
Interest income	15	7	8	114
Foreign exchange losses – net	(75)	(76)	1	1
Equity share in net losses of associates and joint ventures	(923)	(2,211)	1,288	58
Other income (expenses) – net	(5)	29	(34)	(117)
Total	(988)	(2,251)	1,263	56

Our Other business segment's other expenses – net amounted to Php988 million in 2024, a decrease of Php1,263 million, or 56%, from Php2,251 million in 2023, primarily due to lower equity share in net losses of associates and joint ventures by Php1,288 million mainly on account of lower equity share in net losses in MIH.

Net Loss

As a result of the foregoing, our Other business segment registered a net loss of Php1,069 million in 2024, a decrease of Php1,201 million, or 53%, from Php2,270 million in 2023.

Core Loss

Our Other business segment's core loss amounted to Php1,084 million in 2024, a decrease of Php1,026 million, or 49%, from Php2,110 million in 2023.

Capital Expenditure Plans

We are one of the leading telecommunications and digital services providers in the Philippines. We are committed to reinforcing our leading position by offering a broader range and higher quality products and services.

Our consolidated capital expenditures, net of additions subject to sale and leaseback from tower companies, totaled Php60,336 million, Php78,246 million and Php85,083 million for the years ended December 31, 2025, 2024 and 2023, respectively. Our capex spending was primarily focused on Wireless LTE (4G) coverage and capacity expansion, and rollout of new sites and 5G base stations in key business areas and dense communities nationwide, and Fixed Line's install, rollout, expansion and modernization of fiber optic transport network and backbone resiliency, and expansion of international submarine cable network. PLDT Group's capital expenditures were financed from internally generated funds, complemented by our borrowings and proceeds from sale of assets.

Our current estimate for our consolidated capital expenditures in 2026 will be in the mid-Php50 billion range, which is expected to be spent on network maintenance and expansion and IT projects, mainly to support the exponential rise in mobile data traffic, for broadband installations, and investments to support the growth of the corporate data and ICT businesses, including data centers. Our capital spending is focused on our objective of supporting the changing demand profile of our customers, allowing the delivery of a superior customer experience, and helping corporate customers to grow their businesses.

We plan to expand our LTE network in line with our intention to expand capacity in step with the growth in customer usage, and our desire to provide coverage to substantially all of the country's cities and municipalities. We are also heeding the government's call to expand telecommunications facilities to reach GIDAs. Furthermore, we are investing in building our 5G network to support an identified growth area in the mobile space. We intend to expand and upgrade our national and domestic transport network for cable fortification and resiliency in various locations. We continue to invest to expand capacity and improve resiliency of our international cable network which is critical in connecting the Philippines to the world. The design of our integrated network architecture optimizes the ability of PLDT to deliver diverse products and services offering to as wide a market as possible in the most cost-effective manner.

We also plan to continue upgrading our IT and service delivery platforms in order to facilitate real-time, on demand and personalized customer experience across all touch points and channels.

Our capital expenditure budget includes projects addressing the following objectives:

- (1) Commercial expansion of capacity and footprint of our wired and wireless services, as well as new platforms to expand service offerings;
- (2) Technical modernization of the PLDT Group's service delivery platform in order to realize operating and cost efficiencies, provision of greater resilience and redundancy for the network, and investments in additional cable systems;
- (3) Continuing investments to expand our LTE and 5G network coverage and capacity;
- (4) IT/Support Systems –upgrade of our IT and support systems, including investments to reinforce our cybersecurity platforms; and
- (5) Investments to support the growth of our corporate data and ICT businesses, including data centers.

We expect to fund incremental capital expenditures from internally generated funds and debt financing.

We have adopted and implemented various operational enhancements to our policies, procedures and controls relating to our capital expenditure management processes, and we continue to review the same for any appropriate enhancements.

Liquidity and Capital Resources

The following table shows our consolidated cash flows for the years ended December 31, 2025, 2024 and 2023, as well as our consolidated capitalization and other consolidated selected financial data as at December 31, 2025 and 2024:

	2025	2024	2023
	(amounts in million Php)		
Cash Flows			
Net cash flows provided by operating activities	98,738	81,731	85,765
Net cash flows used in investing activities	(60,979)	(65,704)	(55,118)
<i>Payment for purchase of property and equipment, including capitalized interest</i>	<i>(62,864)</i>	<i>(68,257)</i>	<i>(78,435)</i>
Net cash flows used in financing activities	(35,927)	(22,331)	(39,418)
Net increase (decrease) in cash and cash equivalents	1,855	(6,166)	(9,034)
	2025	2024	
	(amounts in million Php)		
Capitalization			
Interest-bearing financial liabilities:			
Long-term financial liabilities:			
Long-term debt	278,868	258,246	
Current portion of interest-bearing financial liabilities:			
Long-term debt maturing within one year	16,180	23,340	
Total interest-bearing financial liabilities	295,048	281,586	
Total equity attributable to equity holders of PLDT	126,889	115,419	
	421,937	397,005	
Other Selected Financial Data			
Total assets	634,828	623,275	
Property and equipment	327,989	318,069	
Cash and cash equivalents	11,866	10,011	
Short-term investments	10	136	

Our consolidated cash and cash equivalents and short-term investments totaled Php11,876 million as at December 31, 2025. Principal sources of consolidated cash and cash equivalents in 2025 were cash flows from operating activities amounting to Php98,738 million, proceeds from availment of long-term debt of Php36,150 million, proceeds from availment of short-term debt of Php1,322 million, proceeds from disposal of property of equipment of Php1,220 million, mainly proceeds from the sale and leaseback of telecom towers, proceeds from disposal of investment in associates and joint ventures of Php775 million, mainly return of capital from investment in Vega Telecom, Inc. ("VTI") of Php600 million, and proceeds from disposal of AppCard Inc. shares of Php175 million; interest received of Php686 million and proceeds from maturity of short-term investment of Php126 million. These funds were used principally for: (1) purchase of property and equipment, including capitalized interest, of Php62,864 million; (2) long-term debt principal and interest payments of Php23,712 million and Php13,233 million, respectively; (3) cash dividends paid of Php20,590 million; (4) settlement of obligations under lease liabilities of Php14,328 million; (5) payment of short-term debt of Php1,022 million; (6) settlement of derivative financial instruments of Php243 million; and (7) payment for acquisition of investment in associates and joint ventures of Php186 million, mainly Smart's investment in Dream Fearlessly Technologies, Inc. ("DFTI").

Our consolidated cash and cash equivalents and short-term investments totaled Php10,147 million as at December 31, 2024. Principal sources of consolidated cash and cash equivalents in 2024 were cash flows from operating activities amounting to Php81,731 million, proceeds from availment of long-term debt of Php37,000 million, proceeds from disposal of property of equipment of Php4,827 million, mainly proceeds from the sale and leaseback of telecom towers, interest received of Php881 million, collection of derivative financial instruments of Php704 million, and proceeds from redemption of investment in debt securities of Php200 million. These funds were used principally for: (1) purchase of property and equipment, including capitalized interest, of Php68,257 million; (2) long-term debt principal and interest payments of Php12,059 million and Php10,740 million, respectively; (3) cash dividends paid of Php20,750 million; (4) settlement of obligations under lease liabilities of Php12,079 million; (5) payment for redemption of perpetual notes of Php4,200 million; (6) payment for acquisition of investment in associates and joint ventures of Php3,770 million, mainly PLDT's respective investments in Radius and Kayana, PCEV's additional investment in MIH, and Smart's investment in DFTI.

Operating Activities

Our consolidated net cash flows provided by operating activities increased by Php17,007 million, or 21%, to Php98,738 million in 2025 from Php81,731 million in 2024 primarily due to lower level of settlement of accounts payable, higher level of collection of receivables and higher operating income, partially offset by higher pension and other employee benefits, and higher level of settlement of accrued expenses and other current liabilities.

Our consolidated net cash flows provided by operating activities decreased by Php4,034 million, or 5%, to Php81,731 million in 2024 from Php85,765 million in 2023 primarily due to lower level of collection of receivables, higher level of settlement of accounts payable and accrued expenses and other current liabilities, and higher income taxes paid, partially offset by lower prepayments and higher operating income.

Cash flows provided by operating activities of our Wireless business segment decreased by Php1,581 million, or 3%, to Php56,512 million in 2025 from Php58,093 million in 2024, primarily due to higher level of settlement of accrued expenses and other current liabilities and higher pension and other employee benefits, partially offset by lower level of settlement of accounts payable and higher level of collection of receivables. Cash flows provided by operating activities of our Fixed Line business segment increased by Php7,475 million, or 16%, to Php54,072 million in 2025 from Php46,597 million in 2024 primarily due to higher collection of receivables and lower level of settlement of

accrued expenses and other current liabilities, partially offset by lower operating income. Cash flows used in operating activities of our Other business segment amounted to Php614 million in 2025 as against cash flows provided by operating activities of Php3,299 million in 2024 primarily due to higher level of settlement of accounts payable.

Cash flows provided by operating activities of our Wireless business segment decreased by Php8,866 million, or 13%, to Php58,093 million in 2024 from Php66,959 million in 2023, primarily due to higher level of settlement of accounts payable, and accrued expenses and other current liabilities, and lower level of collection of receivables, partially offset by higher operating income and lower prepayments. Cash flows provided by operating activities of our Fixed Line business segment decreased by Php7,175 million, or 13%, to Php46,597 million in 2024 from Php53,772 million in 2023, primarily due to higher level of settlement of accounts payable, accrued expenses and other current liabilities, higher prepayments and lower level of collection of accounts receivables, partially offset by higher operating income. Cash flows provided by operating activities of our Other business segment amounted to Php3,299 million in 2024 as against cash flows used in operating activities of Php133 million in 2023, primarily due to higher level of collection of receivables and lower level of settlement of accounts payable.

Investing Activities

Our consolidated net cash flows used in investing activities amounted to Php60,979 million in 2025, a decrease of Php4,725 million, or 7%, from Php65,704 million in 2024, primarily due to the combined effects of the following: (1) lower payment for purchase of property and equipment, including capitalized interest, by Php5,393 million; (2) net proceeds from investments in associates and joint ventures of Php589 million in 2025 due to return of capital in investment in VTI and proceeds from disposal of AppCard Inc. shares, net of Smart's additional investment in DFTI, as against payments for investments in associates and joint ventures of Php3,770 million in 2024, mainly PLDT's respective investments in Radius and Kayana, PCEV's additional investment in MIH and Smart's investment in DFTI; (3) lower proceeds from disposal of property and equipment by Php3,607 million, mainly lower proceeds from the sale and leaseback of telecom towers; (4) lower interest received by Php195 million; and (5) lower net proceeds from redemption of investment in debt securities by Php175 million.

Our consolidated net cash flows used in investing activities amounted to Php65,704 million in 2024, an increase of Php10,586 million, or 19%, from Php55,118 million in 2023, primarily due to the combined effects of the following: (1) lower proceeds from disposal of property and equipment by Php19,144 million, mainly lower proceeds from the sale and leaseback of telecom towers; (2) higher payment for acquisition of investments in associates and joint ventures by Php2,134 million, mainly PLDT's respective investments in Radius and Kayana, PCEV's additional investment in MIH, and Smart's investment in DFTI; (3) lower payment for purchase of property and equipment, including capitalized interest, by Php10,178 million; and (4) proceeds from redemption of investment in debt securities on Php200 million in 2024.

Our consolidated payment for purchase of property and equipment, including capitalized interest, in 2025 totaled Php62,864 million, a decrease of Php5,393 million, or 8%, as compared with Php68,257 million in 2024. Smart's payment for purchase of property and equipment, including capitalized interest, decreased by Php4,900 million, or 15%, to Php28,482 million in 2025 from Php33,382 million in 2024. PLDT's payment for purchase of property and equipment, including capitalized interest, decreased by Php853 million, or 3%, to Php27,236 million in 2025 from Php28,089 million in 2024. The balance represents other subsidiaries' capital spending.

Our consolidated payment for purchase of property and equipment, including capitalized interest, in 2024 totaled Php68,257 million, a decrease of Php10,178 million, or 13%, as compared with Php78,435 million in 2023. Smart's payment for purchase of property and equipment, including capitalized interest, decreased by Php8,701 million, or 21%, to Php33,382 million in 2024 from Php42,083 million in 2023. PLDT's payment for purchase of property and equipment, including capitalized interest, decreased by Php4,727 million, or 14%, to Php28,089 million in 2024 from Php32,816 million in 2023. The balance represents other subsidiaries' capital spending.

As part of our growth strategy, we may from time to time, continue to make acquisitions and investments in companies or businesses.

Financing Activities

On a consolidated basis, cash flows used in financing activities amounted to Php35,927 million in 2025, an increase of Php13,596 million, or 61%, from Php22,331 million in 2024, primarily due to the combined effects of the following: (1) higher payment of long-term debt by Php11,653 million; (2) higher interest paid by Php2,493 million; (3) higher settlement of obligations under capital lease by Php2,249 million; (4) settlements of derivative financial instruments of Php243 million in 2025 as against collections from derivative financial instruments of Php704 million in 2024; (5) lower proceeds from avancement of long-term debt by Php850 million; and (6) payment for redemption of perpetual notes of Php4,200 million in 2024.

On a consolidated basis, cash flows used in financing activities amounted to Php22,331 million in 2024, a decrease of Php17,087 million, or 43%, from Php39,418 million in 2023, primarily due to the combined effects of the following: (1) lower payment of long-term debt by Php10,552 million; (2) payment of short-term debt of Php10,000 million in 2023; (3) lower cash dividends paid by Php2,578 million; (4) collection from derivative financial instruments of Php704 million in 2024 as against settlement of Php607 million in 2023; (5) payment for redemption of perpetual notes of Php4,200 million in 2024; (6) higher settlement of obligations under lease liabilities by Php1,372 million; (7) higher interest paid by Php1,025 million; and (8) lower proceeds from avancement of long-term debt by Php1,000 million.

Debt Financing

Proceeds from avancement of long-term and short-term debts for the year ended December 31, 2025 amounted to Php36,150 million and Php1,322 million, respectively, mainly from PLDT, Smart, Vitro and Multisys' drawings related to refinancing of maturing debt obligations and financing of capital expenditure requirements. Payments of principal on our long-term and short-term debts amounted to Php23,712 million and Php1,022 million, respectively, while payments of interest on our total debt amounted to Php13,223 million for the year ended December 31, 2025.

Proceeds from availment of long-term debt for the year ended December 31, 2024 amounted to Php37,000 million mainly from PLDT, Smart and ePLDT's drawings related to financing of capital expenditure requirements. Payments of principal on long-term debt amounted to Php12,059 million, while payments of interest on our total debt amounted to Php10,679 million for the year ended December 31, 2024.

Our consolidated long-term and short-term debts increased by Php13,462 million, or 5%, to Php295,048 million as at December 31, 2025 from Php281,586 million as at December 31, 2024 primarily due to drawings from our long-term facilities and the revaluation of foreign currency-denominated debt, partially offset by debt amortizations. As at December 31, 2025, PLDT's long-term and short-term debt level increased by Php4,469 million, or 3%, to Php174,971 million from Php170,502 million as at December 31, 2024, Smart's long-term and short-term debt level increased by Php3,654 million, or 4%, to Php107,147 million from Php103,493 million as at December 31, 2024, ePLDT's long-term debt level increased by Php5,039 million, or 66%, to Php12,630 million from Php7,591 million as at December 31, 2024, and Vitro's short-term debt of Php300 million as at December 31, 2025.

Our consolidated long-term and short-term debts increased by Php26,788 million, or 11%, to Php281,586 million as at December 31, 2024 from Php254,798 million as at December 31, 2023 primarily due to drawings from our long-term facilities and the revaluation of foreign currency-denominated debt, partially offset by debt amortizations. As at December 31, 2024, PLDT's long-term and short-term debt level increased by Php14,630 million, or 9%, to Php170,502 million from Php155,872 million as at December 31, 2023, Smart's long-term and short-term debt level increased by Php9,531 million, or 10%, to Php103,493 million from Php93,962 million as at December 31, 2023, and Vitro's long-term debt level increased by Php2,627 million, or 53%, to Php7,591 million from Php4,964 million as at December 31, 2023.

See *Note 20 – Interest-bearing Financial Liabilities – Long-term Debt* to the accompanying audited consolidated financial statements for a more detailed discussion of our long-term and short-term debts.

Debt Covenants

PLDT's debt instruments contain restrictive covenants, including covenants that require us to comply with specified financial ratios tests, at relevant measurement dates, principally at the end of each quarterly period. Smart's debt instruments contain certain restrictive covenants that require Smart to comply with specified financial ratios and other financial tests at semi-annual measurement dates. Vitro's debt instruments contain certain restrictive covenants that require Vitro to comply with specified financial ratios and other financial tests at quarterly measurement dates.

As at December 31, 2025 and 2024, we are in compliance with all of our debt covenants.

See *Note 20 – Interest-bearing Financial Liabilities – Compliance with Debt Covenants* to the accompanying audited consolidated financial statements for a more detailed discussion of our debt covenants.

Financing Requirements

We believe that our available cash, including cash flows from operations, will provide sufficient liquidity to fund our projected operating, investment, capital expenditures and debt service requirements for the next 12 months and in the long-term; however, we may finance a portion of these costs from external sources if we consider it prudent to do so.

The following table shows the dividends declared to common and preferred shareholders for the years ended December 31, 2025 and 2024:

Earnings	Date		Amount		
	Approved ⁽¹⁾	Record	Payable	Per share (amounts in million Php, except per share amount)	Total Declared
2025					
Common Stock					
Regular Dividend	February 27, 2025	March 13, 2025	April 3, 2025	47	10,155
	August 12, 2025	August 28, 2025	September 10, 2025	48	10,370
Preferred					
Series IV Cumulative Non-convertible Redeemable Preferred Stock(1)	January 28, 2025	February 11, 2025	March 15, 2025	—	12
	May 15, 2025	May 22, 2025	June 15, 2025	—	12
	August 12, 2025	August 26, 2025	September 15, 2025	—	12
	November 11, 2025	November 25, 2025	December 15, 2025	—	13
Voting Preferred Stock	March 20, 2025	April 3, 2025	April 15, 2025	—	2
	June 10, 2025	June 24, 2025	July 15, 2025	—	3
	August 12, 2025	September 15, 2025	October 15, 2025	—	3
	December 2, 2025	December 16, 2025	January 15, 2026	—	2
Charged to Retained Earnings					20,584
2024					
Common Stock					
Regular Dividend	March 7, 2024	March 21, 2024	April 5, 2024	46	9,938
	August 13, 2024	August 27, 2024	September 11, 2024	50	10,803
Preferred					
Series IV Cumulative Non-convertible Redeemable Preferred Stock(1)	January 30, 2024	February 14, 2024	March 15, 2024	—	12
	May 9, 2024	May 24, 2024	June 15, 2024	—	13
	August 13, 2024	August 28, 2024	September 15, 2024	—	12
	November 12, 2024	November 28, 2024	December 15, 2024	—	12
Voting Preferred Stock	March 21, 2024	April 5, 2024	April 15, 2024	—	2
	June 11, 2024	June 28, 2024	July 15, 2024	—	3
	August 13, 2024	September 16, 2024	October 15, 2024	—	2
	December 3, 2024	December 17, 2024	January 15, 2025	—	3
Charged to Retained Earnings					20,800

⁽¹⁾ Dividends were declared based on total amount subscribed.

Our dividends declared after December 31, 2025 are detailed as follows:

Class	Date		Payable	Amount	
	Approved	Record		Per Share (in million Php, except per share amount)	Total
Common					
Regular Dividend	February 26, 2026	March 26, 2026	April 16, 2026	46	9,939
Preferred					
Series IV Cumulative Non-convertible Redeemable Preferred Stock ⁽¹⁾	January 27, 2026	February 10, 2026	March 15, 2026	—	12
Charged to Retained Earnings					9,951

⁽¹⁾ Dividends were declared based on total amount subscribed.

See Item 5. “Market for Registrant’s Common Equity and Related Stockholder Matters – Dividends” and *Note 19 – Equity* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for a detailed discussion of our dividend payments.

Credit Ratings

None of our existing indebtedness contains provisions under which credit rating downgrades would trigger a default, changes in applicable interest rates or other similar terms and conditions.

As at February 25, 2026, PLDT maintained its investment grade credit ratings as follows:

Rating Agency	Credit Rating
Moody’s Investors Service, or Moody’s	Baa2 with stable outlook (most recently published on February 24, 2026)
S&P Global (formerly Standard & Poor’s Ratings Services)	BBB with stable outlook (most recently published on November 23, 2025)

CRISP previously rated PLDT’s retail peso bonds “AAA with stable outlook” and the credit rating agreement ended in 2024 following the full redemption of those bonds.

Changes in Financial Conditions

Assets

Our total assets amounted to Php634,828 million as at December 31, 2025, an increase of Php11,553 million, or 2%, from Php623,275 million as at December 31, 2024, primarily due to higher noncurrent assets, partly offset by lower current assets.

Our total assets amounted to Php623,275 million as at December 31, 2024, an increase of Php13,756 million, or 2%, from Php609,519 million as at December 31, 2023, primarily due to higher noncurrent assets, partly offset by lower current assets.

Noncurrent Assets

Our noncurrent assets increased by Php5,968 million, or 1%, to Php565,415 million in 2025 from Php559,447 million in 2024 primarily due to the combined effects of the following:

Property and equipment increased by Php9,920 million, or 3%, mainly due to higher capital expenditures, partly offset by depreciation for the year.

Right-of-use assets increased by Php9,666 million, or 25%, mainly due to additional sites leased, partially offset by depreciation for the year.

Investments in associates and joint ventures decreased by Php339 million, or 1%, mainly due to return of capital from investment in VTI, and equity share in net losses of Cignal TV and Radius, partially offset by net earnings in MIH, PLDT's subscription to Kayana's additional common shares and Smart's additional investment in DFTI.

Deferred income tax assets decreased by Php3,061 million, or 21%, mainly due to lower pension and other employee benefits, unearned revenues and unamortized past service pension costs.

Other noncurrent assets decreased by Php10,218 million, or 8%, mainly due to lower prepayments and other non-financial assets – net of current portion, partially offset by higher investment properties.

Our noncurrent assets increased by Php20,051 million, or 4%, to Php559,447 million in 2024 from Php539,396 million in 2023 primarily due to the combined effects of the following:

Property and equipment increased by Php30,966 million, or 11%, mainly due to higher capital expenditures, partly offset by depreciation and disposal for the year including sale to tower companies.

Right-of-use assets increased by Php6,394 million, or 20%, mainly due to the leaseback of telecom assets sold to tower companies, partially offset by depreciation for the year.

Investments in associates and joint ventures increased by Php2,456 million, or 5%, mainly due to PLDT's investments in Radius and Kayana, PCEV's additional investment in MIH and Smart's investment in DFTI, partially offset by equity share in net losses of MIH and other associates and joint ventures.

Deferred income tax assets decreased by Php3,529 million, or 19%, mainly due to lower deferred tax on unearned revenues, pension and other employee benefits, and unamortized past service pension costs.

Other noncurrent assets decreased by Php16,236 million, or 11%, mainly due to lower advances to suppliers and contractors.

Current Assets

Our current assets increased by Php5,585 million, or 9%, to Php69,413 million in 2025 from Php63,828 million in 2024 primarily due to the combined effects of the following:

Cash and cash equivalents increased by Php1,855 million, or 19%, mainly due to the combined effects of cash flows provided by operating activities of Php98,738 million, cash flows used in investing activities of Php60,979 million, and cash flows used in financing activities of Php35,927 million.

Trade and other receivables decreased by Php245 million, or 1%, mainly due to lower receivables from dealers, agents and others.

Other current assets increased by Php3,975 million, or 18%, mainly due to higher current portion of prepayments, partially offset by lower inventories and supplies.

Our current assets decreased by Php6,295 million, or 9%, to Php63,828 million in 2024 from Php70,123 million in 2023 primarily due to the combined effects of the following:

Cash and cash equivalents decreased by Php6,166 million, or 38%, mainly due to the combined effects of cash flows provided by operating activities of Php81,731 million, cash flows used in investing activities of Php65,704 million, and cash flows used in financing activities of Php22,331 million.

Trade and other receivables increased by Php5,526 million, or 21%, mainly due to higher receivables from corporate subscribers, and receivables from dealers, agents and others.

Other current assets decreased by Php5,655 million, or 20%, mainly due to lower current portion of prepayments and assets classified as held-for-sale.

Liabilities

Our total liabilities amounted to Php506,745 million as at December 31, 2025, an increase of Php205 million from Php506,540 million as at December 31, 2024, primarily due to higher noncurrent liabilities by Php29,524 million, or 9%, partially offset by lower current liabilities by Php29,319 million, or 16%.

Noncurrent and current interest-bearing financial liabilities increased by Php13,462 million, or 5%, primarily due to drawings from our long-term facilities and the revaluation of foreign currency-denominated debt, partially offset by debt amortizations.

Other noncurrent liabilities increased by Php8,902 million, or 15%, primarily due to higher lease liabilities – net of current portion.

Accounts payable decreased by Php10,343 million, or 16%, primarily due to lower payables to suppliers and contractors.

Other current liabilities decreased by Php11,816 million, or 12%, primarily due to lower accrued expenses and other current liabilities and income tax payable, partially offset by higher lease liabilities.

Our total liabilities amounted to Php506,540 million as at December 31, 2024, an increase of Php7,407 million, or 1%, from Php499,133 million as at December 31, 2023, primarily due to higher noncurrent liabilities by Php15,618 million, or 5%, partially offset by lower current liabilities by Php8,211 million, or 4%.

Noncurrent and current interest-bearing financial liabilities increased by Php26,788 million, or 11%, primarily due to drawings from our long-term facilities and the revaluation of foreign currency-denominated debt, partially offset by debt amortizations.

Other noncurrent liabilities increased by Php524 million, or 1%, primarily due to higher lease liabilities – net of current portion, partly offset by lower pension and other employee benefits and unearned revenues.

Accounts payable decreased by Php14,292 million, or 18%, primarily due to lower payables to suppliers and contractors.

Other current liabilities decreased by Php5,613 million, or 5%, primarily due to accrued expenses and other current liabilities and lower income tax payable.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have any current or future effect on our financial position, results of operations, cash flows, changes in stockholders' equity, liquidity, capital expenditures or capital resources that are material to investors.

Equity Financing

The PLDT Board of Directors approved the amendment of our dividend policy on August 2, 2016, reducing our dividend payout rate to 60% of our core earnings per share as regular dividends. This was in view of our elevated capital expenditures to build out a robust, superior network to support the continued growth of data traffic, plans to invest in new adjacent businesses that will complement the current business and provide future sources of profits and dividends, and management of our cash and gearing levels. We began basing our dividend payout on telco core income in 2019. In declaring dividends, we take into consideration the interest of our shareholders, as well as our working capital, capital expenditures and debt servicing requirements. The retention of earnings may be necessary to meet the funding requirements of our business expansion and development programs. Depending on business funding requirements and investment opportunities, we may consider the option of returning additional cash to our shareholders in the form of special dividends of up to the balance of our core earnings or to undertake share buybacks. We were able to pay out approximately 100% of our core earnings for seven consecutive years from 2007 to 2013, approximately 90% of our core earnings for 2014, 75% of our core earnings for 2015, 60% of our core earnings from 2016 to 2018, and 60% of our telco core income from 2019 to 2025. In addition, we paid special dividends of 28% of our telco core earnings in 2022, bringing the total payout ratio to 88% for that year. The accumulated equity in the net earnings of our subsidiaries, which forms part of our retained earnings, is not available for distribution unless realized in the form of dividends from such subsidiaries. Dividends are generally paid in Philippine pesos. In the case of shareholders residing outside the Philippines, PLDT's transfer agent in Manila, Philippines, as the dividend-disbursing agent, converts the Philippine peso dividends into U.S. dollars at the prevailing exchange rate and remits the dollar dividends abroad, net of any applicable withholding tax and fees, in the case of the ADS.

Our subsidiaries pay dividends subject to the requirements of applicable laws and regulations and availability of unrestricted retained earnings, without any restriction imposed by the terms of contractual agreements. Notwithstanding the foregoing, the subsidiaries of PLDT may, at any time, declare and pay such dividends depending upon the results of operations and future projects and plans, the respective subsidiary's earnings, cash flow, financial condition, capital investment requirements and other factors.

Consolidated cash dividend payments paid to shareholders amounted to Php20,590 million, Php20,750 million, and Php23,328 million as at December 31, 2025, 2024 and 2023, respectively.

Contractual Obligations and Commercial Commitments

Various Trade and Other Obligations

PLDT Group has various obligations to suppliers for the acquisition of phone and network equipment, contractors for services rendered on various projects, foreign administrations and domestic carriers for the access charges, shareholders for unpaid dividends distributions, employees for benefits and other related obligations, and various business and operational related agreements. Total obligations under these

various agreements amounted to approximately Php116,307 million and Php133,811 million as at December 31, 2025 and 2024, respectively. See *Note 22 – Accounts Payable* and *Note 23 – Accrued Expenses and Other Current Liabilities* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

Commercial Commitments

Major Network Vendors

Significant commitment in respect of major network vendors, net of advances and deliveries, amounted to about Php19,700 million and Php15,900 million as at December 31, 2025 and 2024, respectively.

Other Capital Expenditure Vendors

Commitments related to non-major capital expenditure vendors, net of advances and deliveries, amounted to Php16,900 million and Php11,200 million as at December 31, 2025 and 2024, respectively.

We have no outstanding commercial commitments, in the form of letters of credit, as at December 31, 2025 and 2024.

Quantitative and Qualitative Disclosures about Market Risks

The main risks arising from our financial instruments are liquidity risk, foreign currency exchange risk, interest rate risk and credit risk. The importance of managing those risks has significantly increased in light of the considerable change and volatility in both the Philippine and international financial markets. Our Board of Directors reviews and approves policies for managing each of these risks. We also monitor the market price risk arising from all financial instruments.

See *Note 27 – Financial Assets and Liabilities – Financial Risk Management Objectives and Policies* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for a detailed discussion.

Impact of Inflation and Changing Prices

Inflation can be a significant factor in the Philippine economy and we are continually seeking ways to minimize its impact. The average inflation rate in the Philippines for the years ended December 31, 2025 and 2024 were 1.7% and 3.2%, respectively. The risks to the inflation outlook are continuing constraints in the supply of key food items, the adverse impact of climate change on food and electricity prices, and the effects of potential increases in transport fares and minimum wages.

Risks and Uncertainties

You should carefully consider all of the information in this annual report, including the risks and uncertainties described below. If any of these risks materialize, they could have a material adverse effect on our business, financial condition or results of operations and may cause the trading price of our ADSs to decline, potentially resulting in the loss of all or part of your investment.

Risks Relating to Us

Increased competition in the telecommunications sector may diminish our market share and profitability, while changes in the competitive and regulatory landscape could further exacerbate adverse effects on our business.

Increasing competition among telecommunications services providers, including new operators, as well as small telecommunications companies, cable tv providers, and those P2P resellers with VAS license from the NTC, could significantly impact our business and prospects by, among other factors, necessitating price reductions, hindering growth of our customer base and reducing usage of our services. Competition is intense for both mobile and fixed line services, with factors such as network coverage, service quality, product offerings, and price as considerations for subscriber preference, potentially requiring increased capital expenditures for capacity and coverage expansion.

The mobile telecommunications industry has experienced intense price competition as operators have attempted to expand market share, especially in light of a maturing voice and SMS market. Competition has now pivoted to data services, prioritizing customer experience over pricing. Our competitors in fixed line broadband, Globe Telecom, Inc. (Globe), and Converge ICT Solutions, Inc. (Converge), a pure fiber broadband provider, are heavily investing in expanding their respective fiber presence. Meanwhile, DITO Telecommunity Corporation (DITO) is aggressively expanding its footprint. In addition, we face competition from regional and niche service providers, including members of PAPTELCO, cable television operators offering broadband services, small and regional internet service providers, and other community-based access providers, whose participation has increased as regulatory developments have lowered barriers to entry, particularly in underserved and rural areas.

Developments in law, regulations and/or Government initiatives may increase competition and cause us to lose customers. In 2022, the amendment to the Public Service Act was approved which effectively removed the 40% foreign ownership restriction on telecommunication companies which could result in increased competition. Prior to this, as part of its push to encourage competition within the telecommunications industry, the Philippine Government introduced various measures to facilitate and enable the operations of new players, including a tower sharing policy, MNP, and removal of mobile interconnect charges. We cannot guarantee you that in the future, there will not be similar changes in law, regulations or Government initiatives that may adversely affect our competitiveness.

Our ability to compete depends on factors like network coverage and capacity, service quality, pricing, product innovation, sales channels, and financial resources. To uphold our competitive stance, our success hinges on our ability to anticipate and respond to industry shifts,

including technological advancements, evolving consumer preferences, and economic trends. Failure to identify and respond to these challenges could adversely impact our business. In addressing the intense competition, we may need to adjust our pricing strategies and allocate resources to network upgrades, which could lead to lower revenues and higher costs. Moreover, the potential entry of new competitors and customer churn may require increasing marketing and capital expenditures, thereby impacting our overall profitability. We cannot assure you that the number of providers of telecommunications services will not increase in the future or that competition for customers will not result in the loss of customers, including due to our mobile and fixed line subscribers switching to other operators. Any of the foregoing events could result in a reduction in our profitability.

Republic Act 12234, or the Konektadong Pinoy (KP) Act further reshapes the competitive landscape by liberalizing the data transmission sector and reducing regulatory barriers for new entrants. The KP Act establishes an open-access regime in the data transmission sector, removes the legislative franchise requirement for such services, mandates infrastructure sharing for items included in the regulators' Access List, and introduces a Spectrum Management Policy Framework allowing periodic review, recall, and reassignment of spectrum. These changes may heighten competitive intensity and require the PLDT Group to provide access to certain infrastructure and services on fair and non-discriminatory terms, while complying with pricing transparency, performance standards, and spectrum reassessment obligations, potentially affecting operating flexibility, capital allocation, and margins over time.

Separately, the proposed Data Rollover Bill may materially affect our revenue profile and product-design strategies by requiring public telecommunications entities to carry over unused data allocations to the next billing cycle. This reduces breakage revenue, affects predictability of consumption behavior, and may diminish the effectiveness of volume-tiered plans. The mandated rollover of unused data could intensify price-based competition, pressure ARPU and require adjustments to network-capacity planning to accommodate more variable usage patterns. Failure to adapt our service offerings and systems to these requirements may adversely affect customer experience and profitability.

The rapid advancement of disruptive innovations by new and emerging technologies may outpace our ability to compete and/or manage the risk appropriately, resulting in a possible decline in demand for our services, significant changes to our business model and a material adverse effect on our business, results of operations, financial condition and prospects.

The growing use of mobile data in the Philippines, along with the widespread adoption of OTT services and video conferencing applications, have negatively impacted our traditional revenue sources such as SMS and domestic calling services in recent years. We also face growing competition from providers utilizing alternative wireless technologies and IP-based networks, including the Philippine Government's initiatives to roll-out its free WiFi services in select areas within various municipalities. Moreover, net settlement payments between PLDT and other foreign telecommunications carriers for origination and termination of international call traffic between the Philippines and other countries, which have been our predominant source of foreign currency revenues, are expected to continue their sequential decline with their contribution to our total service revenues significantly diminished.

While increasing mobile data usage positively impacted our data revenues and is expected to continue driving growth, there is no guarantee that such increase will fully offset the decline in revenues from our traditional services. We may not be able to maintain and attract customers more effectively than our competitors. We must also invest in additional capacity, infrastructure, cybersecurity, systems and personnel to provide high quality services that accommodate increasing mobile data usage. As a result, our capital costs could increase as we phase out outdated and unprofitable technologies and invest in new ones.

We may not be able to accurately predict further technological trends or successfully adopt or implement new technologies in our business. Some of our competitors may be more successful than us in the development and implementation of new technologies, including services and platforms using artificial intelligence, to address customer demand or improve operations. If we are unable to adequately advance our capabilities in these areas, or do so but at a slower pace than others in our industry, we may be at a competitive disadvantage. In addition, there could be legal or regulatory constraints on our introduction of new services. If our services fail to gain acceptance in the marketplace, or if costs associated with implementation and completion of the introduction of these services materially increase relative to what the market is willing to pay, our ability to retain and attract customers could be adversely affected.

Developments in AI technologies, and its governing legal and regulatory frameworks, are rapidly evolving, and could significantly disrupt the telecommunications industry and subject us to increased competition, legal and regulatory risks and compliance costs, which could have a material adverse effect on our business, financial condition and results of operations. The full extent of risks related thereto is difficult to predict. We are actively integrating AI into our operations, starting with a smart voice AI solution to enhance payment collections. Additionally, leveraging AI to improve employee productivity by assisting with document creation, email and communication management, collaborative work, presentation development, and data analysis. As we continue assessing its capabilities, we are working towards embedding AI across our infrastructure, processes, and strategic workflows to drive efficiency and innovation. We also aim to leverage AI-driven analytics to generate deeper business insights, drive and offer hyper-personalized customer service and promotions using machine learning models. AI-powered initiatives will also be instrumental in unlocking wireless growth, particularly in 5G monetization strategies. Market demand, acceptance of AI technologies and the business case for AI are uncertain at this point. Potential litigation or government regulation related to AI may also increase the burden and cost of research and development in this area, subjecting us to reputational harm, competitive harm or legal liability. Among other pitfalls, such tools may inadvertently generate or reveal confidential information, or may produce responses that are erroneous, biased, inaccurate, illegal or unethical. Failure to address perceived or actual technical, legal, compliance, privacy, security, ethical or other issues relating to the use of AI technologies could adversely affect our business and operating results.

Regulations relating to AI technologies may also impose on us certain obligations and costs related to monitoring and compliance. There is uncertainty around the regulation of AI technologies as the Philippine government is in the process of defining its own laws and policies amidst the creation of new AI-related laws in other jurisdictions. The Department of Trade and Industry has developed the National AI Strategy for the Philippines. A bill has been filed in Congress (HB No. 7396 "An Act Promoting the Development and Regulation of Artificial Intelligence in the Philippines") proposing the creation of an Artificial Intelligence Development Authority and is pending with the

Committee on Information and Communications Technology. PLDT has an Ethical AI Policy that governs its approach and initiatives involving AI.

The success of our business depends on our ability to maintain and enhance our brands.

We believe that our reputation and brands in the industry are crucial to the success of our business. To maintain and enhance our reputation and brands, we must continue providing relevant products and services, combined with the best customer experience, such that we not only maintain our current customer base but also attract new subscribers as well. If we are unsuccessful in maintaining our reputation and improving our brands, our business, financial position and results of operations may be negatively affected.

Our reliance on arrangements with technology vendors, other partnerships and/or joint ventures, and any disruptions to such arrangements may result in disruption to our business operations and adversely affect our supply of equipment and results of operations, financial condition, reputation and business prospects.

As part of our extensive capital expenditures program to enhance our fixed and wireless networks infrastructure and IT systems to fully support business requirements, we have entered into agreements with vendors, to upgrade and modernize significant portions of our IT infrastructure. However, we cannot guarantee that these initiatives will be completed on schedule, or at all, or as intended. Furthermore, we cannot guarantee that such initiatives will not result in service disruptions, network outages or other issues that may detrimentally affect our service delivery and consumer experience. This may adversely affect our business, financial condition and results of operations.

Due to our reliance on third party vendors, our business operations may be negatively impacted by global geopolitical and public health developments (such as COVID-19), which can disrupt supply chains, delay network construction, and impact service delivery. Any adverse changes in import policies, including increases in import duties and tariffs, or any embargo on imports from countries from which our vendors supply or countries supplying our vendors, may also adversely impact our business, prospects, results of operations and cash flows. Trade tensions between the United States and major trading partners continue to escalate following the introduction of a series of tariff measures by the United States and/or its trading partners. Economic and trade sanctions have been threatened and/or imposed by the U.S. government on a number of People's Republic of China (PRC)-based technology companies, including Huawei Technologies Co., Ltd. (Huawei), a key vendor for our telecommunications equipment and software licenses, and with whom we have partnered with to develop and offer outcome-based cloud solutions. The United States has also in certain circumstances imposed and threatened to impose further sanctions, trade embargoes and other heightened regulatory requirements on the PRC and PRC-based technology companies. The United States government has brought enforcement actions against Huawei and companies who engaged in unauthorized transactions with Huawei. While our partnership with Huawei is not currently subject to such sanctions or trade embargoes, there is no assurance that the United States or other jurisdictions will not impose similar or more expansive restrictions that may materially and adversely affect or restrict our relationships or collaborations with our vendors, including Huawei and its designated entities, thereby adversely affecting our reputation, competitiveness and business operations.

Some of our third-party vendors may encounter financial difficulties or consolidate with other vendors. This may result in a shrinking of the already limited pool of qualified vendors which may in turn, materially impact the third-party vendors' ability to fulfill their obligations and thereby impact our operations. The limited number of available vendors may also result in our dependence on a single vendor to provide critical services.

Our ability to generate revenues could be disrupted if our suppliers are no longer able or willing to supply us. In the event that any of our suppliers cannot or will not provide us with the required products, we may be forced to find alternative suppliers. There is no guarantee that we will be able to obtain our products or products of a similar quality from alternate suppliers, in part or at all. Failure to find alternative suppliers will disrupt our operations and hinder our ability to generate revenues.

Our vendors/suppliers may be affected by the effects of climate change and extreme weather conditions which could affect their ability to fulfill their commitments to us. This, in turn may disrupt our operations and business continuity.

The mobile telecommunications industry in the Philippines may not continue to grow.

The majority of our total revenues are derived from mobile services provided to customers in the Philippines, making us highly dependent on the continued development and growth of the local mobile telecommunications industry. We believe the country's mobile penetration rate reached approximately 125% as at December 31, 2025, based on the number of SIM cards issued. Given this penetration level, the market for SMS and domestic voice may be considered mature.

Data has emerged as the key driver for revenues. While data traffic on our network has increased, further market expansion depends on many factors beyond our control, including the continued introduction of new and enhanced mobile devices, the price levels of mobile handsets, consumer tastes and preferences, alternative means of access, and the amount of disposable income of existing and potential subscribers. Any economic, technological or other developments resulting in a reduction in demand for mobile services or otherwise causing the Philippine mobile telecommunications industry to stop growing or slow down its growth, could materially harm our business, results of operations, financial condition and prospects.

The franchises, licenses and regulatory approvals, upon which PLDT relies, may be subject to revocation or delay in issuance, which could result in the suspension of our services or abandonment of any planned expansions and could thereby have a material adverse effect on our business, results of operations, financial condition and prospects.

Amendment to the Public Service Act

On March 21, 2022, Republic Act No. 11659 or "An Act Amending Commonwealth Act No. 146, otherwise known as the Public Service Act, as amended" (Amendment to the Public Service Act), was signed into law by the President. Under the amendments, telecommunication companies are no longer considered "public utilities" but as "public service with critical infrastructure". As such, they are no longer subject to the 40% foreign ownership restriction under the Constitution, subject to certain reciprocity rules and with provisions limiting/disallowing

state-owned enterprises to invest in telecommunication companies. While the amendment increases our access to foreign capital, it may also allow foreign nationals to make significant investments in other telecommunications companies/operators that can compete with us. The Amendment to the Public Service Act was published in the Official Gazette on March 28, 2022 and took effect on April 12, 2022. On March 20, 2023, the National Economic and Development Authority (NEDA) released its Implementing Rules and Regulations (IRR). The IRR took effect on April 4, 2023.

While we believe that PLDT is still in compliance with the requirements of the Constitution as at the date of this report, we cannot assure you that any subsequent changes in the law will not result in a different conclusion.

Failure to maintain regulatory registrations, approvals and transitional authorities

We operate our business in a highly regulated environment. Historically, certain of our services required legislative franchises and CPCNs. Following the enactment of the KP Act and the issuance of its Implementing Rules and Regulations, the requirement for a legislative franchise and CPCN for data transmission services has been removed and replaced with a registration-based regulatory regime administered by the relevant government agencies.

Notwithstanding this regulatory shift, we continue to hold various provisional authorities, CPCNs, spectrum assignments, and other regulatory approvals, some of which are transitional in nature and will expire between now and 2042. Certain CPCNs and provisional authorities have already expired; however, applications for renewal were filed prior to their expiry. Under Executive Order No. 292 (Philippine Revised Administrative Code of 1987) and Republic Act No. 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018), such authorizations are deemed effective until the regulator has finally acted on the renewal applications.

Failure to maintain the necessary regulatory authority, approvals, or compliance status may materially and adversely affect our ability to conduct essential business operations, result in penalties, suspension of authority, or increased compliance costs, and adversely affect our financial condition and results of operations. See Item 4. “Information on the Company – Franchises, Licenses and Regulations” for more information.

Failure to comply with public ownership requirements under Republic Act No. 7925 or the Public Telecommunications Policy Act of the Philippines

In order to diversify the ownership base of public utilities, Republic Act No. 7925, otherwise known as the “Public Telecommunications Policy of the Philippines” (R.A. 7925), requires a telecommunications entity with regulated types of services to make a *bona fide* public offering through the stock exchange of its shares representing at least 30% of its aggregate common shares within five years from: (a) the date the law became effective; or (b) the entity’s commencement of commercial operations, whichever date is later.

Republic Act No. 10926 provides an exemption from the public listing requirement if the grantee is wholly-owned by a company that has publicly listed at least 30% of its authorized capital stock.

PLDT is a publicly listed company and therefore in compliance with this requirement. Meanwhile, Smart, as a wholly-owned subsidiary of PLDT, a publicly listed company, is not required to offer any of its shares to the public.

Meanwhile, DMPI takes the position that it has satisfied the public offering requirement under R.A. 7925 and Republic Act No. 9180 (R.A. 9180), or the legislative franchise of DMPI (DMPI’s Franchise), by virtue of the fact that PLDT, a publicly listed company, holds a 99.6% equity interest in DMPI’s parent company, Digitel Telecommunications Philippines, Inc. (DTPI), which in turn, holds a 100% equity interest in DMPI.

Impact of the Konektadong Pinoy Act

The KP Act took effect on September 14, 2025, with its Implementing Rules and Regulations (IRR) becoming effective on December 16, 2025. The Act establishes an open-access regime governing the data transmission industry and introduces substantial reforms to market entry, infrastructure sharing, spectrum management, pricing transparency, and regulatory oversight.

Under the Act and its IRR, the legislative franchise requirement for data transmission services has been removed, and all segments of the data transmission network are declared open and competitive. Access providers are required to grant access to digital infrastructure and services included in the regulators’ Access List on open, fair, reasonable, and non-discriminatory terms, and to publish a Reference Access Offer (RAO).

On February 2, 2026, the National Telecommunications Commission (NTC) issued Memorandum Circular No. 2-02-2026, which establishes the eligibility criteria and registration framework for Data Transmission Industry Participants (DTIPs). New entrants must obtain a Certificate of NTC Authorization (CoA) for International Gateway Facility (IGF) and Core/Backbone operations (valid for 15 years), or a Certificate of NTC Registration (CoR) for Middle Mile (10 years) and Last Mile providers (five years). Separate registration or authorization is required for each network segment, with corresponding maintenance of separate books of accounts. Incumbent operators with valid and subsisting authorities are deemed registered, subject to reclassification by the NTC within one year from effectivity.

Eligibility is evaluated across legal, technical, and financial criteria. Applicants must submit corporate and regulatory registrations and comply with foreign ownership and reciprocity rules; provide technical feasibility studies, rollout plans (including service to at least one unserved or underserved area for Middle Mile and Last Mile providers), and cybersecurity plans aligned with DICT standards; and demonstrate financial capacity through feasibility studies, audited financial statements, prescribed minimum asset thresholds (Php1.0 billion for IGF, Php100 million for Core/Backbone, Php10 million for Middle Mile, and Php500,000 for Last Mile), a maximum 70% debt-to-asset ratio, and a performance bond (except for Last Mile providers) equivalent to 10% of projected capital expenditures for the first two years, capped at Php5.0 million. Consistent with the KP Act, DTIPs are likewise subject to ongoing obligations, including compliance with

approved rollout commitments (including coverage of geographically isolated and disadvantaged or underserved areas), segment-level accounting separation, rate disclosures, annual reporting, payment of supervision and spectrum user fees, and adherence to performance and cybersecurity standards.

The Act further adopts a Spectrum Management Policy Framework (SMPF), providing for periodic review, potential recall, reassignment, and revaluation of spectrum holdings by the NTC, in coordination with the DICT and the Philippine Competition Commission (PCC). Spectrum assignments may be subject to review for underutilization or concentration, and future assignments may be influenced by market-based or competition-driven considerations.

These regulatory developments may increase competitive intensity in the Philippine data transmission market, including the entry of new DTIPs, mandatory infrastructure sharing, expanded regulatory reporting obligations, enhanced competition oversight, and possible designation of significant market power (SMP) with corresponding ex-ante obligations. Compliance with eligibility thresholds, rollout commitments, performance standards, pricing disclosure, cybersecurity audits, and spectrum review processes may affect operating flexibility, capital allocation strategies, cost structures, and margins.

While Management does not expect the KP Act and related issuances to result in any immediate material impairment of existing assets, the long-term financial and operational impact remains subject to the finalization of the initial Access List, the implementation of the SMPF, spectrum review outcomes, regulatory classification under the DTIP framework, possible SMP designation, future regulatory issuances, and evolving enforcement practices. The Group continues to monitor these developments and assess their potential impact on its business, financial condition, results of operations, and cash flows.

Our business is subject to extensive laws and regulations, including regulations in respect of our service rates, taxes and antitrust laws.

Our business is subject to extensive laws and regulations, including regulations in respect of our service rates, taxes and antitrust laws. Any adverse changes in applicable laws and regulations can have an adverse impact on our business, results of operations, financial condition and prospects.

The NTC regulates the rates we are permitted to charge for services that have not been deregulated, such as local exchange services, and is responsible for granting a long-term license called a CPCN. PLDT has obtained CPCNs for its international gateway facilities, local exchange carriers, and interexchange carrier services. While CPCNs are typically co-terminus with the term of a public utility's franchise, the NTC may amend certain terms of a CPCN, or revoke a CPCN for cause, subject to due process procedures. The exercise of regulatory power by regulators, may be subject to review by the courts upon the filing of appropriate actions by the affected parties.

We cannot guarantee that the NTC will not impose additional obligations on us that, if unmet, could lead to the revocation of our licenses and/or a reduction in our total revenues or profitability. The NTC could amend applicable regulations or implement additional guidelines governing our interconnection with other telecommunications companies or the rates and terms upon which we provide services to our customers. In addition, any future expansions in our services, particularly in our mobile services, could subject us to additional conditions in the granting of our provisional authorities by the NTC and to increased regulatory scrutiny, which could have a material adverse effect on our growth and prospects. The occurrence of any of the foregoing could impose substantial costs on us, cause interruptions or considerable delays in the provision, development or expansion of our services, or materially reduce our revenues and profitability. There is no assurance that the regulatory environment will support increases in our business and financial activity.

We are subject to various national and local taxes, and regulatory fees imposed by LGUs through their respective ordinances. We cannot assure you that we will not be subject to new, increased and/or additional taxes or that we would be able to pass on such additional expenses to our customers. See *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

Moreover, we are subject to antitrust laws and regulations. Republic Act No. 10667, otherwise known as the Philippine Competition Act (Philippine Competition Act), came into effect on August 8, 2015, and prohibits practices that restrict market competition through anti-competitive agreements or the abuse of dominant position. The Philippine Competition Act also requires parties to provide notification and obtain clearance for certain mergers and acquisitions. Violators may be subject to administrative and criminal penalties. While our business practices have not in the past been found to have violated any antitrust laws and regulations, we cannot assure you that any new or existing governmental regulators will not, in the future, take the position that our current or past business practices have an anti-competitive effect on the Philippine telecommunications industry.

Smart received a *subpoena duces tecum* dated December 7, 2022, from the PCC Competition Enforcement Office in relation to an ongoing full administrative investigation involving the telecommunications industry. In compliance with the subpoena, Smart submitted its corporate documents, documents and information pertaining to its operations as a PTE and its relationship with other PTCs, and documents and information on ISR to the PCC. As at the date of this report, Smart has not received any other notices from the PCC with regard to this investigation. See *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

In 2022, the amendment to the Public Service Act was approved, effectively removing the 40% foreign ownership restriction on telecommunication companies and thereby increasing competition, including from foreign investors and telecommunications companies.

In 2023, House Bill 9021, otherwise known as the Refund for Internet and Telecommunications Services Outages and Disruptions Act, was transmitted by Congress to the Senate, where it remained pending. The bill would require PTEs, including internet service providers (ISPs), to automatically refund or adjust a customer's bill when they experience a cumulative internet service outage or interruption lasting twenty-four (24) hours or more within a month. However, the bill provides exemptions in the case of scheduled maintenance (with a 48-hour advance notice and not exceeding 48 hours per month), fortuitous events, or acts of third parties or subscribers. However, because all unacted measures lapse at the close of a Congress, House Bill 9021 expired with the adjournment of the Nineteenth Congress and would need

to be re-filed in the Twentieth Congress to advance further. Although no successor bill has yet been filed, the policy direction reflected in House Bill 9021 signals continued regulatory interest in mandatory service-outage compensation. If a similar measure is reintroduced, the PLDT Group may again be required to implement granular, per-customer service-quality monitoring and undertake substantial adjustments to operations, processes, and network infrastructure, which could entail significant capital expenditure and operating expenditure, and may present challenges in meeting regulatory transition timelines.

In the Nineteenth Congress, the House of Representatives approved on July 2024 House Bill 10289, which proposed to mandate a roll-over data allocation scheme requiring internet service providers to carry over unused data to the next billing cycle and imposing penalties for non-compliance. As the bill was not enacted before the adjournment of the Nineteenth Congress, lawmakers re-filed a substantively similar measure in the Twentieth Congress as House Bill 87, which the House approved on 3 December 2025 on third and final reading and has now been transmitted to the Senate for further action. The roll-over regime outlined under the bill, if enacted, would require extensive changes to data-management frameworks, billing systems, and related operational processes to ensure accurate tracking, accumulation, and application of unused data entitlements. These requirements may result in significant capital expenditure and operating expenditure for the PLDT Group, and any failure to meet the prescribed standards or timelines may subject us to penalties or sanctions. Unlike House Bill 9021, which centers on service-outage refunds, House Bill 87 seeks to enhance consumer data-usage benefits, thereby introducing a distinct but complementary set of regulatory compliance obligations for telecommunications providers.

The KP Act lapsed into law on August 24, 2025. The IRR, published on December 1, 2025, establish a comprehensive and liberalized regulatory framework that removes the requirement for a legislative franchise and Certificate of Public Convenience and Necessity (CPCN) for data transmission industry participants, and opens all segments of the data transmission network to competition. Under the IRR, entities classified as Data Transmission Industry Participants must comply with new eligibility, registration, reporting, and performance standards, including mandatory annual submissions, adherence to minimum quality-of-service benchmarks, separate accounting per network segment, and compliance with cybersecurity certification requirements. The IRR also requires access providers, including incumbent operators such as us, to publish Reference Access Offers on open, fair, reasonable, and non-discriminatory terms, while granting regulators the authority to impose ex-ante obligations on entities designated as having significant market power. Further, the forthcoming Spectrum Management Policy Framework contemplates periodic spectrum audits and potential recall of unutilized or underutilized spectrum, which may affect network planning and asset utilization. These changes substantially increase compliance obligations and lower barriers for new entrants, thereby intensifying competitive pressures. The KP Act and its IRR may introduce operational, financial, and strategic challenges for incumbent players that may materially affect our business, results of operations, or financial condition.

On September 29, 2025, the NTC issued Memorandum Order No. 006-09-2025. The memorandum requires internet intermediaries with R.A. No. 11930 or the Anti-Online Sexual Abuse or Exploitation of Children (OSAEC) and Anti-Child Sexual Abuse or Exploitation Materials (CSAEM) Act by requiring them to submit mandatory quarterly compliance reports on the implementation of R.A. No. 11930, accompanied by a cover letter to the Office of the Commissioner at commissioner@ntc.gov.ph within five calendar days following the end of each quarter.

The enforcement of mandatory submissions of compliance reports applies to all internet intermediaries under the supervision of the NTC, including internet service providers. The report includes relevant statistics, summary of actions taken, including blocking and preservation of data traffic, and any measures adopted to strengthen safeguards.

As part of its advocacy on online safety, especially for children, PLDT has invested in a child protection platform to detect and access malicious sites and URLs, and continues to monitor and submit reports as required. It also undertakes regular awareness campaigns on internet safety. However, there is no assurance that our users are fully protected against the dangers of the internet.

On January 26, 2026, the SEC issued SEC Memorandum Circular No. 7, Series of 2026 (effective February 1, 2026 after publication in two newspapers of general and national circulation), which covers PSE-listed companies and limits an independent director's service in the same company to a maximum cumulative term of nine years, with the maximum term for incumbent independent directors generally reckoned from calendar year 2012. An independent director who has served the maximum cumulative term is perpetually barred from re-election as an independent director of the same company, subject to a transitory provision allowing incumbents who have already reached the maximum term upon effectivity to continue until the 2026 annual stockholders' meeting (or another date approved by the SEC). Covered companies that breach the maximum cumulative term limit are subject to a basic penalty of Php1,000,000.00 per independent director per year and a continuing penalty of Php30,000.00 for every month that the independent director holds the seat, and a third or succeeding offense for the same violation may result in the suspension or revocation of the company's secondary or primary license. While the Company is taking steps to comply with the SEC Memorandum Circular and update relevant corporate policies to align with the amended guidelines, nonetheless, if not timely implemented, the Company may be exposed to penalties.

Regulators have been increasingly focused on online and mobile payment services, and other developments could reduce the convenience or utility of our payment services for users. Governmental regulation of certain aspects of mobile payment systems which PLDT utilizes could result in obligations or restrictions with respect to the types of products that we may offer to consumers, the payment card systems that link to our mobile payments systems, the jurisdictions in which our payment services or apps may be used, and higher costs, such as fees charged by banks to process funds through our mobile payments systems. Such obligations and restrictions could be further increased as more jurisdictions regulate payment systems. Moreover, if this regulation is used to provide resources or preferential treatment or protection to selected payments and processing providers, we could be displaced, prevented or substantially restricted from participating in particular geographies.

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

Legislation, such as Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012 (the "Data Privacy Act"), and its IRR regulate data privacy matters and impose penalties for any violations of the Data Privacy Act. The rules apply to the processing of personal data in the public and private sectors, as well as within or outside the Philippines. Pursuant to Republic Act No. 11934, otherwise known as

the SIM Registration Act (the “SIM Registration Act”), we are required to maintain a SIM register of all our end users, exposing us to heightened risks of data breaches and cybersecurity attacks. Any failure, or perceived failure, by us to comply with any privacy, data-retention or data-protection-related laws, regulations, orders or industry self-regulatory principles, including the Data Privacy Act, could result in proceedings or actions against us by governmental entities or affected parties, loss of user confidence, damage to the PLDT brands and reputation, or the loss of users or advertising partners, any of which could potentially have a material adverse effect on our business. Amendments to the Data Privacy Act have been filed with the Philippine Congress, generally geared toward further empowering regulatory enforcement. Such proposed amendments to the Data Privacy Act, if signed into law, could increase our compliance costs and impact business innovation. In addition, various foreign legislative or regulatory bodies continue to enact new or additional laws and regulations concerning privacy, data retention and data protection issues, including laws or regulations mandating disclosure to domestic or international law enforcement bodies, which could adversely impact our results of operations, businesses, brand or reputation with users.

Transfers of personal data across jurisdictions may subject us to regulation by foreign authorities, which may require us to incur additional costs in complying with such regulations. The interpretation and application of privacy, data protection and data retention laws and regulations in each jurisdiction may be subject to change and such laws and regulations may be interpreted and applied inconsistently from country to country, complicating long-term business planning decisions. If our current policies and practices are found to be incompatible with privacy, data protection or data retention laws, we may be fined or ordered to change our business practices in a manner that adversely impacts our operating results. Complying with these varying international requirements could cause us to incur substantial costs or require us to change our business practices or operating platforms in a manner adverse to our business. While the PLDT Group periodically conducts compliance audits and regularly holds privacy and information security training and awareness campaigns, it cannot guarantee that personal data breaches resulting from failure of our personnel to comply with PLDT policies will not occur. Furthermore, while PLDT periodically releases public advisories to remind our customers of safe online behavior, there is no guarantee that our customers will not be victims of data breaches. Such breaches could result in litigation and/or regulatory actions and penalties against us, and adversely impact on our business operations and financial conditions.

Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction, increase our costs and reduce our competitiveness.

The available radio frequency spectrum remains one of the principal constraints on wireless network capacity, and our ability to provide high-quality mobile and data services depends on continued access to adequate spectrum resources. While the NTC currently grants authorizations and assigns spectrum for specific services and service areas, the KP Act and its IRR introduce a reformed spectrum management regime that may significantly affect future spectrum availability and the conditions under which we operate.

Under the KP IRR, the NTC is mandated to periodically review spectrum allocations, assignments, and utilization, and to undertake measures such as spectrum recall, restacking, or reassignment to ensure efficient and optimal use of this finite national resource. The forthcoming Spectrum Management Policy Framework will establish new methodologies for spectrum valuation, pricing, assignment, and renewal, and will require the identification and potential recall of unutilized or underutilized spectrum within defined periods. These regulatory mechanisms may subject us to heightened scrutiny regarding the utilization of our current assignments and expose us to the risk of partial or full spectrum recall if our holdings are determined to be underutilized.

The KP IRR also reinforces compliance obligations applicable to all Data Transmission Industry Participants, including the requirement to meet performance standards, maintain segment-level reporting, and ensure service availability consistent with quality-of-service benchmarks. Non-compliance may result in administrative penalties, suspension, or revocation of authorizations, including spectrum assignments. Moreover, as all network segments are opened to greater competition under an open-access framework, new entrants may seek access to digital infrastructure, increasing the competitive demand for scarce spectrum resources.

If the Philippine Government reallocates spectrum, imposes new conditions for its use, applies updated pricing or valuation mechanisms, or revokes or recalls spectrum previously granted to us, or if we are unable to acquire, retain, or fully utilize sufficient spectrum to meet customer needs, our ability to expand capacity, maintain service quality, and compete effectively in the market may be materially and adversely affected.

We may not be successful in our acquisitions of, and investments in, other companies and businesses, and may therefore be unable to fully implement our business strategy.

We have in the past made certain acquisitions of, and investments in, various businesses. See “Recent Developments” for more details. As our traditional fixed line and mobile businesses mature, and as part of our strategy to grow other business segments, we may continue to make acquisitions and investments in companies or businesses to enter new businesses or defend our existing markets. The success of our acquisitions and investments depends on a number of factors, such as:

- our ability to identify suitable opportunities for investment or acquisition;
- our ability to reach an acquisition or investment agreement on terms that are satisfactory to us or at all;
- the extent to which we are able to influence or exercise control over the acquired or investee company;
- the compatibility of the economic, business or other strategic objectives and goals of the acquired or investee company with those of the PLDT Group, as well as the ability to execute the identified strategies in order to generate fair returns on the investment;
- our ability to successfully integrate the acquired company or business with our existing businesses; and
- economic and competitive conditions in which the business operates.

Any of our contemplated acquisitions and investments may not be consummated due to reasons or factors beyond our control. Even if any contemplated acquisitions and investments are consummated, we may not be able to realize any or all of the anticipated benefits of such

acquisitions and investments and we cannot assure you that the consummation of such acquisitions and investments will not result in losses for a prolonged period of time. Moreover, if we are unsuccessful in our contemplated acquisitions and investments, we may not be able to fully implement our business strategy to maintain or grow certain of our businesses and our results of operations and financial position could be materially and adversely affected.

We are exposed to the fluctuations in the market values of our investments.

Given the nature of our business and our foray into the digital business, we have made investments in various start-up companies which may take several years to become profitable or may not achieve profitability at all. For example, we hold an investment in MIH, an important player in the financial technology space and an integral part of our digital payments ecosystem. In accordance with PAS 28, *Investments in Associates and Joint Ventures*, we account for our investment in MIH using the equity method, whereby we recognize our proportionate share of MIH's results. Our share in MIH losses amounted to Php935 million for the year ended December 31, 2024. MIH turned profitable in 2025 and our share in MIH's profit amounted to Php684 million for the year ended December 31, 2025. Credit ratings and the value of this investment and similar investments can be negatively impacted by liquidity, credit deterioration or losses, financial results, foreign exchange rates, or other factors. As a result, our investments could decline and result in a material impairment, which could have a material adverse effect on our financial condition and operating results.

If we are unable to install and maintain telecommunications facilities and equipment in a timely manner, we may not be able to maintain our current market share and the quality of our services, which could have a material adverse effect on our results of operations and financial condition.

Our business requires the regular installation of new telecommunications facilities and equipment, and the regular maintenance of such facilities and equipment, which are continually being undertaken. The installation and maintenance of these facilities and equipment are subject to a number of risks and uncertainties, such as:

- shortages of equipment, materials and labor;
- delays in the issuance of national and local government building permits;
- theft of telecommunication cables and equipment;
- work stoppages and labor disputes;
- interruptions resulting from man-made events (e.g., sabotage), outbreak of epidemics, pandemics or other public health crises, severe weather conditions and other natural disasters;
- rapid technological obsolescence;
- inability of vendors and/or suppliers to deliver on commitments;
- unforeseen engineering, environmental/climate-related and geological problems; and
- unanticipated cost increases including those resulting from foreign exchange movements.

Any of these factors could give rise to delays and/or cost overruns in the installation of new facilities or equipment or prevent us from deploying our networks and properly maintaining the equipment used in our networks, and hence affect our ability to maintain existing services and roll-out new services, for example, which could have a material adverse effect on our results of operations and financial condition.

Our business relies on secure network infrastructure and computer systems, and any successful cyber-attacks against them, or the perception of such attacks, may materially adversely affect our operations, financial condition, results of operations and reputation.

We need to constantly upgrade our cybersecurity capabilities to support our business needs and keep up with the rapidly changing cyber threat environment. As we rely on information and digital services to run our business and deliver value, we face the following challenges in an era of connectivity, digital identity, decentralized decisions, information monetization, transparency, and variable trust:

- An increase in the variety of products and services that we provide to our customers (e.g. customer premise equipment, systems, devices, IoT, data and their dynamic relationships) exposes relevance issues, as well as scalability issues in our existing security control solutions;
- Our existing deterrence measures against cybersecurity breaches may become less effective. For instance, defensible gates and impermeable walls that are designed to secure our service and information infrastructure may have become less effective. While such tools and measures make it difficult to breach our system, these tools may not stop breaches altogether;
- The infrastructure underpinning the digitalization of consumer and enterprise services has become more complex;
- The consequences of a cybersecurity breach could be severe. Breaches resulting in leakage of our Company's and/or our customers' confidential commercial and/or personal information may result in irreparable damage to our reputation and brand. Moreover, leakage of sensitive personal customer information could, in some cases, result in a threat to personal safety, as well as legal and/or regulatory liability;
- Perpetrators are adopting more sophisticated technologies (e.g. AI) in their attempts to breach our defensive security measures; and

- While encrypted internet traffic protects private information, it inadvertently hampers cyber protection efforts. Perpetrators could abuse encrypted communication tools and use them in their efforts to breach into our systems, with less risk of such efforts being discovered by cybersecurity measures.

Our Cybersecurity Operations Group (CSOG) is responsible for managing cyber threats and attacks. While the Company has been able to contain the effects of past cybersecurity attacks on its network and system performance, and such cybersecurity attacks did not have any material financial, legal, reputational or regulatory repercussions for the Company, there is no assurance that we will be able to successfully safeguard our systems against all cyber attacks, particularly as cyber attacks have become more sophisticated and prevalent. Any successful attack on our infrastructure could result in legal and/or regulatory liabilities, disruptions to our business operations, damage to our reputation, and financial losses. See Item 1. "Description of Business – Infrastructure – Cybersecurity" for a detailed discussion of our cybersecurity measures.

Climate change and nature-related events could increase the impact of natural disasters and environmental legislation and regulations on our operations.

Climate change poses a number of potential risks for telecommunications operators like us, from both a physical and regulatory perspective. Climate change may exacerbate the severity and frequency of natural disasters, such as typhoons and consequently, flooding and global warming. In addition to the adverse impact from these, earthquakes could increase the likelihood of damages to our infrastructure and failures of our wired and wireless networks caused by such natural disasters. Should severe natural disasters occur in quick succession, we may not have sufficient resources to repair and restore our infrastructure in a timely and cost-effective manner. Furthermore, climate change and severe weather conditions could also affect and disrupt our supply chain, resulting in delays in the delivery of our supplies. The increase in the likelihood of damages to our infrastructure and disruptions in our supply chain as a result of natural disasters could have a material adverse impact on our operations.

Climate change and the consequent impact to communities resulting from more severe and frequent natural disasters may affect the ability of our customers to afford our services.

In light of heightened awareness on climate change globally, the Philippine Government could introduce new and more stringent environmental legislation and regulations. The KP Act and its IRR impose specific obligations on data transmission providers during natural disasters and emergencies. We are required to design and maintain infrastructure in accordance with nationally and internationally accepted resiliency standards, ensure the prompt restoration of services, and provide temporary shared-access data services where feasible. The IRR also mandates strict outage reporting, including immediate notification to regulators for service interruptions caused by natural events such as typhoons, floods, earthquakes, or cable cuts. Failure to comply with these requirements may subject us to administrative penalties or sanctions, including the suspension or revocation of authorizations. These heightened obligations may increase our operating and capital expenditures as we work to meet strengthened compliance requirements.

We are also now subject to expanded sustainability reporting obligations under the Philippine Financial Reporting Standards on Sustainability Disclosures, particularly PFRS S1 and PFRS S2. These standards require entities to disclose material sustainability-related and climate-related risks and opportunities in a manner aligned with global International Sustainability Standards Board (ISSB) expectations. PFRS S2, in particular, introduces extensive climate-related disclosure requirements covering greenhouse gas emissions, transition risks, physical climate risks, scenario analysis, and the anticipated financial impacts of climate-related events.

In addition, Extended Producers Responsibility (EPR) Act (R.A. 11898) requires companies with assets exceeding Php100 million and generating plastic packaging waste to manage the full environmental lifecycle of their products and to recover or remove an equivalent volume of the plastic they introduce into the market. PLDT and Smart have strengthened commitment to the EPR Act as registered Obligated Enterprises. In accordance with the law, the Group has engaged PCX Markets Philippines, Inc. as its Producer Responsibility Organization for the implementation of its EPR programs and reporting.

Our businesses require substantial capital investment, which we may not be able to finance.

Our projects under development and the continued maintenance and improvement of our networks and services, including Smart's projects, networks, platforms and services, require substantial and sustained capital investment. Our consolidated capital expenditures, net of additions subject to sale and leaseback from tower companies, totaled Php60,336 million, Php78,246 million and Php85,083 million for the years ended December 31, 2025, 2024 and 2023, respectively. In 2026, we will continue to prioritize projects that support the growing demand from our customers, enhance our ability to deliver superior customer experiences, enable our corporate clients to grow their businesses, and respond to changing market preferences and emerging technologies.

Adverse changes in global financial markets could limit our ability to access capital or increase the cost of capital needed to fund our business operations. We have obtained and may seek external financing for a portion of our future capital expenditures. There can be no assurance that financing for new projects will be available on terms acceptable to us, or at all. If we cannot complete our development programs or other capital projects due to our failure to obtain the required financing, our growth, results of operations, financial condition and prospects could be materially and adversely affected. Furthermore, if we are unable to monetize our investments and generate the expected revenues, our cash flows and gearing may be negatively impacted.

If we face difficulties in funding our capital expenditures or if our capital expenditure requirements exceed our budget, we may opt to postpone our projects which may limit our ability to serve our customers or require us to negotiate with our vendors on revised payment arrangements. Any cancellations or amendments of agreements with vendors may cause us to incur penalties and adversely affect our business, reputation and share prices. See Item 5. "Operating and Financial Review and Prospects".

Our results of operations and our financial position could be materially and adversely affected if the Philippine peso significantly fluctuates against the U.S. dollar.

A substantial portion of our capital expenditures, a portion of our indebtedness and related interest expense and a portion of our operating expenses are denominated in U.S. dollars and other foreign currencies, whereas most of our revenues are denominated in Philippine pesos, with 15% of revenues denominated in U. S. dollars. Of our total consolidated debts, approximately 13% was denominated in U.S. dollars as at December 31, 2025.

A depreciation of the Philippine peso against the U.S. dollar would increase the amount of our U.S. dollar-denominated debt obligations, capital expenditures, and operating and interest expenses in Philippine peso terms. In the event that the Philippine peso depreciates against the U.S. dollar, we may be unable to generate enough funds through operations and other means to offset the resulting increase in our obligations in Philippine peso terms. Moreover, a depreciation of the Philippine peso against the U.S. dollar may result in our recognition of significant foreign exchange losses, which could materially and adversely affect our results of operations. A depreciation of the Philippine peso could also cause us to be non-compliant with the financial covenants imposed on us by our lenders under certain loan agreements and other indebtedness. Further, fluctuations in the Philippine peso value and of interest rates impact the mark-to-market gains/losses of certain of our financial debt instruments, which were designated as non-hedged items. While we have entered into hedging arrangements to hedge our exposure to foreign exchange fluctuations, such arrangements may not adequately protect us against a peso depreciation.

The Philippine peso may be subject to fluctuations due to a range of factors, including:

- political and economic developments affecting the Philippines, including the level of remittances from overseas Filipino workers and movements in the country's balance-of-payments position;
- global economic, political and financial conditions;
- the volatility of emerging market currencies;
- changes in the Philippines' sovereign credit rating or outlook by major credit rating agencies, which may influence investor sentiment, capital flows and corresponding movements in the Philippine peso;
- changes in monetary policy by the United States Federal Reserve Bank and/or the BSP, including any adjustments in interest rates or policy guidance; and
- higher demand for U.S. dollars by both banks and domestic businesses to service their maturing U.S. dollar obligations or foreign exchange traders including banks covering their short U.S. dollar positions, among others.

Our debt instruments contain restrictive covenants which require us to maintain certain financial tests and our indebtedness could impair our ability to fulfill our financial obligations and service our other debt.

Our existing debt instruments contain covenants which, among other things, require PLDT to maintain certain financial ratios and other financial tests, calculated on the basis of IFRS Accounting Standards at relevant measurement dates, principally at the end of each quarter period. In addition, PLDT's bonds contain covenants that limit our ability to take certain actions.

Our indebtedness and the requirements and limitations imposed by our debt covenants could have important consequences. For example, we may be required to dedicate a substantial portion of our cash flow to payments on our indebtedness, which could reduce the availability of our cash flow to fund working capital, capital expenditures and other general corporate requirements.

The principal factors that could negatively affect our ability to comply with these financial ratio covenants and other financial tests are the poor operating performance of PLDT and its subsidiaries, the depreciation of the Philippine peso relative to the U.S. dollar, the impairment or similar charges in respect of investments or other long-lived assets that may be recognized by PLDT and its subsidiaries, and increases in our interest expense. Interest expense may increase as a result of various factors including the issuance of new debt, the refinancing of lower cost indebtedness by higher cost indebtedness, the depreciation of the Philippine peso relative to the U.S. dollar, the lowering of PLDT's credit ratings or the credit ratings of the Philippines, the increase in reference interest rates, and general market conditions.

If we are unable to meet our debt service obligations or comply with our debt covenants, we may need to restructure or refinance our indebtedness, seek additional equity capital or sell assets. An inability to implement these measures successfully could result in a declaration of default and an acceleration of maturities of some or all of our indebtedness, which could have a material adverse effect on our business, results of operations and financial condition.

Our subsidiaries could be limited in their ability to pay dividends to us due to internal cash requirements and their creditors having superior claims over their assets and cash flows, which could materially and adversely affect our financial condition.

A significant part of our total revenues and cash flows from operating activities are derived from our subsidiaries, particularly Smart. Smart has significant internal cash requirements for debt service, capital expenditures and operating expenses and as a result, may be financially unable to pay any dividends to PLDT. Although Smart has been making dividend payments to PLDT regularly since December 2002, there can be no assurance that PLDT will continue to receive these dividends or other distributions, or otherwise be able to derive liquidity from Smart or any other subsidiary or investee in the future.

Creditors of our subsidiaries generally have priority claims over our subsidiaries' assets and cash flows. We and our creditors will effectively be subordinated to the existing and future indebtedness and other liabilities, including trade payables, of our subsidiaries, except that we may be recognized as a creditor with respect to loans we have made to subsidiaries. If we are recognized as a creditor of a subsidiary, our claim

will still be subordinated to any indebtedness secured by assets of the subsidiary and any indebtedness of the subsidiary otherwise deemed superior to the indebtedness we hold.

We may have difficulty meeting our debt payment obligations if we do not continue to receive cash dividends from our subsidiaries and our financial condition could be materially and adversely affected as a result.

A significant number of shares of PLDT's voting stock are held by four shareholders, which may not act in the interests of other shareholders or stakeholders in PLDT.

As at December 31, 2025, the First Pacific and its Philippine affiliates (together, the "FP Parties"), NTT Communications and NTT DOCOMO and the JG Summit Group, collectively, beneficially own 57.19% in PLDT's outstanding common stock (representing 33.75% of our overall voting stock).

Additionally, all of PLDT's shares of voting preferred stock, which represent 40.98% of PLDT's total outstanding shares of voting stock as at December 31, 2025, are owned by a single stockholder, BTF Holdings, Inc. (BTFHI).

The FP Parties, NTT Communications, NTT DOCOMO, JG Summit Group and/or BTFHI may exercise their respective voting rights over certain decisions and transactions in a manner that could be contrary to the interests of other shareholders or stakeholders in PLDT. See *Note 1 – Corporate Information* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

We are unionized and are vulnerable to work stoppages, slowdowns or increased labor costs.

As at December 31, 2025, PLDT has three employee unions, representing in the aggregate 7,533 employees, or 53%, of the employees of the PLDT Group. This unionized workforce could result in demands that may increase our operating expenses and adversely affect our profitability. Each of our different employee unions require separate collective bargaining agreements. If PLDT and any of its unions are unable to reach an agreement on the terms of their collective bargaining agreement or if PLDT were to experience widespread employee dissatisfaction, PLDT could be subject to collective bargaining deadlocks, strikes, work slowdowns or stoppages. Any of these events would be disruptive to our operations and could have a material adverse effect on our business.

Additionally, on July 3, 2017, PLDT received a Compliance Order from the Department of Labor and Employment (DOLE), in connection with the non-payment of statutorily required monetary benefits, including the 13th month pay by certain PLDT contractors to their employees, as well as the regularization of 7,344 contractor employees. On July 31, 2018, the CA promulgated a decision granting PLDT's request for an injunction against the Compliance Order and remanded the case back to the DOLE for further proceedings regarding the computation of the monetary awards, which amounted to Php51.8 million according to the regularization orders, and the determination of employees engaged in installation, repair and maintenance work who must be regularized. On April 5, 2019, PLDT filed a petition for review with the Supreme Court.

The Supreme Court resolved the consolidated Petitions in a Decision promulgated on February 14, 2024. The Decision affirmed the Court of Appeals in setting aside the Secretary of Labor's orders for PLDT to regularize the 7,344 workers of its contractors, except those workers performing "installation, repair and maintenance" services, whose regularization is subject to a remand of proceedings before the Regional Director of the DOLE. In setting aside the Secretary of Labor's orders, the Supreme Court ruled that the exercise of the Secretary's visitatorial and enforcement powers is subject to the "basic tenets of appreciating evidence," and that it was improper to rely on the anecdotal evidence that was used as basis in the Secretary's orders because such evidence is "malleable and may be tailored to suit any narrative or conclusion." The remand will require the Regional Director of DOLE to determine the appropriateness of regularization of employees of contractors engaged in installation, repair, and maintenance, by undertaking the following: (a) to review and properly determine the effects of the regularization of the workers performing installation, repair, and maintenance services; (b) to review, compute, and properly determine, the monetary award on the labor standards violation, to which PLDT, and the concerned contractors are solidarily liable; and (c) to conduct further appropriate proceedings, consistent with this Decision. Motions for Reconsideration may be filed by the parties, subject to their receipt of the Supreme Court decision by official service. See Item 3. "Legal Proceedings" and *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

We cannot guarantee that PLDT or its subsidiaries will not be subject to similar proceedings or other labor-related regulatory activities, the results of which may have an adverse reputational and/or financial impact. While we believe that PLDT has a strong legal position in its pending labor cases, we note that labor tribunals are mandated to resolve cases in favor of employees in the case of any doubt.

The loss of key personnel or the failure to attract and retain highly qualified personnel could compromise our ability to effectively manage our business and pursue our growth strategy.

Our future performance depends on our ability to attract and retain highly qualified key technical, marketing, sales, and management personnel. The loss of key employees could result in significant disruptions to our business, and the integration of replacement personnel could be costly and time consuming, cause additional disruptions to our business and be unsuccessful. We cannot guarantee the continued employment of any of the members of our senior leadership team, who may depart our Company for any number of reasons, such as other business opportunities, differing views on our strategic direction or other personal reasons. Any inability to attract, retain or motivate our personnel could have a material adverse effect on our results of operations and prospects.

Adverse results of any pending or future litigation, internal or external investigations and/or disputes may impact PLDT's cash flows, results of operations and financial condition.

We are currently involved in various legal proceedings. Our estimate of the probable costs for the resolution of these claims have been developed in consultation with our counsel and is based upon our analysis of potential results. See Item 3. "Legal Proceedings" and *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion. While PLDT believes that the positions it has taken in these cases have strong legal bases, the final outcome of these cases may

prove to be different from its expectations. In addition, we cannot assure you that PLDT will not be involved in future litigation or other disputes, the results of which may materially and adversely impact its business and financial conditions. We have and may continue to incur significant expenses defending such suits or government charges and may be required to pay amounts or otherwise change our operations in ways that could materially adversely affect our operations or financial results.

Our financial condition and operating results will be impaired if we experience high fraud rates related to device financing, credit cards, dealers, or subscriptions.

Our operating costs could increase substantially as a result of fraud, including those arising from device financing, customer credit card, subscription or dealer fraud. If our fraud detection strategies and processes are not successful in detecting and controlling fraud, whether directly or by way of the systems, processes, and operations of third parties such as customers, national retailers, dealers, and others, the resulting loss of revenue or increased expenses could have a material adverse effect on our financial condition and operating results.

RISKS RELATING TO THE PHILIPPINES

Political and social instability in the Philippines may have a negative effect on the general economic conditions in the Philippines which could have a material adverse impact on our results of operations and financial condition.

The Philippines has, from time to time, experienced episodes of political uncertainty and unrest, including recent public and political protests arising from alleged misconduct involving the current and prior administrations, as well as ongoing legislative and institutional controversies. Over the past two decades, the Philippines has also faced hearings and investigations into graft and corruption involving senior government officials, impeachment proceedings against two former presidents and a chief justice of the Supreme Court, the nullification of the appointment of another chief justice, allegations of electoral fraud, and instances of extra-judicial killings. There can be no assurance that acts of election-related or other political violence will not occur in the future, and any such events could negatively impact the Philippine economy.

We may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Any major deviation from the policies of the previous administration or fundamental change of direction, including a change in the form of government, may lead to an increase in political or social uncertainty and instability. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact our business.

We cannot assure you that the political environment in the Philippines will be stable or that the current or future administration will adopt economic policies that are conducive to sustained economic growth or which do not materially and adversely impact the current regulatory environment for the telecommunications and other companies. An unstable political or social environment in the Philippines could negatively affect the general economic conditions and business environment in the Philippines which, in turn, could have a material and adverse impact on our business, financial position and financial performance.

Natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and/or result in significant disruptions to our operations and financial condition.

Our business operations are subject to interruption by natural disasters such as flooding, typhoons, pandemics and epidemics, terrorist or other hostile acts, and other events beyond our control. The Philippines is particularly susceptible to natural hazards, including tropical cyclones, earthquakes and volcanic risks. Any of the aforementioned events could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers. While we maintain insurance coverage for most of these events, the potential impact of damage or loss of assets to our financial condition as well as liabilities associated with these events could exceed the insurance coverage we maintain. Our system redundancy may be ineffective or inadequate, and our disaster recovery planning may be insufficient for all eventualities. These events could also damage the infrastructure of the suppliers that provide us with the equipment and services that we need to operate our business and provide products to our customers. A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and additional expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to our reputation.

The Philippines has been subject to a number of terrorist attacks over the past decade. The Philippine army has been in conflict with the Abu Sayyaf organization which has been identified as being responsible for kidnapping and terrorist activities in the Philippines, and is also alleged to have ties to the Al-Qaeda terrorist network and, along with certain other organizations, has been identified as being responsible for certain kidnapping incidents and other terrorist activities particularly in the southern part of the Philippines. Furthermore, the Government and the Armed Forces of the Philippines (AFP) have been in conflict with members of several separatist groups seeking greater autonomy, including the Moro Islamic Liberation Front (MILF), the Moro National Liberation Front (MNLF) and the New People's Army (NPA). There have been numerous bombing incidents in Mindanao and elsewhere in the Philippines, which have resulted in death and injury to the civilian population as well as military and security personnel. An increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilization could cause interruption to our business and materially and adversely affect our business, financial condition, and results of operations. These continued conflicts between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the AFP, which could destabilize parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on our business, financial condition, and results of operations.

Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of longstanding territorial disputes over certain areas in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea (UNCLOS). Over the years, tensions have periodically risen in disputed features such as the Scarborough Shoal and other areas within the Philippine exclusive economic zone, with maritime incidents, diplomatic protests, and overlapping patrols contributing to regional uncertainty. These developments have the potential to affect trade flows, investment sentiment, and bilateral relations.

In addition, heightened tensions in the Taiwan Strait have emerged as a broader regional geopolitical risk. Given the Philippines' geographic proximity to Taiwan and its strategic role in regional security dynamics, any escalation of cross-strait tensions – whether involving military activity, blockades, or disruptions to shipping lanes – could affect regional stability, trade routes, labor mobility, supply chains, and investor confidence. Such developments could indirectly impact the Philippine economy and may also disrupt the business environment in ways that affect our operations.

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines may experience disruptions across key sectors. These include potential impacts on the supply and prices of energy, food and other critical commodities; delays in the delivery of equipment and materials sourced from the affected routes; and volatility in capital markets, foreign-exchange conditions, and investment activity. Heightened geopolitical tensions could also give rise to more restrictive regulatory or governmental actions or reciprocal trade measures, particularly in the context of disputes involving China. Any such escalation may materially and adversely affect the Philippine economy and, in turn, our business, financial condition, and results of operations. There can be no assurance that these regional disputes or tensions will not intensify in the future.

If foreign exchange controls were to be imposed, our ability to meet our foreign currency payment obligations could be adversely affected.

In general, Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. However, the Monetary Board of the BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- a. suspend temporarily or restrict sales of foreign exchange;
- b. require licensing of foreign exchange transactions; or
- c. require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

The Philippine Government has, in the past, instituted restrictions on the conversion of the Philippine peso into foreign currencies and the use of foreign exchange received by Philippine companies to pay foreign currency-denominated obligations.

We cannot assure you that foreign exchange controls will not be imposed in the future. If imposed, these restrictions could materially and adversely affect our ability to obtain foreign currency to service our foreign currency obligations.

The credit ratings of the Philippines may restrict the access to capital of Philippine companies, including PLDT.

Historically, the Philippines' sovereign debt has been rated non-investment grade by international credit rating agencies. The Philippines has the following investment grade ratings of Moody's (Baa2, stable) and S&P Global (BBB, stable).

The Philippine Government's credit ratings directly affect companies domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. No assurance can be given that Moody's, S&P Global, or any other international credit rating agency will not downgrade the credit ratings of the Philippine Government in the future and, therefore, Philippine companies, including PLDT. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, on the ability of the Philippine Government and Philippine companies, including PLDT, to raise additional financing, and on the interest rates and other commercial terms at which such additional financing is available.

Developments outside of the Philippines, including U.S. policies related to global trade and tariffs could adversely affect our business, financial condition and results of operations.

The current international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, have resulted in some uncertainty surrounding the future state of the global economy. Since 2018, the U.S. began to increase or impose tariffs on many products, particularly from China, among other jurisdictions, including, but not limited to, solar panels, steel and aluminum products, consumer electronics, and industrial chemicals. In response, the European Union, China and other affected jurisdictions have introduced tariffs on U.S. goods. An escalating trade war may have material adverse effects on the power industry and our business may be impacted by these tariffs. Any further expansion in the types or levels of tariffs implemented has the potential to negatively impact our business, financial condition and results of operations. Additionally, there is a risk that the U.S. tariffs on imports are met with tariffs on U.S. produced exports and that a broader trade conflict could ensue, which has the potential to significantly impact global trade and economic conditions. Potential costs and any attendant impact on pricing arising from these tariffs and any further expansion in the types or levels of tariffs implemented could adversely affect our business, financial condition and results of operations. While there are ongoing discussions between the U.S. and China to reduce tariffs in phases, there is no certainty as to the timing and scale of the reduction in tariffs, and overall impact on global markets. Thus, economic disruption in other countries, even in countries in which we do not currently conduct business or have operations, could also adversely affect our businesses and results.

Item 7. Financial Statements

Our consolidated financial statements (pages F-1 to F-122) and supplementary schedules (pages S-1 to S-11) listed in the accompanying Index to Financial Statements and Supplementary Schedules on page 102 are filed as part of this annual report.

Item 8. Information on Independent Auditors and Other Related Matters

Independent Auditors' Fees and Services

The following table summarizes the fees paid or accrued for services rendered by SGV & Co., our independent auditors for the years ended December 31, 2025 and 2024:

	2025	2024
	(in millions)	
Total Audit Fees	Php52	Php51
Non-audit service fees:		
Other Assurance Services	6	7
Tax Services	—	1
All other services	5	5
Total Non-audit Fees	11	13
Total Audit and Non-audit Fees	Php63	Php64

Audit Fees. This category includes the audit of our annual financial statements and services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for those fiscal years. This category also includes fees with respect to our Sarbanes-Oxley 404 assessment in 2025 and 2024.

Other Assurance Services. This category consists primarily of assurance services for our Sustainability Report and other audit-related fees.

Tax Fees. This category includes tax services for ePLDT.

All Other Services. This category consists primarily of non-audit engagement fees with respect to our certain projects.

The fees presented above are net of out-of-pocket expenses incidental to our independent auditors' work, amount of which do not exceed 5% of the agreed-upon engagement fees. The fees and out-of-pocket expenses are exclusive of a 12% VAT.

Our Audit Committee (AC) pre-approved all audit and non-audit services as these are proposed or endorsed before these services are performed by our independent auditors.

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

We have no disagreements with our independent auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Officers

The Board of Directors is principally responsible for PLDT’s overall direction and governance. PLDT’s Articles of Incorporation provide for 13 members of the Board, who shall be elected by the stockholders. At present, three of PLDT’s 13 directors are independent directors. The Board holds office for a one-year period until their successors are elected, and are qualified in accordance with the By-Laws.

The name, age and period of service, of each of the current directors, including independent directors, of PLDT as at December 31, 2025 are as follows:

Name	Age	Period during which individual has served as such
Manuel V. Pangilinan	79	November 24, 1998 to present
Marilyn A. Victorio-Aquino	70	May 8, 2023 to present
Helen Y. Dee	81	June 18, 1986 to present
Robert Joseph M. de Claro ⁽¹⁾	54	February 27, 2025 to present
Ray C. Espinosa	69	November 24, 1998 to present
James L. Go	86	November 3, 2011 to present
Hidetada Hayashi ⁽²⁾	55	September 16, 2025 to present
Menardo G. Jimenez, Jr. ⁽³⁾	62	June 10, 2025 to present
Kazuyuki Kozu ⁽⁴⁾	52	July 6, 2021 to September 15, 2025
Bernido H. Liu	62	September 28, 2015 to present
Retired Supreme Court Chief Justice Artemio V. Panganiban	89	April 23, 2013 to present
Alfredo S. Panlilio	62	June 8, 2021 to present
Kazutoshi Shimizu	49	August 13, 2024 to present
Bernadine T. Siy	66	June 8, 2021 to present
Marife B. Zamora ⁽⁵⁾	72	November 14, 2016 to June 9, 2025

⁽¹⁾ Mr. Robert Joseph M. de Claro was elected as a director of the Company effective February 27, 2025 and shall serve the unexpired term of his predecessor in office, Atty. Santiago Dionisio R. Agdeppa.

⁽²⁾ Mr. Hidetada Hayashi was elected as a director of the Company effective September 16, 2025 and shall serve the unexpired term of his predecessor in office, Mr. Kazuyuki Kozu.

⁽³⁾ Mr. Menardo G. Jimenez was elected as a director of the Company effective June 10, 2025.

⁽⁴⁾ Mr. Kazuyuki Kozu resigned as a member of the Board of Directors of the Company effective September 15, 2025.

⁽⁵⁾ Ms. Marife B. Zamora ceased to be a member of the Board of Directors effective June 10, 2025.

The name, age, position and period of service of the executive officers of PLDT as at December 31, 2025 are as follows:

Name	Age	Position(s)	Period during which individual has served as such
Executive Officers:			
Manuel V. Pangilinan	79	Chairman of the Board President and CEO	February 19, 2004 to present January 1, 2024 to present
Marilyn A. Victorio-Aquino	70	Corporate Secretary Chief Legal Counsel Senior Vice President	January 25, 2022 to present December 1, 2018 to December 31, 2024 January 1, 2019 to present
Victorico P. Vargas	73	Senior Legal Adviser to the Chairman Leadership Transition Officer Business Transformation Office Head	January 1, 2025 to present July 1, 2021 to present January 1, 2016 to present
Menardo G. Jimenez, Jr.	62	Executive Vice President Chief Operating Officer Senior Vice President Network Head	September 17, 2024 to present September 17, 2024 to present December 9, 2004 to September 16, 2024 January 15, 2024 to September 16, 2024
Danny Y. Yu	64	Consumer Business - Home Head Senior Vice President Chief Financial Officer Chief Risk Management Officer PLDT Group Controller	July 31, 2019 to April 1, 2022 November 17, 2022 to present May 3, 2023 to present May 3, 2023 to present November 17, 2022 to May 3, 2023
Gina Marina P. Ordoñez	64	Chief People Officer Senior Vice President	March 21, 2019 to present May 1, 2019 to present
Jeremiah M. de la Cruz ⁽¹⁾	48	Senior Vice President Consumer Business - Home Head Consumer Business Head	April 1, 2022 to July 1, 2025 January 15, 2024 to May 15, 2025 April 1, 2022 to January 14, 2024
Joseph Ian G. Gendrano	49	Senior Vice President Enterprise Business Head Chief Technology Officer Enterprise Business Head	August 10, 2022 to present January 15, 2024 to April 1, 2025 January 1, 2023 to January 14, 2024 November 16, 2022 to December 31, 2022
John Gregory Y. Palanca ⁽²⁾	58	Senior Vice President Sales and Development Head Consumer Business - Home Head First Vice President	March 21, 2024 to present August 15, 2023 to present May 16, 2025 to present August 15, 2023 to March 20, 2024
Patricio S. Pineda III ⁽³⁾	56	Senior Vice President Enterprise Business Head	April 2, 2025 to present April 2, 2025 to present
Luis S. Reñon	55	Senior Advisor to the Chairman Senior Vice President Internal Audit Head	November 16, 2024 to present May 4, 2023 to present July 1, 2018 to November 16, 2024
Leo I. Posadas	59	First Vice President Treasurer	March 6, 2007 to present May 18, 2015 to present
Louella F. Calixtro ⁽⁴⁾	53	First Vice President Chief Procurement Officer	November 16, 2025 to present November 16, 2025 to present
Joan A. De Venecia-Fabul ⁽⁵⁾	45	First Vice President Chief Legal Counsel Legal and Regulatory Affairs Group Head	November 5, 2020 to present January 1, 2025 to present January 1, 2025 to present
Patrick F. Santos ⁽⁶⁾	59	First Vice President Chief Information Security Officer Cyber Security Operations Head	November 1, 2024 to present November 1, 2024 to present November 1, 2024 to present
Melissa V. Vergel De Dios	62	First Vice President Chief Sustainability Officer Investor Relations Head	March 5, 2013 to present November 4, 2021 to present March 6, 2007 to October 31, 2024
Gil Samson D. Garcia	54	First Vice President Financial Reporting and Controllershship Head	November 8, 2018 to present May 31, 2022 to present

(1) Mr. Jeremiah M. de la Cruz was separated from service effective July 1, 2025.

(2) Mr. John Gregory Y. Palanca was appointed as Senior Vice President and Consumer Business Home Head concurrent to his position as Sales and Development Head effective May 16, 2025.

(3) Mr. Patricio S. Pineda III was appointed as Senior Vice President and Enterprise Business Head of the Company effective April 2, 2025.

(4) Ms. Louella F. Calixtro was appointed as First Vice President and Chief Procurement Officer effective November 16, 2025.

(5) Atty. Joan A. De Venecia-Fabul was appointed as First Vice President, Chief Legal Counsel and Head of Legal and Regulatory Affairs Group of PLDT effective January 1, 2025.

(6) Mr. Patrick F. Santos was appointed as First Vice President/Chief Information Security Officer and Cybersecurity Operations Head effective November 1, 2024.

Three of our directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Bernido H. Liu and Bernadine T. Siy, are independent directors who are neither officers nor employees of PLDT or any of its subsidiaries, and who are free from any business or other relationship with PLDT or any of its subsidiaries which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out their responsibilities as independent directors. The independence standards/criteria are provided in our By-Laws and Corporate Governance Manual pursuant to which, in general, a director may not be deemed independent if such director is, or in the past five years had been, employed in an executive capacity by us or any company controlling, controlled by or under common control with us or he is, or within the past five years had been, retained as a professional adviser by us or any of our related companies, or he is not free from any business or other relationships with us which could, or could reasonably be perceived, to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

The following is a brief description of the business experiences of each of our directors, executive officers and advisors for at least the past five years:

Mr. Manuel V. Pangilinan, 79 years old, Filipino, has been a director of PLDT since November 24, 1998. He was appointed as Chairman of the Board of Directors of PLDT in February 2004 and as President and Chief Executive Officer in December 2023 with effect January 1, 2024. He also held the position of President and Chief Executive Officer of PLDT from January 1, 2016 until June 7, 2021, and served as President and Chief Executive Officer of Smart Communications, Inc. (“Smart”) from January 1, 2016 until August 7, 2019. Mr. Pangilinan is the Chairman of the Governance, Nomination and Sustainability, Executive Compensation, Technology Strategy, and Data Privacy and Information Security Committees of the Board of Directors of PLDT. He also serves as Chairman and President of Metro Pacific Investments Corporation (“MPIC”), Chairman and CEO of Manila Electric Company (“Meralco”), and Chairman of PXP Energy Corporation and Philex Mining Corporation, and of several subsidiaries and affiliates of PLDT or MPIC, including, among others, Smart,

Digitel Mobile Philippines, Inc. (“DMPI”), Digital Telecommunications Phils. (“Digitel”), PLDT Communications & Energy Ventures, Inc., ePLDT, Inc., Beacon Electric Assets Holdings Inc., Philex Petroleum Corporation, Manila North Tollways Corporation, Maynilad Water Services Corporation, Landco Pacific Corporation, Metro Pacific Hospital Holdings, Inc., Medical Doctors Incorporated (Makati Medical Center), and Colinas Verdes Corporation (Cardinal Santos Medical Center). He is also the Chairman of MediaQuest Holdings Inc., TV5 Network, Inc., and PLDT-Smart Foundation.

Mr. Pangilinan founded First Pacific Company Limited (“First Pacific”), a Hongkong Stock Exchange-listed company, in 1981 and serves as its Managing Director and Chief Executive Officer. Within the First Pacific Group, he also holds the position of President Commissioner of P.T. Indofood Sukses Makmur Tbk, the largest food company in Indonesia.

Outside the First Pacific Group, Mr. Pangilinan is the Chairman of the Board of Trustees of San Beda College and the Chairman Emeritus of the Samahang Basketbol ng Pilipinas. He is also the Chairman of Philippine Business for Social Progress, the largest private sector social action organization made up of the country’s largest corporations and a Co-Chairman of the Philippine Disaster Resilience Foundation, Inc., a non-stock, non-profit foundation established to formulate and implement a reconstruction strategy to rehabilitate and rebuild areas devastated by floods and other calamities.

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts Degree in Economics. He received his Master’s Degree in Business Administration from Wharton School of Finance & Commerce at the University of Pennsylvania, where he was a Procter & Gamble Fellow. He was conferred a Doctor of Humanities Degree (Honoris Causa) by the San Beda College (2002), Xavier University (2007), Holy Angel University (2009) and Far Eastern University (2010).

Atty. Marilyn A. Victorio-Aquino, 70 years old, Filipino, has been a member of the Board of Directors of PLDT since May 8, 2023. Atty. Victorio-Aquino concurrently serves as a Senior Vice President, Management Committee Member, Privacy Head, Corporate Secretary, and Senior Legal Advisor to the Chairman of PLDT. She has been a director of the Philippine Stock Exchange since June 2023.

She joined First Pacific Company Limited (“First Pacific”) in 2012 as an Assistant Director and currently holds various positions in the Philippine subsidiaries and affiliates of First Pacific and Metro Pacific Investments Corporation (an affiliate of First Pacific), including President of First Coconut Manufacturing Inc., and director of Philex Mining Corporation (“Philex”) and PXP Energy Corporation (“PXP”). She is also a director of Lepanto Consolidated Mining Company (“Lepanto”). Philex, PXP, and Lepanto are PSE-listed companies. She also serves as a director of Philex Gold Philippines, Inc., Silangan Mindanao Mining Company, Inc., Maya Bank, Inc, and Maya Philippines, Inc.

Prior to joining First Pacific, Atty. Victorio-Aquino retired as a Senior Partner at SyCip Salazar Hernandez and Gatmaitan Law Offices (SyCipLaw). Atty. Victorio-Aquino graduated cum laude (class salutatorian) from the University of the Philippines with a Bachelor of Laws Degree in 1980, placed second in the Philippine Bar Examinations, and was admitted to the Philippine Bar in 1981. She obtained her Bachelor of Arts degree from the University of Santo Tomas. She is a member of the International Pacific Bar Association, Women Lawyers Circle, Federacion Internacional de Abogadas, Philippine Bar Association, and Integrated Bar of the Philippines.

Mr. Robert Joseph M. de Claro, 54 years old, Filipino, has been a director of PLDT since February 27, 2025. He officially assumed the role of President and Chief Executive Officer of the Social Security System (the “SSS”) on December 6, 2024. Before becoming President and Chief Executive Officer of the SSS, he served as a member of the Social Security Commission (the “SSC”), representing the Employers sector. He also chaired the SSC Information Technology and Collection Committee and was a member of the SSC Audit Committee, SSC Risk Management and Investment Committee, and SSC Governance Committee. Additionally, Mr. de Claro represented the SSS in the Boards of the Union Bank of the Philippines, UBP Investment Management and Trust Corporation, and Ionics, Inc. He has held various leadership roles, including President and Chief Executive Officer of People4u, Inc., Operating Partner at FutureNow Business Services, Inc., President and General Manager of JMango Philippines, Inc., and General Manager, APAC for GlobalOne Solutions, Inc. and Cloud Sherpas.

Mr. de Claro holds a Bachelor of Science degree in Computer Science with a specialization in Information Technology from De La Salle University.

Ms. Helen Y. Dee, 81 years old, has been a director of PLDT since June 18, 1986. She is the Chairperson of House of Investments, Petro Energy Resources Corporation, Rizal Commercial Banking Corporation, all of which are PSE-listed companies. She is the Chairperson, Vice Chairperson or a director of several companies engaged in banking, insurance and real property businesses, which are listed on page 18 hereof. Ms. Dee received her Master’s Degree in Business Administration from De La Salle University.

Atty. Ray C. Espinosa, 69 years old, Filipino, has been a director of PLDT since November 24, 1998, and is a member of the Technology Strategy Committee and Data Privacy and Information Security Committee of the Board of Directors of PLDT. He was Senior Advisor to the President and CEO of PLDT from January 28, 2019 until June 8, 2021. He was PLDT’s Chief Corporate Services Officer from December 2016 until January 28, 2019, and previously served as President and CEO of ePLDT Inc. and its subsidiaries from July 2000 until May 2010 and as President and CEO of TV5 Network Inc. and Signal TV Inc. from December 2009 until May 2013. He was the Deputy Chief Executive of Manila Electric Company from January 28, 2019 until May 27, 2019, and President and Chief Executive Officer from May 28, 2019 until May 31, 2023. He was the chairman of the Philstar Group of Companies from June 11, 2014 until August 17, 2023 and BusinessWorld Publication Corporation from September 16, 2013 until August 17, 2023. In June 2013, he joined First Pacific Company Limited as Associate Director.

Atty. Espinosa is a director of Metro Pacific Investments Corporation, Manila Electric Company, and PXP Energy Corporation, an independent director of EEI Corporation and chairman of its Risk Oversight Committee and member of its Executive Committee, and a lead independent director of Lepanto Consolidated Mining Company and chairman of its Audit Committee. He is an independent director of

Concreat Holdings Philippines, Inc. and chairman of its Nominations Committee and member of its Audit Committee. He is a trustee of the PLDT-Smart Foundation Inc. and the Beneficial Trust Fund of PLDT.

He has a Master of Laws Degree from the University of Michigan School of Law and a Bachelor of Laws Degree from the Ateneo de Manila University School of Law, and is a member of the Integrated Bar of the Philippines. He was a partner at SyCip Salazar Hernandez & Gatmaitan from 1982 to 2000, a foreign associate at Covington and Burling (Washington, D.C.) from 1987 to 1988, and a law lecturer at the Ateneo de Manila University School of Law from 1983 to 1985 and 1989. He placed first in the 1982 Philippine Bar Examinations.

Mr. James L. Go, 86years old, Filipino, has been a director of PLDT since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT. He is the Chairman of JG Summit Holdings, Inc. and a Board Advisor of Cebu Air, Inc. since January 1, 2023, the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation, and the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a Director of the Manila Electric Company. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. Mr. Go obtained his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Mr. Hidetada Hayashi, 55 years old, Japanese, has been a director of PLDT since September 16, 2025. He joined NTT, Inc. in April 1994 and has over 30 years of experience in the telecommunications industry. He currently serves as the Managing Director of the Philippine Branch of NTT DOCOMO, INC.

Prior to this, he served as the Director of the Business Management Division of NTT DOCOMO GLOBAL, Inc. from 2024 to 2025, Executive Director of the Corporate Planning Department of NTT DOCOMO, INC. from 2022 to 2024, Chief Operating Officer of DOCOMO Communications Laboratories Europe GmbH from 2018 to 2021 and Chief Financial Officer of DOCOMO Pacific, Inc. 2008 to 2012.

Mr. Hayashi earned a Bachelor of Arts degree in Law from Chuo University, Tokyo in 1994.

Mr. Menardo G. Jimenez, Jr., 62 years old, Executive Vice President and Chief Operating Officer, served as the Network Head of PLDT from January 15, 2024 to September 16, 2024. He joined PLDT in December 2001 and served in various capacities as Corporate Communications and Public Affairs Group Head, Retail Business Group Head, Fixed Line Business Transformation Office Head, Human Resources Group Head, Fixed Line Business Transformation Office Head and Consumer Home Business Group Head. He holds directorships in several subsidiaries of PLDT. Prior to joining PLDT, he had a stint at GMA Network, Inc., where he served as head of a creative services and network promotions. Mr. Jimenez received his AB Economics degree from the University of the Philippines.

Mr. Bernido H. Liu, 62 years old, has been an independent director of PLDT since September 28, 2015 and is an independent member of the Audit, Governance, Nomination and Sustainability, Executive Compensation, Risk, and Data Privacy and Information Security Committees of the Board of Directors of PLDT. Concurrently, he is the Executive Chairman of GOLDEN ABC, Incorporated. ("GABC"), a fashion retail company that designs and sells its own clothing, personal care and accessory lines marketed and retailed under a dynamic portfolio of well-differentiated proprietary brands, namely Penshoppe, OXGN, ForMe, Memo, Regatta, and BOCU. He is also the Group Chairman of LH Paragon

Incorporated, a business holdings company which has under its management GABC and other companies in various industries, namely, Matimco Incorporated, Oakridge Realty Development Corporation, Clinica Prime, and Greentree Food Solutions, Inc.

Mr. Liu and GABC under his leadership have been recognized by different award-giving bodies. Awards include the Agora for Outstanding Achievement in Entrepreneurship from the Philippine Marketing Association, Ten Outstanding Young Men for Entrepreneurship from JCI Philippines, Global Retailer of the Year from the Philippine Retailers Association and the Department of Trade and Industry, and the ASEAN Business Awards' Priority Integration Sector Excellence Award for Retail. He has also been conferred the Pro Ecclesia et Pontifice, the highest honor the Pope bestows upon a lay person. Mr. Liu graduated with a Bachelor of Science Degree in Architecture from the University of San Carlos and completed the Executive Education Owner/President Management Program of the Harvard Business School.

Retired Chief Justice Artemio V. Panganiban, 89 years old, Filipino, has been an independent director of PLDT since April 23, 2013 and is serving as an independent member of the Audit, Governance, Nomination and Sustainability, and Executive Compensation Committees, and Chairman of the Risk Committee, of the Board of Directors of PLDT. He was appointed as Lead Independent Director effective March 21, 2019. He served as an independent member of the Advisory Board and an independent non-voting member of the Governance and Nomination Committee of the Board of Directors of PLDT from June 9, 2009 to May 6, 2013. Currently, he is also an independent director of Meralco, Petron Corporation, GMA Network, GMA Holdings, JG Summit Holdings, Inc. Asian Terminals, Inc. and RL Commercial REIT, Inc., and a non-executive director of Jollibee Foods Corporation, all of which are PSE-listed companies, as well as Senior Adviser of Metropolitan Bank and Trust Company, and adviser of Double Dragon Properties Corp. and Merry Mart Consumer Corp. He is an Independent Advisor of Metro Pacific Investments Corporation, a large non-listed company, and Independent Director of several large non-listed companies such as Asian Hospital, Inc., Metro Pacific Tollways Corporation, State Investment House, Inc., and State Properties Corporation. He is also the Chairman of the Board of Trustees of the Foundation for Liberty and Prosperity, and of the Board of Advisers of Metrobank Foundation, Inc., a trustee of Tan Yan Kee Foundation and Claudio Teehankee Foundation, President of the Manila Metropolitan Cathedral-Basilica Foundation and of the AIM-RVR Center, a member of the Advisory Board of World Bank (Philippines), Chairman-Emeritus of the Philippine Dispute Resolution Center, Inc., Chairman Emeritus of the Philippine National Committee of the Asean Law Association, and a column writer of the Philippine Daily Inquirer.

Hon. Panganiban served the Supreme Court of the Philippines for more than 11 years, first as Associate Justice (October 10, 1995 to December 20, 2005) and later, as Chief Justice (December 21, 2005 to December 6, 2006) during which he sat concurrently as Chairperson

of the Presidential Electoral Tribunal, Judicial and Bar Council and Philippine Judicial Academy. He has received over 250 awards in recognition of his role as jurist, practicing lawyer, professor, civic leader, Catholic lay worker and business entrepreneur, including “The Renaissance Jurist of the 21st Century” given by the Supreme Court on the occasion of his retirement from the Court, and the Pro Ecclesia et Pontifice Award given by Pope Francis last September 18, 2024. Hon. Panganiban graduated cum laude from Far Eastern University with a Bachelor of Laws Degree in 1960, and was conferred a Doctor of Laws Degree (Honoris Causa) by the University of Iloilo (1997), Far Eastern University (2002), University of Cebu (2006), Angeles University (2006) and Bulacan State University (2006). He was co-founder and past president of the National Union of Students of the Philippines.

Mr. Alfredo S. Panlilio, 62 years old, Filipino, has been a Director of PLDT since June 8, 2021 and Smart since August 8, 2019. He served as President and CEO of PLDT from June 8, 2021 and of Smart from August 8, 2019, and held leadership positions in the various subsidiaries of PLDT and Smart, until his retirement as President and CEO of PLDT and Smart on December 31, 2023. Despite his retirement as President and CEO of PLDT and Smart, Mr. Panlilio has remained as a Director of PLDT and Smart, and has continued to hold various leadership positions within the PLDT Group as Chairman of Maya Bank, Inc., Director of Multisys Technologies Corporation and Multipay Corporation, and Trustee of Asian Carriers Conference Inc. Mr. Panlilio was the Senior Vice President and Head of Customer Retail Services and Corporate Communications at Meralco from September 10, 2010 to June 30, 2019. He also held several leadership positions within the Meralco Group.

Mr. Panlilio is a Trustee of the Kapampangan Development Foundation and Philpop Musicfest Foundation. With PLDT as a longtime supporter of the Philippines’ digital transformation, Mr. Panlilio is among the founding members under the Digital Infrastructure pillar of the Private Sector Advisory Council (PSAC), formed in July 2022. Mr. Panlilio sits as President of the MVP Sports Foundation, a Member of the FIBA Central Board, Second Vice President of FIBA Asia Central Board, First Vice President of the Philippine Olympic Committee and headed the FIBA Basketball World Cup 2023 local organizing committee. He is also the President of the Samahang Basketbol ng Pilipinas (SBP), the country’s governing basketball federation, and is the Chairman of the National Golf Association of the Philippines (NGAP) and Director of the Philippine Badminton Association.

Mr. Panlilio holds a Bachelor of Science Degree in Business Administration (Computer Information Systems) from San Francisco State University. He obtained his Master in Business Administration at J. L. Kellogg School of Management of Northwestern University and the Hongkong University of Science and Technology.

Mr. Kazutoshi Shimizu, 49 years old, Japanese, has been a director of PLDT since August 13, 2024. He is the Vice President of Global Strategy and Corporate Planning of NTT DOCOMO BUSINESS, Inc. (formerly NTT Communications Corporation (“NTT Com”)). He has played a pivotal role in the global business expansion of NTT Group during the last decade. He also held a senior position at the Global Business Office of NTT Holdings Company and had contributed to the growth of the NTT Group. Mr. Shimizu also served as the Vice President of NTT Com’s Smart World Business from 2022 to 2024 and as a director of NTT Holdings’ Global Business Office from 2011 to 2022.

Mr. Shimizu graduated with a Bachelor’s Degree in Mechanical Engineering from the University of Tokyo (1998), and holds a Master’s Degree in Mechanical Engineering from the University of Tokyo (2000), and a Master’s Degree in Business Administration from London Business School, University of London (2007).

Ms. Bernadine T. Siy, 66 years old, Filipino, has been a director of PLDT since June 8, 2021. She is also a director of Epicurean Partners Exchange Inc. (EPEI), and of Fil-Pacific Apparel Corporation (FPAC), both leading players in the food service and apparel industry. She previously served as President and Chief Executive Officer of EPEI Inc. from 1994 to 2011, and President and Chief Executive Officer of FPAC from 1987 to 1997 and again, from 2004 to 2013. She has been a trustee in the board of Ateneo de Manila University since 2014, and currently holds the position of board chair. She is currently an independent director of Cebu Air, Inc. having been appointed in March 2021. She was also appointed as an independent director of JG Summit Holdings, Inc. last June 2024. She is a trustee in the board of the Foundation for Economic Freedom, an economic policy advocacy organization and a member of the Management Association of the Philippines. She was a Consultant to the Board of Directors of the Development Bank of the Philippines from November 2012 to June 2014. She obtained her Bachelor of Arts Degree in Economics, Magna Cum Laude from Ateneo de Manila University and a Master’s Degree in Management from J.L. Kellogg Graduate School of Management of Northwestern University in Chicago, Illinois, USA.

Mr. Victorico P. Vargas, 73 years old is the Leadership Transition Officer of the Company. He has been an Associate Director of First Pacific since January 2016, overseeing First Pacific Group businesses operating in the Philippines and its region, with particular focus on leading the Business Transformation of PLDT. He is a director of Smart Communications Inc., Meralco, MGen Global Business Power, Maya Bank, Inc., PLDT Global Corp., PLDT Subic Telecom, Inc., PLDT Clark Telecom, Inc., Beacon Electric Asset Holdings, Inc., Beacon PowerGen Holdings, Inc., MQuest Ventures, Inc., Cignal TV, Inc., TV5 Network, Inc. and Media5 Marketing Corporation. Chairman of Hastings Holdings Inc., Philstar Global, Inc., Pilipino Star Ngayon, Inc., Pilipino Star Printing, and Philstar Daily, Inc. President and Member of the Board of Trustees of the First Pacific Leadership Academy, Trustee of the MVP Sports Foundation, PLDT-Smart Foundation, Inc. and Ideaspace Foundation and President of the PhilPop Music Fest Foundation. Mr. Vargas is the immediate past President of the Philippine Olympic Committee and is currently a member of the Board of Trustees of the said organization. Mr. Vargas is the Chairman of the Association of Boxing Alliances in the Philippines and was a former member of the Executive Committee of the Asian Boxing Confederation. He is one of the Executive Board Members of World Boxing Council and Chairman of the Philippine Basketball Association for seasons 2017-present. He is also the Vice President of the Samahang Basketbol ng Pilipinas. Prior thereto, Mr. Vargas was the President and Chief Executive Officer of Maynilad Water Services, Inc. since August 2010. He joined PLDT in 2000 as its Human Resources Group Head and through his stay at PLDT got involved in managing the PLDT Business Transformation Office, Asset Protection and Management Group, and the PLDT International Carrier Business. He has worked in senior roles at Union Carbide, Pepsi Cola, Colgate Palmolive and Citibank, NA (both in Manila and in Southeast Asia). Mr. Vargas was educated at Ateneo de Manila and University of Santo Tomas with a Bachelor of Science Degree in Psychology.

Mr. Danny Y. Yu, 64 years old, Senior Vice President, Chief Financial Officer and Chief Risk Management Officer, served as the PLDT Group Controller from November 17, 2022 to May 3, 2023. He concurrently serves as a director of Smart Communications, Inc., Digital Telecommunications (Phils.), Inc., and Digitel Mobile Phils., Inc. He likewise served as Senior Vice President and Chief Financial Officer, Chief Governance Officer and Chief Risk Officer of Philex Mining Corporation from September 2013 to August 2019, Chief Finance Officer of Digital Telecommunications Philippines, Inc. and Digitel Mobile Philippines, Inc. (Sun Cellular) from November 2011 to July 2013, Chief Financial Officer of ePLDT, Inc. from November 2010 to December 2011, Chief Financial Officer of PLDT Global Corporation from June 2004 to November 2010, Chief Financial Officer of Mabuhay Satellite Philippines Corporation & Aces Satellite Philippines Corporation from March 1999 to May 2004, and Vice President for Corporate Development of Fort Bonifacio Development Corporation from March 1997 to March 1999. He started his career at SGV & Co. where he was a senior auditor. Mr. Yu graduated Magna Cum Laude from the University of San Carlos with a Bachelor of Science in Commerce, Major in Accounting and holds a Master in Management from the Asian Institute of Management. He is also a Certified Public Accountant. In 2016, he was awarded the ING-FINEX CFO of the Year.

Ms. Gina Marina P. Ordoñez, 64 years old, Senior Vice President and Chief People Officer for PLDT, Inc. and its wireless subsidiary, Smart Communications, Inc., where she drives the strategic direction and execution of human capital initiatives, workplace design, and employee experience programs. By aligning people-centric strategies with business objectives, she aims to create a workplace where employees are empowered to do meaningful work and deliver organizational goals. She also contributed to the development and implementation of the PLDT Group Talent Management strategy, ensuring alignment with present and future business requirements. Throughout the pandemic, Gina served as Co-Chairperson of the MVP Group Vaccine Task Force, leading the planning and operations of COVID-19 vaccination efforts for employees and their families nationwide. She has been with the PLDT Group for over eight years, initially joining the Business Transformation Office (BTO) in 2016 to oversee process and quality management. She transitioned to the role of Smart People Group Head before being appointed as Chief People Officer for both PLDT and Smart organizations in 2019. Ms. Ordoñez was formerly Vice President for Service Operations and Quality Management at Makati Medical Center where she implemented best practices in service quality throughout the hospital, enhancing service delivery, operational efficiency, and end-to-end processes to improve patient satisfaction. She also served as Head of Customer Experience for Consumer Banking at Citi where she occupied several leadership roles over a span of 16 years. During her tenure, she attained a Six Sigma Black Belt certification. She is a registered Corporate Coach and Quality Management consultant, holding membership in the International Coach Federation. With more than 23 years of extensive experience, she has held leadership roles in People, Process, Customer Experience and Quality Management.

Mr. Joseph Ian G. Gendrano, 49 years old, Senior Vice President, has been in PLDT's service since May 2013. He served as the Enterprise Business Head of the Company before being appointed as a Senior Vice President and Chief Operating Officer of Kayana Solutions Inc. ("Kayana"). He is currently the President and Chief Executive Officer of Kayana. Prior to joining PLDT, he worked with Verizon Business, Cisco Systems and Goldman Sachs in the United States. He has held technical, sales, consulting and leadership roles in these organizations as well as gained industry experience in the global financial services vertical. He served as Vice President of Goldman Sachs' Network Voice and Multimedia Division and Chief Architect for Unified Communications platforms. Mr. Gendrano obtained his Bachelor of Science degree in Electronics and Communications Engineering from De La Salle University and Master of Science degree in Electrical Engineering, Major in Telecommunications and Networking from the University of Pennsylvania.

Mr. John Gregory Y. Palanca, 58 years old, Senior Vice President and Consumer Business Head and Sales and Development Head. He also served as the First Vice President and Regional Customer Development - Luzon Head of Smart from November 2020 to July 2022. Prior to his promotion to First Vice President, Mr. Palanca served as the Vice President and Regional Customer Development - Luzon Head of Smart from December 2017 to November 2020. Before Mr. Palanca's stint with Smart, he served as the Managing Director of PLDT Japan GK from June 2016 to December 2017, General Manager of PLDT Malaysia Sdn Bhd. from January 2014 to May 2016, General Manager of PLDT HK Ltd. from May 2011 to December 2013, Country President of Motorola Communications Phils. Inc. from January 2006 to January 2011, Vice President of Nextel, Next Mobile from January 2000 to January 2006, and Principal Consultant of Islanet Information Technology from January 1998 to January 2000.

Mr. Patricio S. Pineda III, 56 years old, Senior Vice President and Enterprise Business Head. Prior to joining the Company, Mr. Pineda served as the Chief Operating Officer of Kayana Solutions Inc. from 2024 to 2025, Strategic Advisor to Stealth Mode (Hong Kong) from 2023 to 2024, Managing Director and Global Head of Internet Industries Banking at Standard Chartered Bank (Hong Kong) from 2021 to 2023, Partner (Digital, Strategy and Transformation) at Prophet (Hong Kong) from 2017 to 2021, and Vice President for Global Client Advisors at Oracle Corporation (US) from 2011 to 2017. Mr. Pineda obtained his BS Management Engineering and AB Management Economics degrees, as a merit scholar, from the Ateneo de Manila University in 1990, and his Master's Degree in Business Administration (with honors) from the University of Chicago Booth School of Business in 1995.

Mr. Luis S. Reñon, 55 years old, Senior Advisor to the Chairman, joined PLDT in July 2018. Prior thereto, he was the Emerging Markets Chief Finance Officer of Pfizer Inc. handling teams across the Philippines, Thailand, Malaysia, Indonesia, Vietnam, and Pakistan. He started his professional career in the Audit and Business Advisory Division of Ernst & Young Manila and Singapore for six years. He then moved to Novartis Asia Pacific in Singapore as Regional Auditor and Team Leader, managing APAC auditors in conducting business review and compliance test of operations in Asia Pacific and Europe. He moved back to the Philippines in 2000 where he became the Head of Finance, Administration and Operations of Novartis' Animal Health Business Unit. He pursued a rewarding career in Wyeth Philippines and Pfizer, Inc., where he took on various roles with increasing responsibilities in Strategic Planning and Business Finance, as Pfizer's Country CFO in 2011 during the Pfizer-Wyeth integration and as Emerging Markets CFO in 2014. Mr. Reñon is a Certified Public Accountant. He completed his Bachelor's degree in Commerce, major in Accounting at Araullo University, and his Master's degree in Business Administration at the Ateneo de Manila University, where he garnered the Gold Medalist Award. He attended the Management Development Program of the Asian Institute of Management in 2005 and the Financial Excellence Program of Harvard Business School in the USA.

Mr. Leo I. Posadas, 59 years old, Senior Vice President and Treasurer of the PLDT Group and concurrent Treasury Head of PLDT and Smart, handles the treasury planning/management and treasury operations of several companies under the PLDT Group. He is a director and

Chief Financial Officer of PLDT Global Corporation, a director and Treasurer of PLDT Global Investments Holdings, a director and Vice President for Treasury of Mabuhay Investments Corporation, a director of PLDT Communication and Energy Ventures, a director of Philstar and Businessworld, and the Treasurer of the Vega Telecom group. He is also the Treasurer of Smart, ePLDT, Digital Telecommunications, Digitel Mobile, PLDT-Smart Foundation and several other subsidiaries of PLDT and Smart. Prior to joining PLDT in September 2000, he served as Treasury Manager of Total Petroleum Philippines, and as Manager for Foreign Exchange Management of San Miguel Corporation. Mr. Posadas received his Bachelor of Arts Degree in Economics and Bachelor of Science degree in Commerce Major in Management of Financial Institutions from De La Salle University.

Ms. Louella F. Calixtro, 53 years old, First Vice President and Chief Procurement Officer. She has been in PLDT's service since November 16, 2025. Before being appointed as First Vice President and Chief Procurement Officer of the Company, Ms. Calixtro served as Global Sourcing Strategy Director, Software, Offnet, DC Category, Liberty Blume Procurement Solutions at Liberty Global (Amsterdam, NL, London, UK, and Denver, USA) from 2024 to 2025, and Global Director, Liberty Procurement Services, IT and BPO from 2020 to 2024. She likewise held several leadership roles at VEON Ltd. (Amsterdam, NL) as Global Vendor and Contracts Director from 2017 to 2020, Director of Vendor Management Office from 2014 to 2017, and Senior Procurement Contracts and Vendor Manager from 2007 to 2016. Earlier in her career, Ms. Calixtro served as the Head of Contracts Support Services (Enterprise Sales/Customer Facing Function) at Globe Telecom, Inc. from 2004 to 2007.

Ms. Calixtro holds a Juris Doctor degree from the University of the Philippines College of Law, where she was a consistent merit scholar, and a Bachelor of Arts degree in Communications Research, graduating Cum Laude from the same institution. She is also a certified practitioner with certificates in Commercial and Vendor Contracting, Service Level Agreements, and Project Management. She also has a certificate in Capital Allocation and Business Control and Completion of Lead Forward Program for Senior Leaders.

Atty. Joan A. De Venecia-Fabul, 45 years old, First Vice President and PLDT Chief Legal Counsel and Head of Legal and Regulatory Affairs Group, was the Vice President and General Counsel of listed company Philex Mining Corporation from August 2015 to March 2019, and was concurrently its Data Protection Officer from August 2017 and Head of Human Resources from January 2019. She was the Vice President for the Public Relations and Information Services Group of the Home Development Mutual Fund from August 2013 to July 2015, and, prior to that, was Senior Associate at SyCip Salazar Hernandez & Gatmaitan, where she started her legal career.

Atty. De Venecia-Fabul is a professorial lecturer at the University of the Philippines College of Law, teaching Public International Law, as well as a regular lecturer in Mandatory Continuing Legal Education seminars. She graduated from the Ateneo de Manila University in 2001 with a Bachelor's Degree in Legal Management. She obtained her Bachelor of Laws degree from the University of the Philippines in 2005 as class valedictorian, cum laude, and Academic Excellence Awardee, and topped the Philippine Bar exam that same year. She holds a Master of Laws in International Legal Studies from New York University under a Fulbright Scholarship and Hugo Grotius Scholarship. In 2024, she obtained alumna status from the Wharton School under its Advanced Management Program.

Mr. Patrick F. Santos, 59 years old, First Vice President and Chief Information Security Officer and Cybersecurity Operations Head. Prior to joining PLDT, he held key technical leadership positions in Zuellig Pharma Asia Pacific Ltd. as Head of Network, Infrastructure, and Cybersecurity from April 2022 to August 2024 and Senior Director of Regional Information Technology from June 2016 to March 2022. He also served as a Senior Vice President and the Group Chief Information Officer of SPi Global Holdings, Inc. from January 2011 to January 2016. He obtained his Bachelor of Science Degree in Computer Science from Long Island University – C.W. Post Campus, Brookville New York U.S.A. in 1989 where he graduated with honors.

Ms. Melissa V. Vergel de Dios, 62 years old, First Vice President and Chief Sustainability Officer effective November 4, 2021 and concurrent Corporate Sustainability Office Head of the Company. She has been in PLDT's service since May 2001 and served as Investor Relations Head until October 2024, Property Management Center Head until May 2003, and Property and Facilities Management Center Head until September 2007. Prior to joining PLDT, she was the Chief Operating Officer of Wharton Credit Corp. and from June 2000 to May 2001 was the Group Chief Finance Officer of Global 3 Internet Holdings, Inc. She held various positions in San Miguel Group of Companies from 1984 to 2000. Ms. Vergel de Dios obtained her Bachelor of Science Degree in Marketing and Management and Bachelor of Arts degree in Economics from Assumption College.

Mr. Gil Samson D. Garcia, 54 years old, First Vice President and Financial Controllershship Head. He served as Group CFO of the ePLDT Group from May 2015 to August 2023, and MVP Rewards & Loyalty Solutions, Inc. (MRSI) from September 2018 to August 2023. He served as Controller of PCEV from June 2022 to June 2023. He holds directorships in several subsidiaries of ePLDT. Prior to joining PLDT, he was a Senior Director until January 2007 of the Business Risk Services Group of SGV & Co. / Ernst & Young, where he gained a wide range of experiences, here and abroad, in external audit and business process review and advisory including Sarbanes Oxley (SOX) 404 evaluation & consultancy, risk management, corporate governance, and business fraud investigation, and fraud prevention and detection, among others. He graduated Cum Laude from the University of Santo Tomas with a Bachelor of Science Degree in Commerce, Major in Accounting. He is a CPA and a globally Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE). He completed the Management Development Program in the Asian Institute of Management School of Executive Education in cooperation with PLDT & Smart in August 2016, and the High Potential Program / Leadership Talent Assessment facilitated by Development Dimensions International in October 2020. He was certified as Executive Coach Level 3 by the Global Learning Solutions Singapore in October 2023.

Below is a list of directorships in other private and public companies of the director named below. All directorships of our other director are included in their respective biographies in the preceding pages.

Name of Director	Names of Companies	
	Public	Private
Helen Y. Dee	House of Investments (Regular Director/Chairman)	A.T. Yuchengco, Inc. (Regular Director/Chairman)
	Petro Energy Resources Corporation (Regular Director/Chairman)	AY Foundation, Inc. (Regular Director/Chairman/Trustee)
	Rizal Commercial Banking Corporation (Regular Director/Chairman)	AY Holdings, Inc. (Regular Director/Chairman)
		ET Yuchengco, Inc. (Regular Director/Chairman)
		GPL Holdings, Inc. (Regular Director/Chairman)
		Hi-Eisai Pharmaceuticals, Inc. (Regular Director/Chairman)
		Honda Cars, Kaloocan (Regular Director)
		Honda Cars Philippines, Inc. (Regular Director)
		Isuzu Philippines, Inc. (Regular Director)
		La Funeraria Paz Sucat (Regular Director/Chairman)
		Landev Corp. (Regular Director/Chairman)
		Luis Miguel Foods (Regular Director)
		Luisita Industrial Park Corporation (Regular Director)
		Malayan Colleges Laguna, Inc. (Trustee)
		Malayan Colleges of Mindanao Inc. (Regular Director/Chairman)
		Malayan Educational Systems, Inc. (Regular Director/Chairman)
		Malayan Insurance Co. Inc. (Regular Director/Chairman)
		Malayan High School of Science, Inc. (Regular Director/Chairman)
		Manila Memorial Park Cemetery, Inc. (Regular Director/Chairman)
		Mayahin Holdings Corporation (Regular Director/Chairman)
		MICO Equities, Inc. (Regular Director/Chairman)
		Pan Malayan Express, Inc. (Regular Director/Chairman)
		Pan Malayan Management and Investment Corporation (Regular Director/Chairman)
		Pan Malayan Realty Corporation (Regular Director/Chairman)
		Petrowind Energy, Inc. (Regular Director/Chairman)
		Philippine Business for Education, Inc. (Regular Director/Trustee)
		Philippine Integrated Advertising Agency, Inc. (Regular Director)
		RCBC Land, Inc. (Regular Director)
		RCBC Leasing & Finance Corp (Regular Director/Chairman)
		RCBC Realty Corporation (Regular Director/Chairman)
		Shayamala Corporation (Regular Director/Chairman)
		Sunlife Grepa Financial, Inc. (Regular Director/Chairman)
		Xamdu Motors, Inc. (Regular Director/Chairman)
		YGC Corporate Services, Inc. (Regular Director/Chairman)
		Y Realty, Inc. (Regular Director)
		Yuchengco Center, Inc. (Regular Director/Chairman)
		US-Philippine Society - Director

Terms of Office

The directors of PLDT are elected each year to serve until the next annual meeting of stockholders and until their successors are elected and qualified, except in case of death, resignation, disqualification or removal from office. The term of office of all officers is coterminous with that of the Board of Directors that elected or appointed them.

Family Relationships

None of the directors/independent directors and officers of the Company or persons nominated to such positions has any family relationships up to the fourth civil degree either by consanguinity or affinity, except Mr. Manuel V. Pangilinan (Chairman) and Ms. Gina Marina P. Ordoñez (Chief People Officer) who are relatives to the fourth civil degree by consanguinity.

Legal Proceedings

The Company is not aware, and none of the directors/independent directors and officers or persons nominated for election to such positions has informed the Company, of any of the following events that occurred during the past five (5) years and up to the date of this Information Statement: (a) any bankruptcy petition filed by or against any business of which a director/independent director or officer or person nominated for election to any of such positions, was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any director/independent director or officer or person nominated for election to any of such positions, except as noted below; (c) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director/independent director or officer or person nominated for election to any of such positions in any type of business, securities, commodities or banking activities; and (d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any director/independent director or officer or person nominated for election to any of such positions, has violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

The following is a description of the complaints in which our Chairman, Manuel V. Pangilinan, our directors Ray C. Espinosa, James L. Go, Artemio V. Panganiban, and Alfredo S. Panlilio are respondents:

1. Messrs. Manuel V. Pangilinan, Ray C. Espinosa, James L. Go and Artemio V. Panganiban and other members of the Board of Directors and the President and CEO of Manila Electric Company, and the Commissioners of Energy Regulatory Board (“ERC”) except former Chairman Agnes Devanadera, are respondents in a Complaint-Affidavit dated January 22, 2018, filed by the

NASECORE and Cellphone Owners and Users of the Philippines, Inc. (“COUP”) with the OMB and docketed as OMB-C-C-18-0042 (the “Complaint”).

The Complaint charges the respondents with the crime of Syndicated Estafa under Section 1 of Presidential Decree No. 1689 in relation to Paragraph 2(a) of Article 315 of the Revised Penal Code and violation of Section 3 (e) of Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act) in connection with the investments made by Meralco in its subsidiaries and affiliates and in its joint ventures with other corporations for businesses which are not related to Meralco’s electric distribution business.

The Complaint alleges that Meralco’s investments, participations, business interests, and infusion of funds in other companies, either as parent corporation or as a joint venture, are violative of its legislative franchise (RA 9209) and the EPIRA Law (RA 9136). It further alleges that Meralco allegedly conspired with the four (4) ERC Commissioners in committing Syndicated Estafa and with violating Section 3(e) of Anti-Graft and Corrupt Practices Act, to make said prohibited investments, thereby resulting to over-charging and over-recoveries by Meralco against its customers.

As directed in the OMB’s Order dated February 20, 2018, the members of the Board of Directors and the President and CEO of Meralco (the “Private Respondents”) timely filed their Counter-Affidavits on March 12, 2018. In their Counter-Affidavits, the Private Respondents strongly denied the commission of any wrongdoing as Meralco’s investment activities are allowed by and fully compliant with all applicable laws, rules and regulations, and do not impact negatively on its operations or customers. They argued that its legislative franchise (RA 9209) and the EPIRA Law (RA 9136) do not prohibit, restrict or bar Meralco from making investments in other companies, including generation companies.

Meralco is likewise not required (pursuant to Section 26 of EPIRA) to plow back up to 50% of the net income derived from such investments in other companies since Meralco’s investments in generation companies and other subsidiaries or entities do not constitute related business undertakings that utilize Meralco’s rate base assets. Meralco’s investments in other companies are not sourced from its revenues, but rather, from its net profits and retained earnings, and the disposition and use of such profits by Meralco are not subject to regulation by the ERC or any other agency.

Considering the foregoing, the elements of the crime of Syndicated Estafa are not present. No fraud was committed against Meralco customers since Meralco and/or Private Respondents or any of them never committed any fraudulent act, or employed false pretenses or fraudulent means to the prejudice or detriment of any party. There is no fraud or swindling whatsoever, there is also no syndicate to speak of, and Private Respondents did not participate in or agree to any criminal design with the ERC Commissioners.

On May 4, 2018, Meralco filed a Manifestation with Motion for Early Resolution of even date. Another Motion to Resolve and Dismiss was also filed by MERALCO on June 2, 2021. In a Joint Resolution dated February 22, 2022, the Ombudsman has dismissed the cases. As at December 31, 2025, there has been no appeal received.

2. Mr. Alfredo S. Panlilio and PLDT Inc. (“PLDT”) are respondents in a Complaint-Affidavit dated September 29, 2022, filed by Mr. Edmon G. Fullante with the Office of the City Prosecutor - Quezon City (“OCP QC”) and docketed as XV-03-INV-22I-07791 (the “Complaint”).

The Complaint charges PLDT and Mr. Panlilio for Quasi-Delict in connection with a motorcycle accident Mr. Fullante figured in involving a PLDT cable. The Complaint alleges that PLDT and Mr. Panlilio are responsible for the damages suffered by Mr. Fullante as a result of the accident. As directed in the OCP QC’s Subpoena dated May 2, 2023, PLDT and Mr. Panlilio filed their Counter-Affidavits on May 29, 2023.

During the preliminary investigation on May 29, 2023, Mr. Fullante executed and filed an Affidavit of Desistance with an attached Release, Waiver, and Quitclaim, alleging that the case was filed due to a misunderstanding, that he is voluntarily withdrawing the case, and that he is recanting all his allegations in the Complaint against PLDT and Mr. Panlilio.

In a Resolution dated June 1, 2023, the OCP QC dismissed the Complaint. No motion for reconsideration or appeal has been received as at this date.

Audit; Governance, Nomination and Sustainability; Executive Compensation; Risk; Technology Strategy; and Data Privacy and Information Security Committees

Our Board of Directors (Board) is authorized under the By-Laws to create committees, as it may deem necessary, to assist in the effective performance of specific functions and responsibilities which may be delegated by the Board. We have six Board committees, namely, the Audit; Governance, Nomination and Sustainability; Executive Compensation; Technology Strategy; Risk; and Data Privacy and Information Security Committees. Each of these committees has a Board-approved written charter that provides for such committee’s composition, membership qualifications, functions and responsibilities, conduct of meetings, and reporting procedure to the Board.

Audit Committee

Our Audit Committee (AC) is composed of three members, all of whom are independent directors. The AC members are Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Ms. Bernadine T. Siy, who is the chairperson of this committee. The AC is supported by three advisors, namely, Mr. Hidetada Hayashi and Mr. James L. Go, who are non-independent directors, and Ms. Corazon S. de la Paz-Bernardo, a former member of our Board. All the members of our AC are financially literate. Ms. Siy holds a master’s degree in Management with majors in Finance and Accounting from the J.L. Kellogg Graduate School of Management of Northwestern University in Chicago, Illinois, USA. Ms. Corazon S. de la Paz-Bernardo has expertise in accounting and financial management. She is a

former Chairman and Senior Partner of Joaquin Cunanan & Company, now Isla Lipana & Co., a member firm of PricewaterhouseCoopers (PwC). As provided in the AC charter, the primary purpose of the AC is to assist the Board in fulfilling its oversight responsibility for:

- the integrity of PLDT's accounting and financial reporting principles and policies, and system of internal controls, including the review of material related party transactions, and the integrity of PLDT's financial statements and the independent audit thereof;
- PLDT's compliance with legal and regulatory requirements; and
- the Company's audit process and the performance of the internal audit organization and the external auditors (including the external auditors' qualifications and independence).

To carry out its direct responsibility for the appointment, setting of compensation, retention and removal of the external auditor, the AC has the following duties and powers:

- review and evaluate the qualifications, performance and independence of the external auditor and its lead audit partner;
- select and appoint, remove or replace the external auditor;
- review and approve, in consultation with the head of the internal audit organization and the head of the finance organization, all audit and non-audit services to be performed by the external auditor and the fees to be paid for such services, and ensure disclosure of any allowed non-audit services in PLDT's annual report;
- periodically review fees for non-audit services paid to the external auditor and disallow non-audit services that will conflict with the external auditor's duties to PLDT or pose a threat to the external auditor's independence;
- ensure that the external auditor prepares and delivers annually a statement as to its independence, discuss with the external auditor any relationships or services disclosed in such statement that may impact the objectivity, independence or quality of services of said external auditor and take appropriate action in response to such statement to satisfy itself of the external auditor's independence;
- based on the external auditor's statement submitted at least annually, review the external auditor's internal quality control procedures for any material issues raised by recent internal quality control review or peer review of the external auditor, or by any inquiry or investigation by government or professional authorities within the preceding five years, regarding one or more independent audits carried out by the external auditor and steps taken to deal with any such issues;
- ensure that the external auditor or its lead audit partner having the primary responsibility for the audit of PLDT's financial accounts is rotated at least once every five years or such shorter or longer period provided under applicable laws and regulations;
- advise the external auditor that it is expected to provide the AC a timely analysis of significant/critical financial reporting issues and practices;
- obtain assurance from the external auditor that the audit was conducted in a manner consistent with certain procedures to be followed in any audit of financial statements required under applicable rules; and
- resolve disagreements between management and the external auditor regarding financial reporting.

The AC has the authority to retain or obtain advice from special counsel or other experts or consultants in the discharge of its responsibilities without the need for Board approval.

Audit Committee Report

Further to our compliance with applicable corporate governance laws and rules, we confirm for 2025 that:

- Each voting member of the Audit Committee is an independent director as determined by the Board of Directors;
- We had a total of 10 meetings during the year, eight of which were joint meetings with the Audit Committees of Smart and Digitel, including one joint meeting conducted with the Risk Committee;
- We have reviewed and approved for retention the Audit Committee Charter, amended and adopted by the Board on January 28, 2025, until the next review in 2026;
- We have reviewed and approved the PLDT Internal Audit Group's risk-based annual plan for their regular audits, including updates thereto, and discussed the results of their reviews;
- Based on a review of SGV & Co.'s performance and qualifications, including consideration of Management's recommendation, we approved the appointment of SGV & Co. as the PLDT Group's independent auditor;
- We have discussed with SGV & Co. the overall scope and plan for their integrated audit of the PLDT and Subsidiaries', or PLDT Group's, financial statements and internal controls over external financial reporting, and the results of their examinations;
- We have reviewed and approved all audit and non-audit services provided by SGV & Co. to the PLDT Group, and the related fees for such services, and concluded that the non-audit fees are not significant to impair their independence;

- We have discussed with SGV & Co. the matters required to be discussed by the prevailing applicable Auditing Standard, and we have received written disclosures and the letter from SGV & Co. as required by the prevailing applicable Independence Standards (Statement as to Independence) and have discussed with SGV & Co. its independence from the PLDT Group and the PLDT Group's Management;
- We were apprised of updates on enterprise risk management and major risk exposures and mitigations through our attendance to meetings of the Risk Committee, from which we are also members;
- We have discussed with the Chief Legal Counsel, Regulatory and Tax Management Heads on the significant legal matters and updates on the Company's compliance with regulations and applicable laws;
- We have discussed with relevant Business Unit heads the status of their initiatives to address key audit observations, and other significant updates in their areas;
- In the performance of our oversight responsibilities, we have reviewed and discussed the unaudited consolidated quarterly financial statements and reports in the first three quarters of 2025 and the audited consolidated financial statements of the PLDT Group as at and for the year ended December 31, 2025 with the PLDT Group's Management, which has the primary responsibility for the financial statements, and with SGV & Co., the PLDT Group's independent auditor, who is responsible for expressing an opinion on the conformity of the PLDT Group's audited financial statements with PFRS Accounting Standards; and
- Based on the reviews and discussions referred to above, in reliance on PLDT Group's Management and SGV & Co. and subject to the limitations of our role, we recommended to the Board of Directors and the Board has approved, the inclusion of the PLDT Group's audited financial statements as at and for the year ended December 31, 2025 in the PLDT Group's Annual Report to the Stockholders and to the Philippine Securities and Exchange Commission on Form 17-A.

Governance, Nomination and Sustainability Committee

Our Governance, Nomination and Sustainability Committee (GNSC) is composed of five voting members, all of whom are members of our Board, and two non-voting members. Three of the voting members are independent directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu, and Ms. Bernadine T. Siy. The two other voting members are non-executive director, Mr. Hidetada Hayashi and executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee. The two non-voting members are the Chief People Officer, Ms. Gina Marina P. Ordoñez and the Chief Sustainability Officer, Ms. Melissa V. Vergel de Dios.

The primary purpose of the GNSC is to assist the Board in the performance of the following functions:

- establish the Company's corporate governance framework, principles and policies aligned with business objectives, and oversee their implementation, including the implementation of the Conflict of Interest and Expanded Whistleblowing Policies, and the implementation of continuing education and communication programs on good governance;
- develop and implement an evaluation process for the annual review of the performance of the Board, the Board Committees and the individual directors, including the President and CEO;
- implement a selection process and succession plan to ensure that the Board has an effective and balanced mix of knowledge, expertise, experience and diversity in terms of, among others, age, gender, business and industry experience and ethnicity, and review the qualifications of persons nominated to other positions requiring appointment by the Board;
- identify persons qualified to become members of the Board and/or the Board Committees;
- assess the effectiveness of the Company's nomination and selection process for the Board and Board Committees, which includes access to external sources;
- establish the Company's sustainability strategy, framework, programs and policies and oversee their implementation; and
- oversee and provide guidance on the Company's social and environmental investments, approaches, and commitments, underpinned by initiatives that aim to assess and manage the impact of Company operations.

Executive Compensation Committee

Our Executive Compensation Committee (ECC) is composed of five voting members, all of whom are members of our Board of Directors, and one non-voting member. Three of the voting members are independent directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu, and Ms. Bernadine T. Siy. The two other voting members are non-executive director, Mr. Hidetada Hayashi and executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee. The non-voting member is the Chief People Officer, Ms. Gina Marina P. Ordoñez.

The primary purpose of the ECC is to assist the Board in the performance of the following functions:

- oversee the development of a compensation philosophy or policy consistent with the strategy, culture and control environment of PLDT;
- oversee the development and administration of PLDT's executive compensation programs, including long-term incentive plans and equity-based plans for officers and executives;
- oversee the development and administration of the Company's performance management framework to monitor and assess the performance of Management;
- oversee the succession plan for officers, including the CEO; and

- oversee the development and implementation of professional development programs for officers.

Risk Committee

Our Risk Committee (RC) is composed of five voting members, all of whom are members of our Board, and one non-voting member. Three of the voting members are independent directors, namely, Mr. Bernido H. Liu, Ms. Bernadine T. Siy, and Retired Supreme Court Chief Justice Artemio V. Panganiban, who is the chairman of this committee. The two other voting members are non-executive directors, namely, Mr. Hidetada Hayashi and Mr. James L. Go. The non-voting member is the Chief Risk Management Officer, Mr. Danny Y. Yu.

The primary purpose of the RC is to assist the Board in fulfilling its governance functions relating to risk management, which include the following:

- oversee management's adoption and implementation of a system for identifying, assessing, monitoring and managing key risk areas;
- review management's reports on PLDT's major risk exposures; and
- 1) review management's plans and actions to minimize, control or manage the impact of such risks.

Technology Strategy Committee

Our Technology Strategy Committee (TSC) is composed of four voting members and one non-voting member. The voting members are executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee, and three non-executive directors, Atty. Ray C. Espinosa, Mr. James L. Go, and Mr. Hidetada Hayashi. The non-voting member is an executive director and the Chief Operating Officer, Mr. Menardo G. Jimenez, Jr.

The primary purpose of the TSC is to assist the Board in the performance of the following functions:

- review and approve the strategic vision for the role of technology in PLDT's overall business strategy, including the technology strategy and roadmap of PLDT;
- fulfill its oversight responsibilities for PLDT's effective execution of its technology-related strategies; and
- ensure the optimized use and contribution of technology to PLDT's business and strategic objectives and growth targets

Data Privacy and Information Security Committee

Our Data Privacy and Information Security Committee (DPISC) is composed of five voting members, all of whom are members of our Board. The DPISC members are independent director, Mr. Bernido H. Liu, non-executive directors, Atty. Ray C. Espinosa and Mr. Hidetada Hayashi, and executive directors, Atty. Marilyn A. Victorio-Aquino and Mr. Manuel V. Pangilinan, who is the chairman of this committee.

The primary purpose of the DPISC is to assist the Board in the performance of its oversight function and provide strategic direction to governance functions relating to data privacy and information security, including, to:

- promote effective data privacy, information and cybersecurity governance;
- review and approve the Company's strategic plans on data privacy, information and cybersecurity;
- ensure accountability for compliance with regulatory standards and best practices on data privacy, information and cybersecurity;
- foster a culture of privacy, information and cybersecurity; and
- oversee management's adoption and implementation of a system for identifying, assessing, monitoring and managing enterprise-wide data privacy, information and cybersecurity risks.

Advisory Committee

Our Advisory Board/Committee is composed of Mr. Benny S. Santoso, Mr. Christopher H. Young, and Mr. Roberto C. Yap, S.J., as independent advisor. The Advisory Board/Committee members have no voting rights, and provide guidance and suggestions, as necessary, on matters deliberated upon during Board meetings.

Item 10. Executive Compensation and Stock Option Plan

Executive Compensation

The following table is the list of the directors and executive officers, including the CEO, of PLDT as at December 31, 2025:

Name	Position(s)
Manuel V. Pangilinan	Director, Chairman of the Board, President and Chief Executive Officer
Marilyn A. Victorio-Aquino	Director, Senior Vice President, Corporate Secretary and Senior Legal Adviser to the Chairman
Robert Joseph M. de Claro ⁽¹⁾	Director
Helen Y. Dee	Director
Ray C. Espinosa	Director
James L. Go	Director
Hidetada Hayashi ⁽²⁾	Director
Menardo G. Jimenez, Jr. ⁽³⁾	Director, Executive Vice President and Chief Operating Officer

Name	Position(s)
Kazuyuki Kozu ⁽⁴⁾	Director
Bernido H. Liu	Independent Director
Retired Supreme Court Chief Justice Artemio V. Panganiban	Independent Director
Alfredo S. Panlilio	Director
Kazutoshi Shimizu	Director
Bernadine T. Siy	Independent Director
Marife B. Zamora ⁽⁵⁾	Director
Danny Y. Yu	Senior Vice President, Chief Financial Officer and Chief Risk Management Officer
Victorico P. Vargas	Leadership Transition Officer
Gina Marina P. Ordoñez	Senior Vice President, Chief People Officer
Joseph Ian G. Gendrano	Senior Vice President
Jeremiah M. Dela Cruz ⁽⁶⁾	Senior Vice President
John Gregory Y. Palanca ⁽⁷⁾	Senior Vice President, Consumer Business Group Head
Patricio S. Pineda III ⁽⁸⁾	Senior Vice President, Enterprise Business Group Head
Luis S. Reñon	Senior Advisor to the Chairman
Leo I. Posadas	First Vice President and Treasurer
Louella F. Calixtro ⁽⁹⁾	First Vice President, Chief Procurement Officer
Joan A. De Venecia A. Fabul ⁽¹⁰⁾	First Vice President, Chief Legal Counsel
Patrick F. Santos ⁽¹¹⁾	First Vice President, Chief Information Security Officer
Melissa A. Vergel de Dios	First Vice President and Chief Sustainability Officer
Gil Samson D. Garcia	First Vice President, Financial Reporting and Controllershship

⁽¹⁾ Mr. Robert Joseph M. de Claro was elected as a director of the Company effective February 27, 2025 and shall serve the unexpired term of his predecessor in office, Atty. Santiago Dionisio R. Agdeppa.

⁽²⁾ Mr. Hidetada Hayashi was elected as a director of the Company effective September 16, 2025 and shall serve the unexpired term of his predecessor in office, Mr. Kazuyuki Kozu.

⁽³⁾ Mr. Menardo G. Jimenez was elected as a director of the Company effective June 10, 2025.

⁽⁴⁾ Mr. Kazuyuki Kozu resigned as a member of the Board of Directors of the Company effective September 15, 2025.

⁽⁵⁾ Ms. Marife B. Zamora ceased to be a member of the Board of Directors effective June 10, 2025.

⁽⁶⁾ Mr. Jeremiah M. de la Cruz was separated from service effective July 1, 2025.

⁽⁷⁾ Mr. John Gregory Y. Palanca was appointed as Senior Vice President and Consumer Business Home Head concurrent to his position as Sales and Development Head effective May 16, 2025.

⁽⁸⁾ Mr. Patricio S. Pineda III was appointed as Senior Vice President and Enterprise Business Head of the Company effective April 2, 2025.

⁽⁹⁾ Mr. Louella F. Calixtro was appointed as First Vice President and Chief Procurement Officer effective November 16, 2025.

⁽¹⁰⁾ Atty. Joan A. De Venecia-Fabul was appointed as First Vice President, Chief Legal Counsel and Head of Legal and Regulatory Affairs Group of PLDT effective January 1, 2025.

⁽¹¹⁾ Mr. Patrick F. Santos was appointed as First Vice President/Chief Information Security Officer and Cybersecurity Operations Head effective November 1, 2024.

The following table below sets forth the aggregate amount of compensation paid in 2025 and 2024 and estimated amount of compensation expected to be paid in 2026 to: (1) the President and CEO and four most highly compensated officers of PLDT, as a group, namely, Marilyn A. Victorio-Aquino, Menardo G. Jimenez, Jr., Gina Marina P. Ordoñez and Danny Y. Yu; and (2) all other executive officers, other officers and directors, as a group.

	2026	2025	2024
	Estimate	Actual	
	(amounts in million Php)		
President and CEO and four most highly compensated executive officers:			
Salary ⁽¹⁾	148	144	155
Bonus ⁽²⁾	19	19	19
Other compensation ⁽³⁾	97	226	95
	<u>264</u>	<u>389</u>	<u>269</u>
All other executive officers, other officers and directors as a group (excluding the President and CEO and four most highly compensated executive officers):			
Salary ⁽¹⁾	543	564	550
Bonus ⁽²⁾	81	86	80
Other compensation ⁽³⁾	416	962	514
	<u>1,040</u>	<u>1,612</u>	<u>1,144</u>

⁽¹⁾ Basic monthly salary.

⁽²⁾ Includes longevity pay, mid-year bonus, 13th month and Christmas bonus.

⁽³⁾ Includes Variable Pay/Short-term Incentive Plan, or STIP, and other payments. Variable Pay/STIP is based on an annual incentive system that encourages and rewards both individual and group/team performance and is tied to the achievement of Corporate/Unit/Customer Satisfaction Objectives. It covers regular officers and executives of the Company and is based on a percentage of their Guaranteed Annual Cash Compensation. Included in the 2025 figure is the amount of award under the Long-Term Incentive Plan (LTIP).

Each of the directors of the Company is entitled to a director's fee of Php250,000 for each meeting of the Board of Directors attended. In addition, the directors who serve in the committees of the Board of Directors, namely, the Audit, Governance, Nomination and Sustainability, Executive Compensation, Technology Strategy, and Risk Committees and Data Privacy and Information Security Committee, are each entitled to a fee of Php125,000 for each committee meeting attended.

Except for the fees mentioned above, the directors are not compensated, directly or indirectly, for their services as such directors. The aggregate amount of *per diems* paid to the directors for their attendance in Board and Board Committee meetings is included in other compensation in the above table. The total amount of *per diems* paid in 2025 and 2024 were approximately Php62 million and Php85 million, respectively. The total amount of *per diems* estimated to be paid in 2026 is approximately Php67 million.

There are no agreements between PLDT Group and any of its key management personnel providing for benefits upon termination of employment, except for such benefits to which they may be entitled under PLDT Group's retirement and incentive plans.

Long-Term Incentive Plan

As noted above, we have established the LTIP to provide incentive compensation to key officers, executives and other eligible participants who are consistent performers and contributors to the Company's strategic and financial goals.

See Note 3 – Management's Use of Judgments, Estimates and Assumptions, Note 5 – Income and Expenses, Note 23 – Accrued Expenses and Other Current Liabilities and Note 25 – Pension and Other Employee Benefits to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for related discussion.

Item 11. Security Ownership of Certain Beneficial Owners, Directors and Executive Officers

Security Ownership of Certain Record and Beneficial Owners

The following table sets forth the record owners and, to the best knowledge of the Board of Directors and Management of the Company, the beneficial owners of more than five percent of the Company's outstanding shares of Common Stock and Voting Preferred Stock, the number of shares owned by, and percentage of shareholdings of each of them, as at December 31, 2025.

Title of Class	Name and Address of Record Owner and Relationship With Issuer	Citizenship	Name of Beneficial Owner and Relationship with Record Owner	Number of Shares Held	Percentage of Common Stock	Percentage of Voting Stock
Common	Philippine Telecommunications Investment Corporation ⁽¹⁾ 10th Floor Net One Building, 26th Street Bonifacio Global City, Fort Bonifacio, Taguig City Major Stockholder	Philippine Corporation	Same as Record Owner	26,034,263 ⁽²⁾	12.05	7.11
Common	Metro Pacific Resources, Inc. ⁽³⁾ c/o Corporate Secretary Unit 10-3 and 10-4 10th Floor Net One Building, 26th Street corner 3rd Avenue, Fort Bonifacio, Taguig City Major Stockholder	Philippine Corporation	Same as Record Owner	21,556,676 ⁽²⁾	9.98	5.89
Common	NTT DOCOMO, INC. ⁽⁴⁾ 11-1 Nagata-Cho, 2-Chome Chiyoda Ku, Tokyo 100-6150, Japan Major Stockholder	Japanese Corporation	See Footnote 7	22,796,902 ⁽⁵⁾	10.55	6.23
Common	NTT Communications Corporation ⁽⁶⁾ Otemachi Place West Tower 33F 2-3-1 Otemachi, Chiyoda-ku Tokyo 100-8019, Japan Major Stockholder	Japanese Corporation	See Footnote 7	12,633,487	5.85	3.45
Common	JG Summit Group ⁽⁸⁾ 43/F Robinsons Equitable Tower ADB Avenue corner Poveda Road, Ortigas Center, Pasig City Major Stockholder	Philippine Corporation	See Footnote 8	24,342,455	11.27	6.65
Common	Social Security System ⁽⁹⁾ 9/F SSS Building East Avenue, Quezon City Major Stockholder	Philippine Corporation	See Footnote 9	9,613,282	4.45	2.63
Common	PCD Nominee Corporation ⁽¹⁰⁾ 29/F BDO Equitable Tower 8751 Ayala Ave. cor. Paseo de Roxas St., Makati City 1226 Major Stockholder	Philippine Corporation	See Footnote 10	85,395,902	38.14	22.51
Common	J.P. Morgan Hongkong Nominees Limited ⁽¹¹⁾ (various accounts) c/o HSBC Securities Services 7/F HSBC Centre 3058 5th Ave. West BGC, Taguig City Major Stockholder	Hong Kong Corporation	See Footnote 10	11,515,131	5.33	3.15
Voting Preferred	BTF Holdings, Inc. ⁽¹²⁾ Ramon Cojuangco Building, Makati Avenue, Makati City	Philippine Corporation	Same as Record Owner	150,000,000	—	40.98

(1) Based on a resolution adopted by the Board of Directors of Philippine Telecommunications Investment Corporation, or PTIC, the Chairman of the Board of PTIC, Mr. Manuel V. Pangilinan, has the continuing authority to represent PTIC at any and all meetings of the stockholders of a corporation in which PTIC owns of record or beneficially any shares of stock or other voting security, and to sign and deliver, in favor of any person he may deem fit, a proxy or other power of attorney, with full power of delegation and substitution, authorizing his designated proxy or attorney-in-fact to vote any and all shares of stock and other voting securities owned of record or beneficially by PTIC at any and all meetings of the stockholders of the corporation issuing such shares of stock or voting securities.

(2) In addition to the 26,034,263 and 21,556,676 common shares owned of record respectively by PTIC and Metro Pacific Resources, Inc., ("MPRI"), both of which are Philippine affiliates of First Pacific Company Limited, ("First Pacific"), 7,653,703 common shares representing approximately 3.54% of the outstanding common stock of PLDT, are owned by another Philippine affiliate of First Pacific and registered under the name of PCD Nominee Corporation. The common shares owned by PTIC, MPRI and the other Philippine affiliate of First Pacific (referred to herein as "First Pacific Group") collectively represents 25.57% of the outstanding common stock of PLDT as at December 31, 2025.

(3) Based on a resolution adopted by the Board of Directors of MPRI, Mr. Manuel V. Pangilinan has been appointed as proxy or duly authorized representative of MPRI to represent and vote the PLDT shares of common stock of MPRI in the Annual Meeting.

- (4) Based on publicly available information, NTT DOCOMO, INC., (“NTT DOCOMO”), is a wholly-owned subsidiary of Nippon Telegraph and Telephone Corporation (“NTT”). Based on a certification signed by a duly authorized officer of NTT DOCOMO, Mr. Tetsunori Higashida and Mr. Hidetada Hayashi are authorized to execute for and on behalf of NTT DOCOMO, endorsements, transfers and other matters relating to the PLDT shares of common stock held by NTT DOCOMO.
- (5) In addition to the 22,796,902 common shares owned on record by NTT DOCOMO, NTT DOCOMO also owns 8,533,253 ADSs whose underlying common shares represent approximately 3.95% of the outstanding common stock of PLDT. The common shares and the underlying common shares of the ADS owned by NTT DOCOMO collectively represents 14.50% of the outstanding common stock of PLDT as at December 31, 2025.
- (6) Based on publicly available information, NTT Communications Corporation (“NTT Communications”), is a wholly-owned subsidiary of NTT. Based on a certification signed by a duly authorized officer of NTT Communications, Mr. Hisashi Fujishima or Mr. Takuma Mouri is authorized to execute for and on behalf of NTT Communications, endorsements, transfers and other matters relating to the PLDT shares of common stock held by NTT Communications.
- (7) In publicly available reports filed by NTT Communications and NTT DOCOMO, it is stated that because of NTT’s ownership of all the outstanding capital stock of NTT Communications and of NTT DOCOMO, NTT, NTT Communications and NTT DOCOMO may be considered to constitute a “group” within the meaning of Rule 18.1.5.C of the Amended Implementing Rules and Regulations of The Securities Regulation Code. Therefore, each of them may be deemed to have beneficial ownership of the 43,963,642 shares in aggregate held by NTT Communications and NTT DOCOMO, which collectively represents 20.35% of the outstanding common stock of PLDT as at December 31, 2025.
- (8) The shareholders comprising the JG Summit Group are JG Summit Holdings, Inc. (“JGS”) which owns of record 24,255,732 shares, and JG Digital Equity Ventures Inc. or JGDEV (formerly Express Holdings Inc.) which owns 86,723 shares or a total of 24,342,455 shares, representing 11.27% of the outstanding common stock of PLDT. Based on a certification signed by a duly authorized officer of JGS, under the By-Laws of JGS, each of the Chairman of JGS, Mr. James L. Go and President of JGS, Mr. Lance Y Gokongwei is authorized to vote the 24,255,732 common shares of PLDT owned by JGS and to appoint and/or sign proxies in behalf of JGS in connection with the Annual Meeting. Based on Section 2(d) of Article IV of the By-Laws of JGDEV, the Chairman and President, Mr. Lance Gokongwei is authorized to vote the PLDT common shares of JGDEV and to appoint and/or sign proxies in behalf of JGDEV.
- (9) In addition to the 9,613,282 shares owned on record by the SSS, SSS also beneficially owned 2,570,823 shares of PLDT common stock held of record by PCD as at December 31, 2025. The total beneficial shareholdings of SSS is 12,184,105 shares of PLDT common stock representing 5.64% of the outstanding common stock of PLDT as at December 31, 2025. Based on a resolution adopted by the Board of Directors of the SSS, Mr. Robert Joseph M. de Claro, as PCEO/Vice Chairperson of the SSS, has been authorized to represent and vote the shares of PLDT common stock of SSS in the Annual Meeting of stockholders of PLDT.
- (10) PCD Nominee Corporation (“PCD”), is the registered owner of shares held by participants in the Philippine Depository and Trust Co. (“PDTC”), a private company organized to implement an automated book entry system of handling securities transactions in the Philippines. Under the PDTC procedures, when an issuer of a PDTC-eligible issue will hold a stockholders’ meeting, the PDTC will execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients.
- Based on available information, none of the owners of the PLDT common shares registered under the name of PCD, owned more than 5% of PLDT’s outstanding common stock as at December 31, 2025, except for The Hongkong and Shanghai Banking Corporation Ltd. Clients Account, which owned approximately 7.65% of PLDT’s outstanding common stock as at such date. PLDT has no knowledge if any beneficial owner of the shares under The Hongkong and Shanghai Banking Corporation Ltd Clients Account and Citibank N.A. owned more than 5% of PLDT’s outstanding common stock as at December 31, 2025.
- This account also includes 7,653,703 PLDT common shares beneficially owned by a Philippine affiliate of First Pacific, and 2,570,823 shares of PLDT common stock beneficially owned by the Social Security System.
- (11) J.P. Morgan Hong Kong Nominees Limited (formerly JP Morgan Asset Holdings (HK) Limited) holds shares as nominee of J.P. Morgan Chase Bank, successor depository under the Common Stock Deposit Agreement, dated October 14, 1994, as amended on February 10, 2003, between J.P. Morgan Chase Bank and the holders of ADRs, evidencing ADSs, representing shares of common stock of PLDT (the “Deposit Agreement”). Under the Deposit Agreement, if the depository does not receive voting instructions from a holder of ADRs, such holder will be deemed to have instructed the depository to provide a discretionary proxy to a person designated by PLDT for the purpose of exercising the voting rights pertaining to the shares of common stock underlying the ADS of such holder of ADRs, except that no discretionary proxy will be given with respect to any matter as to which substantial opposition exists or which materially and adversely affects the rights of the holders of such ADRs.
- This account also includes 8,533,253 PLDT common shares underlying ADS beneficially owned by NTT DOCOMO.
- (12) A wholly-owned company of the Board of Trustees for the Account of the Beneficial Trust Fund Created Pursuant to the Benefit Plan of PLDT Co. Based on a resolution adopted by the Board of Directors of BTF Holdings, Inc., the Chairman of the Board of PLDT has been appointed as proxy or duly authorized representative of BTF Holdings, Inc. to represent and vote the PLDT shares of voting preferred stock of BTF Holdings, Inc. in the Annual Meeting.

Except as stated above and in the related footnotes, the Board of Directors and Management of the Company have no knowledge of any other person who, as at December 31, 2025, was directly or indirectly the beneficial owner of, or who has voting power with respect to, shares comprising more than five percent of the Company’s outstanding Common Stock and Voting Preferred Stock as at December 31, 2025.

As at December 31, 2025, approximately 79.78% of the outstanding voting stock and 88.89% of the outstanding capital stock of PLDT were owned by Philippine persons.

As a result of their respective stockholdings, the FP Parties and/or NTT Communications and/or NTT DOCOMO and/or BTFHI are able to influence our actions and corporate governance, including (i) elections of our directors; and (ii) approval of major corporate actions, which require the vote of holders of common and voting preferred stocks.

Additionally, the FP Parties, NTT Communications, NTT DOCOMO and PLDT entered into a Cooperation Agreement, dated January 31, 2006, pursuant to which, among other things, certain rights of NTT Communications under the Stock Purchase and Strategic Investment Agreement dated September 28, 1999, or the Strategic Agreement, and the Shareholders Agreement dated March 24, 2000, or the Shareholders Agreement, were extended to NTT DOCOMO. As a result of the Cooperation Agreement, NTT Communications and NTT DOCOMO, in coordination with each other, have contractual rights relating to a number of major decisions and transactions that PLDT could make or enter into.

Specifically, PLDT may not take any of the following actions described without the approval of NTT DOCOMO and NTT Communications, acting in coordination with each other (however, NTT DOCOMO and NTT Communications may not withhold their consent to such actions in circumstances where PLDT proposes to invest in a business that competes with Nippon Telegraph and Telephone Corporation and its subsidiaries and where the Board of Directors has among other things, approved the transaction):

- capital expenditures in excess of US\$50 million;

- any investments, if the aggregate amount of all investments for the previous 12 months is greater than US\$25 million in the case of all investments to any existing investees and US\$100 million in the case of all investments to any new or existing investees, determined on a rolling monthly basis; or
- any investments in a specific investee, if the cumulative value of all investments made by us in that investee is greater than US\$10 million in the case of an existing investee and US\$50 million in the case of a new investee.

PLDT also may not issue common stock or stock that is convertible into common stock except where NTT Communications and NTT DOCOMO have first been offered the opportunity to purchase their pro rata portion of PLDT's shares of common stock.

PLDT is also aware that each of NTT Communications and NTT DOCOMO has agreed (pursuant to the Shareholders Agreement in the case of NTT Communications and pursuant to the Cooperation Agreement in the case of NTT DOCOMO) to use its best efforts to procure that PLDT not take the following actions without the consent of First Pacific and certain of its affiliates, as well as other parties bound by the provisions of the Shareholders Agreement:

- new business activities other than those we currently engage in;
- merger or consolidation;
- winding up or liquidation of PLDT; or
- applying to a court to order a meeting of creditors or to sanction any compromise or arrangement between creditors and shareholders of PLDT.

As PLDT is not a party to the Shareholders Agreement, the contractual rights held by NTT Communications, NTT DOCOMO, First Pacific and certain of First Pacific's affiliates are not directly enforceable against PLDT.

Pursuant to amendments effected by the Cooperation Agreement to the Stock Purchase and Strategic Investment Agreement and the Shareholders Agreement, upon NTT Communications and NTT DOCOMO and their respective subsidiaries owning in the aggregate 20% or more of PLDT's shares of common stock and for as long as they continue to own in the aggregate at least 17.5% of PLDT's shares of common stock then outstanding, NTT DOCOMO has additional rights under the Stock Purchase and Strategic Investment Agreement and Shareholders Agreement, including that:

- NTT DOCOMO is entitled to nominate one additional NTT DOCOMO nominee to the board of directors of each of PLDT and Smart;
- PLDT must consult NTT DOCOMO no later than 30 days prior to the first submission to the board of PLDT or certain of its committees of any proposal of investment in an entity that would primarily engage in a business that would be in direct competition or substantially the same business opportunities, customer base, products or services with business carried on by NTT DOCOMO, or which NTT DOCOMO has announced publicly an intention to carry on;
- PLDT must procure that Smart does not cease to carry on its business, dispose of all of its assets, issue common shares, merge or consolidate, or effect winding up or liquidation without PLDT first consulting with NTT DOCOMO no later than 30 days prior to the first submission to the board of PLDT or Smart, or certain of its committees; and
- PLDT must first consult with NTT DOCOMO no later than 30 days prior to the first submission to the board of PLDT or certain of its committees for the approval of any transfer of Smart's common capital stock by any member of the PLDT Group to any person who is not a member of the PLDT Group.

Security Ownership of Directors and Executive Officers

The following are the number of PLDT common shares owned of record and/or beneficially by the directors/independent directors, CEO and other executive officers of PLDT as at December 31, 2025:

Name of Record and Address	Citizenship	Title of Class	Number of shares	Amount of Holdings (Based on par value)	Percentage of Class
Manuel V. Pangilinan Chairman of the Board, President and Chief Executive Officer	Filipino	Common	373,521 ⁽¹⁾	Php1,867,605	0.172882
Marilyn A. Victorio-Aquino Director, Senior Vice President Corporate Secretary and Senior Legal Adviser to the Chairman	Filipino	Common	27,395 ⁽¹⁾	136,975	0.012680
Robert Joseph M. de Claro ⁽²⁾ Director	Filipino	Common	1,401	7,005	0.000648
Helen Y. Dee Director	Filipino	Common	53,735 ⁽³⁾	268,675	0.024871
Ray C. Espinosa Director	Filipino	Common	44,743 ⁽¹⁾	223,715	0.020709
James L. Go Director	Filipino	Common	982,724 ⁽¹⁾	4,913 ,620	0.454847
Hidetada Hayashi ⁽⁴⁾ Director	Japanese	Common	5	25	0.000002
Menardo G. Jimenez, Jr. ⁽⁵⁾ Director, Executive Vice President and Chief Operating Officer	Filipino	Common	8,044 ⁽¹⁾	40,220	0.003723
Kazuyuki Kozu Director	Japanese	Common	1 ⁽⁷⁾	5	0.000000
Bernido H. Liu Independent Director	Filipino	Common	1	5	0.000000
Retired Supreme Court Chief Justice Artemio V. Panganiban Independent Director	Filipino	Common	7,771 ⁽¹⁾	38,855	0.003597
Alfredo S. Panlilio Director	Filipino	Common	11,505 ⁽¹⁾	57,525	0.005325
Kazutoshi Shimizu Director	Japanese	Common	1	5	0.000000
Bernadine T. Siy Independent Director	Filipino	Common	1,500 ⁽¹⁾	7,500	0.000694
Marife B. Zamora ⁽⁸⁾ Director	Filipino	Common	60 ⁽⁷⁾	300	0.000028
Victorico P. Vargas Leadership Transition Officer	Filipino	Common	17,950 ⁽⁹⁾	89,750	0.008308
Danny Y. Yu Senior Vice President Chief Financial Officer and Chief Risk Management Officer	Filipino	Common	—	—	—
Gina Marina P. Ordoñez Senior Vice President Chief People Officer	Filipino	Common	5,141 ⁽⁸⁾	25,705	0.002379
Jeremiah M. de la Cruz ⁽¹⁰⁾ Senior Vice President	Filipino	Common	— ⁽¹¹⁾	—	—
Joseph Ian G. Gendrano Senior Vice President	Filipino	Common	897 ⁽⁹⁾	4,485	0.000415
John Gregory Y. Palanca ⁽¹²⁾ Senior Vice President	Filipino	Common	793 ⁽⁸⁾	3,965	0.000367
Patricio S. Pineda III ⁽¹³⁾ Senior Vice President	Filipino	Common	—	—	—

Luis S. Reñon ⁽¹¹⁾ Advisor to the Chairman	Filipino	Common	55 ⁽⁸⁾	275	0.000025
Leo I. Posadas Senior Vice President and Treasurer	Filipino	Common	9,705 ⁽¹²⁾	48,525	0.004492
Louella F. Calixtro ⁽¹⁵⁾ First Vice President and Chief Procurement Officer	Filipino	Common	—	—	—
Joan A. De Venecia-Fabul ⁽¹⁶⁾ First Vice President and Chief Legal Counsel	Filipino	Common	244 ⁽⁹⁾	1,220	0.000113
Patrick F. Santos ⁽¹⁷⁾ First Vice President and Chief Information Security Officer	Filipino	Common	—	—	—
Melissa V. Vergel De Dios First Vice President and Chief Sustainability Officer	Filipino	Common	4,025 ⁽⁹⁾	20,125	0.001863
Gil Samson D. Garcia First Vice President and Head - Financial Reporting and Controllershship	Filipino	Common	33 ⁽⁹⁾	165	0.000015

⁽¹⁾ Includes PLDT common shares that have been lodged with the Philippine Depositary and Trust Co. ("PDTC").

⁽²⁾ Mr. Robert Joseph M. de Claro was elected as a director of the Company effective February 27, 2025 and shall serve the unexpired term of his predecessor in office, Atty. Santiago Dionisio R. Agdeppa.

⁽³⁾ Includes 25,227 shares held by Hydee Management and Resources Corporation, 26,260 shares thru RCBC Trust for the account of Michelle Y. Dee-Santos and 1,865 shares thru RCBC Trust for the account of Ms. Michelle Y. Dee &/or Ms. Johanna Y. Dee and/or ITF Mr. Luis Miguel Santos and 245 shares under the name of Helen Y. Dee. Except for 21,957 certificated shares held by Hydee Management Resources Corporation the rest are thru PCD Nominee Corporation.

⁽⁴⁾ Mr. Hidetada Hayashi was elected as a director of the Company effective September 16, 2025 and shall serve the unexpired term of his predecessor in office, Mr. Kazuyuki Kozu.

⁽⁵⁾ Mr. Menardo G. Jimenez was elected as a director of the Company effective June 10, 2025.

⁽⁶⁾ Mr. Kazuyuki Kozu resigned as a member of the Board of Directors of the Company effective September 15, 2025.

⁽⁷⁾ As at date of resignation.

⁽⁸⁾ Ms. Marife B. Zamora ceased to be a member of the Board of Directors effective June 10, 2025.

⁽⁹⁾ Lodged with PDTC.

⁽¹⁰⁾ Mr. Jeremiah M. de la Cruz was separated from service effective July 1, 20205.

⁽¹¹⁾ As at date of separation.

⁽¹²⁾ Mr. John Gregory Y. Palanca was appointed as Senior Vice President and Consumer Business Home Head concurrent to his position as Sales and Development Head effective May 16, 2025.

⁽¹³⁾ Mr. Patricio S. Pineda III was appointed as Senior Vice President and Enterprise Business Head of the Company effective April 2, 2025.

⁽¹⁴⁾ Includes 140 shares for the account of Jose Antonio G. Posadas under PCD Nominee Corporation.

⁽¹⁵⁾ Mr. Louella F. Calixtro was appointed as First Vice President and Chief Procurement Officer effective November 16, 2025.

⁽¹⁶⁾ Atty. Joan A. De Venecia-Fabul was appointed as First Vice President, Chief Legal Counsel and Head of Legal and Regulatory Affairs Group of PLDT effective January 1, 2025.

⁽¹⁷⁾ Mr. Patrick F. Santos was appointed as First Vice President/Chief Information Security Officer and Cybersecurity Operations Head effective November 1, 2025.

Change in Control

There has been no change in control of the Company since the beginning of 2025 and the Board of Directors and Management of the Company are not aware of any existing, pending, or potential transaction which may result in such change in control.

Item 12. Certain Relationships and Related Party Transactions

Related Party Transactions

PLDT, in the ordinary course of business, engages in transactions with some of its stockholders, its subsidiaries and affiliates, and directors and officers and their close family members.

PLDT has in place a Material Related Party Transactions (MRPT) Policy in accordance with the Company's CG Manual and in compliance with Philippine SEC Memorandum Circular No.10, Series of 2019 or the Rules on Material Related Party Transactions for Publicly Listed Companies. The Company's MRPT Policy covers transactions of PLDT and the other members of the PLDT Group that meet or exceed the materiality threshold of ten percent (10%) of PLDT's total consolidated assets. It defines the processes, controls and safeguards for the proper handling, including review, approval and disclosure, of related party transactions (RPT) in accordance with applicable laws and regulations. Each Material RPT shall be subject to prior review by the Audit Committee, composed of independent directors, to determine whether the same meets the following standards: (a) it is on arm's length terms, and (b) it is in the best interest of the Company and its shareholders, considering relevant factors and circumstances. A copy of the MRPT Policy is posted on the PLDT website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2022-01/material-related-party-transactions-policy.pdf>. This website does not form part of this annual report on Form 17-A.

Related party transactions involving an amount below the specified materiality threshold shall be covered by our Guidelines on the Proper Handling of Related Party Transactions.

For a detailed discussion of our material related party transactions, see *Note 24 – Related Party Transactions* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements".

Except for the transactions discussed in *Note 24 – Related Party Transactions* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements", there were no other material related party transactions during the last three financial years, nor are there any material transactions currently proposed between PLDT and any: (i) director, officer, direct or indirect owner of 10% or more of the outstanding shares in PLDT; (ii) close family member of such director, officer or owner; (iii) associates of PLDT; (iv) enterprises controlling,

controlled by or under common control with PLDT; or (v) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any director, officer or owner of 10% or more of the outstanding shares in PLDT or any close family member of such director, key officer or owner, or collectively, the Related Parties.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance: Structure, Policies and Processes

Our Corporate Governance framework defines how we strive to create sustainable value for the Company, fulfill our commitments to our stakeholders, and develop a strong corporate culture. It is grounded on our core governance principles of integrity, accountability, transparency, and fairness, and embodied in the governance structure, policies, processes and standards set out in PLDT's Articles of Incorporation, By-Laws, Manual on Corporate Governance ("CG Manual"), Code of Business Conduct and Ethics ("Code of Ethics") and Corporate Shared Value Statement ("CSV Statement").

The Company continuously seeks to raise the standards of its business conduct through its compliance with applicable governance rules and benchmarking with international best practices. PLDT complies with governance and sustainability standards of the Philippines as a public company listed in the Philippine Stock Exchange ("PSE") and applicable rules and governance standards of the United States as a foreign private issuer with American Depositary Shares listed and traded in the New York Stock Exchange ("NYSE"). PLDT benchmarks with the governance standards of Hong Kong being an associated company of First Pacific Company Ltd., which is listed in the Hong Kong Stock Exchange.

Governance Structure

Board of Directors. Our Board of Directors ("Board") is composed of 13 members, with 10 non-executive directors, which include three independent directors, and three executive directors. Three directors, including one independent director, are female. All the directors are qualified and competent members with diverse and complementing skills, expertise, experience, and knowledge in their respective fields or industries, such as telecommunications, Information and Communication Technology ("ICT"), accounting and finance, banking, insurance, investments, consumer and retail industry, infrastructure and property development, legal and public administration, and environment and natural resources. At least five of our non-executive directors have extensive experience in the telecommunications industry.

Chairman of the Board. Our Chairman, Mr. Manuel V. Pangilinan, provides leadership for the Board and ensures that the Board works effectively and performs its duties responsibly. He presides and facilitates discussions in Board meetings focusing on strategic matters, risk management, key issues and governance concerns that will affect the business operations. The Chairman ensures that the lines of communication and the flow of information between Management and the Board are maintained and that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.

Independent Directors. Three of our directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Ms. Bernadine T. Siy, are independent directors who are neither officers nor employees of PLDT or any of its subsidiaries, and who are free from any business or other relationship with PLDT or any of its subsidiaries which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out their responsibilities as independent directors. The directors' independence standards/criteria are provided in our By-Laws and CG Manual. On June 10, 2025, the Board reappointed Retired Supreme Court Chief Justice Panganiban as PLDT's Lead Independent Director. The functions of the lead independent director include, among others, serving as an intermediary between the Chairman and the other directors, as needed, convening and leading meetings of the non-executive directors, and contributing to the performance evaluation of the Chairman, as may be required.

Term Limit of Independent Directors. As a rule, our independent directors shall only serve for a maximum of nine consecutive years reckoned from 2012 (the "Term Limit"). However, consistent with applicable regulations, in case the stockholders who have a legal right to vote for the election of directors desire to re-elect an independent director beyond the Term Limit for meritorious justifications, PLDT upholds the stockholders' legal right and discloses the meritorious justifications for retaining an independent director beyond the Term Limit during its Annual Stockholders' Meeting ("ASM"). Pursuant to the Code of Corporate Governance for Publicly Listed Companies ("CG Code"), in 2025, based on meritorious justifications disclosed during its ASM, stockholders exercised their legal right to re-elect independent directors, Hon. Panganiban and Mr. Liu for another term of one year. On January 26, 2026, the Securities and Exchange Commission ("SEC") issued Memorandum Circular ("MC") No. 7, Series of 2026 on the Term Limit of Independent Directors, to take effect on February 01, 2026, or at the next stockholders' meeting. Cognizant of the mandate of the SEC MC, the Company is taking steps to comply with the amended rules.

Advisory Board/Committee. Our Board is supported by an Advisory Board/Committee composed of Mr. Benny S. Santoso, Mr. Christopher H. Young, and Mr. Roberto C. Yap, S.J., as independent advisor. The Advisory Board/Committee members have no voting rights, but provide guidance and suggestions, as necessary, on matters deliberated upon during Board meetings.

Board Charter. Our Board adopted its Charter on November 09, 2017. The Charter is intended to serve as guide for the Board and each director in the performance of their functions and fiduciary duties. It sets out the Board's structure, powers, duties and responsibilities, and identifies corporate actions requiring Board and stockholders' approval. The Board Charter is available on the website:

<https://cms.pldt.com/drupal/sites/default/files/docs/board-of-directors-charter.pdf>.

Board Duties and Responsibilities. The primary responsibility for ensuring good corporate governance in PLDT is vested in our Board. The Board has the authority and responsibility to exercise the corporate powers, conduct the business and control the properties of the Company. Directors are expected to perform their duties diligently and in good faith and devote sufficient time and attention for such purposes. The Board and the directors are bound to act in the best interest of the Company and for the common benefit of its stockholders and other stakeholders.

To ensure a high standard of governance for the Company, the Board performs the following functions and duties with the assistance of the Board Committees:

- *Corporate Governance.* The Board, with the assistance of the Governance, Nomination and Sustainability Committee, establishes the Company's corporate governance framework, principles and policies aligned with business objectives, and oversees their implementation, including the implementation of the Conflict of Interest and Expanded Whistleblowing Policies, and the implementation of continuing education and communication programs on good governance.
- *Determination and review of Company Vision, Mission, and strategic objectives.* The Board, in coordination with Management, determines the Vision, Mission and strategic objectives of the Company and reviews the same annually in relation to corporate performance in its annual strategic planning session with Management.
- *Management oversight.* The Board exercises oversight on Management in its execution of the strategic direction and implementation of the policies set by the Board. Included in the Board's annual assessment is an evaluation of the performance of the President and Chief Executive Officer ("CEO") and Management with criteria on development and implementation of the Company's long-term objectives, business strategies, plans and budgets consistent with the Vision, Mission, Values, Principles and overall corporate strategy; anticipation of current and emerging trends; and ensuring that the Company's resources are well managed, among other assessment criteria.
- *Sustainability, Corporate Shared Value and Stakeholder Engagement.* The Board, through the Governance, Nomination and Sustainability Committee, establishes and oversees the implementation of the Company's sustainability strategy, framework, programs and policies. It oversees and provides guidance on the Company's social and environmental investments, approaches, and commitments, underpinned by initiatives that aim to assess and manage the impact of Company operations. It oversees the Company's disclosure of material and reportable information regarding non-financial and sustainability matters, including the Annual and Sustainability Report, among others that cover the management and progress of economic, environmental, social and governance aspects of the business. The Board likewise ensures that the Company has an investor relations program to engage with its shareholders and the investing community at large, as well as programs to interact and communicate with various stakeholders, including the communities where the Company operates.
- *Financial reporting, internal control, internal audit and independent audit.* The Board, with the assistance of the Audit Committee, carries out its oversight responsibilities for the Company's financial reporting, internal control system, internal audit and independent audit mechanisms, and reviews material related party transactions.
- *Enterprise risk management.* The Board, with the assistance of the Risk Committee, fulfills its oversight responsibilities for the Company's assessment and management of enterprise risks, and reviews and discusses with Management the Company's major risk exposures and the corresponding risk mitigation measures. The Board likewise reviews, on an annual basis, the Company's capital and debt structure and its compatibility with the Company's strategic goals and associated risk appetite.
- *Technology.* The Board, with the assistance of the Technology Strategy Committee, reviews and approves the Company's technology strategy and roadmap, and capital expenditures for network and technology.
- *Data Privacy and Information Security.* The Board, with the assistance of the Data Privacy and Information Security Committee, oversees data privacy, information security, and cybersecurity governance, reviews and approves the Company's strategic plans on data privacy, information and cybersecurity, oversees the adoption and implementation of a system for identifying, assessing, monitoring, and managing enterprise-wide data privacy, information and cybersecurity risks, including its framework, structure, policies, standards, and processes.
- *Succession planning, professional development, and executive compensation.* The Board, through its Executive Compensation Committee, reviews the criteria for employment, promotion, and professional development plans for Senior Management, keeps track of their performance, and evaluates their potential for other critical roles and leadership paths. A succession planning process is facilitated within the PLDT Group referred to as the critical talent program. The Board is assisted by the Executive Compensation Committee in developing the compensation philosophy or policy of the Company consistent with its strategy, culture, and control environment.
- *Selection process for directors and appointment of officers.* The Board, with the assistance of the Governance, Nomination and Sustainability Committee, implements a selection process and succession plan to ensure that the Board has an effective and balanced mix of knowledge, expertise, experience, and diversity in terms of, among others, age, gender, business and industry experience and ethnicity, and reviews the qualifications of officers to be appointed or promoted. External sources, such as professional search firms, director databases and/or other reputable sources are accessible and may be used, as appropriate, to further enhance the search for and widen the base of potential nominees.
- *Annual Board assessment.* The Board conducts an annual self-assessment to evaluate the performance of the Board as a whole, the Board Committees and the individual directors, including the President and CEO. Each Board Committee likewise conducts an annual self-assessment of its performance.

Board Meetings. Our Board meets approximately once a month, following a schedule set at the end of the preceding year. Board meeting materials are provided to each director at least five business days before each Board meeting. The Board holds executive sessions with independent directors and non-executive directors, excluding executive directors at least once a year and at such other times as the Board may deem necessary or appropriate. Each director attends and actively participates in all meetings of the Board, except when justifiable causes, identified in the Board Charter, prevent a director from attending. A director who is absent in more than fifty percent (50%) of all Board meetings during his/her term, or in any 12-month period within his/her incumbency, without justifiable cause, may be disqualified for purposes of the succeeding election.

Directorships in Other Corporations. Our Board follows a performance-based standard in determining whether directorships in other companies compromise the capacity of a director to serve or perform his/her duties and responsibilities diligently and efficiently. Differences in individual capabilities and the nature and demands of directorships in other companies are given due consideration in determining fitness and capacity to serve on our Board. Before accepting a directorship in another company, directors notify the Board and carefully consider the effect of accepting such directorship on his/her ability to serve and perform duties and responsibilities diligently and efficiently as a director of the Company.

Board Committees

Audit Committee ("AC"). Our AC is composed of three members, all of whom are independent directors. The AC members are Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Ms. Bernadine T. Siy, who is the chairperson of this committee. The AC is supported by three advisors, namely, Mr. Hidetada Hayashi and Mr. James L. Go, who are non-independent directors, and Ms. Corazon S. de la Paz-Bernardo, a former member of our Board. All the members of our AC are financially literate.

Ms. Siy holds a master's degree in Management with majors in Finance and Accounting from the J.L. Kellogg Graduate School of Management of Northwestern University in Chicago, Illinois, USA. Ms. Corazon S. de la Paz-Bernardo has expertise in accounting and financial management. She is a former Chairman and Senior Partner of Joaquin Cunanan & Company, now Isla Lipana & Co., a member firm of Pricewaterhouse Coopers ("PwC"). The AC assists the Board in fulfilling its oversight responsibility for: (i) the integrity of the Company's accounting and financial reporting principles and policies, and system of internal controls, including the integrity of financial statements and the independent audit thereof; (ii) the Company's compliance with legal and regulatory requirements; and (iii) the Company's audit process and the performance of the internal audit organization and the external auditor (including the external auditor's qualifications and independence). For efficiency, the Board has determined that in lieu of creating a distinct Related Party Transaction Committee, the AC's functions shall include the review of material related party transactions and significant unusual transactions, in accordance with the materiality threshold set in the Material Related Party Transactions Policy and the Guidelines on the Proper Handling of Related Party Transactions or by the Board. The purposes, duties and powers of the AC are set out in the AC Charter which is published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2025-01/amended-ac-charter-01-28-25.pdf>.

Governance, Nomination and Sustainability Committee ("GNSC"). Our GNSC is composed of five voting members, all of whom are members of our Board, and two non-voting members. A majority of the voting members of the GNSC are independent directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu, and Ms. Bernadine T. Siy, and the two other voting members are non-executive director, Mr. Hidetada Hayashi and executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee. The two non-voting members are the Chief People Officer, Ms. Gina Marina P. Ordoñez and the Chief Sustainability Officer, Ms. Melissa V. Vergel De Dios. The GNSC assists the Board in the performance of its functions to: (i) establish the Company's corporate governance framework, principles and policies aligned with business objectives, and oversee their implementation and the implementation of continuing education and communication programs on good governance; (ii) develop and implement an evaluation process for the annual review of the performance of the Board, the Board Committees and the individual directors, including the President and CEO; (iii) review and evaluate the qualifications of the persons nominated to the Board and to other positions requiring appointment by the Board; (iv) identify persons qualified to become members of the Board and/or the Board Committees; (v) assess the effectiveness of the Company's nomination and selection process for the Board and Board Committees, which includes access to external sources; (vi) establish the Company's sustainability strategy, framework, programs, and policies and oversee their implementation; and (vii) oversee the Company's social investments and commitments to making meaningful impact to communities. The purposes, duties, and powers of the GNSC are set out in the GNSC Charter which is published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2025-02/gnsc-charter-nov5-2020.pdf>.

Executive Compensation Committee ("ECC"). Our ECC is composed of five voting members, all of whom are members of our Board of Directors, and one non-voting member. A majority of the voting members are independent directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Ms. Bernadine T. Siy. The two other voting members are non-executive director, Mr. Hidetada Hayashi and executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee. The non-voting member is the Chief People Officer, Ms. Gina Marina P. Ordoñez. The ECC assists the Board in the performance of its functions to: (i) oversee the development of a compensation philosophy or policy consistent with the strategy, culture, and control environment of PLDT; (ii) oversee the development and administration of the Company's executive compensation programs, including long-term incentive plans and equity-based plans for officers and executives; (iii) oversee the development and administration of the Company's performance management framework to monitor and assess the performance of Management led by the CEO; (iv) oversee the succession plan for officers, including the CEO; and (v) oversee the development and implementation of professional development programs for officers. The purposes, duties, and powers of the ECC are set out in the ECC Charter which is published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2022-05/amended-ecc-charter-mar22-2022.pdf>.

Risk Committee ("RC"). Our RC is composed of five voting members, all of whom are members of our Board of Directors, and a non-voting member. Three of the voting members are independent directors, namely, Mr. Bernido H. Liu, Ms. Bernadine T. Siy, and Retired

Supreme Court Chief Justice Artemio V. Panganiban, who is the chairman of this committee. The two other voting members are non-executive directors, namely, Mr. Hidetada Hayashi and Mr. James L. Go. The non-voting member is the Chief Risk Management Officer, Mr. Danny Y. Yu. The RC assists the Board in the performance of its functions to: (i) oversee Management's adoption and implementation of a system for assessing, monitoring, and managing key risk areas; (ii) review Management's reports on the Company's major risk exposures; and (iii) review Management's plans and actions to minimize, control or manage the impact of such risks. The purposes, duties and powers of the RC are set out in the RC Charter which is published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2022-05/amended-rc-charter-mar22-2022.pdf>.

Technology Strategy Committee ("TSC"). Our TSC is composed of four voting members and one non-voting member. The voting members are executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee, and non-executive directors, Atty. Ray C. Espinosa, Mr. James L. Go, and Mr. Hidetada Hayashi. The non-voting member is an executive director and the Chief Operating Officer, Mr. Menardo G. Jimenez, Jr. The TSC assists the Board in the performance of its functions to: (i) review and approve the strategic vision for the role of technology in PLDT's overall business strategy, including the technology strategy and roadmap of PLDT; (ii) fulfill its oversight responsibilities for PLDT's effective execution of its technology-related strategies; and (iii) ensure the optimized use and contribution of technology to PLDT's business and strategic objectives and growth targets. The purposes, duties, and powers of the TSC are set out in the TSC Charter which is published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2022-04/amended-tsc-charter-mar22-2022.pdf>.

Data Privacy and Information Security Committee ("DPISC"). Our DPISC is composed of five voting members. The members are non-executive directors, Atty. Ray C. Espinosa, Mr. Hidetada Hayashi and independent director, Mr. Bernido H. Liu; as well as executive directors, Atty. Marilyn A. Victorio-Aquino, and Mr. Manuel V. Pangilinan, who serves as chairman of this committee. The DPISC assists the Board in the performance of its oversight functions relating to data privacy, information and cybersecurity, including to (i) promote effective data privacy, information and cybersecurity governance; (ii) review and approve the Company's strategic plans on data privacy, information and cybersecurity; (iii) ensure accountability for compliance with regulatory standards and best practices on data privacy, information and cybersecurity; (iv) foster a culture of privacy, information and cybersecurity; and (v) oversee Management's adoption and implementation of a system for identifying, assessing, monitoring and managing enterprise-wide data privacy, information and cybersecurity risks. The purposes, duties, and powers of the DPISC are set out in the DPISC Charter which is published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2025-02/dpisc-charter-nov5-2020.pdf>.

President & CEO and Management. The President and CEO has general care, management, and administration of the business operations of the Company. He ensures that the business and affairs of the Company are managed in a sound and prudent manner and that operational, financial, and internal controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations, and contracts. He provides leadership for Management in developing and implementing business strategies, plans and budgets to the extent approved by the Board. To enable the members of the Board to properly fulfill their duties and responsibilities, the CEO provides the Board with a balanced and understandable account of the Company's performance, financial condition, results of operations and prospects on a regular basis. He directs Management to provide the Board/directors with adequate and timely information about the matters to be taken up in their Board meetings and, upon the request of any director or the Board, to make presentations on specific topics and respond to further inquiries in relation thereto during Board meetings. He ensures that the directors have independent access to Management. The President and CEO: (i) communicates and implements the Company's Vision, Mission, values and overall strategy and promotes the appropriate enhancement in the organization or its stakeholder engagement in relation to the same; and (ii) serves as the link between internal operations and external stakeholders. Management formulates, under the oversight of the Audit Committee, financial reporting and internal control systems, rules and procedures.

To ensure effective checks and balances when the roles of Chairman and President are held by the same person, and in order for the Board to benefit from independent views and exercise objective and independent judgment on all corporate affairs, the following safeguards are in place: (a) the duties and responsibilities of the Chairman and the President & CEO are clearly defined in the Company's CG Manual; (b) the Board is supported by the following in its exercise of independent oversight over Management: three Independent Directors, and seven other non-executive Directors, the Audit Committee composed entirely of Independent Directors, and the Executive Compensation Committee, Risk Committee and Governance, Nomination and Sustainability Committees with Independent Directors constituting the majority of their respective voting members; and (c) Company policies and procedures established to manage conflicts of interests.

Corporate Secretary. The Corporate Secretary assists the Board in the conduct of its meetings, including the preparation of the schedule and agenda of Board meetings, and ensures that all Board procedures, rules and regulations are observed by the directors, and Management provides the Board with complete and accurate information necessary for judicious decision-making. The Corporate Secretary is responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and Board Committees, as well as other official records of the Company, and contributes to the flow of information between the Board and Management, the Board and its Committees, and the Board and the Company's stakeholders, including stockholders.

Chief Audit Executive/Internal Audit Head. The Chief Audit Executive/Internal Audit Head oversees and is responsible for the internal audit activities of the Company, including any portion thereof that is outsourced to a third-party service provider. The AC reviews the appointment, removal and replacement of the Chief Audit Executive/Internal Audit Head who reports functionally to the AC and administratively to the President and CEO.

Internal Audit Organization. The internal audit organization determines whether the Company's structure of risk management, internal control and governance processes are adequate and functioning, and provides reasonable assurance that, among others, significant financial, management, and operating information are accurate, reliable, and timely, and employees and contractors act in compliance with policies, procedures, and applicable laws, regulations and governance standards. It provides independent and objective assurance and advisory

services across operations, assets and personnel of the Company. It evaluates the adequacy and effectiveness of governance, risk management and control processes. It also provides recommendations on revenue opportunities, cost savings, and operational improvements. The internal audit organization complies with the Global Internal Audit Standards, as verified by an independent quality assessor through an external quality assessment review conducted at least once every five years.

External Auditor. The Company's external auditor is appointed by the AC which reviews its qualifications, performance, and independence. To ensure objectivity in the performance of its duties, the external auditor, or its lead audit partner having the primary responsibility for the audit of PLDT's financial accounts, is subject to the rules on rotation and change, every five years, general prohibitions on hiring of staff of the external auditor, and full and appropriate disclosure to, and prior approval by, the AC of all audit and non-audit services and related fees. Approval of non-audit work by the external auditor is principally tested against the standard of whether such work will conflict with its role as an independent auditor or would compromise its objectivity or independence as such.

Chief Data Privacy Officer. The Chief Data Privacy Officer ("CDPO") heads the Risk and Privacy Office and is tasked to: (i) ensure the PLDT Group's compliance with data privacy laws, regulations, and best practices; (ii) provide direction and coordinate closely with PLDT Group business units to ensure effective implementation of data privacy strategies including policies, procedures, processes, and compliance review; and (iii) collaborate with data privacy regulatory agencies on behalf of the PLDT Group. The CDPO likewise provides regulatory and technical support for data privacy-related matters and functions to the DPISC.

Chief Financial Officer. The Chief Financial Officer ("CFO") is responsible for overseeing the Company's financial operations and decision-making based on short and long term strategic financial objectives. The CFO works closely with the President and CEO in establishing best practices in the implementation and communication of finance functions, programs and operations covering business finance, financial controllership, tax management and advocacy, treasury, and revenue assurance and fraud risk management. The CFO likewise oversees asset management, strategic investor relations functions, compliance with relevant public disclosure requirements and financial standards, and the development of strategic plans to improve the Company's overall financial health and long-term viability.

Chief Governance Officer. The Chief Governance Officer monitors compliance with the provisions and requirements of corporate governance laws, rules and regulations, reports violations and recommends the imposition of disciplinary actions for such violations, and the adoption of measures to prevent its repetition, subject to further review and approval by the Board, through the GNSC. The Chief Governance Officer assists the Board and the GNSC in the performance of their governance functions, including the implementation of corporate governance rules and policies, proper onboarding of new directors, and conduct of corporate governance trainings for directors and officers, and collaborates with other responsible departments of the Company to: (i) monitor, review, evaluate and ensure compliance with relevant laws and regulations; (ii) ensure the integrity and accuracy of documentary submissions to regulatory agencies; and (iii) address compliance issues. Under the supervision and direction of the Chief Governance Officer, the Corporate Governance Office assists in the communication and implementation of the corporate governance policies adopted by the Board.

Chief Information Security Officer. The Chief Information Security Officer ("CISO") heads the Cyber Security Operations Group and is tasked to: (i) improve, develop and implement information and cybersecurity-related policies, processes and technologies; (ii) ensure enterprise-wide alignment and oversight of compliance with applicable cybersecurity laws, regulations and standards; (iii) provide executive oversight of cybersecurity regulatory compliance and cybercrime case management; (iv) provide executive oversight and strategic direction for collaboration with government agencies and private sector entities, with such regulatory coordination and external engagement, in support of national and industry-wide initiatives against cyber threats and/or cybercrime; and (v) ensure alignment of cybersecurity policies and practices across PLDT and Smart. The CISO likewise provides strategic, regulatory, and technical guidance for cybersecurity-related matters and functions to the DPISC.

Chief Legal Counsel. The Chief Legal Counsel leads the legal and regulatory affairs of the PLDT Group, composed of PLDT and its subsidiaries. The Chief Legal Counsel supports the PLDT Group's corporate activities and directs the formulation and implementation of legal strategies, policies, standards, and guidelines designed to promote compliance with applicable laws, rules, and regulations. The Chief Legal Counsel oversees the identification, assessment, and mitigation of legal and regulatory risks across the PLDT Group, including the management of material disputes, investigations, and claims, and the supervision of the review, negotiation, and documentation of significant contracts, transactions, and corporate actions. The Chief Legal Counsel also manages regulatory compliance across the PLDT Group through engagement and coordination with relevant regulatory agencies and national and local government units, monitoring of regulatory developments and issuances affecting the business, and the implementation of internal controls and processes intended to manage regulatory exposure and support timely compliance with applicable requirements. In addition, the Chief Legal Counsel leads initiatives to promote legal and regulatory awareness across the PLDT Group, including the development and conduct of compliance education and training programs, in coordination with relevant business units, to help foster a culture of compliance. Where appropriate, the Chief Legal Counsel coordinates with internal stakeholders and external counsel and advisers to promote consistent interpretation and application of legal and regulatory requirements and disciplined management of legal and regulatory matters across the PLDT Group.

Chief People Officer. The Chief People Officer ("CPO") leads the effective implementation of people-focused strategies, programs, and operations across the organization. The CPO oversees Talent Management, Organizational Planning, and Human Resources Operations, including key areas such as Workplace Experience and Labor Relations. The CPO fosters a high-performing workplace by optimizing organizational structures, policies, processes, and people analytics, and drives a robust talent strategy focused on building a skilled, resilient workforce and an agile workplace across the Group. The CPO serves as a non-voting member of the Board's ECC and GNSC.

Chief Risk Management Officer. The Chief Risk Management Officer ("CRMO") is tasked to: (i) plan the overall strategy of the different risk management units of the PLDT Group; (ii) review risk management activities and controls of the operational units; (iii) review internal and external factors that can negatively affect the PLDT Group risk profile; (iv) influence, and when necessary, challenge material risk

decisions and initiatives; (v) monitor that risks are within the bounds of the risk appetite of the PLDT Group; and (vi) review and escalate critical risks to Management, the Risk Committee and the Board, as necessary, advising them on requisite actions.

Group Enterprise Risk Management Department. The Group Enterprise Risk Management Department (“GRMD”) provides support to the CRMO by implementing an integrated risk management program with the goal of identifying, analysing and managing the PLDT Group’s risks to an acceptable level so as to enhance opportunities, reduce threats, and sustain competitive advantage. The implementation of the enterprise risk management (“ERM”) process ensures that critical risks are well understood and effectively managed across all functions and units within the PLDT Group. This is achieved through the operationalisation of the Enterprise Risk Management Framework (“ERMF”), a standardised approach to risk identification, assessment and management. The ERMF is aligned with the ISO 31000 Risk Management Standard, Committee of Sponsoring Organizations of the Treadway Commission (“COSO”)’s ERM Framework, risk considerations found in the S&P Global Corporate Sustainability Assessment, and GRI Standards. The GRMD manages execution of the Three Lines of Defense Model to ensure that all layers of the organization contribute to managing enterprise risks through the implementation of identified controls and mitigation strategies. The GRMD likewise facilitates the risk assessment exercise of Management, implements activities to build an effective culture of risk management across the organization, and communicates and reports significant risk exposures, including business risks, control issues and risk mitigation plans to the Risk Committee. The GRMD Head supervises the ERM process and spearheads the development, implementation, and improvement of ERM processes and documentation, and communicates the top risks and status of implementation of risk management strategies and action plans to the CRMO, CEO, and the Risk Committee.

Chief Sustainability Officer. The Chief Sustainability Officer (“CSO”) heads the Corporate Sustainability Office and is responsible for developing and managing the Company’s overall sustainability strategy and roadmap, which is aligned with global Environmental, Social and Governance (“ESG”) practices and reflects the Company’s commitment to doing business responsibly. The CSO ensures the enterprise-wide alignment to the Company’s sustainability roadmap through the integration of sustainability metrics in the organization’s key performance indicators. In addition, the CSO oversees the Company’s compliance with relevant sustainability-related laws, regulations, standards and frameworks. The CSO is also tasked with shaping the corporate sustainability narrative. This includes the preparation and disclosure of the Annual and Sustainability Report in accordance with globally recognized sustainability standards and reporting frameworks. The CSO engages with stakeholders through materiality assessments, strategic partnerships, and participation in forums to share the Company’s sustainability journey and progress.

The CSO regularly provides updates to the President and CEO, and the Board, through the GNSC, on the progress of initiatives supporting the Company’s material areas and sustainability roadmap. The CSO likewise informs the Board of the latest sustainability-related developments, standards, applicable laws and regulations, and evolving market expectations. The CSO identifies sustainability-related risks and the corresponding mitigating measures which are presented to the Board through the RC.

Policies and Practices

The Company promotes a culture of good corporate governance through the implementation of its CG Manual, Code of Ethics, and related corporate governance policies.

CG Manual. Our CG Manual, which was approved and adopted by the Board on May 12, 2017, in accordance with the CG Code issued under SEC MC No. 19, Series of 2016, defines our corporate governance framework and structure. Together with PLDT’s Articles of Incorporation and By-Laws, it assigns and delineates functions and responsibilities, and entrusts powers, authorities, and resources for the execution of such functions and responsibilities. The CG Manual provides, among other matters, the composition and responsibilities of the Board, the Company’s duties towards its shareholders in general, its minority shareholders and its other stakeholders, and the Company’s obligation to comply with applicable disclosure rules. A copy of the CG Manual is published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2022-01/pldt-manual-on-corporate-governance.pdf>.

Code of Ethics. Our Code of Ethics defines the Company’s corporate governance principles of integrity, accountability, transparency, and fairness, which the Company shall observe in the conduct of its business. It sets the governance and ethical standards that shall govern and guide all business relationships of the Company, its directors, officers, and employees. The implementation of the Code of Ethics is reinforced by enabling policies such as the Conflict of Interest Policy, Supplier/Contractor Relations Policy, Expanded Whistleblowing Policy, Gifts, Entertainment and Sponsored Travel Policy, as well as the Policy on Gift-Giving Activities which, in conjunction with the Code of Ethics, embody the Company’s anti-corruption policy. The Company’s CG policies, including the Code of Ethics, are reviewed at least once every two years to ensure that they are appropriate for PLDT, benchmarked with global best practices, and compliant with applicable laws and regulations. On September 17, 2024, the Board reviewed and approved the updated Code of Ethics that is aligned with applicable international best practices on corporate governance and sustainability. A copy of the Code of Ethics is published on the website: https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2024-09/pldt-code-of-business-conduct-and-ethics_0.pdf.

Whistleblowing complaints are reported periodically to the Board’s GNSC, whose voting members are composed of a majority of Independent Directors; and the AC, composed entirely of Independent Directors. The Company’s Whistleblowing Hotlines/Facility: +63 (2) 88888-CGO (246) and CGOHotline@pldt.com.ph are accessible to employees and external parties, including suppliers and contractors, to receive complaints involving illegal or unethical conduct and related concerns in the Company. The Whistleblowing Hotlines/Facility include a confidential intranet whistleblowing reporting system provided by an independent third party. Reporters may also visit the CGO located at the 6th Floor, Makati General Office Building, De la Rosa corner Legaspi Streets, Makati City. Confidentiality is observed in the handling of whistleblowing complaints and whistleblowers and witnesses are protected from retaliation.

Material Related Party Transactions Policy. PLDT’s Material Related Party Transactions (“MRPT”) Policy was adopted in 2019 in accordance with the Company’s CG Manual and in compliance with SEC MC No.10, Series of 2019 or the Rules on Material Related Party Transactions for Publicly Listed Companies. The Company’s MRPT Policy covers transactions of PLDT and the other members of the

PLDT Group that meet or exceed the materiality threshold of ten percent (10%) of PLDT's total consolidated assets. It defines the processes, controls and safeguards for the proper handling, including review, approval and disclosure, of such related party transactions ("RPT") in accordance with applicable laws and regulations. Each Material RPT shall be subject to prior review by the Audit Committee, composed of independent directors, to determine whether the same meets the following standards: (a) it is on arm's length terms, and (b) it is in the best interest of the Company and its shareholders, considering relevant factors and circumstances. A copy of the MRPT Policy is published on the website: <https://pldt.com/docs/default-source/corporate-governance-files/policies/material-related-party-transactions-policy.pdf>.

Incentive-based Compensation Clawback Policy. Approved by the PLDT Board and effective from October 02, 2023, the Incentive-based Compensation Clawback Policy ("Clawback Policy") was instituted to implement the recovery of erroneously awarded incentive-based compensation from current or former PLDT executive officers, including Executive Directors, in the event that the Company is required to prepare an accounting restatement, provided that such incentive-based compensation was received during the three completed fiscal years immediately preceding the date the Company is required to prepare the accounting restatement. As a foreign private issuer with American Depositary Shares listed and traded on the NYSE under the symbol "PHI", the Clawback Policy complies with applicable NYSE Listing Standards and US Securities laws and regulations. A copy of the Clawback Policy is published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2023-12/Incentive-based-Compensation-Clawback-Policy.pdf>.

As applicable, PLDT's key subsidiaries have adopted corporate governance rules and policies similar in substance and form to the foregoing corporate governance policies and suited to their particular business environments and contexts. They have likewise appointed their respective corporate governance or compliance officers.

Training and Education. The Company provides orientation and continuous training for its Board, Management, and employees. At the start of the service of a new director, the Chairman, President and CEO, CFO, Corporate Secretary and Chief Governance Officer give a newly appointed director a briefing on the Company's structure, business and the responsibilities of the Board and its Committees and how each operates. The new director is also furnished with copies of all relevant information about the Company and policies applicable to directors, including the Company's Articles of Incorporation, By-Laws, Annual Report, CG Manual, Code of Ethics, and the Charters of the Board Committees. Updates on business and governance policies and requirements principally from the Philippine SEC, PSE, United States Securities and Exchange Commission ("US SEC"), and NYSE, and new laws applicable or relevant to the Company and its business, particularly on financial reporting and disclosures and corporate governance, are presented in Board meetings or furnished to the directors. The Company conducts an Annual In-House Corporate Governance Enhancement Session for its directors and officers that provides an opportunity for leadership to engage in discussion with international and local experts on relevant topics, including emerging trends and technologies, new laws, and best business practices. For employees, the Company conducts orientation and periodic training and refresher sessions on Company policies, including corporate governance policies, information and cybersecurity, data privacy, business continuity and resilience, sustainability, internal controls, diversity, gender-based sexual harassment, leadership, skills-building, and wellness and development, supplemented with appropriate communication materials and feedback mechanisms.

Monitoring and Evaluation. PLDT monitors and evaluates the effectiveness of its corporate governance through the annual performance self-assessment conducted by the Board, Board Committees, and individual Directors, the periodic review of the effectiveness of the implementation of the Company's corporate governance policies, the annual compliance evaluation conducted by Management and other tools employed to monitor the implementation of corporate governance policies, including the entity level controls assessment.

- Evaluation system to determine compliance with the CG Code and CG Manual

PLDT monitors and evaluates compliance with the CG Code and CG Manual through a cross-functional evaluation system whereby the heads of the various business and support groups/units conduct an evaluation of their group's/unit's compliance using an evaluation questionnaire consisting of the governance standards set out in the CG Code and CG Manual which are applicable and relevant to their respective functions. The results of the evaluation are consolidated as input to the Company's Integrated Annual Corporate Governance Report ("IACGR") submitted to the Philippine SEC and PSE. Based on the results of the evaluation, the Company undertakes appropriate measures to further advance its corporate governance standards and practices.

In 2025, PLDT was recognized by the Institute of Corporate Directors, in cooperation with the SEC and PSE, as a top performing Philippine Publicly Listed Company as it achieved the ASEAN Corporate Governance Scorecard ("ACGS") Four Golden Arrow Award.. The Four Golden Arrow Award is an improvement from the Company's Three Golden Arrow Award in previous years. PLDT was also named among the ASEAN Capital Markets Forum's (ACMF) ASEAN Asset Class PLCs, reflecting its strong adherence to the governance standards and best practices embodied in the ACGS. The ACGS evaluates the performance of companies in the areas of rights and equitable treatment of shareholders, sustainability and resilience, disclosure and transparency and responsibilities of the Board, among other criteria.

- Measures undertaken to fully comply with adopted leading practices on good corporate governance

2025 Activities

In addition to the Company's governance structure, policies, and practices that meet international standards on good corporate governance, the following governance activities were undertaken by the PLDT Board in 2025:

1. 11 Board meetings, including one organizational Board meeting; an ASM; and 35 Board Committee meetings;
2. conduct of its ASM on June 10, 2025, with attendance of stockholders who own or hold a total of 314,595,605 shares representing 85.94% of the total shares of Common Stock and Voting Preferred Stock ("Voting Shares") based on the attendance record and proxy report, as at Record Date, April 14, 2025;

3. Board, Board Committee, and Individual Directors' performance assessment for 2024, including a review of the performance of the President & CEO and Management presented to the Board through the GNSC on August 07, 2025;

Members of the Board and the Board Committees accomplished their respective Self-Assessment Questionnaires which have the following criteria: (a) for the Board: Board Composition and Independence, Governance, Roles and Responsibilities, Internal Control, Code of Conduct and other CG Policies, Stewardship, Resources and Support. Internal Governance, Reporting and Disclosure, and Shareholders and Stakeholders Engagement; on the President/CEO and Management: development and implementation of long-term objectives, business strategies, plans and budgets consistent with the Company's vision, mission, values, principles, and overall strategy; leadership; and effectivity in the implementation of Board objectives, strategies and budgets; (b) for the Board Committees: the respective purposes, functions and duties of the Committees; and (c) for the individual Directors: Specific Duties and Responsibilities of a Director, including understanding of the Company's Mission/Vision and values, independent judgment, and attendance and active participation at meetings;

4. use of external sources, such as professional search firms, director databases and/or other reputable sources to further enhance the search for and widen the base of potential nominees;
 5. review and screening of the qualifications of director/independent director nominees in preparation for the Annual Meeting of Stockholders, and thereafter, as appropriate;
 6. review of the qualifications of the PLDT Officers appointed/re-appointed at the Organizational Meeting of the Board following the Annual Meeting of Stockholders and thereafter, as appropriate;
 7. review of the Company's CG Manual, Conflict of Interest Policy, Policy on Gifts, Entertainment and Sponsored Travel, Policy on PLDT's Gift-Giving Activities, Supplier/Contractor Relations Policy, and Expanded Whistleblowing Policy which remain compliant, are appropriate for the needs of Company, and are aligned with the updated Code;
 8. review and approval of the Biodiversity Policy on March 20, 2025, and the Energy Management Policy, and Water Policy on November 11, 2025;
 9. Board's approval for the Company's compliance plan with the Extended Producer Responsibility Act, (Republic Act No.11898) entailing the registration of the Company as an Obligated Enterprise, and the approval of the Company's engagement of a third-party assurer and Producer Responsibility Organization;
 10. review of the PLDT Group Top Risks, including cybersecurity and climate-related risks, as identified by Management;
 11. discussion of legal and regulatory and risk management updates arising from the passage of the Konektadong Pinoy Bill into law (Republic Act No.12234) and the issuance of its Implementing Rules and Regulations;
 12. submission of the Company's Integrated Annual Corporate Governance Report (IACGR) CY2024 containing disclosures of compliance with the recommendations in the CG Code, and confirmation of compliance with the Company's CG Manual which contains certain corporate governance standards under the US Securities Exchange Act and the NYSE Listed Company Manual, in addition to relevant provisions from the CG Code;
 13. conduct of its Annual In-House Corporate Governance Enhancement Session for PLDT's Board and Management on November 18, 2025 with the SEC-approved topics and speakers: "Winning with AI: Embracing Change and Optimizing Decisions at Scale" by keynote speaker, Ms. Cassie Kozyrkov, Google's first Chief Decision Scientist; and "SuperCreativity: Leading in the Age of AI" by keynote speaker, Mr. James Taylor, speaker and advisor to Fortune 500 CEOs;
 14. conduct of orientation and refresher training programs on Company policies, including corporate governance, diversity and inclusion, data privacy and cybersecurity, and skills-building, and technology-related courses, among others; and
 15. review, approval and publication of the Company's Annual and Sustainability Report for 2024, which also contains the Corporate Governance Report, and ERM Report.
- Compliance with the CG Manual

In compliance with the respective memorandum circulars of the SEC and the PSE, PLDT filed its IACGR on May 30, 2025, and confirmed its compliance with its CG Manual that contains relevant provisions of the CG Code and certain corporate governance standards under the US Securities Exchange Act and NYSE Listed Company Manual.

- Plans to further improve the corporate governance standards of the Company

For 2026, the Company aims to further advance its governance standards and practices, including the strengthening of internal controls and benchmarking of its policies and processes, in accordance with the Recommendations of the CG Code, the mandate of the Revised Corporation Code, and the results and feedback obtained from the Company's monitoring and evaluation system in order to continuously achieve the Company's strategic objectives, create value for all its stakeholders, and sustain its long term viability.

Sustainability Commitment

Tightly linked to the Company's corporate governance philosophy is its commitment to sustainability and doing business responsibly. The PLDT Group aspires to achieve industry leadership in sustainability by embedding this in its strategy and operations. Such reinforces the Company's purpose and is underpinned by the inclusion of sustainability-related targets in the organization's performance and compensation program, which includes executive directors, the C-suite, and all other executives.

The performance metrics for sustainability cover the Company's various materiality areas, including but not limited to, climate action such as initiatives focused on the operation resource efficiency including those that aim to reduce energy consumption and Green House Gas ("GHG") emissions, water management, circularity and waste management, employee and customer welfare, diversity and inclusion, cybersecurity and data privacy, and business ethics.

In developing its sustainability roadmap, the PLDT Group is guided by 12 material areas identified as most important to the Group by its various stakeholders through a materiality assessment process. These are anchored on four pillars: Connection, Conservation, Concern, and Commitment. The Group also aligns with globally recognized standards and benchmarks for its sustainability reporting and periodic communication on ESG progress.

The PLDT Group endeavors to continuously use its industry leadership and influence to create lasting value, drive positive impact, and inspire action to ensure, not only the Group's long-term existence, but also act as stewards of the planet for the next generation.

Details of the PLDT Group's sustainability roadmap and information are set out in the 2024 Annual and Sustainability Report published on the corporate website:

https://cms.pldt.com/drupal/sites/default/files/irannualandsustainablereports/2024%20Annual%20and%20Sustainability%20Report_Final.pdf

Corporate Shared Value

The Corporate Shared Value ("CSV") Statement is the articulation of our belief that helping to deliver positive impact to the lives of the Filipino people is an integral part of our business. The CSV Statement enumerates the broad responsibilities that PLDT assumes as it operates and conducts its business. A copy of the CSV Statement is published on the website at <https://main.pldt.com/corporate-governance-in-pldt/our-stakeholders>. Pursuant to the CSV Statement, the PLDT Group's social programs leverage its technology and digital services and the volunteer spirit of its employees to implement programs on education, livelihood, disaster resilience, environment, agriculture, internet safety and sports that aim to enable the digital inclusion of Filipinos and create meaningful connections among communities towards a sustainable future. The Company's CSV programs and activities are reported in the Sustainability Report released annually since 2016.

Stakeholder Engagement

In fulfilling our commitments to our stakeholders, we are guided by the Company's General Practice on Stakeholder Engagement ("GP on Stakeholder Engagement"), CSV Statement and our Code of Ethics. The GP on Stakeholder Engagement aims to promote a culture of good governance by the observance of the Company's core principles of integrity, accountability, fairness and transparency in dealings with its stakeholders. Together with our Code of Ethics, the GP on Stakeholder Engagement is the articulation of our belief in empowering Filipinos across sectors through meaningful connections that can help improve their overall well-being. We believe that as we seek to enhance value for our shareholders, we have a responsibility to provide quality products and services for our customers, develop the talents and skills of our employees, work with our suppliers and business partners in an ethical and mutually beneficial manner, and enable our communities for nation-building.

Investors/Shareholders. PLDT upholds transparency and fairness in all its dealings with investors and shareholders. It respects, promotes and upholds shareholder rights such as: the right to vote; pre-emptive right; the right to inspect corporate books and records, including minutes of Board meetings and stock registries, subject to certain conditions; right to timely receive relevant information, whether in printed or digital form; right to dividends; and appraisal right. Our minority shareholders have the right to nominate candidates for directors, including independent directors, and have the right to cumulative voting which enables minority shareholder representation in the Board. Shareholders representing at least a majority of the shares of the corporation issued and outstanding and entitled to vote may grant Directors with compensation and approve the amount thereof at any annual or special meeting. In 2025, except for our executive directors, directors did not receive stock options, performance incentives, bonuses, or any other form of compensation from the Company.

Shareholders are encouraged to attend annual and/or special meetings whether purely in-person, hybrid, or virtual-only. The Company appraises shareholders ahead of time of their right to appoint a proxy, in case they cannot personally attend and exercise their voting rights in such meetings. Shareholders are also given an opportunity to ask questions and raise their concerns in such meetings. The 2025 ASM was held on June 10, 2025 in person. Shareholders who were unable to attend in person were able to exercise their voting rights through duly accomplished proxies.

Aligned with governance best practices, PLDT ensures timely and accurate disclosures of material information that may impact the Company's share price or shareholder interests. In 2025, key developments highlighted through our regular quarterly results disclosures and investor briefings included achieving positive free cash flow as at 9M2025 ahead of our 2026 target and the inauguration of VITRO Sta. Rosa, the country's first operational AI-ready hyperscale data center. The Company also made separate disclosures during the year relating to

Maya's profitability (in which PLDT holds an approximate 38% equity stake) and PLDT's inclusion in the S&P Global Sustainability Yearbook 2025, where it was named global telecom "Industry Mover" PLDT regularly conducts quarterly analysts' and investors' briefings to discuss financial and operating results, podcasts of which are posted in the Investor Relations section of the PLDT website: <https://main.pldt.com/investor-relations>. In addition, the Company publishes on its website: <https://main.pldt.com/investor-relations/press-releases-and-disclosures> the appropriate - reference materials, disclosures and press releases, among others, covering significant topics of interest to the Shareholders. As warranted, the Company conducts special briefings to discuss other important company developments. Our Investor Relations Group has regular engagements and meetings with fund managers, investors, and analysts which may include access to PLDT Group's Top Management. Shareholders who wish to raise matters or concerns relating to the business of the Company, their investments and rights, may elevate such matters to the Corporate Secretary, the Head of Investor Relations, or concerned members of PLDT's Management or the Board.

Customers. PLDT serves a broad range of customers from individuals, residential, micro, small and medium enterprise (SME) and large enterprise, including the public sector. We continuously endeavor to provide best-in-class experiences to fulfill our customers' needs and expectations on responsive products and services, quality of service, pricing, application, service provisioning process, repair and restoration service, and billing and payment services. We engage with our customers through various traditional and digital touchpoints and empower them to resolve their concerns through self-help channels with the end view of knowing and understanding their product and service needs, promptly addressing their concerns and identifying areas where we may further enhance customer experience.

Employees. PLDT respects the rights of its employees, among which are the right to self-organization, safe and healthy working conditions, professional development, and community-building social activities. We offer opportunities for leader-led, employee-owned, and digital-enabled people programs all aligned with our mission to deliver best-in-class employee experience. Career advancement opportunities are also adequately available within a performance and merit-based system. Compensation and incentives are determined based on performance and accomplishments, and dedicated staff, facilities, and digital or social platforms are made available to support the Company's training, development, and engagement programs.

Suppliers. PLDT maintains mutually beneficial relationships with like principled suppliers that uphold PLDT's core values of fairness, accountability, integrity, and transparency in their own business practices. Suppliers undergo a qualification process before they engage in business with PLDT. Among the criteria for qualification are financial and technical capability, compliance with applicable laws, including those pertaining to industrial relations, environment, health and safety, intellectual property rights, cybersecurity, data privacy and sustainability. Our purchases, as a general rule, are made on the basis of competitive bidding among qualified suppliers. We adopt industry best practices, including digitalizing our procurement process of supplier onboarding, bidding, contracting and purchase order issuance, among others, with the aim of strengthening our procurement governance. This comprehensive approach ensures increased transparency, efficiency, and accountability at every stage of the procurement process. An overview of the Supplier Qualification Process and Supplier Code of Conduct are published on the website: <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2024-05/pldt-group-supplier-qualification-process.pdf>; and [Microsoft Word - Supplier Code of Conduct Infographic_CleanDraft_7132023-v2](#), respectively.

Creditors. PLDT protects the rights of its creditors by publicly disclosing all material information, such as earnings results and risk exposures relating to loan covenants. Our disclosure controls and procedures also include periodic reports to our creditors such as our latest certified financial statements, no default certification, and certification on compliance with financial ratio limits. PLDT's credit has been rated at investment grade by two major international credit-rating agencies as at yearend 2025.

Communities. PLDT strives to engage local communities where it operates through corporate citizenship programs that support the business while contributing to nation-building and the achievement of the United Nations Sustainable Development Goals (UN SDGs). We uphold a community engagement strategy that is inclusive, collaborative, ethical and sustainable. Leveraging on core businesses and infrastructure, we act as enabler in the promotion of digital inclusion in communities in the areas of disaster resilience, education, internet safety and online child protection, inclusion, and livelihood.

Regulators. PLDT operates within relevant legislative and regulatory frameworks and complies with the requirements thereunder which are applicable to it. We participate in public policy forums, conferences and hearings conducted by government and regulatory agencies on policies and regulations that have implications and affect the operations of the telecommunications industry. PLDT also participates in legislative hearings relative to initiatives and proposed legislation in the fields of ICT, corporate governance, cybersecurity, digital transformation, and labor-related matters. Our investments in network infrastructure and technologies, and advocacy to provide the widest coverage and superior quality of service at affordable prices are aligned with and support the Government's initiatives and objectives set out in various laws.

Enterprise Risk Management

PLDT Group Top Risks. The GRMD, under the leadership of the CRMO, promulgates and encourages the adoption of a standard risk evaluation process focused on the need to properly identify, analyse, evaluate, treat, and monitor risks that may affect the achievement of business objectives. This is achieved through the operationalisation of the Enterprise Risk Management Framework ("ERMF"), a standardised approach to risk identification, assessment and management. The ERMF is aligned to the ISO 31000 Risk Management Standard, COSO's ERMF, risk considerations found in the S&P Global Corporate Sustainability Assessment, and GRI Standards. A risk assessment exercise was undertaken by Management to identify and prioritise the most important risks affecting the PLDT Group for 2025. The top risks, listed in no particular order of criticality, are: (i) increased competition in a transforming market, (ii) targeted CAPEX upgrades enabling growth, (iii) managing cash flow and financial commitments, (iv) compliance in an evolving regulatory environment, (v) maintaining cyber & fraud resilience in an AI-threatened landscape, (vi) optimizing vendor value for strategic gains, (vii) governance and management of data environments, (viii) governing organizational change to meet evolving market needs, (ix) impact of climate change and environment-related conditions on business operations and financial statements, and (x) operationalising the ESG agenda. Risk management activities are continuously monitored and reviewed to ensure that critical risks are appropriately addressed across the organisation.

PART V - EXHIBITS AND SCHEDULES

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

Exhibits

See Exhibit 1 – Sustainability Report.

Reports on SEC Form 17-C (Current Reports)

We reported the following items on SEC Form 17-C during the last two quarters of 2025:

Items Reported	Date Filed
1. Notice of Analysts' Briefing to discuss the Company's First Half 2025 Financial and Operating Results.	July 29, 2025
2. Press release regarding the Company's unaudited consolidated financial results for the six (6) months ended June 30, 2025.	August 12, 2025
3. Declaration of a cash dividend of Php2,437,500.00 on all of the outstanding shares of Voting Preferred Stock of the Company for the quarter period ending October 15, 2025 and payable on October 15, 2025 to the holder of record as at September 15, 2025.	August 12, 2025
4. Declaration of a cash dividend of Php12,420,000.00 on all of the outstanding shares of unlisted Series IV Cumulative Non-Convertible Redeemable Preferred Stock of the Company for the quarter period ending September 15, 2025 and payable on September 15, 2025 to the holder of record as at August 26, 2025.	August 12, 2025
5. Declaration of a regular cash dividend of Php48.00 per outstanding share of Common Stock of the Company payable on September 10, 2025 to the holders of record as at August 28, 2025.	August 12, 2025
6. PLDT Inc.'s Consolidated Statements of Financial Position as at June 30, 2025 and December 31, 2024.	August 12, 2025
7. Presentation materials in connection with the teleconference to discuss the Company's Financial and Operating Results for the six months ended June 30, 2025.	August 12, 2025
8. Approval by the Board of Directors of PLDT Inc. ("PLDT") of PLDT's subscription to additional common shares in Kayana Solutions Inc. ("Kayana").	August 12, 2025
9. Clarification of news article entitled "PLDT sets lower capex for 2026" as posted in PhilSTAR.com on August 18, 2025.	August 18, 2025
10. Separation from service of Ms. Jeanine R. Rubin, a First Vice President of Company, due to her availment of the Company's Manpower Reduction Program, effective September 1, 2025.	September 1, 2025
11. Update on PLDT's subscription of additional common shares in Kayana Solutions Inc.	September 1, 2025
12. Resignation of Mr. Kazuyuki Kozu as director of the Company, effective at the close of business on September 15, 2025 and the Board elected Mr. Hidetada Hayashi as director of the Company to hold office effective immediately and for the unexpired term of his predecessor in office, Mr. Kozu.	September 16, 2025
13. Voluntary retirement of Ms. Bernadette C. Salinas, a First Vice President of PLDT Inc., effective October 1, 2025.	October 1, 2025
14. Response to the letter of the PSE dated October 1, 2025 requesting PLDT Inc. to clarify and/or confirm information in relation to the news article entitled "ePLDT says 12th data center set to be the largest; study to finish this year" as posted in BusinessWorld (Online Edition) on October 1, 2025.	October 1, 2025
15. Notice of Analysts' Briefing to discuss the Company's Financial and Operating Results for the Nine Months ended September 30, 2025.	October 29, 2025
16. Press release regarding the Company's unaudited consolidated financial results for the nine months ended September 30, 2025.	November 11, 2025
17. Declaration of a cash dividend of Php12,285,000.00 on all of the outstanding shares of Series IV Cumulative Non-Convertible Redeemable Preferred Stock of the Company for the quarter period ending December 15, 2025 and payable on December 15, 2025 to the holder of record as at November 25, 2025.	November 11, 2025
18. Presentation materials for the Analysts' Briefing to discuss the Company's Nine Months 2025 Financial and Operating Results.	November 11, 2025
19. Response to the letter of the PSE dated November 17, 2025 requesting PLDT Inc. to clarify and/or confirm information in relation to the news article entitled "PLDT eyes REIT for \$1-billion data centers, calling AI asset 'painful' to sell" as posted in Manila Bulletin (Online Edition) on November 17, 2025.	November 17, 2025
20. Separation from service of Mr. John John R. Gonzales, a First Vice President of PLDT Inc., due to his availment of the Company's Manpower Reduction Program, effective December 1, 2025.	November 28, 2025
21. Declaration of a Cash dividend of Php2,437,500.00 on all of the outstanding shares of Voting Preferred Stock of the Company for the quarter period ending January 15, 2026 and payable on January 15, 2026 to the holder of record as at December 16, 2025.	December 2, 2025
22. Confirmation of appointment of (a) Ms. Louella F. Calixtro as First Vice President and Chief Procurement Officer effective November 16, 2025 and (b) Mr. Sesinando G. Milla III as Vice President and Head of NFM Energy Management effective August 16, 2025. Extension of employment of Atty. Marilyn A. Victorio-Aquino as Senior Legal Advisor to the Chairman, concurrent to her roles as Executive Committee Member, Senior Vice President and Privacy Head, and Corporate Secretary, until December 31, 2026. She is also an incumbent Director of the Company.	December 2, 2025
23. Separation from service of the following officers of the Company: (a) Ms. Katrina L. Abelarde, a First Vice President of the Company, effective January 1, 2026, due to her availment of the Company's Manpower Reduction Program; and (b) Mr. Albert Mitchell L. Loecin, a First Vice President of the Company, effective January 1, 2026, due to his voluntary retirement.	December 29, 2025



SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines, this annual report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on February 26, 2026.

PLDT Inc.
Registrant

By:

MANUEL V. PANGILINAN

Chairman of the Board

President and Chief Executive Officer

Principal Executive Officer

JOAN A. DE VENECIA-FABUL

Chief Legal Counsel

DANNY Y. YU

Principal Financial Officer and
PLDT Group Chief Financial Officer

GIL SAMSON D. GARCIA

Principal Accounting Officer and
Head – Financial Reporting and Controllorship

FEB 27 2026

SUBSCRIBED AND SWORN to before me this ____ day of February 2025, affiants exhibiting to me their Passports, as follows:

Name	Passport No.	Date of Expiry	Place of Issue
Manuel V. Pangilinan	P9969361A	December 17, 2028	DFA, NCR East
Joan A. De Venecia-Fabul	P5553353A	January 7, 2028	DFA, Manila
Danny Y. Yu	P8373079A	August 15, 2028	DFA, Manila
Gil Samson D. Garcia	P6003906B	December 21, 2030	DFA, NCR East

Doc. No. 381
Page No. 38
Book No. XII
Series of 2026.

Notary Public
ALEX AARON A. RIOS
Notary Public for the City of Makati
Notarial Commission until December 31, 2026
Appointment No. M-070
Roll of Attorneys No. 51139
PTR/O.R. No. 10766891 – 01/05/2026
IBP Lifetime Membership O.R. No. 1031684 – 02/16/2016
A.F. Compliance No. VIII – 0026890 (valid until 04/14/2028)
Attest: Lopeza Villano, Makati City

PLDT INC.

SEC FORM 17-A

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* These schedules have been omitted because they are either not required, not applicable or the information required to be presented is included in PLDT's consolidated financial statements or the notes to consolidated financial statements.



February 26, 2026

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of PLDT Inc. and Subsidiaries (the PLDT Group) is responsible for the preparation and fair presentation of our consolidated financial statements, including the schedules attached therein, as at December 31, 2025 and 2024, and for each of the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of our consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the PLDT Group's consolidated financial statements in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Manuel V. Pangilinan
Chairman of the Board

President and Chief Executive Officer

Danny Y. Yu
Senior Vice President and
PLDT Group Chief Financial Officer

Gil Samson D. Garcia
First Vice President and
Head – Financial Reporting and Controllershship

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2026 affiants exhibiting to me their Passport, as follows:

Name	Passport No.	Date of Expiry	Place of Issue
Manuel V. Pangilinan	P9969361A	December 17, 2028	DFA, NCR East
Danny Y. Yu	P8373079A	August 15, 2028	DFA, Manila
Gil Samson D. Garcia	P6003906B	December 21, 2030	DFA, NCR East

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Page No. 73 :
Book No. XIII :
Series of 2026.

ALEX ARAGON RIOS
Notary Public for the City of Makati
Notarial Commission until December 31, 2026
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Roll of Attorneys No. 51139
PTR O.R. No. 10766891 - 01/05/2026
IBP Lifetime Membership O.R. No. 1031694 - 02/16/2016
MCLE Compliance No. VIII - 0026890 (valid until 04/14/2028)
2/F MGO Bldg. Legazpi St., Legazpi Village, Makati City

INDEPENDENT AUDITOR'S REPORT

The Stockholders and Board of Directors
PLDT Inc.
Ramon Cojuangco Building
Makati Avenue, Makati City

Opinion

We have audited the consolidated financial statements of PLDT Inc. and its subsidiaries (the PLDT Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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



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

Revenue recognition

For the year ended December 31, 2025, the Group recognized revenues amounting to Php218,388 million as disclosed in Notes 3, 4 and 5 to the consolidated financial statements. The Group derives revenues from wireless and fixed line telecommunications services, which includes bundled offers such as telecommunications services and handsets provided to a large number of subscribers.

Auditing the information technology (IT) systems used to capture accurate and complete information to recognize substantial amounts of the wireless and fixed line service revenues was especially challenging due to the significant volume of data and transactions processed through various systems and the heavy reliance on automated processes and controls over the capture, measurement and recording of transactions.

Audit Response

We obtained an understanding of the PLDT Group's revenue recognition process, involving our IT professionals to assist us in evaluating the design and testing of the effectiveness of controls around the capture, measurement and recording of wireless and fixed line revenues. For example, we evaluated the design and tested the operating effectiveness of controls around access rights, system migration, program changes, IT operations and IT dependent transaction-level controls to establish that changes to the system were appropriately authorized, tested and implemented including those over: set-up of customer accounts, pricing, segregation of duties and the linkage to usage that drives revenue recognition.

To test revenue recognition, among other procedures, we compared the customer billing data to the details in the billing systems for wireless and fixed line postpaid revenues on a sample basis. We also tested the recognition of revenue based on actual usage and inspected the reconciliation of the ending balance of unearned income for prepaid revenues between the subledger and the general ledger.

Estimating useful lives of property and equipment

At December 31, 2025, the Group's property and equipment was Php327,989 million. As explained in Notes 3 and 9 to the consolidated financial statements, the Group reviews its estimates of useful lives annually or as and when needed if expectations differ from previous estimates due to changes in expectation of physical wear and tear, technical or commercial obsolescence and legal or other limitations on the continuing use of the assets.

Auditing the Group's estimated useful lives of property and equipment was complex and required significant judgment because the determination of the estimated useful lives considers a number of factors and assumptions including the collective assessment of industry practice, internal technical evaluation and experience with similar assets.



Audit Response

We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the Group's process of estimating the useful lives of property and equipment. For example, we tested controls over management's assessment which includes consideration for industry data and practice, market outlook and other relevant data. To test whether the estimated useful life of property and equipment used by management was reasonable, our audit procedures included, among others, obtaining an understanding of the Group's technology roadmap plan and strategy related to asset replacement and assessing the reasonableness by considering external sources such as telecommunication technology growth, changes in market demand and current economic and market outlooks. We assessed whether there were any potential sources of contrary information by performing benchmarking analysis on the estimated useful lives of property and equipment against other public companies within the telecommunication industry.

Other Information

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

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

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

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

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

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

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

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



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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



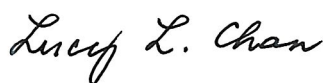
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The partner in charge of the audit resulting in this independent auditor's report is Lucy L. Chan.

SYCIP GORRES VELAYO & CO.



Lucy L. Chan

Partner

CPA Certificate No. 88118

Tax Identification No. 152-884-511

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 88118-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-046-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765026, January 2, 2026, Makati City

February 26, 2026





PLDT INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

**AS AT DECEMBER 31, 2025 AND 2024
AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2025 and 2024
(in million pesos)

	2025	2024
ASSETS		
Noncurrent Assets		
Property and equipment (Note 9)	327,989	318,069
Right-of-use assets (Note 10)	48,777	39,111
Investments in associates and joint ventures (Note 11)	52,425	52,764
Financial assets at fair value through profit or loss (Note 27)	1,030	1,101
Debt instruments at amortized cost – net of current portion (Note 12)	350	370
Investment properties (Note 13)	7,789	3,000
Goodwill and intangible assets (Note 14)	64,421	64,464
Deferred income tax assets – net (Note 7)	11,582	14,643
Derivative financial assets – net of current portion (Note 27)	617	385
Prepayments and other nonfinancial assets – net of current portion (Note 18)	46,486	61,929
Contract assets – net of current portion (Note 5)	333	485
Other financial assets – net of current portion (Note 27)	3,616	3,126
Total Noncurrent Assets	565,415	559,447
Current Assets		
Cash and cash equivalents (Notes 15 and 27)	11,866	10,011
Short-term investments (Note 27)	10	136
Trade and other receivables (Note 16)	31,367	31,612
Inventories and supplies (Note 17)	1,843	3,306
Current portion of contract assets (Note 5)	1,154	1,401
Current portion of derivative financial assets (Note 27)	203	30
Current portion of debt instruments at amortized cost (Notes 12 and 27)	20	25
Current portion of prepayments and other nonfinancial assets (Note 18)	16,191	9,975
Current portion of other financial assets (Note 27)	339	831
	62,993	57,327
Assets classified as held-for-sale (Notes 9 and 10)	6,420	6,501
Total Current Assets	69,413	63,828
TOTAL ASSETS	634,828	623,275
EQUITY AND LIABILITIES		
Equity		
Non-voting serial preferred stock (Note 19)	360	360
Voting preferred stock (Note 19)	150	150
Common stock (Note 19)	1,093	1,093
Treasury stock (Note 19)	(6,505)	(6,505)
Capital in excess of par value	130,204	130,312
Retained earnings	43,328	33,901
Other comprehensive loss (Note 6)	(41,741)	(43,892)
Total Equity Attributable to Equity Holders of PLDT	126,889	115,419
Noncontrolling interests	1,194	1,316
TOTAL EQUITY	128,083	116,735

See accompanying Notes to Consolidated Financial Statements.

PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(continued)*

As at December 31, 2025 and 2024
(in million pesos)

	2025	2024
Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion (Note 20)	278,868	258,246
Lease liabilities – net of current portion (Note 10)	55,276	46,703
Deferred income tax liabilities – net (Note 7)	75	60
Customers’ deposits (Note 27)	1,262	2,046
Pension and other employee benefits (Note 25)	3,810	3,548
Deferred credits and other noncurrent liabilities (Note 21)	8,311	7,475
Total Noncurrent Liabilities	347,602	318,078
Current Liabilities		
Accounts payable (Note 22)	56,379	66,722
Accrued expenses and other current liabilities (Note 23)	72,952	85,488
Current portion of interest-bearing financial liabilities (Note 20)	16,180	23,340
Current portion of lease liabilities (Note 10)	8,897	7,335
Dividends payable (Note 19)	2,087	2,005
Current portion of derivative financial liabilities (Note 27)	77	97
Income tax payable	946	1,860
	157,518	186,847
Liabilities associated with assets classified as held-for-sale (Note 10)	1,625	1,615
Total Current Liabilities	159,143	188,462
TOTAL LIABILITIES	506,745	506,540
TOTAL EQUITY AND LIABILITIES	634,828	623,275

See accompanying Notes to Consolidated Financial Statements.

PLDT INC. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

For the Years Ended December 31, 2025, 2024 and 2023

(in million pesos, except earnings per common share amounts which are in pesos)

	2025	2024	2023
REVENUES FROM CONTRACTS WITH CUSTOMERS			
Service revenues (Notes 4 and 5)	212,186	208,382	201,832
Non-service revenues (Notes 4 and 5)	6,202	8,451	9,121
	218,388	216,833	210,953
EXPENSES			
General operating costs (Note 5)	75,789	78,068	81,655
Depreciation and amortization (Notes 9, 10, 14 and 18)	59,487	56,228	58,662
Cost of devices, accessories and contract-specific services (Note 5)	12,784	14,011	15,092
Asset impairment (Note 5)	3,970	4,321	4,432
Interconnection costs (Note 5)	16,010	13,718	10,418
	168,040	166,346	170,259
	50,348	50,487	40,694
OTHER EXPENSES — NET (Note 5)	10,859	7,794	4,217
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	39,489	42,693	36,477
PROVISION FOR INCOME TAX (Note 7)	9,271	10,138	9,612
NET INCOME FROM CONTINUING OPERATIONS (Note 4)	30,218	32,555	26,865
NET LOSS FROM DISCONTINUED OPERATIONS (Notes 2 and 4)	—	—	(41)
NET INCOME (Note 4)	30,218	32,555	26,824
ATTRIBUTABLE TO:			
Equity holders of PLDT (Note 8)	30,011	32,307	26,614
Noncontrolling interests	207	248	210
	30,218	32,555	26,824
Earnings Per Share Attributable to Common Equity Holders of PLDT (Note 8)			
Basic	138.63	149.26	122.91
Diluted	138.63	149.26	122.91
Earnings Per Share from Continuing Operations Attributable to Common Equity Holders of PLDT (Note 8)			
Basic	138.63	149.26	123.10
Diluted	138.63	149.26	123.10

See accompanying Notes to Consolidated Financial Statements.

PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2025, 2024 and 2023
(in million pesos)

	2025	2024	2023
NET INCOME	30,218	32,555	26,824
OTHER COMPREHENSIVE INCOME (LOSS) – NET OF TAX (Note 6)			
Foreign currency translation differences of subsidiaries	(91)	81	(23)
Net transactions on cash flow hedges:	(1,226)	(1,547)	(1,256)
Net fair value losses on cash flow hedges (Note 27)	(1,634)	(2,063)	(1,674)
Income tax related to fair value adjustments charged directly to equity	408	516	418
Net other comprehensive loss to be reclassified to profit or loss in subsequent years	(1,317)	(1,466)	(1,279)
Revaluation increment on investment properties:	4,087	1,196	—
Revaluation increment in investment properties transferred from property and equipment (Note 13)	3,594	1,631	—
Income tax related to revaluation adjustments charged directly to equity	493	(435)	—
Share in the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(1)	(8)	3
Remeasurements of post-employment benefit obligations:	(626)	(1,462)	(5,469)
Remeasurement gains (losses) on post-employment benefit obligations	(838)	(1,978)	(7,277)
Income tax related to remeasurement adjustments	212	516	1,808
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent years	3,460	(274)	(5,466)
Total other comprehensive income (loss) – net of tax	2,143	(1,740)	(6,745)
TOTAL COMPREHENSIVE INCOME	32,361	30,815	20,079
ATTRIBUTABLE TO:			
Equity holders of PLDT	32,162	30,627	19,884
Noncontrolling interests	199	188	195
	32,361	30,815	20,079

See accompanying Notes to Consolidated Financial Statements.

PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2025, 2024 and 2023

(in million pesos)

	Preferred Stock	Common Stock	Treasury Stock	Capital in Excess of Par Value	Retained Earnings	Other Comprehensive Income (Loss)	Total Equity Attributable to Equity Holders of PLDT	Noncontrolling Interests	Total Equity
Balances as at January 1, 2025	510	1,093	(6,505)	130,312	33,901	(43,892)	115,419	1,316	116,735
Cash dividends (Note 19)	—	—	—	—	(20,584)	—	(20,584)	(75)	(20,659)
Total comprehensive income (loss) - net:	—	—	—	—	30,011	2,151	32,162	199	32,361
Net income	—	—	—	—	30,011	—	30,011	207	30,218
Other comprehensive income (loss) (Note 6)	—	—	—	—	—	2,151	2,151	(8)	2,143
Acquisition and dilution of noncontrolling interests	—	—	—	—	—	—	—	(157)	(157)
Deconsolidation of a subsidiary	—	—	—	(108)	—	—	(108)	(89)	(197)
Balances as at December 31, 2025	510	1,093	(6,505)	130,204	43,328	(41,741)	126,889	1,194	128,083
Balances as at January 1, 2024	510	1,093	(6,505)	130,312	22,020	(42,212)	105,218	5,168	110,386
Cash dividends (Note 19)	—	—	—	—	(20,800)	—	(20,800)	(50)	(20,850)
Total comprehensive income (loss) - net:	—	—	—	—	32,307	(1,680)	30,627	188	30,815
Net income	—	—	—	—	32,307	—	32,307	248	32,555
Other comprehensive loss (Note 6)	—	—	—	—	—	(1,680)	(1,680)	(60)	(1,740)
Acquisition and dilution of noncontrolling interests	—	—	—	—	—	—	—	235	235
Perpetual notes settlement (Note 19)	—	—	—	—	—	—	—	(4,200)	(4,200)
Distribution charges on perpetual notes (Note 19)	—	—	—	—	—	—	—	(59)	(59)
Transaction costs from settlement of perpetual notes (Note 19)	—	—	—	—	—	—	—	34	34
Others	—	—	—	—	374	—	374	—	374
Balances as at December 31, 2024	510	1,093	(6,505)	130,312	33,901	(43,892)	115,419	1,316	116,735
Balances as at January 1, 2023	510	1,093	(6,505)	130,312	18,799	(35,482)	108,727	5,234	113,961
Cash dividends (Note 19)	—	—	—	—	(23,393)	—	(23,393)	(25)	(23,418)
Total comprehensive income (loss) - net:	—	—	—	—	26,614	(6,730)	19,884	195	20,079
Net income	—	—	—	—	26,614	—	26,614	210	26,824
Other comprehensive income (loss) (Note 6)	—	—	—	—	—	(6,730)	(6,730)	(15)	(6,745)
Distribution charges on perpetual notes (Note 19)	—	—	—	—	—	—	—	(236)	(236)
Balances as at December 31, 2023	510	1,093	(6,505)	130,312	22,020	(42,212)	105,218	5,168	110,386

See accompanying Notes to Consolidated Financial Statements.

PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025, 2024 and 2023
(in million pesos)

	2025	2024	2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Income before income tax and noncontrolling interest from continuing operations	39,489	42,693	36,477
Loss before income tax and noncontrolling interest from discontinued operations (Note 2)	—	—	(41)
Income before income tax	39,489	42,693	36,436
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 14 and 18)	59,487	56,228	58,683
Interest on loans and other related items – net (Note 5)	13,197	11,031	9,990
Accretion on lease liabilities (Notes 5 and 10)	4,579	3,935	3,268
Asset impairment (Note 5)	3,970	4,321	4,436
Pension benefit costs (Notes 5 and 25)	1,434	1,441	1,426
Foreign exchange losses (gains) – net (Notes 5 and 27)	550	36	(1,153)
Equity share in net losses of associates and joint ventures (Notes 5 and 11)	428	990	2,806
Accretion on financial liabilities (Notes 5 and 20)	372	455	409
Incentive plan (Notes 5 and 25)	—	1,136	839
Impairment of investments (Note 11)	—	—	70
Income from prescription of preferred shares redemption liability (Note 19)	—	(71)	—
Gains on disposal of property and equipment (Note 5)	(79)	(85)	(468)
Interest income (Note 5)	(719)	(916)	(1,017)
Gain on sale and leaseback of telecom towers (Notes 5 and 9)	(887)	(1,442)	(7,777)
Gains on derivative financial instruments – net (Notes 5 and 27)	(1,816)	(4,023)	(1,198)
Others	(723)	(631)	8
Operating income before changes in assets and liabilities	119,282	115,098	106,758
Decrease (increase) in:			
Prepayments	5,731	21,034	10,264
Inventories and supplies	1,742	31	597
Contract assets	265	(139)	101
Trade and other receivables	(2,052)	(9,137)	952
Other financial and non-financial assets	279	(1,824)	156
Increase (decrease) in:			
Customers deposits	(784)	(194)	(75)
Pension and other employee benefits	(5,466)	(3,355)	(5,174)
Accounts payable	(7,754)	(27,765)	(21,285)
Accrued expenses and other current liabilities	(9,921)	(8,716)	(4,414)
Other noncurrent liabilities	72	(20)	(57)
Net cash flows generated from operations	101,394	85,013	87,823
Income taxes paid	(2,656)	(3,282)	(2,058)
Net cash flows from operating activities	98,738	81,731	85,765

See accompanying Notes to Consolidated Financial Statements.

PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS *(continued)*
For the Years Ended December 31, 2025, 2024 and 2023
(in million pesos)

	2025	2024	2023
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Proceeds from:			
Disposal of property and equipment (Note 9)	1,220	4,827	23,971
Return of capital on an investment in joint venture (Note 11)	600	—	—
Disposal of investments in associates and joint ventures	175	—	—
Maturity of short-term investments	126	21	440
Redemption of investment in debt securities (Note 12)	25	200	—
Interest received	686	881	973
Payments for:			
Purchase of short-term investments	—	(37)	(449)
Purchase of financial assets at fair value through profit or loss	—	(166)	—
Acquisition of investments in associates and joint ventures (Note 11)	(186)	(3,770)	(1,636)
Acquisition of intangibles	(217)	(29)	—
Interest capitalized to property and equipment (Notes 5 and 9)	(2,724)	(2,589)	(2,169)
Purchase of property and equipment (Note 9)	(60,140)	(65,668)	(76,266)
Decrease (Increase) in other financial and non-financial assets	(544)	626	18
Net cash flows used in investing activities	(60,979)	(65,704)	(55,118)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Proceeds from:			
Availments of long-term debt (Notes 20 and 28)	36,150	37,000	38,000
Availments of short-term debt (Notes 20 and 28)	1,322	—	—
Collections of derivative financial instruments – net (Notes 27 and 28)	—	704	—
Return of preferred shares redemption fund (Note 19)	—	71	—
Payments for:			
Distribution charges on perpetual notes (Note 19)	—	(59)	(236)
Redemption of perpetual notes (Note 19)	—	(4,200)	—
Settlements of derivative financial instruments – net (Notes 27 and 28)	(243)	—	(607)
Debt issuance costs (Notes 20 and 28)	(271)	(219)	(214)
Short-term debt (Notes 20 and 28)	(1,022)	—	(10,000)
Interest – net of capitalized portion (Notes 5 and 28)	(13,233)	(10,740)	(9,715)
Obligations under lease liabilities (Notes 10 and 28)	(14,328)	(12,079)	(10,707)
Cash dividends (Notes 19 and 28)	(20,590)	(20,750)	(23,328)
Long-term debt (Notes 20 and 28)	(23,712)	(12,059)	(22,611)
Net cash flows used in financing activities	(35,927)	(22,331)	(39,418)
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	23	138	(263)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,855	(6,166)	(9,034)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR (Note 15)	10,011	16,177	25,211
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 15)	11,866	10,011	16,177

See accompanying Notes to Consolidated Financial Statements.

PLDT INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

PLDT Inc., which we refer to as PLDT or the Parent Company, was incorporated under the old Corporation Law of the Philippines (Act 1459, as amended) on November 28, 1928, following the merger of four telephone companies under common U.S. ownership. PLDT holds a perpetual corporate term under Section 11 of the Revised Corporation Code of the Philippines (Republic Act No. 11232), which grants existing corporations to have a perpetual existence, unless a majority vote of its stockholders elects to retain a specified corporate term.

In 1967, effective control of PLDT was transferred from General Telephone and Electronics Corporation, a major shareholder then since PLDT's incorporation, to a group of Filipino investors. In 1981, as part of the Philippine government's policy to integrate the country's telecommunications industry, PLDT acquired substantially all of the assets and liabilities of the Republic Telephone Company, then the second largest telephone provider in the Philippines.

In 1998, certain subsidiaries of First Pacific Company Limited, or First Pacific, and its Philippine affiliates (collectively the First Pacific Group and its Philippine affiliates), acquired a significant interest in PLDT. On March 24, 2000, NTT DOCOMO Business, Inc., or NTT DOCOMO Business (formerly NTT Communications Corporation), through its wholly-owned subsidiary NTT Communications Capital (UK) Ltd., became PLDT's strategic partner with approximately a 15% economic and voting interest in PLDT's common stock. Concurrent with NTT DOCOMO Business' investment, PLDT acquired 100% of Smart Communications, Inc., or Smart.

On March 14, 2006, NTT DOCOMO, Inc., or NTT DOCOMO, acquired approximately 7% of PLDT's then outstanding common shares from NTT DOCOMO Business, which retained ownership of about 7% of PLDT's common shares. Since then, NTT DOCOMO has made additional purchases of PLDT shares, bringing the combined beneficial ownership of NTT DOCOMO and NTT DOCOMO Business (both part of Nippon Telegraph and Telephone Corporation) to approximately 20.35% of PLDT's outstanding common stock as at December 31, 2025.

On February 28, 2007, Metro Pacific Asset Holdings, Inc., a Philippine affiliate of First Pacific, completed an acquisition of an approximately 46% interest in Philippine Telecommunications Investment Corporation, or PTIC, a shareholder of PLDT. This investment in PTIC represented an attributable interest of approximately 6% of PLDT's outstanding common shares at the time and raised the First Pacific Group's and its Philippine affiliates' beneficial ownership to approximately 28% of PLDT's outstanding common stock as of that date. Since then, the First Pacific Group's beneficial ownership interest in PLDT has decreased by approximately 2%, mainly due to the holders of Exchangeable Notes issued in 2005 by a subsidiary of First Pacific, which were fully exchanged into PLDT shares. The First Pacific Group and its Philippine affiliates held beneficial ownership of approximately 25.57% of PLDT's outstanding common stock as at December 31, 2025.

On October 26, 2011, PLDT completed the acquisition of a controlling interest in Digital Telecommunications Phils., Inc., or Digitel, from JG Summit Holdings, Inc., or JGSHI, and its affiliates, or collectively, the JG Summit Group. As consideration for the assets acquired, PLDT issued approximately 27.7 million common shares. In November 2011, JGSHI sold 5.81 million and 4.56 million PLDT shares to a Philippine affiliate of First Pacific and NTT DOCOMO, respectively, under separate option agreements. As at December 31, 2025, the JG Summit Group beneficially owned approximately 11.27% of PLDT's outstanding common stock.

On October 16, 2012, BTF Holdings, Inc., or BTFHI, a wholly-owned company of the Board of Trustees for the Account of the Beneficial Trust Fund, or PLDT Beneficial Trust Fund, created pursuant to PLDT's Benefit Plan, subscribed to 150 million newly issued shares of Voting Preferred Stock of PLDT, or Voting Preferred Shares, at a subscription price of Php1.00 per share for a total subscription price of Php150 million. This subscription was made pursuant to a subscription agreement between BTFHI and PLDT dated October 15, 2012. Consequently, the issuance of these Voting Preferred Shares reduced the voting power of the NTT Group (comprising of NTT DOCOMO and NTT DOCOMO Business), the First Pacific Group and its Philippine affiliates, and JG Summit Group to 12.01%, 15.09% and 6.65%, respectively, which still holds as at December 31, 2025. See *Note 19 – Equity – Preferred Stock – Voting Preferred Stock*.

The common shares of PLDT are listed and traded on the Philippine Stock Exchange, Inc., or PSE. On October 19, 1994, an American Depositary Receipt, or ADR, facility was established, under which Citibank N.A., as the depositary, issued American Depositary Shares, or ADSs, with each ADS representing one PLDT common share with a par value of Php5.00 per share. Effective February 10, 2003, PLDT appointed JP Morgan Chase Bank as the successor depositary for its ADR facility. The ADSs are listed on the New York Stock Exchange, or NYSE, in the United States and are traded on the NYSE under the symbol "PHI". As at December 31, 2025, there were approximately 17 million ADSs outstanding.

PLDT and our Philippine-based fixed line and wireless subsidiaries operate under the jurisdiction of the Philippine National Telecommunications Commission, or NTC. The NTC's jurisdiction includes, among other responsibilities, the approval of major services offered and certain rates charged to customers.

We are one of the leading telecommunications and digital services providers in the Philippines, serving the fixed line, wireless and broadband markets. Through our three principal business segments, Wireless, Fixed Line and Others, we offer a wide range of telecommunications and digital services across our extensive fiber optic backbone and wireless and fixed line networks. Our principal activities are discussed in *Note 4 – Operating Segment Information*.

Our registered office address is Ramon Cojuangco Building, Makati Avenue, Makati City, Philippines. Information on our structure is provided in *Note 2 – Summary of Material Accounting Policies – Basis of Consolidation*. Information on other related party relationships of the PLDT Group is provided in *Note 24 – Related Party Transactions*.

Our consolidated financial statements as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023 were approved and authorized for issuance by the Board of Directors on February 26, 2026, as reviewed by the Audit Committee on February 23, 2026.

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

The Konektadong Pinoy Act (KP Act) took effect on September 14, 2025. The Implementing Rules and Regulations (IRR) took effect on December 16, 2025. The KP Act introduces an open-access regime in the data transmission sector, including removal of the legislative franchise requirement for data transmission services, mandatory infrastructure sharing for 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 PLDT 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. We continue 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 Company.

2. Summary of Material Accounting Policies

Basis of Preparation

Our consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards Accounting Standards, or PFRS Accounting Standards.

Our consolidated financial statements have been prepared under the historical cost basis, except for financial instruments at fair value through profit or loss, or FVPL, investment properties and pension that are measured at fair values.

Our consolidated financial statements are presented in Philippine Peso, PLDT's functional currency, and all values are rounded to the nearest million, except when otherwise indicated.

Our consolidated financial statements provide comparative information in respect of the previous period.

Basis of Consolidation

Our consolidated financial statements include the financial statements of PLDT and the following subsidiaries (collectively, the “PLDT Group”) as at December 31, 2025 and 2024:

Name of Subsidiary	Place of Incorporation	Principal Business Activity	2025		2024	
			Percentage of Ownership		Percentage of Ownership	
			Direct	Indirect	Direct	Indirect
Wireless						
Smart:	Philippines	Cellular mobile services	100.0	—	100.0	—
Smart Broadband, Inc., or SBI, and Subsidiary	Philippines	Internet broadband distribution services	—	100.0	—	100.0
Primeworld Digital Systems, Inc., or PDSI	Philippines	Internet broadband distribution services	—	100.0	—	100.0
I-Contacts Corporation ^(a)	Philippines	Operations support servicing business	—	100.0	—	100.0
Far East Capital Limited, or FECL ^(a)	Cayman Islands	Cost effective offshore financing and risk management activities for Smart	—	100.0	—	100.0
PH Communications Holdings Corporation ^(a)	Philippines	Investment company	—	100.0	—	100.0
Connectivity Unlimited Resource Enterprise, Inc. ^(a)	Philippines	Cellular mobile services	—	100.0	—	100.0
Francom Holdings, Inc. ^(a)	Philippines	Investment company	—	100.0	—	100.0
Chikka Holdings Limited, or Chikka, and Subsidiaries, or Chikka Group ^(a)	British Virgin Islands	Content provider, mobile applications development and services	—	100.0	—	100.0
Wifun, Inc. ^(a)	Philippines	Software developer and selling of WiFi access equipment	—	100.0	—	100.0
PLDT Global, Inc.	Philippines	Cross-border digital platforms and other allied services	100.0	—	100.0	—
ACeS Philippines Cellular Satellite Corporation, or ACeS Philippines ^(a)	Philippines	Satellite information and messaging services	88.5	11.5	88.5	11.5
Digitel Mobile Philippines, Inc., or DMPI, (a wholly-owned subsidiary of Digitel)	Philippines	Cellular mobile services	—	99.6	—	99.6
Fixed Line						
PLDT Clark Telecom, Inc., or ClarkTel	Philippines	Telecommunications services	100.0	—	100.0	—
PLDT Subic Telecom, Inc., or SubicTel ^(a)	Philippines	Telecommunications services	100.0	—	100.0	—
PLDT Global Corporation, or PLDT Global, and Subsidiaries	British Virgin Islands	Telecommunications services	100.0	—	100.0	—
PLDT-Philcom, Inc., or Philcom, and Subsidiaries, or Philcom Group ^(a)	Philippines	Telecommunications services	100.0	—	100.0	—
Talas Data Intelligence, Inc. ^(a)	Philippines	Business infrastructure and solutions; intelligent data processing and implementation services and data analytics insight generation	100.0	—	100.0	—
Multisys Technologies Corporation, or Multisys ^(b)	Philippines	Software development and IT solutions services	—	50.7	—	45.7

^(a) Ceased commercial operations.

^(b) On January 5, 2024, PLDT Global Investments Holdings, Inc., or PGIH, sold 227 common shares of Multisys, thereby decreasing its ownership from 50.72% to 45.73%. On April 2, 2025, PGIH entered into a share purchase agreement to buy 228 common shares thereby increasing its ownership from 45.73% to 50.74%.

Name of Subsidiary	Place of Incorporation	Principal Business Activity	2025		2024	
			Percentage of Ownership		Direct	Indirect
			Direct	Indirect		
ePLDT, Inc., or ePLDT:	Philippines	Information and communications infrastructure for internet-based services, e-commerce, customer relationship management and IT related services	100.0	—	100.0	—
IP Converge Data Services, Inc., or IPCDSI, and Subsidiary, or IPCDSI Group	Philippines	Information and communications infrastructure for internet-based services, e-commerce, customer relationship management and IT related services	—	100.0	—	100.0
Curo Teknika, Inc., or Curo ^(a)	Philippines	Managed IT outsourcing	—	100.0	—	100.0
ABM Global Solutions, Inc., or AGS, and Subsidiaries, or AGS Group ^(a)	Philippines	Internet-based purchasing, IT consulting and professional services	—	100.0	—	100.0
ePDS, Inc., or ePDS ^(a)	Philippines	Bills printing and other related value-added services, or VAS	—	100.0	—	100.0
netGames, Inc. ^(a)	Philippines	Gaming support services	—	57.5	—	57.5
MVP Rewards Loyalty Solutions, Inc., or MRSL ^(a)	Philippines	Full-services customer rewards and loyalty programs	—	100.0	—	100.0
VITRO, Inc., or Vitro	Philippines	Information and communications infrastructure for internet-based services, e-commerce, customer relationship management and IT related services	—	100.0	—	100.0
ePLDT Capital Investment Pte. Ltd. or ePLDT Capital	Singapore	Investment holding and acquisition of companies	—	100.0	—	100.0
Digitel	Philippines	Telecommunications services	99.6	—	99.6	—
Digitel Information Technology Services, Inc. ^(a)	Philippines	Internet services	—	99.6	—	99.6
PLDT-Maratel, Inc., or Maratel ^(a)	Philippines	Telecommunications services	98.0	—	98.0	—
Bonifacio Communications Corporation, or BCC	Philippines	Telecommunications, infrastructure and related VAS	75.0	—	75.0	—
Pilipinas Global Network Limited, or PGNL, and Subsidiaries	British Virgin Islands	International distributor of Filipino channels and content	64.6	—	64.6	—
Others						
PLDT Global Investments Holdings, Inc., or PGIH	Philippines	Investment company	100.0	—	100.0	—
PLDT Digital Investments Pte. Ltd., or PLDT Digital, and Subsidiaries	Singapore	Investment company	100.0	—	100.0	—
PLDT Communications and Energy Ventures, Inc., or PCEV	Philippines	Investment company	—	99.9	—	99.9

^(a) Ceased commercial operations.

The financial statements of our subsidiaries are prepared for the same reporting period as PLDT. We prepare our consolidated financial statements using uniform accounting policies for like transactions and other events with similar circumstances.

Additional Investment in Maya Innovations Holdings Pte. Ltd. (MIH)

On April 5, 2024, PCEV paid the subsequent consideration of US\$15.3 million or Php857 million for 6.7 million MIH Class C2 convertible preferred shares and received warrants for 2.7 million shares valued at Php152 million, resulting in an increase of PCEV's ownership in MIH from 36.97% to 37.66%.

See *Note 11 – Investment in Associates and Joint Venture – Investment in Associates*.

Investment in Multisys

On January 5, 2024, PGIH entered into a Share Purchase Agreement for the sale of 227 common shares of Multisys, representing a 4.99% interest, for a total consideration of Php270 million. The transaction was completed and fully paid on January 12, 2024. Following this sale, PGIH retained ownership of 2,080 common shares representing 45.73% equity interest in Multisys. Pursuant to the Restated Shareholders' and related Amendment Agreement signed on January 30, 2024 and March 1, 2024, respectively, PGIH remains entitled to nominate three out of the five directors in Multisys, who manage and control the operations of Multisys. Consequently, the results of operation and financial position of Multisys continue to be consolidated with the PLDT Group.

On April 2, 2025, PGIH entered into a Share Purchase Agreement for the purchase of 228 common shares of Multisys, representing a 5.01% interest, for a total consideration of Php257.5 million. The transaction was completed on April 5, 2025. Following this acquisition, PGIH owns 2,308 common shares representing 50.74% equity interest in Multisys. On April 16, 2025 and December 16, 2025, PGIH partially paid Php150 million and Php94.6 million, respectively, out of the total consideration. The balance of Php12.9 million remains outstanding as at December 31, 2025.

Investment in Kayana Solutions Inc., or Kayana (formerly Limitless Growth Ventures, Inc.)

In March 2024, PLDT invested in Kayana, to serve as a digital entity designed to harness the data assets of the MVP Group of Companies and provide a platform for a Group-wide digitalization initiatives. This collaboration marks the first step in a collective effort aimed at creating new growth opportunities and value within the MVP Group of Companies.

Kayana will leverage a technology platform capable of enabling the MVP Group of Companies to scale operations and achieve seamless integration of services and capabilities. Additionally, payments and rewards systems are expected to play a pivotal role in enhancing the overall user experience.

As at September 27, 2024, PLDT has invested a total of Php840 million in Kayana representing 60% equity interest.

On September 30, 2024, Kayana entered into share subscription agreements with its shareholders, wherein PLDT subscribed to additional common shares equivalent to Php46.5 million and the remaining shareholders subscribed to additional shares equivalent to Php523.5 million. As a result, PLDT's equity ownership in Kayana was reduced to 45%, leading PLDT to account for its remaining interest as an investment in associate.

On September 1, 2025, Kayana entered into another share subscription agreement with its shareholders, wherein PLDT subscribed to additional common shares equivalent to Php594 million. PLDT's equity ownership in Kayana remained at 45%. as at December 31, 2025, the subscription remains unpaid.

The following summarizes the subscription agreements entered into by PLDT with Kayana:

Date	Number of Shares Acquired (in millions)
March 24, 2024	754.5
September 27, 2024	85.5
September 30, 2024	46.5
September 1, 2025	594.0
	1,480.5

As at December 31, 2025 and 2024, the carrying value of PLDT's investment in Kayana amounted to Php1,355 million and Php853 million, respectively. See *Note 11 – Investment in Associates and Joint Venture – Investment in Associates*.

Reduction of Capital in PLDT Capital Pte Ltd., or PLDT Capital

On May 6, 2024, the Directors of PLDT Capital approved the reduction of its issued and paid-up share capital from Php891 million, comprising 26,773,606 ordinary shares, to Php1 million, comprising 30,058 fully paid ordinary shares. The Accounting and Corporate Regulatory Authority of Singapore approved the capital reduction of PLDT Capital on July 12, 2024.

Discontinued Operations

In 2023, ePLDT completed the winding down of operations of certain subsidiaries. As a result, the operations of these discontinued ePLDT subsidiaries were classified as discontinued operations in the consolidated income statements.

The results of the operations of the discontinued ePLDT subsidiaries, net of intercompany transactions, for the year ended December 31, 2023 is as follows:

	2023 (in million pesos)
Revenues	107
Expenses:	
General operating costs	168
Depreciation and amortization	21
Cost of contract-specific services	3
	192
Net operating loss	(85)
Other income (expenses):	
Foreign exchange gains – net	4
Interest income	1
Financing costs	(2)
Others	41
	44
Loss before and after tax from discontinued operations	(41)
Loss per share (Note 8):	
Basic/Diluted	(0.19)

The net cash flows generated by (used in) the discontinued ePLDT subsidiaries, net of intercompany transactions, for the year ended December 31, 2023 are as follows:

	2023 (in million pesos)
Operating activities	(120)
Investing activities	31
Financing activities	(50)
Net effect of foreign exchange rate changes on cash and cash equivalents	8
Net cash outflows	(131)

New Standards, Interpretations and Amendments

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

Unless otherwise indicated, adoption of this new amendment did not have a material impact on the consolidated financial statements of the PLDT Group

- Amendments to Philippine Accounting Standards, PAS 21, *Lack of Exchangeability*

Summary of Material Accounting Policies

The following is the summary of material accounting policies we applied in preparing our consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any noncontrolling interest in the acquiree. For each business combination, we elect whether to measure the components of the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general operating costs.

When we acquire a business, we assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. The fair value of previously held equity interest is then included in the amount of total consideration transferred.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument within the scope of PFRS 9 is measured at fair value with the changes in fair value recognized in profit or loss. In accordance with PFRS 9, the contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill 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. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, we reassess whether we correctly identified all of the assets acquired and all of the liabilities assumed and review the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain on a bargain purchase is recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, we report in our consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which is no longer than one year from the acquisition date, the provisional amounts recognized at acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, we also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

After 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 our cash-generating units, or CGUs, 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 acquired in a business combination has yet to be allocated to identifiable CGUs because the initial accounting is incomplete, such provisional goodwill is not tested for impairment unless indicators of impairment exist and we can reliably allocate the carrying amount of goodwill to a CGU or group of CGUs that are expected to benefit from the synergies of the business combination.

Where goodwill has been allocated to a CGU 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 disposed operation and the portion of the CGU retained.

Investments in Associates

Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The cost of the investments includes directly attributable transaction costs. The details of our investments in associates are disclosed in *Note 11 – Investments in Associates and Joint Ventures – Investments in Associates*.

Where there has been a change recognized directly in the equity of the associate, we recognize our share in such change and disclose this, when applicable, in our consolidated statements of comprehensive income and consolidated statements of

changes in equity. Unrealized gains and losses resulting from our transactions with and among our associates are eliminated to the extent of our interests in those associates.

Our share in the profits or losses of our associates is included under “Other Expenses - Net” in our consolidated income statements. This is the profit or loss attributable to equity holders of the associate and net of the noncontrolling interest in the subsidiaries of the associate.

Joint Arrangements

When necessary, adjustments are made to bring the accounting policies of the joint venture in line with our policies. The details of our investments in joint ventures are disclosed in *Note 11 – Investments in Associates and Joint Ventures – Investments in Joint Ventures*.

Adjustments are made in our consolidated financial statements to eliminate our share of unrealized gains and losses on transactions between us and our joint venture. Our investment in the joint venture is carried at equity method until the date on which we cease to have joint control over the joint venture.

Upon loss of joint control over the joint venture, we measure and recognize our retained investment at fair value. Any difference between the carrying amount of the former joint venture upon loss of joint control and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as an investment in an associate with no remeasurement.

Foreign Currency Transactions and Translations

Our consolidated financial statements are presented in Philippine Peso, which is also the Parent Company’s functional currency. The Philippine Peso is the currency of the primary economic environment in which we operate. This is also the currency that mainly influences the revenue from and cost of rendering products and services. Each entity in our Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency.

The functional and presentation currency of the entities under the PLDT Group (except for the subsidiaries discussed below) is the Philippine Peso.

Transactions in foreign currencies are initially recorded by entities under our Group at the respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated 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 our consolidated income statements except for foreign exchange differences that qualify as capitalizable borrowing costs for qualifying assets. 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising from transactions of non-monetary items measured at fair value is treated in line with the recognition of this gain or loss on the change in fair value of the items (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

The functional currency of PLDT Global and certain of its subsidiaries, and PGNL and certain of its subsidiaries is the U.S. Dollar. As at the reporting date, the assets and liabilities of these subsidiaries are translated into Philippine Peso at the rate of exchange prevailing at the end of the reporting period, and income and expenses of these subsidiaries are translated monthly using the weighted average exchange rate for the month. The exchange differences arising on translation are recognized as a separate component of other comprehensive income as cumulative translation adjustments. Upon disposal of these subsidiaries, the amount of deferred cumulative translation adjustments recognized in other comprehensive income relating to subsidiaries is recognized in our consolidated income statements.

Foreign exchange gains or losses of the Parent Company and our Philippine-based subsidiaries are treated as taxable income or deductible expenses in the period such exchange gains or losses are realized.

Assets Classified as Held-for-Sale

We classify assets as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held-for-sale are measured at the lower of their carrying amount and fair

value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification are regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortized once classified as held-for-sale.

Assets and liabilities classified as held-for-sale are presented separately as current items in the consolidated statements of financial position.

Additional disclosures are provided in *Note 9 – Property and Equipment – Sale and Leaseback of Telecom Towers* and *Note 10 – Leases*. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Financial Instruments

Financial Instruments – Initial recognition and subsequent measurement

Classification of financial assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and our business model for managing the financial assets. We classify our financial assets into the following measurement categories:

- Financial assets measured at amortized cost;
- Financial assets measured at FVPL;
- Financial assets measured at fair value through other comprehensive income, or FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss; and
- Financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss.

Contractual cash flows characteristics

In order for us to identify the measurement of our debt financial assets, a solely payments of principal and interest, or SPPI, test needs to be initially performed in order to determine whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Once a debt financial asset passed the SPPI test, business model assessment, which identifies our objective of holding the financial assets – hold to collect or hold to collect and sell, will be performed. If both of the conditions are met, the financial asset shall be measured either at FVOCI, if the business model is to hold to collect and sell, or amortized cost, if the business model is to hold to collect. Otherwise, it shall be measured at FVPL.

In making the assessment, we determine whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the SPPI test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model

Our business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Our business model does not depend on management's intentions for an individual instrument.

Our business model refers to how we manage our financial assets in order to generate cash flows. Our business model determines whether cash flows will result from collecting contractual cash flows, collecting contractual cash flows and selling financial assets or neither.

Financial assets at amortized cost

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate, or EIR, method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in 'Other expenses – net' in our consolidated income statements and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in 'Asset impairment' in our consolidated income statements.

Our financial assets at amortized cost include debt instruments at amortized cost, cash and cash equivalents, short-term investments, trade and other receivables, and other financial assets as at December 31, 2025 and 2024. See *Note 12 – Debt Instruments at Amortized Cost*, *Note 15 – Cash and Cash Equivalents*, *Note 16 – Trade and Other Receivables* and *Note 27 – Financial Assets and Liabilities*.

Financial assets at FVPL

Financial assets at FVPL are measured at fair value. Included in this classification are derivative financial assets, equity investments held for trading and debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVPL are initially recognized at fair value, with transaction costs recognized in our consolidated income statements as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in our consolidated income statements.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, we may choose at initial recognition to designate the financial asset at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the PLDT Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVPL, and the gains or losses from disposal of financial investments.

Our financial assets at FVPL include derivative financial assets and equity investments as at December 31, 2025 and 2024. See *Note 27 – Financial Assets and Liabilities*.

Classification of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, 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.

Financial liabilities are subsequently measured at amortized cost, except for the following:

- Financial liabilities measured at FVPL;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when we retain continuing involvement;
- Financial guarantee contracts;
- Commitments to provide a loan at a below-market interest rate; and
- Contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at FVPL if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- If a host contract contains one or more embedded derivatives; or
- If a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVPL, changes in fair value attributable to our own credit quality which is calculated by determining the changes in credit spreads above observable market interest rates are recognized in other comprehensive income, unless this treatment would create or enlarge an accounting mismatch, in which case they are recognized in profit or loss.

Our financial liabilities at FVPL include derivative financial liabilities and liability from redemption of preferred stock as at December 31, 2025 and 2024. See *Note 19 – Equity – Redemption of Preferred Stock*, *Note 23 – Accrued Expenses and Other Current Liabilities* and *Note 27 – Financial Assets and Liabilities*.

Our financial liabilities at amortized costs include interest-bearing financial liabilities, lease liabilities, customers' deposits, dividends payable, certain accounts payable, certain accrued expenses and other current liabilities and certain deferred credits and other noncurrent liabilities, (except for statutory payables) as at December 31, 2025 and 2024. See *Note 10 – Leases*, *Note 20 – Interest-bearing Financial Liabilities*, *Note 21 – Deferred Credits and Other Noncurrent Liabilities*, *Note 22 – Accounts Payable*, *Note 23 – Accrued Expenses and Other Current Liabilities* and *Note 27 – Financial Assets and Liabilities*.

Reclassifications of financial instruments

We reclassify our financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively, and any previously recognized gains, losses or interest shall not be restated.

We do not reclassify our financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and
- There is a change in measurements on credit exposures measured at FVPL.

We do not reclassify our financial liabilities.

Offsetting of Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts; and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. We assess that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Impairment of Financial Assets

We recognize expected credit losses, or ECL for debt instruments that are measured at amortized cost and FVOCI.

No ECL is recognized on financial assets at FVPL.

ECLs are measured in a way that reflects the following:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL – not credit impaired

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs representing the ECLs that result from all possible default events within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL – not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL – credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

Loss Allowances

Loss allowances are recognized based on 12-month ECL for debt instruments that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The counterparty has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfill its contractual cash flow obligations.

We consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’, or when the exposure is less than 30 days past due.

The loss allowances recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stage 2 and 3 due to the financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments derecognized in the period;
- Impact on the measurement of ECL due to changes in probability of defaults, or PDs, loss given defaults, or LGDs, and exposure at defaults, or EADs, in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Unwinding of discount within ECL due to passage of time, as ECL is measured on a present value basis; and
- Financial assets derecognized during the period and write-offs of allowances related to assets that were written off during the period.

Write-off Policy

We write-off a financial asset measured at amortized cost, in whole or in part, when the asset is considered uncollectible, and we have exhausted all practical recovery efforts and concluded that we have no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. We write-off an account when all of the following conditions are met:

- The asset is past due for over 90 days, or is already an item-in-litigation with any of the following:
 - a) No properties of the counterparty could be attached
 - b) The whereabouts of the client cannot be located
 - c) It would be more expensive for the Group to follow-up and collect the amount, hence we have ceased enforcement activity, and
 - d) Collections can no longer be made due to insolvency or bankruptcy of the counterparty;
- Expanded credit arrangement is no longer possible;
- Filing of legal case is not possible; and
- The account has been classified as ‘Loss’.

Simplified Approach

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to ‘Trade and other receivables’ and ‘Contract assets’. We have established a provision matrix for billed trade receivables and a vintage analysis for contract assets and unbilled trade receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or where applicable as part of a financial asset or part of a group of similar financial assets) is primarily derecognized when: (1) the right to receive cash flows from the asset has expired; or (2) we have transferred the right to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either: (a) we have transferred substantially all the risks and rewards of the asset; or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in consolidated income statements.

The financial liability is also derecognized when equity instruments are issued to extinguish all or part of the financial liability. The equity instruments issued are recognized at fair value if it can be reliably measured, otherwise, it is recognized at the fair value of the financial liability extinguished. Any difference between the fair value of the equity instruments issued and the carrying value of the financial liability extinguished is recognized in consolidated income statements.

Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement

We use derivative financial instruments, such as foreign currency options and forward currency contracts to hedge its risk associated with foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of foreign currency options and forward currency contracts is determined using applicable valuation techniques. See *Note 27 – Financial Assets and Liabilities*.

Any gains or losses arising from changes in fair value on derivatives during the period that do not qualify for hedge accounting are taken directly to the “Other income (expense) – Gains (losses) on derivative financial instruments – net” in our consolidated income statements.

Cash flow hedges which meet the criteria for hedge accounting are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income, while any ineffective portion is recognized immediately in our consolidated income statements. See *Note 27 – Financial Assets and Liabilities* for more details.

Amounts taken to other comprehensive income are transferred to our consolidated income statements when the hedged transaction affects our consolidated income statements, such as when the hedged financial income or financial expense is recognized or when a forecast transaction occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in other comprehensive income are transferred to our consolidated income statements. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in other comprehensive income remain in other comprehensive income until the forecast transaction or firm commitment occurs.

We use a long-term foreign currency options agreement to hedge our foreign exchange exposure on certain outstanding loan balances. See *Note 27 – Financial Assets and Liabilities*.

Property and Equipment

Property and equipment, except for land, is stated at cost less accumulated depreciation and any accumulated impairment losses. Land is stated at cost less any impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and 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 component parts of the property and equipment when the cost is incurred, if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, we recognize such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized as expenses as incurred. The present value of the expected cost for the decommissioning of the asset after use is included in the cost of the asset if the recognition criteria for a provision are met.

Depreciation commences once the property and equipment are available for their intended use and are calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives used in depreciating our property and equipment are disclosed in *Note 9 – Property and Equipment*.

The residual values, the estimated useful lives, and methods of depreciation are reviewed at least at each financial year-end and adjusted prospectively, if appropriate.

An item of property and equipment and any significant part initially recognized are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in our consolidated income statements when the asset is derecognized.

Property under construction is stated at cost less any impairment in value. This includes the cost of construction, property and equipment not ready for internal use, capitalizable borrowing costs and other direct costs associated with construction. Property under construction is not depreciated until such time that the relevant assets are completed and available for its intended use.

Property under construction is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Asset Retirement Obligations

We are legally required under various lease agreements to dismantle the installation on leased sites and restore such sites to their original condition at the end of the contract lease term. We recognize the liability measured at the present value of the estimated costs of these obligations and capitalize such costs as part of the balance of the related item of property and equipment and right-of-use asset. The amount of asset retirement obligations is accreted and such accretion is recognized as interest expense. See *Note 10 – Leases* and *Note 21 – Deferred Credits and Other Noncurrent Liabilities*.

Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired from business combinations is initially recognized at fair value on the date of acquisition. 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 using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At the minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in our consolidated income statements.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually either individually or at the CGU level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The estimated useful lives used in amortizing our intangible assets are disclosed in *Note 14 – Goodwill and Intangible Assets*.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in our consolidated income statements when the asset is derecognized.

Internally generated intangibles are not capitalized, and the related expenditures are charged against operations in the period in which the expenditures are incurred.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by accredited external independent valuers applying a valuation model.

Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, we consider the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to, or from, investment property when, and only when there is a change in use.

For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If owner-occupied property becomes an investment property, we account for such property in accordance with PAS 16, Property and Equipment. The difference between the carrying amount of the property in accordance with PAS 16 and its fair value is treated the same way as revaluation in accordance with PAS 16. Any resulting decrease in the carrying amount of the property is recognized in profit or loss. However, to the extent that an amount is included in revaluation surplus for that property, the decrease is recognized in other comprehensive income and reduces the revaluation surplus within equity. Any resulting increase in the carrying amount is recognized in profit or loss to the extent that the increase reverses a previous impairment loss for that property. The amount recognized in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized. Any remaining part of the increase in carrying amount is recognized in other comprehensive income and increases the revaluation surplus within equity. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

Inventories and Supplies

Inventories and supplies, which include cellular and landline phone units, materials, spare parts, terminal units and accessories, are valued at the lower of cost and net realizable value.

Costs incurred in bringing inventories and supplies to its present location and condition are accounted for using the weighted average cost method. Net realizable value is determined by either estimating the selling price in the ordinary course of business, less the estimated cost to sell or determining the prevailing replacement costs.

Impairment of Non-Financial Assets

We assess at each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when the annual impairment testing for an asset is required, we make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use, or VIU. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent from those of other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the VIU, 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. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognized in our consolidated income statements.

For assets, excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, we make an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in our consolidated income statements. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining economic useful life.

The following assets have specific characteristics for impairment testing:

Property and equipment, right-of-use, or ROU, assets, and intangible assets with finite useful lives

For property and equipment and ROU assets, we assess impairment on the basis of impairment indicators such as evidence of internal obsolescence or physical damage. For intangible assets with finite useful lives, we assess for impairment whenever there is an indication that the intangible assets may be impaired. See *Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions – Impairment of non-financial assets, Note 9 – Property and Equipment, Note 10 – Leases and Note 14 – Goodwill and Intangible Assets* for further disclosures relating to impairment of non-financial assets.

Investments in associates and joint ventures

We determine at the end of each reporting period whether there is any objective evidence that our investments in associates and joint ventures are impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the investments in associates and joint ventures, and its carrying amount. The amount of impairment loss is recognized in our consolidated income statements. See *Note 11 – Investments in Associates and Joint Ventures* for further disclosures relating to impairment of non-financial assets.

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU, or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU, or group of CGUs, is less than the carrying amount of the CGU, or group of CGUs, to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

See *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Impairment of non-financial assets* and *Note 14 – Goodwill and Intangible Assets* for further disclosures relating to impairment of non-financial assets.

Intangible asset with indefinite useful life

Intangible asset with indefinite useful life is not amortized but is tested for impairment annually either individually or at the CGU level, as appropriate. We calculate the amount of impairment as being the difference between the recoverable amount of the intangible asset or the CGU, and its carrying amount and recognize the amount of impairment in our consolidated income statements. Impairment losses relating to intangible assets can be reversed in future periods.

See *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Impairment of non-financial assets* and *Note 14 – Goodwill and Intangible Assets* for further disclosures relating to impairment of non-financial assets.

Fair Value Measurement

We measure financial instruments such as derivatives, financial assets at FVPL, assets classified as held-for-sale and -financial assets such as investment properties and pension plan assets, at fair value at each reporting date. The fair values of investment properties are disclosed in *Note 13 – Investment Properties*. The fair values of the pension plan assets are disclosed in *Note 25 – Pension and Other Employee Benefits*. The fair values of financial instruments measured at amortized cost are disclosed in *Note 27 – Financial Assets and Liabilities*.

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (i) in the principal market for the asset or liability; or (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to us.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in our consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities; (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in our consolidated financial statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

We determine the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted FVPL financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. At each reporting date, we analyze the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per our accounting policies. For this analysis, we verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation with the contracts and other relevant documents.

We, in conjunction with our external valuers, also compare the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, we have determined the classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenues from contracts with customers

Our revenues are principally derived from providing the following telecommunications services: cellular voice, SMS and data services in the wireless business; and local exchange, international and national long distance, data and other network, and information and communications services in the fixed line business.

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

i. Single Performance Obligation (POB) Contracts

Postpaid service arrangements include fixed monthly charges (including excess of consumable fixed monthly service fees) generated from cellular voice, short messaging services, or SMS, and data services through the postpaid plans of Smart 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 we recognize 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.

Prepaid service revenues arise from the proceeds from over-the-air reloading channels and prepaid cards are initially recognized as contract liability and realized upon actual usage of the airtime value for voice, SMS, mobile data and other VAS, prepaid unlimited and bucket-priced SMS and call subscriptions, net of bonus credits from load packages purchased, such as free additional call minutes, SMS, data allocation or airtime load, or upon expiration, whichever comes earlier.

We also consider recognizing revenue from the expected expiry of airtime load in proportion to the pattern of rights exercised by the customer if we expect to be entitled to that expired amount. If we do not expect to be entitled to an expired amount based on historical experience with the customers, then we recognize the expected expired amount as revenue when the likelihood of the prepaid customer exercising its remaining rights becomes remote.

Interconnection fees and charges arising from the actual usage of airtime value or subscriptions are recorded as incurred.

Revenue from international and national long-distance calls carried via our network is generally based on rates which vary with distance. Revenue from both wireless and fixed line long distance calls are recognized as the service is provided. In general, non-refundable upfront fees, such as activation fees, that do not relate to the transfer of a promised good or service, are deferred and recognized as revenue throughout the estimated average customer relationship period, and the related incremental costs incurred are similarly deferred and recognized as expense over the same period, if such costs generate or enhance resources of the entity and are expected to be recovered.

Activation fees for both voice and data services are also considered as a single performance obligation together with monthly service fees, recognized over the estimated average customer relationship period.

ii. Bundled Contracts

In revenue arrangements, which involve bundled sales of mobile devices and accessories (non-service component) and telecommunication services (service component), the total transaction price is allocated based on the relative stand-alone selling prices of each distinct performance obligation. Stand-alone selling price is the price at which we sell the good or service separately to a customer. However, if goods or services are not currently offered separately, we use the adjusted market or cost-plus margin method to determine the stand-alone selling price to be used in the transaction price allocation. We adjust the transaction price for the effects of the time value of money if the timing of the payment and delivery of goods or services do not coincide, effects of which are considered as containing a significant financing component.

Activation services and installation services for voice and data services that are not a distinct performance obligation are considered together with monthly voice and data services as a single performance obligation, recognized over the estimated average customer relationship period since the subscriber cannot benefit from the installation services on its own or together with other resources that are readily available to the subscriber. The related incremental costs are recognized in the same manner in our consolidated income statements, if such costs are expected to be recovered. On the other hand, custom-built installation services provided to data services subscribers are considered a distinct separate performance obligation and is recognized when services are rendered.

Revenues from the sale of non-service component are recognized at the point in time when the goods are delivered while revenues from telecommunication services component are recognized on a straight-line basis over the contract period when the services are provided to subscribers.

Significant Financing Component

The non-service component included in contracts with customers have significant financing components considering the period between the time of the transfer of control over the mobile device and the customer's payment of the price of the mobile device, which is more than one year.

The transaction price for such contracts is determined by discounting the amount of promised consideration using the appropriate discount rate. We concluded that there is a significant financing component for those contracts where the customer elects to pay in arrears considering the length of time between the transfer of mobile device to the customer and the customer's payment, as well as the prevailing interest rates in the market adjusted with customer credit spread.

Customer Loyalty Program

Through our customer loyalty program called Giga Points, points are earned through subscription of promo, purchase of load, and payment of bill for postpaid subscribers. Points are also earned through other activities such as daily login in the Smart App. These points can be used to redeem items such as giga promos, bill rebates, content subscription, discounts, exclusive tickets, and more.

Our contract with customers for revenue-related activity includes a promise to provide future telco services or rights to third-party services in the form of earning points. We consider these revenue-related earnings as performance obligation and the transaction price is allocated to each performance obligation. For earnings on non-revenue activity, we recognize a financial liability upon redemption of the points from third party partners.

We also offer PLDT Home Rewards. This customer loyalty program is available exclusively to active PLDT Home customers except for Home Biz and Corporate accounts which are not currently eligible for enrollment. Under this program, PLDT Home customers are granted points to incentivize customer-related activities. Points are earned thru enrollment, payment on time, upgrade, availment of VAS add-on etc.

iii. International and Domestic Long Distance Contracts

Interconnection revenues for call termination, call transit and network usages are recognized in the period in which the traffic occurs. Revenues related to local, long distance, network-to-network, roaming and international call connection services are recognized when the call is placed, or connection is provided, and the equivalent amounts charged to us by other carriers are recorded under interconnection costs in our consolidated income statements. Inbound revenue and outbound charges are based on agreed transit and termination rates with other foreign and local carriers.

Variable consideration

We assessed that a variable consideration exists in certain interconnection agreements where there is a monthly aggregation period and the rates applied for the total monthly traffic will depend on the total traffic for the month. We

also consider whether contracts with carriers contain volume commitment or tiering arrangements whereby the rate being charged will change upon meeting certain volume of traffic. We estimate the amount of variable consideration to which we are entitled and included in the transaction price some or all of the amount of variable consideration estimated arising from these agreements, unless the impact is not material.

iv. Others

Revenues from VAS include streaming and downloading of games, music, video contents, loan services, messaging services, applications and other digital services which are only arranged for by us on behalf of third-party content providers. The amount of revenue recognized is net of content provider's share in revenue. Revenue is recognized at a point in time upon service availment. We act as an agent for certain VAS arrangements.

Revenue from server hosting, co-location services and customer support services are recognized over the period that the services are performed.

Subscriber Contract Costs

Costs to obtain a contract with customers, such as commission, and costs to fulfill the contract, such as installation and Customer Premises Equipment (CPE) costs, are capitalized if we expect to recover those costs. These subscriber contract costs are stated at cost net of accumulated amortization and impairment losses. Subscriber contract costs are amortized on a systematic basis consistent with the pattern of transfer of goods and services to which the assets relates.

The amortization of costs to obtain and costs to fulfill are presented as part of general operating costs, and depreciation and amortization, respectively, in the consolidated income statements.

Impairment losses are recognized to the extent that the carrying amount of the subscriber contract costs exceed the net of (i) remaining amount of consideration that we expect to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenues from contracts with customers are provided in *Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions – Identifying performance obligations*.

Cost of Devices, Accessories and Contract-Specific Services

Cost of devices and accessories

This refers to the cost of devices such as mobile handsets, phone units, and broadband and data modems sold to subscribers.

Cost of contract-specific services

This refers to the costs from third-party vendors that are directly identifiable and distinct to specific customer contracts where we are the principal, such as content, license, and maintenance/warranty costs. Costs not identifiable and distinct to specific customer contracts such as compensation and benefits, and equipment depreciation are excluded.

Retirement Benefits

PLDT and certain of its subsidiaries are covered under Republic Act No. 7641 otherwise known as "The Philippine Retirement Law".

Defined benefit pension plans

PLDT has separate and distinct retirement plans for itself and some of its Philippine-based operating subsidiaries, administered by the respective Funds' Trustees, covering permanent employees. Retirement costs are separately determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Retirement costs consist of the following:

- Service cost;
- Net interest on the net defined benefit asset or obligation; and
- Remeasurements of net defined benefit asset or obligation.

Service cost (which includes current service costs, past service costs and gains or losses on curtailments and non-routine settlements) is recognized as part of “General operating costs – Compensation and employee benefits” account in our consolidated income statements. These amounts are calculated periodically by an independent qualified actuary.

Net interest on the net defined benefit asset or obligation is the change during the period in the net defined benefit asset or obligation that arises from the passage of time which is determined by applying the discount rate based on the government bonds to the net defined benefit asset or obligation. Remeasurements, comprising actuarial gains and losses, return on plan assets (excluding net interest on defined benefit obligation) and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income in the period in which they occur. Remeasurements are not classified to profit or loss in subsequent periods. Net defined benefit asset is recognized as part of “Prepayments, and other nonfinancial assets - net of current portion” and net defined benefit obligation is recognized as part of “Pension and other employee benefits” in our consolidated statements of financial position.

The net defined benefit asset or obligation comprises the present value of the defined benefit obligation (using a discount rate based on government bonds, as explained in *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Estimating pension benefit costs and other employee benefits*), net of the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets held by a long-term employee benefit fund or qualifying insurance policies and are not available to our creditors nor can they be paid directly to us. Fair value is based on market price information and in the case of quoted securities, the published bid price and in the case of unquoted securities, the discounted cash flow using the income approach. The value of any defined benefit asset recognized is restricted to the asset ceiling which is the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. See *Note 25 – Pension and Other Employee Benefits – Defined Benefit Pension Plans* for more details.

Defined contribution plans

Smart and certain subsidiaries maintain a defined contribution plan that covers all regular full-time employees under which it pays fixed contributions based on the employees’ monthly salaries and provide for qualified employees to receive a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of Republic Act No. 7641.

Accordingly, Smart and certain subsidiaries account for its obligation under the higher of the defined benefit obligation related to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. Smart and certain subsidiaries determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense (income) and other expenses (income) related to the defined benefit plan are recognized in our consolidated income statements.

Remeasurements, comprising actuarial gains and losses, return on plan assets (excluding amounts included in net interest), and any change in the effect of the asset ceiling, are recognized immediately in other comprehensive income in the period in which they occur.

The defined contribution liability, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in our profit or loss. Gains or losses on the settlement of the defined benefit plan are recognized when the settlement occurs. See *Note 25 – Pension and Other Employee Benefits – Defined Contribution Plans* for more details.

Employee benefit costs include current service cost, past service cost, and net interest on the net defined benefit obligation, which are recognized in profit or loss. Remeasurements of the net defined benefit obligation, including actuarial gains and losses, are recognized immediately in other comprehensive income.

The long-term employee benefit liability comprises the present value of the defined benefit obligation (using a discount rate based on government bonds) at the end of the reporting period and is determined using the projected unit credit method. See *Note 25 – Pension and Other Employee Benefits – Other Long-term Employee Benefits* for more details.

Leases

We assess at contract inception whether the 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 a consideration.

As a Lessee. We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognize lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

- ROU assets

We recognize ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless it is reasonably certain that we obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life, or EUL, and the lease term. ROU assets are subject to impairment. Refer to the accounting policies in impairment of non-financial assets section.

- Lease liabilities

At the commencement date of the lease, we recognize 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, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option if reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use the incremental borrowing rate 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.

As a Lessor. Leases in which we do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in our consolidated income statements due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term as rental income.

Sale and Leaseback. If we transfer an asset to another entity (the buyer-lessor) and lease that asset back from the buyer-lessor, we account for the transfer contract and the lease by applying the requirements of PFRS 16. We first apply the requirements for determining when a performance obligation is satisfied in PFRS 15 to determine whether the transfer of an asset is accounted for as a sale of that asset.

For transfer of an asset that satisfies the requirements of PFRS 15 to be accounted for as a sale of the asset, we measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by us. Accordingly, we recognize only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the transfer of an asset does not satisfy the requirements of PFRS 15 to be accounted for as a sale of the asset, we continue to recognize the transferred asset and recognize a financial liability equal to the transfer proceeds. We account for the financial liability applying PFRS 9.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years 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 as at the end of the reporting period where we operate and generate taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in our consolidated income statements. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the balance sheet liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the end of reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences, except (a) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax, however, is not recognized when (a) it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and (b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest 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 income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

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

Contingencies

Contingent liabilities are not recognized in our consolidated financial statements. Unless the possibility of an outflow of resources embodying economic benefits is probable and measurable, they are disclosed in the notes to our consolidated financial statements. On the other hand, contingent assets are not recognized in our consolidated financial statements but are disclosed in the notes to our consolidated financial statements when an inflow of economic benefits is probable.

Segment Information

PLDT and its subsidiaries are organized into three business segments. Such business segments are the bases upon which we report our primary segment information. Financial information on business segments is presented in *Note 4 – Operating Segment Information*.

Events After the End of the Reporting Period

Post reporting period events up to the date of approval of the Board of Directors that provide additional information about our financial position at the end of the reporting period (adjusting events) are reflected in our consolidated financial statements. Post reporting period events that are classified as non-adjusting events are disclosed in the notes to our consolidated financial statements when material.

Equity

Preferred and common stocks are measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as capital in excess of par value in our consolidated statements of changes in equity and consolidated statements of financial position.

Treasury stocks are our own equity instruments which are reacquired and recognized at cost and presented as reduction in equity. No gain or loss is recognized in our consolidated income statements on the purchase, sale, reissuance or cancellation of our own equity instruments. Any difference between the carrying amount and the consideration upon reissuance or cancellation of shares is recognized as capital in excess of par value in our consolidated statements of changes in equity and consolidated statements of financial position.

Change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized directly in equity attributable to the owners of the parent in the consolidated statement of changes in equity.

Retained earnings represent our net accumulated earnings less cumulative dividends declared.

Other comprehensive income comprises of income and expenses, including reclassification adjustments, that are not recognized in our consolidated income statements as required or permitted by PFRS Accounting Standards.

Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. The PLDT Group intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, adoption of these pronouncements is not expected to have a material impact on the PLDT Group's consolidated financial statements.

Effective beginning on or after January 1, 2026

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

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1, *Presentation of Financial Statements*, introducing new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to PAS 7, *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

PLDT Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on PLDT Group's financial statements are, as follows:

- o Change in fair value of investment properties and share in profit or loss of associates and joint ventures will be classified in the investing category within the statement of profit or loss.
 - o Foreign exchange difference will be classified in the same category where the related income and expense from the item giving rise to the foreign exchange difference.
 - o New disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying PFRS 18 and the amounts previously presented applying PAS 1.
 - o Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.
- 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. Management's Use of Accounting Judgments, Estimates and Assumptions

The preparation of our consolidated financial statements in conformity with PFRS Accounting Standards requires us to make judgments, estimates and assumptions that affect the reported amounts of our revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of each reporting period. The uncertainties inherent in these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years.

Judgments and estimates 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, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual financial statements. Selected critical judgments and estimates applied in the preparation of the consolidated financial statements are discussed below:

Judgments

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

Revenue Recognition

Identifying performance obligations

We identify performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and our promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

Revenues earned from multiple-deliverable arrangements offered by our fixed line and wireless businesses are split into separate identifiable performance obligations based on their relative stand-alone selling price in order to reflect the substance of the transaction. The transaction price represents the best evidence of stand-alone selling price for the services we offer since this is the observable price we charge if our services are sold separately. We account for customer contracts in accordance with PFRS 15 and have concluded that the service (telecommunication service) and non-service components (handset or equipment) may be accounted for as separate performance obligations. The handset or equipment is delivered first, followed by the telecommunication service (which is provided over the contract/lock-in period of two to three years). Revenues attributable to the separate performance obligations are based on the allocation of the transaction price relative to the stand-alone selling price.

Installation fees for voice and data services that are not custom-built for the subscribers are considered as a single performance obligation together with monthly service fees, recognized over the estimated average customer relationship period since the subscriber cannot benefit from the installation services on its own or together with other resources that are readily available to the subscriber. On the other hand, installation fees of data services that are custom-built for the subscribers are considered as a separate performance obligation and is recognized upon completion of the installation services. Activation fees for both voice and data services are also considered as a single performance obligation together with monthly service fees, recognized over the estimated average customer relationship period.

Principal versus agent consideration

We enter into contracts with our customers involving multiple deliverable arrangements. We determined that we control the goods before they are transferred to customers, and we can direct the use of the inventory. The following factors indicate that we control the goods before they are being transferred to customers:

- a) We are primarily responsible for fulfilling the promise to provide the specified equipment;
- b) We bear inventory risk on our inventory before it has been transferred to the customer; and
- c) We have discretion in establishing the prices for the other party's goods or services and, therefore, the benefit that we can receive from those goods or services is not limited. It is incumbent upon us to establish the price of our services to be offered to our subscribers.

Based on the foregoing, we are considered the principal in our contracts with other service providers except for certain VAS arrangements. We have a primary obligation to provide the services to the subscriber.

Timing of revenue recognition

We recognize revenues from contracts with customers over time or at a point in time depending on our evaluation of when the customer obtains control of the promised goods or services and based on the extent of progress towards completion of the performance obligation. For the telecommunication service which is provided over the contract period of two or more years, revenue is recognized monthly as we provide the service because control is transferred over time. For the device, which is sold at the inception of the contract, revenue is recognized at the time of delivery because control is transferred at a point in time.

Identifying methods for measuring progress of revenue recognized over time

We determine the appropriate method of measuring progress which is either using input or output methods. Input method recognizes revenue based on the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue based on direct measurements of the value to the customer of the goods or services transferred to date.

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

Significant financing component

We concluded that the handset component included in contracts with customers has a significant financing component considering the period between the time of the transfer of control over the handset and the customer's payment of the price of the handset, which is more than one year.

In determining the interest to be applied to the amount of consideration, we concluded that the interest rate is the market interest rate adjusted with credit spread to reflect the customer credit risk that is commensurate with the rate that would be reflected in a separate financing transaction between us and our customer at contract inception.

Estimation of stand-alone selling price

We assessed that the service and non-service components represent separate performance obligations thus, the amount of revenues should be recognized based on the allocation of the transaction price to the different performance obligations based on their stand-alone selling prices. The stand-alone selling price is the price at which we sell the goods or services separately to a customer. However, if goods or services are not currently offered separately, we use the adjusted market or cost-plus margin method to determine the stand-alone selling price to be used in the revenue allocation.

Evaluation of business models in managing financial instruments

We determine our business model at the level that best reflects how we manage groups of financial assets to achieve our business objectives. Our business model is not assessed on an instrument-by-instrument basis, but on a higher level of aggregated portfolios and is based on observable factors such as:

- a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- c. The expected frequency, value and timing of sales are also important aspects of our assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from our original expectations, we do not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

We have determined that for cash and cash equivalents, short-term investments, investment in debt securities and other long-term investments, and trade and other receivables, the business model is to collect the contractual cash flows until maturity.

PFRS 9, however, emphasizes that if more than an infrequent number of sales are made out of a portfolio and those sales are more than insignificant in value, of financial assets carried at amortized cost, we should assess whether and how such sales are consistent with the objective of collecting contractual cash flows.

Definition of default and credit-impaired financial assets

We define a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*

For trade receivables and all other financial assets subject to impairment, default occurs when the receivable becomes 90 days past due, except for trade receivables from corporate subscribers, which are determined to be in default when the receivables become 120 days past due.

- *Qualitative criteria*

The counterparty meets unlikeliness to pay criteria, which indicates the counterparty is in significant financial difficulty. These are instances where:

- a. The counterparty is experiencing financial difficulty or is insolvent;
- b. The counterparty is in breach of financial covenant(s);
- c. An active market for that financial asset has disappeared because of financial difficulties;
- d. Concessions have been granted by us, for economic or contractual reasons relating to the counterparty's financial difficulty;
- e. It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; and
- f. Financial assets are purchased or originated at a deep discount that reflects the credit losses incurred.

The criteria above have been applied to all financial instruments, except FVPL, held by us and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the ECL models throughout our expected loss calculation.

Significant increase in credit risk

At each reporting date, we assess whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. We consider reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

Using our judgment and, where possible, relevant historical experience, we may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that we consider are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, we consider that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest due date elapsed in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the counterparty.

Exposures that have not deteriorated significantly since their origination, or where the deterioration remains within our investment grade criteria, or which are less than 30 days past due, are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the PLDT Group.

Determining the lease term of contracts with renewal and termination options – Company as a Lessee

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of ‘low-value’ assets. See Section *Leases* for the accounting policy.

We determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

We, as the lessee, have the option under some of our lease agreements to lease the assets for additional terms. We apply judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, we consider all relevant factors that create an economic incentive for us to exercise the renewal. After the commencement date, we reassess the lease term if there is a significant event or change in circumstances that is within our control and affects our ability to exercise or not to exercise the option to renew or to terminate (e.g., a change in business strategy).

We included the renewal period as part of the lease term for leases such as sites, leased circuits and poles due to the significance of these assets to our operations. These leases have a non-cancellable period (i.e., one to 30 years) and there will be a significant negative effect on our provision of services if a replacement is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

See *Note 10 – Leases* for information on potential future payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Sale and Leaseback of Telecom Towers

The accounting for sale and leaseback transaction depends on whether the transfer of the asset qualifies as a sale. We applied judgment to determine whether the transfer of asset is accounted for as a sale based on the requirements for determining when a performance obligation is satisfied in PFRS 15. We also applied estimates and judgment in determining many aspects, among others, the passive telecom assets and land lease as unit of accounts, the fair value of the towers sold, the measurement of the ROU assets retained by us and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Assets classified as held-for-sale

The criteria for held-for-sale classification are regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

Smart and DMPI entered into sale and purchase agreements with certain tower companies in connection with the sale of telecom towers and related passive telecom infrastructure. The closing of the agreements is on a staggered basis depending on the satisfaction of closing conditions based on the number of towers transferred. Following the completion of the initial transaction with tower companies, Smart and DMPI plan to proceed with the sale of additional telecom towers and related passive infrastructure within a year. With these agreements, we believe that certain conditions were met that qualified the related assets to be reclassified as held-for-sale.

See related discussion in *Note 9 – Property and Equipment and Note 10 – Leases*.

Accounting for investments in MediaQuest Holdings, Inc., or MediaQuest, through Philippine Depositary Receipts, or PDRs

ePLDT made various investments in PDRs issued by MediaQuest in relation to its direct interest in Satventures, Inc., or Satventures, and indirect interest in Cignal TV, Inc., or Cignal TV.

Based on our judgment, at the PLDT Group level, ePLDT's investments in PDRs gives ePLDT a significant influence over Satventures and Cignal TV as evidenced by provision of essential technical information and material transactions among PLDT, Smart, Satventures and Cignal TV, and thus are accounted for as investments in associates using the equity method.

See related discussion in *Note 11 – Investments in Associates and Joint Ventures – Investments in Associates – Investment of ePLDT in MediaQuest PDRs*.

Accounting for investment of PCEV in Maya Bank, Inc., or Maya Bank

The shareholders' agreement of Voyager Finserve Corporation, or VFC, and Paymaya Finserve Corporation, or PFC, (collectively known as the Bank HoldCos) requires affirmative vote of at least one director nominated by both PCEV and MIH to direct the relevant activities of the Bank HoldCos. The Bank HoldCos were incorporated for the sole purpose of holding shares or equity investments in Maya Bank. Because of the contractual arrangement between the parties, the investments in the Bank HoldCos are accounted for as joint venture.

Accounting for investments in Vega Telecom Inc., or VTI, Bow Arken Holdings Company, or Bow Arken, and Brightshare Holdings, Inc., or Brightshare

PLDT acquired a 50% equity interest in each of VTI, Bow Arken and Brightshare on May 30, 2016. Based on the Memorandum of Agreement, PLDT and Globe Telecom, Inc., or Globe, each has the right to appoint half the members of the Board of Directors of each of VTI, Bow Arken and Brightshare, as well as the (i) co-Chairman of the Board; (ii) co-Chief Executive Officer and President; and (iii) co-Controller where any matter requiring their approval shall be deemed passed or approved if the consents of both co-officers holding the same position are obtained. All decisions of each Board of Directors may only be approved if at least one director nominated by each of PLDT and Globe votes in favor of it.

Based on these rights, PLDT and Globe have joint control over VTI, Bow Arken and Brightshare, which is defined in PFRS 11, *Joint Arrangements*, as a contractually agreed sharing of control of an arrangement and exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Consequently, PLDT and Globe classified the joint arrangement as a joint venture in accordance with PFRS 11 given that PLDT and Globe each have the right to 50% of the net assets of VTI, Bow Arken and Brightshare and their respective subsidiaries.

Accordingly, PLDT accounted for the investment in VTI, Bow Arken and Brightshare using the equity method of accounting in accordance with PAS 28. Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. See *Note 11 – Investments in Associates and Joint Ventures – Investment in Joint Ventures – Investments of PLDT in VTI, Bow Arken and Brightshare*.

Material partly-owned subsidiaries

Our consolidated financial statements include additional information about subsidiaries that have non-controlling interest, or NCI, that are material to us. See *Note 6 – Components of Other Comprehensive Loss*. We determined material partly-owned subsidiaries as those with balance of NCI greater than 5% of the total equity as at December 31, 2025 and 2024.

Material associates and joint ventures

Our consolidated financial statements include additional information about associates and joint ventures that are material to us. See *Note 11 – Investments in Associates and Joint Ventures*. We determined material associates and joint ventures are those investees where our carrying amount of investments is greater than 5% of the total investments in associates and joint ventures as at December 31, 2025 and 2024.

Determining Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates

We assess whether we have any uncertain tax position and apply significant judgment in identifying uncertainties over our income tax treatments. We determined based on our assessment that it is probable that our income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in our consolidated financial statements within the next financial year are discussed below. We based our estimates and assumptions on parameters available when our consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond our control. Such changes are reflected in the assumptions when they occur.

Subscriber contract costs

Subscriber contract costs are costs to obtain (i.e., commissions) and costs to fulfill (i.e., installation and CPE costs) in relation to the services we provide to our subscribers. We assessed that these subscriber contract costs are incremental in obtaining and fulfilling our performance obligations. Accordingly, we capitalized subscriber contract costs and amortized as expense over the average customer relationship period.

We apply judgment to estimate the amortization period of subscriber contract costs.

As at December 31, 2025 and 2024, the estimated useful lives of the subscriber contract costs would range from six to seven years.

Further details on subscriber contract costs are disclosed in *Note 18 – Prepayments and Other Non-Financial Assets*.

Leases – Estimating the incremental borrowing rate, or IBR

In calculating the present value of lease payments, we use the IBR at the lease commencement date if the interest rate implicit in the lease is not readily determinable. IBR is the rate of interest that a lessee would have to pay to borrow over a similar term, similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

We use benchmark rates from partner banks based on the tenor of our loan borrowings plus a spread adjustment based on our credit worthiness. See *Note 10 – Leases* and *Note 21 – Deferred Credits and Other Noncurrent Liabilities*.

Impairment of non-financial assets

PAS 36 requires that an impairment review be performed when certain impairment indicators are present. In the case of goodwill and intangible assets with indefinite useful life, at a minimum, such assets are subject to an impairment test annually and whenever there is an indication that such assets may be impaired. This requires an estimation of the VIU of the CGUs to which these assets are allocated. The VIU calculation requires us to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

See *Note 14 – Goodwill and Intangible Assets – Impairment Testing of Goodwill* for the key assumptions used to determine the VIU of the relevant CGUs.

Determining the recoverable amount of property and equipment, ROU assets, investments in associates and joint ventures, goodwill and intangible assets, prepayments and other noncurrent assets, requires us to make estimates and assumptions in the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. Future events could cause us to conclude that property and equipment, ROU assets, investments in associates and joint ventures, goodwill and intangible assets, and prepayments and other noncurrent assets associated with an acquired business are impaired. Any resulting impairment loss could have a material adverse impact on our financial position and financial performance.

The preparation of estimated future cash flows involves significant estimations and assumptions of future market conditions. While we believe that our assumptions are appropriate and reasonable, significant changes in our assumptions may materially affect our assessment of recoverable values and may lead to future impairment charges.

See *Note 4 – Operating Segment Information*, *Note 5 – Income and Expenses – Asset Impairment*, and *Note 9 – Property and Equipment*.

The carrying values of our property and equipment, ROU assets, investments in associates and joint ventures, goodwill and intangible assets, and prepayments and other non-financial assets are separately disclosed in *Note 9 – Property and Equipment*, *Note 10 – Leases*, *Note 11 – Investments in Associates and Joint Ventures*, *Note 14 – Goodwill and Intangible Assets* and *Note 18 – Prepayments and Other Non-Financial Assets*, respectively.

Estimating useful lives of property and equipment

We estimate the useful lives of each item of our property and equipment based on the periods over which our assets are expected to be available for use. Our estimation of the useful lives of our property and equipment is also based on our collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of each asset are reviewed at least every year-end and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of our assets. It is possible, however, that future results of operations could be materially affected by changes in our estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of our property and equipment would increase our recorded depreciation and decrease the carrying amount of our property and equipment.

In 2023, PLDT and Smart increased the EUL of Information Technology assets and general computers and peripherals, due to technological advancement allowing extended warranty and Maintenance Agreement. Smart increased the EUL of Self-Supporting Towers due to cost-effective structure which allows future expansion and upgrades of mounting antennas and is designed for durability and resistance to withstand the elements, hence extending the vendor's warranty. Had the affected assets been depreciated using the original EUL, the depreciation would have been higher by Php934 million for the year 2023.

In 2024, the PLDT Group launched further initiatives to continuously modernize its property and equipment to enhance operational efficiencies. On this basis, the Group reassessed the EUL of certain assets, including among others, certain legacy network systems replaced by Transport Network Transformation (TNT) and Core Transformation, Operations Support Systems and Optical Line and Terminal Access equipment. As a result of changes in accounting estimates, the PLDT Group recognized additional depreciation expense of Php5,686 million in the income statement for the year ended December 31, 2024.

In 2025, based on the internal technical evaluation and assessment of industry practice, PLDT reassessed the EUL of International and Domestic submarine cable systems from 15 years to 25 years, resulting in a reduction in depreciation amounting to Php748 million for the years ended December 31, 2025. Conversely, the EUL of certain submarine network cables decreased due to aging and performance issues, resulting in additional depreciation expense of Php237 million.

PLDT and Smart also recognized additional depreciation expense amounting to Php744 million and Php5,560 million respectively, in 2025, due to modernization of core network equipment and IT assets.

In addition, Smart recognized additional depreciation of Php215 million upon the expiration of its lease during the year and the consequent termination of use of and move out from the related office premises.

Overall, the total depreciation and amortization of property and equipment from continuing operations amounted to Php41,881 million, Php41,224 million and Php51,543 million for the years ended December 31, 2025, 2024 and 2023, respectively, while that from discontinued operations amounted to nil for the years ended December 31, 2025 and 2024, and Php2 million for the year ended December 31, 2023. Total carrying values of property and equipment, net of accumulated depreciation and amortization, amounted to Php327,989 million and Php318,069 million as at December 31, 2025 and 2024, respectively. See *Note 4 – Operating Segment Information* and *Note 9 – Property and Equipment*.

Investment Properties

We carry our investment properties at fair value, with changes in fair value being recognized in the consolidated income statements and in other comprehensive income for transfers from owner-occupied property to investment property. The fair values of the investment properties have been determined based on appraisal performed by an independent firm of appraisers, an industry specialist in valuing these types of investment properties.

The valuation for land is based on a market approach valuation technique while the valuation for building and land improvements is based on a cost approach valuation technique using current material and labor costs for improvements based on external and independent reviewers. See *Note 13 – Investment Properties*.

Recognition of deferred income tax assets

We review the carrying amounts of deferred income tax assets at the end of each reporting period and reduce these to the extent that these are no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Our assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting years. This forecast is based on our past results and future expectations on revenues and expenses as well as future tax planning strategies. Based on this, management expects that we will generate sufficient taxable income to allow all or part of our deferred income tax assets to be utilized.

Based on the above assessment, our consolidated unrecognized deferred income tax assets amounted to Php934 million and Php803 million as at December 31, 2025 and 2024, respectively. Total consolidated provision for deferred income tax amounted to Php4,160 million, Php3,938 million and Php1,648 million for the years ended December 31, 2025, 2024 and 2023, respectively. Total consolidated recognized net deferred income tax assets amounted to Php11,582 million and Php14,643 million as at December 31, 2025 and 2024, respectively. See *Note 4 – Operating Segment Information* and *Note 7 – Income Taxes*.

Estimating allowance for ECLs

a. Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the EIR. The cash shortfall is the difference between the cash flows due to us in accordance with the contract and the cash flows that we expect to receive; and
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the EIR.

We leverage existing risk management indicators (e.g. internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allow us to identify whether the credit risk of financial assets has significantly increased.

b. Inputs, assumptions and estimation techniques

- *General approach for cash and cash equivalents, short-term investments, debt securities, and advances and other noncurrent assets*

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition. We consider the probability of our counterparty to default on its obligation and the expected loss at default after considering the effects of collateral, any potential value when realized and time value of money. Based on our assessment, there is no significant increase in credit risk and the ECL for these financial assets under a general approach is measured on a 12-month basis.

The assumptions underlying the ECL calculation are monitored and reviewed on a quarterly basis.

- *Simplified approach for trade and other receivables and contract assets*

The simplified approach does not require the tracking of changes in credit risk but instead requires the recognition of lifetime ECL. For trade receivables and contract assets, we use the simplified approach for calculating ECL. We have considered similarities in underlying credit risk characteristics and behavior in determining the groupings of various customer segments.

We used historically observed default rates and adjusted these historical credit loss experiences with forward-looking information. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analyzed.

There have been no significant changes in the estimation techniques used for calculating ECL on trade and other receivables and contract assets.

- *Incorporation of forward-looking information*

We incorporated forward-looking information into both our assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and our measurement of ECL.

To do this, management considered a range of relevant forward-looking macroeconomic assumptions and probability weights for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

The macroeconomic factors are aligned with information used by us for other purposes such as strategic planning and budgeting.

The probability weights used in the calculation of ECLs cover a range of possible outcomes based on the current and projected economic conditions.

We have identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past three to eight years. The methodologies and assumptions, including any forecasts of future economic conditions are reviewed regularly.

Due to lack of reasonable and supportable information, we have not identified any uncertain event that was assessed to be relevant to the risk of default occurring, thus we are not able to estimate the impact on ECL.

Total provision for expected credit losses for trade and other receivables from continuing operations amounted to Php3,838 million, Php3,875 million and Php4,119 million for the years ended December 31, 2025, 2024 and 2023, respectively, while that from discontinued operations amounted to nil for the years ended December 31, 2025 and 2024, and Php4 million for the year ended December 31, 2023. Trade and other receivables, net of allowance for expected credit losses, amounted to Php31,367 million and Php31,612 million as at December 31, 2025 and 2024, respectively. See *Note 5 – Income and Expenses* and *Note 16 – Trade and Other Receivables*.

Total impairment losses on contract assets amounted to Php101 million, Php181 million and Php224 million for the years ended December 31, 2025, 2024 and 2023, respectively. Contract assets, net of allowance for expected credit losses, amounted to Php1,487 million and Php1,886 million as at December 31, 2025 and 2024, respectively. See *Note 5 – Income and Expenses – Contract Balances*.

- *Grouping of instruments for losses measured on collective basis*

A broad range of forward-looking information was considered as economic inputs such as the gross domestic product, or GDP, inflation rate, unemployment rates, export rates, The Group of Twenty, or G20 GDP and G20 inflation rates. For expected credit loss provisions modelled on a collective basis, grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the PLDT Group to be statistically acceptable. Where sufficient information is not available internally, then we have considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below.

Trade receivables – Groupings for collective measurement

- a. Retail subscribers;
- b. Corporate subscribers;
- c. Foreign administrations and domestic carriers; and
- d. Dealers, agents and others

The following credit exposures are assessed individually:

- All stage 3 assets, regardless of the class of financial assets; and
- The cash and cash equivalents, short term investments, investment in debt securities and other financial assets.

Estimating 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 consist, among other things, discount rates, rates of compensation increases and mortality rates. Further, our accrued benefit cost is affected by the fair value of the plan assets. Key assumptions used to estimate fair value of the unlisted equity investments included in the plan assets consist of revenue growth rate, direct costs, capital expenditures, discount rates and terminal growth rates. See *Note 25 – Pension and Other Employee Benefits*. Due to complexity of valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions. While we believe that our assumptions are reasonable and appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our cost for pension and other retirement obligations. All assumptions are reviewed every year-end.

The net consolidated pension benefit costs amounted to Php1,434 million, Php1,441 million and Php1,426 million for the years ended December 31, 2025, 2024 and 2023, respectively. The prepaid benefit costs amounted to Php810 million and

Php975 million as at December 31, 2025 and 2024, respectively. The accrued benefit costs amounted to Php3,810 million and Php3,548 million as at December 31, 2025 and 2024, respectively. See *Note 5 – Income and Expenses – Compensation and Employee Benefits*, *Note 18 – Prepayments* and *Note 25 – Pension and Other Employee Benefits*.

Long-term Incentive Plan, LTIP

The Executive Compensation Committee (ECC) of the PLDT Board of Directors approved the LTIP covering the years 2022 to 2026, on December 23, 2021. It covers two cycles and is intended to provide incentive compensation in the form of cash to key officers, executives and other eligible participants who are consistent performers, compliant with codes of conduct and contributors to our strategic and financial goals, with defined metrics based on the achievement of telco core income, customer experience and sustainability. The target metrics for sustainability are expected to capture the Company's performance in various ESG materiality areas, including but not limited to, climate action such as initiatives to reduce energy consumption and greenhouse gas (GHG) emissions, employee and customer welfare, diversity and inclusion, cybersecurity and data privacy, and business ethics. Cycle 1 covered the performance period from 2022 to 2024 and was settled in 2025 based on the achievement of performance targets. Cycle 2, which is intended to cover the performance period from 2025 to 2026, is still subject to the ECC's evaluation. Accordingly, the expense accrued for the LTIP for the year ended December 31, 2025 amounted to nil. The expense accrued for the years ended December 31, 2024 and 2023 amounted to Php1,136 million and Php839 million, respectively.

The accrued incentive payable amounted to nil and Php3,406 million as at December 31, 2025 and 2024, respectively. See *Note 5 – Income and Expenses – Compensation and Employee Benefits* and *Note 25 – Pension and Other Employee Benefits – Other Long-term Employee Benefits*.

Provision for asset retirement obligations

Provision for asset retirement obligations is recognized in the period in which this is incurred if a reasonable estimate can be made. This requires an estimation of the cost to restore or dismantle on a per square meter basis, depending on the location, and is based on the best estimate of the expenditure required to settle the obligation at the future restoration or dismantlement date, discounted using a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risk specific to the liability. Total provision for asset retirement obligations amounted to Php1,836 million and Php1,752 million as at December 31, 2025 and 2024, respectively. See *Note 21 – Deferred Credits and Other Noncurrent Liabilities*.

Provision for legal contingencies and tax assessments

We are currently involved in various legal proceedings and tax assessments. Our estimates of the probable costs for the resolution of these claims have been developed in consultation with our counsel handling the defense in these matters and are based upon our analysis of potential results. Based on management's assessment, appropriate provisions were made. We currently do not believe these proceedings could materially reduce our revenues and profitability. It is possible, however, that future financial position and performance could be materially affected by changes in our estimates or the effectiveness of our strategies relating to these proceedings and assessments. See *Note 26 – Provisions and Contingencies*.

Determination of fair values of financial assets and financial liabilities

When the fair value of financial assets and financial liabilities recorded in our consolidated statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Other than those whose carrying amounts are reasonable approximations of fair values, total fair values of noncurrent financial assets and noncurrent financial liabilities as at December 31, 2025 amounted to Php3,322 million and Php274,220 million, respectively, while the total fair values of noncurrent financial assets and noncurrent financial liabilities as at December 31, 2024 amounted to Php3,079 million and Php247,962 million, respectively. See *Note 27 – Financial Assets and Liabilities*.

4. Operating Segment Information

Operating segments are components of the PLDT Group that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of PLDT Group). The operating results of these operating segments are regularly reviewed by the Executive Committee to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available.

For management purposes, we are organized into business units based on our products and services. We have three reportable operating segments as follows:

- Wireless – mobile telecommunications services provided by Smart and DMPI, our mobile service providers; SBI and PDSI, our wireless broadband service providers; and certain subsidiaries of PLDT Global;
- Fixed Line – fixed line telecommunications services primarily provided by PLDT. We also provide fixed line services through PLDT's subsidiaries, namely, ClarkTel, BCC and PLDT Global and certain subsidiaries; secure data center, multi-cloud, cybersecurity, data and artificial intelligence solutions through ePLDT and Vitro; distribution of Filipino channels and content through PGNL and its subsidiaries; and software development and IT solutions provided by Multisys; and
- Others – PCEV, PGIH, PLDT Digital and its subsidiaries, our investment companies.

See *Note 2 – Summary of Material Accounting Policies* for further discussion.

Segment revenues, segment expenses and segment results include transfers between business segments. These transfers are eliminated in full upon consolidation.

The amounts of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in our consolidated financial statements, which is in accordance with PFRS Accounting Standards. The segment revenues, net income, and other segment information of our reportable operating segments for the years ended December 31, 2025, 2024 and 2023, and as at December 31, 2025 and 2024 are as follows:

	Wireless	Fixed Line	Others	Intersegment and Consolidation Entries	Consolidated
			(in million pesos)		
December 31, 2025					
Revenues					
External customers	102,616	115,772	—	—	218,388
Service revenues	96,869	115,317	—	—	212,186
Non-service revenues	5,747	455	—	—	6,202
Inter-segment transactions	700	15,038	—	(15,738)	—
Service revenues	699	15,038	—	(15,737)	—
Non-service revenues	1	—	—	(1)	—
Total revenues	103,316	130,810	—	(15,738)	218,388
Depreciation and amortization	40,560	26,928	—	(8,001)	59,487
Asset impairment	652	3,318	—	—	3,970
Interest income	554	171	11	(17)	719
Equity share in net income (losses) of associates and joint ventures	(11)	(924)	507	—	(428)
Financing costs – net	9,941	9,411	—	(1,184)	18,168
Provision for (benefit from) income tax	2,678	7,291	(29)	(669)	9,271
Net income / Segment profit	9,344	27,041	568	(6,735)	30,218
Assets					
Operating assets	305,477	297,575	24,919	(57,150)	570,821
Investments in associates and joint ventures	280	43,234	8,911	—	52,425
Deferred income tax assets – net	5,684	5,235	91	572	11,582
Total assets	311,441	346,044	33,921	(56,578)	634,828
Liabilities					
Operating liabilities	254,793	282,827	1,020	(31,970)	506,670
Deferred income tax liabilities	16	57	2	—	75
Total liabilities	254,809	282,884	1,022	(31,970)	506,745
Other segment information					
Capital expenditures, including capitalized interest (Note 9) ⁽¹⁾⁽²⁾	29,203	31,133	—	—	60,336

⁽¹⁾ Net of additions subject to sale and leaseback from tower companies.

⁽²⁾ Includes capitalization of subscriber contract cost to fulfill.

	Wireless	Fixed Line	Others	Intersegment and Consolidation Entries	Consolidated
			(in million pesos)		
December 31, 2024					
Revenues					
External customers	104,944	111,889	—	—	216,833
Service revenues	96,989	111,393	—	—	208,382
Non-service revenues	7,955	496	—	—	8,451
Inter-segment transactions	790	14,601	—	(15,391)	—
Service revenues	790	14,601	—	(15,391)	—
Non-service revenues	—	—	—	—	—
Total revenues	105,734	126,490	—	(15,391)	216,833
Depreciation and amortization	36,483	29,132	—	(9,387)	56,228
Asset impairment	906	3,415	—	—	4,321
Interest income	698	230	15	(27)	916
Equity share in net losses of associates and joint ventures	—	(67)	(923)	—	(990)
Financing costs – net	9,763	7,456	—	(1,719)	15,500
Provision for (benefit from) income tax	3,276	6,501	(9)	370	10,138
Net income (loss) / Segment profit (loss)	11,060	32,392	(1,069)	(9,828)	32,555
December 31, 2024					
Assets					
Operating assets	326,672	291,635	19,879	(82,318)	555,868
Investments in associates and joint ventures	108	44,758	7,898	—	52,764
Deferred income tax assets – net	6,537	8,014	62	30	14,643
Total assets	333,317	344,407	27,839	(82,288)	623,275
Liabilities					
Operating liabilities	280,160	287,993	1,182	(62,855)	506,480
Deferred income tax liabilities	15	43	—	2	60
Total liabilities	280,175	288,036	1,182	(62,853)	506,540
December 31, 2024					
Other segment information					
Capital expenditures, including capitalized interest (Note 9) ⁽¹⁾⁽²⁾	40,767	37,294	185	—	78,246

⁽¹⁾ Net of additions subject to sale and leaseback from tower companies.

⁽²⁾ Includes capitalization of subscriber contract cost to fulfill.

	Wireless	Fixed Line	Others	Intersegment and Consolidation Entries	Consolidated
	(in million pesos, except for EBITDA margin)				
December 31, 2023					
Revenues					
External customers	103,718	107,235	—	—	210,953
Service revenues	94,994	106,838	—	—	201,832
Non-service revenues	8,724	397	—	—	9,121
Inter-segment transactions	683	13,499	—	(14,182)	—
Service revenues	683	13,498	—	(14,181)	—
Non-service revenues	—	1	—	(1)	—
Total revenues	104,401	120,734	—	(14,182)	210,953
Depreciation and amortization	31,684	36,890	—	(9,912)	58,662
Asset impairment	648	3,784	—	—	4,432
Interest income	720	324	7	(35)	1,016
Equity share in net gains (losses) of associates and joint ventures	—	(595)	(2,211)	—	(2,806)
Financing costs – net	9,034	6,824	—	(2,103)	13,755
Provision for (benefit from) income tax	5,537	4,015	1	59	9,612
Net income (loss) / Segment profit (loss)	17,522	26,514	(2,270)	(14,901)	26,824
Continuing operations	17,522	26,514	(2,270)	(14,901)	26,865
Discontinued operations (Notes 2 and 8)	—	—	—	—	(41)
December 31, 2023					
Other segment information					
Capital expenditures, including capitalized interest (Note 9) ⁽¹⁾⁽²⁾	36,797	48,286	—	—	85,083

⁽¹⁾ Net of additions subject to sale and leaseback from tower companies.

⁽²⁾ Includes capitalization of subscriber contract cost to fulfill.

The following table presents our revenues from external customers by category of products and services for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
	(in million pesos)		
Wireless revenues			
Service revenues:			
Mobile	94,973	95,508	93,365
Fixed wireless broadband	1,896	1,481	1,629
	96,869	96,989	94,994
Non-service revenues —			
Sale of devices and accessories	5,747	7,955	8,724
Total wireless revenues	102,616	104,944	103,718
Fixed line revenues			
Service revenues:			
Data	85,284	83,228	81,625
Voice and miscellaneous	30,033	28,165	25,213
	115,317	111,393	106,838
Non-service revenues —			
Sale of phone units, devices and others	455	496	397
Total fixed line revenues	115,772	111,889	107,235
Total revenues	218,388	216,833	210,953

Disclosure of the geographical distribution of our revenues from external customers and the geographical location of our total assets are not provided since majority of our consolidated revenues are derived from our operations within the Philippines.

There is no revenue transaction with a single external customer that accounted for 10% or more of our consolidated revenues from external customers for the years ended December 31, 2025, 2024 and 2023.

5. Income and Expenses

Revenues from Contracts with Customers

Disaggregation of Revenue

We derived our revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under PFRS 8, *Operating Segments*. See *Note 4 – Operating Segment Information*.

Set out is the disaggregation of PLDT Group's revenues from contracts with customers for the years ended December 31, 2025, 2024 and 2023:

Revenue Streams	Wireless	Fixed Line	Inter-segment Transactions	Consolidated
(in million pesos)				
December 31, 2025				
Type of goods or services				
Service revenue	97,568	130,355	(15,737)	212,186
Non-service revenue	5,748	455	(1)	6,202
Total revenues from contracts with customers	103,316	130,810	(15,738)	218,388
Timing of revenue recognition				
Transferred over time	97,568	130,355	(15,737)	212,186
Transferred at a point time	5,748	455	(1)	6,202
Total revenues from contracts with customers	103,316	130,810	(15,738)	218,388
December 31, 2024				
Type of goods or services				
Service revenue	97,779	125,994	(15,391)	208,382
Non-service revenue	7,955	496	—	8,451
Total revenues from contracts with customers	105,734	126,490	(15,391)	216,833
Timing of revenue recognition				
Transferred over time	97,779	125,994	(15,391)	208,382
Transferred at a point time	7,955	496	—	8,451
Total revenues from contracts with customers	105,734	126,490	(15,391)	216,833
December 31, 2023				
Type of good or service				
Service revenue	95,677	120,336	(14,181)	201,832
Non-service revenue	8,724	398	(1)	9,121
Total revenues from contracts with customers	104,401	120,734	(14,182)	210,953
Timing of revenue recognition				
Transferred over time	95,677	120,336	(14,181)	201,832
Transferred at a point time	8,724	398	(1)	9,121
Total revenues from contracts with customers	104,401	120,734	(14,182)	210,953

Remaining performance obligations are associated with our wireless and fixed line subscription contracts. As at December 31, 2025, excluding the performance obligations for contracts with original expected duration of less than one year, the aggregate amount of the transaction price allocated to remaining performance obligations was Php44,702 million, of which we expect to recognize approximately 52% in 2026 and 48% in 2027 and onwards. As at December 31, 2024, excluding the performance obligations for contracts with original expected duration of less than one year, the aggregate amount of the transaction price allocated to remaining performance obligations was Php45,868 million, of which we expect to recognize approximately 51% in 2025 and 49% in 2026 and onwards.

Contract Balances

Contract balances as at December 31, 2025 and 2024 consists of the following:

	2025	2024
	(in million pesos)	
Trade and other receivables (Note 16)	50,264	48,808
Contract assets	1,529	1,953
Contract liabilities and unearned revenues (Notes 21 and 23)	14,329	16,067

Set out below is the movement in the allowance for expected credit losses of contracts assets as at December 31, 2025 and 2024.

	2025	2024
	(in million pesos)	
Balances at beginning of the year	67	42
Reversals and reclassification	(25)	25
Balances at end of the year	42	67

Changes in the contract liabilities and unearned revenues accounts for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Balances at beginning of the year	16,067	18,895
Deferred during the year	110,987	123,975
Recognized as revenue during the year	(112,725)	(126,803)
Balances at end of the year	14,329	16,067

The contract liabilities and unearned revenues accounts as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Unearned revenues from prepaid contracts	5,556	6,543
Leased facilities	4,444	4,630
Advance monthly service fees	2,198	2,098
Short-term advances for installation services	2,098	2,773
Long-term advances from equipment	33	23
Total contract liabilities and unearned revenues	14,329	16,067
Contract liabilities:		
Noncurrent (Note 21)	194	256
Current (Note 23)	312	17
Unearned revenues:		
Noncurrent (Note 21)	4,690	5,369
Current (Note 23)	9,133	10,425

General Operating Costs

General operating costs for the years ended December 31, 2025, 2024 and 2023 consist of the following:

	2025	2024	2023
	(in million pesos)		
Repairs and maintenance	30,849	30,653	30,186
Compensation and employee benefits	22,767	24,479	24,644
Professional and other contracted services	7,521	7,878	9,077
Taxes and licenses	5,328	5,156	5,215
Selling and promotions (Note 18)	4,914	5,427	8,037
Rent	1,413	1,398	1,372
Insurance and security services	1,402	1,408	1,344
Communication, training and travel	1,134	1,165	1,229
Other expenses	461	504	551
Total general operating costs	75,789	78,068	81,655

Compensation and Employee Benefits

Compensation and employee benefits for the years ended December 31, 2025, 2024 and 2023 consist of the following:

	2025	2024	2023
	(in million pesos)		
Salaries and other employee benefits	19,945	20,214	20,358
Pension benefit costs (Note 25)	1,434	1,441	1,426
Manpower Rightsizing Program (MRP)	1,388	1,688	2,021
Incentive plan (Note 25)	—	1,136	839
Total compensation and employee benefits	22,767	24,479	24,644

Over the past several years, we have been implementing the MRP in line with our continuing efforts to realize manpower and cost efficiencies as a result of technological and organizational changes process improvements, and shifting market conditions that reshape the future of our businesses. The MRP is being implemented in compliance with the Labor Code of the Philippines and all other relevant labor laws and regulations in the Philippines.

Cost of Devices, Accessories and Contract-Specific Services

Cost of devices, accessories and contract-specific services for the years ended December 31, 2025, 2024 and 2023 consist of the following:

	2025	2024	2023
	(in million pesos)		
Cost of devices and accessories	7,447	10,046	10,948
Cost of contract-specific services	5,337	3,965	4,144
Total cost of devices, accessories and contract-specific services	12,784	14,011	15,092

Asset Impairment

Asset impairment for the years ended December 31, 2025, 2024 and 2023 consist of the following:

	2025	2024	2023
	(in million pesos)		
Trade and other receivables (Note 16)	3,838	3,875	4,119
Contract assets	101	181	224
Inventories and supplies (Note 17)	23	196	89
Prepayments	8	2	—
Property and equipment	—	67	—
Total asset impairment	3,970	4,321	4,432

Interconnection Costs

Interconnection costs include wholesale international voice cost amounting to Php14,887 million, Php12,535 million and Php9,258 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Other Expenses – Net

Other expenses – net for the years ended December 31, 2025, 2024 and 2023 consist of the following:

	2025	2024	2023
	(in million pesos)		
Gains on derivative financial instruments – net (Note 27)	1,816	4,023	1,198
Gains on sale and leaseback of telecom towers – gross of expenses (Note 9)	887	1,442	7,777
Interest income	719	916	1,016
Gains on fair value of investment properties	352	23	259
Gains on disposal of property and equipment	79	85	468
Equity share in net losses of associates and joint ventures (Note 11)	(428)	(990)	(2,806)
Foreign exchange gains (losses) – net (Note 27)	(550)	(36)	1,149
Financing costs – net	(18,168)	(15,500)	(13,755)
Others – net	4,434 ⁽¹⁾	2,243	477
Total other expenses – net	(10,859)	(7,794)	(4,217)

⁽¹⁾ Includes reversal of excess LTIP accrual and income from prescription of liability arising from Subscriber Investment Plan (SIP).

Interest Income

Interest income for the years ended December 31, 2025, 2024 and 2023 consist of the following:

	2025	2024	2023
	(in million pesos)		
Interest income arising from revenue contracts with customers	480	574	467
Interest income on cash and cash equivalents (Note 15)	176	267	469
Interest income on financial instruments at amortized cost	46	47	54
Interest income on financial instruments at FVPL	—	8	12
Interest income – others	17	20	14
Total interest income	719	916	1,016

Financing Costs – Net

Financing costs – net for the years ended December 31, 2025, 2024 and 2023 consist of the following:

	2025	2024	2023
	(in million pesos)		
Interest on loans and other related items	15,921	13,620	12,159
Accretion on lease liabilities (Note 10)	4,579	3,935	3,266
Accretion on financial liabilities	372	455	409
Financing charges	20	79	90
Capitalized interest (Note 9)	(2,724)	(2,589)	(2,169)
Total financing costs – net	18,168	15,500	13,755

6. Components of Other Comprehensive Loss

Changes in other comprehensive loss under equity of our consolidated statements of financial position for the years ended December 31, 2025, 2024 and 2023 are as follows:

	Foreign currency translation differences of subsidiaries	Net loss on financial investments at FVPL – net of tax	Net transactions on cash flow hedges – net of tax	Revaluation increment on investment properties – net of tax	Remeasurements of post- employment benefit obligations – net of tax	Share in the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	Fair value changes of financial instrument at FVOCI	Total other comprehensive income (loss) attributable to equity holders of PLDT	Share of noncontrolling interests	Total other comprehensive income (loss) – net of tax
						(in million pesos)				
Balances as at January 1, 2025	274	—	(6,155)	1,740	(39,722)	(29)	—	(43,892)	(50)	(43,942)
Other comprehensive income (loss)	(83)	—	(1,226)	4,087	(626)	(1)	—	2,151	(8)	2,143
Balances as at December 31, 2025	191	—	(7,381)	5,827	(40,348)	(30)	—	(41,741)	(58)	(41,799)
Balances as at January 1, 2024	133	—	(4,608)	544	(38,260)	(21)	—	(42,212)	10	(42,202)
Other comprehensive income (loss)	141	—	(1,547)	1,196	(1,462)	(8)	—	(1,680)	(60)	(1,740)
Balances as at December 31, 2024	274	—	(6,155)	1,740	(39,722)	(29)	—	(43,892)	(50)	(43,942)
Balances as at January 1, 2023	149	(9)	(3,287)	544	(32,856)	(20)	(3)	(35,482)	25	(35,457)
Other comprehensive income (loss)	(8)	—	(1,256)	—	(5,469)	3	—	(6,730)	(15)	(6,745)
	141	(9)	(4,543)	544	(38,325)	(17)	(3)	(42,212)	10	(42,202)
Adjustments	(8)	9	(65)	—	65	(4)	3	—	—	—
Balances as at December 31, 2023	133	—	(4,608)	544	(38,260)	(21)	—	(42,212)	10	(42,202)

Revaluation increment on investment properties pertains to the difference between the carrying value and fair value of property and equipment transferred to investment property at the time of change in classification.

7. Income Taxes

Corporate Income Tax

The major components of consolidated net deferred income tax assets (liabilities) recognized in our consolidated statements of financial position as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Net deferred income tax assets	11,582	14,643
Net deferred income tax liabilities	(75)	(60)
Net balances at the end of the year	11,507	14,583

The components of our consolidated net deferred income tax assets (liabilities) as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Net deferred income tax assets:		
Accumulated provision for expected credit losses	3,990	3,618
Lease liability over ROU assets under PFRS 16 ⁽¹⁾	3,185	3,240
Unearned revenues	2,781	3,914
Depreciation due to shortened estimated useful life of assets	2,550	2,480
Pension and other employee benefits	1,680	2,607
Unrealized foreign exchange losses	1,605	1,404
Unamortized past service pension costs	1,439	1,908
Accumulated write-down of inventories to net realizable values	284	371
NOLCO	13	266
Excess MCIT over RCIT	13	13
Taxes and duties capitalized	(176)	(167)
Derivative financial instruments	(185)	(203)
Customer list and trademark	(456)	(361)
Capitalized charges and others	(5,141)	(4,447)
Total deferred income tax assets – net	11,582	14,643
Net deferred income tax liabilities:		
Investment property	388	389
Unrealized foreign exchange gains	7	22
Accumulated provision for expected credit losses	(194)	(173)
Others	(126)	(178)
Total deferred income tax liabilities - net	75	60

⁽¹⁾ As at December 31, 2025 and 2024, the deferred tax asset on lease liability amounted to Php15,731 million and Php13,234 million, respectively while the deferred tax liability on right of use asset amounted to Php12,546 million and Php9,994 million, respectively.

Changes in our consolidated net deferred income tax assets (liabilities) as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Net balances at beginning of the year	14,583	18,007
Movement charged directly to other comprehensive income (loss)	1,113	597
Provision for deferred income tax	(4,160)	(3,938)
Others	(29)	(83)
Net balances at end of the year	11,507	14,583

The analysis of our consolidated net deferred income tax assets as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Deferred income tax assets:		
Deferred income tax assets to be recovered after 12 months	8,090	11,449
Deferred income tax assets to be recovered within 12 months	3,492	3,194
Net deferred income tax assets	11,582	14,643

The analysis of our consolidated net deferred income tax liabilities as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after 12 months	123	106
Deferred income tax liabilities to be settled within 12 months	(48)	(46)
Net deferred income tax liabilities	75	60

Provision for income tax for the years ended December 31, 2025, 2024 and 2023 consists of:

	2025	2024	2023
	(in million pesos)		
Current	5,111	6,200	7,964
Deferred (Note 3)	4,160	3,938	1,648
	9,271	10,138	9,612

The impact of the application of MCIT amounting to Php9 million, Php53 thousand and Php103 million for the years ended December 31, 2025, 2024 and 2023, respectively, were considered in the provisions for current and deferred income taxes.

The reconciliation between the provision for income tax at the applicable statutory tax rate and the actual provision for corporate income tax for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
	(in million pesos)		
Provision for income tax at the applicable statutory tax rate	9,872	10,673	9,109
Tax effects of:			
Equity share in net losses of associates and joint ventures	104	207	701
Nondeductible expenses	220	12	326
NOLCO/MCIT expiration	63	1	25
Loss (income) not subject to income tax	(76)	57	(97)
Income subject to final tax	(135)	(172)	(251)
Net movement in unrecognized deferred income tax assets and other adjustments	(178)	(127)	338
Special deductible items and income subject to lower tax rate	(243)	(210)	(163)
Difference between Optional Standard Deduction (OSD) and itemized deductions	(356)	(303)	(376)
Actual provision for income tax	9,271	10,138	9,612

The breakdown of our consolidated deductible temporary differences, carryforward benefits of unused tax credits from excess of MCIT over RCIT, and NOLCO (excluding those not recognized due to the adoption of the OSD method) for which no deferred income tax assets were recognized and the equivalent amount of unrecognized deferred income tax assets as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Accumulated provision for expected credit losses	2,001	1,266
NOLCO	718	1,208
Provisions	621	25
Customer list and trademark	365	428
Derivative financial instruments	56	35
Lease liability over ROU assets under PFRS 16	21	3
Accumulated write-down of inventories to net realizable values	15	15
Unearned revenues	10	9
Excess MCIT over RCIT	6	2
Depreciation due to shortened estimated useful life of assets	—	169
Pension and other employee benefits	(15)	(5)
Unrealized foreign exchange (gains) losses	(79)	50
	3,719	3,205
Unrecognized deferred income tax assets	934	803

In 2024, DMPI, IP Converge and Vitro availed the OSD method in computing their taxable income. This assessment is based on projected taxable profits at a level where it is favorable to use OSD method. These companies are also expected to avail of the OSD method in the foreseeable future. Thus, certain deferred income tax assets of DMPI, IP Converge and Vitro amounting to Php82 million and Php237 million as at December 31, 2025 and 2024, respectively, were not recognized.

Our consolidated deferred income tax assets have been recorded to the extent that such consolidated deferred income tax assets are expected to be utilized against sufficient future taxable profit. Deferred income tax assets shown in the preceding table were not recognized as we believe that future taxable profit will not be sufficient to realize these deductible temporary differences and carryforward benefits of unused tax credits from excess of MCIT over RCIT, and NOLCO in the future.

The breakdown of our consolidated excess MCIT and NOLCO as at December 31, 2025 are as follows:

Date Incurred	Expiry Date	MCIT	NOLCO
		(in million pesos)	
December 31, 2021 ⁽¹⁾	December 31, 2026	—	41
December 30, 2023	December 31, 2026	1	628
December 31, 2024	December 31, 2027	13	54
December 31, 2025	December 31, 2028	18	102
		32	825
Consolidated tax benefits		32	206
Consolidated unrecognized deferred income tax assets		(6)	(183)
Consolidated recognized deferred income tax assets		26	23

⁽¹⁾ Under R.A. 11494.

The excess MCIT totaling Php32 million as at December 31, 2025 can be deducted against future RCIT liability. The excess MCIT that was deducted against RCIT amounted to Php9 million, nil and Php103 million for the years ended December 31, 2025, 2024 and 2023, respectively.

NOLCO totaling Php825 million as at December 31, 2025 can be claimed as deduction against future taxable income. The NOLCO claimed as deduction against taxable income amounted to Php1,344 million, Php459 million and Php129 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Republic Act No. 11494 Bayanihan to Recover as One Act, or Bayanihan II

Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act, or Bayanihan II, was signed by former President Rodrigo Duterte on September 11, 2020. It contains the government's second wave of relief measures to address the health and economic crises that stemmed from the COVID-19 outbreak.

As part of mitigating the costs and losses stemming from the disruption of economic activities, Bayanihan II extended the carry-over of the NOLCO incurred in 2021 as deductions from gross income for the next five consecutive taxable years immediately following the year of the loss. Hence, NOLCO incurred in 2021 amounting to Php41 million, which ordinarily can be carried over until December 31, 2025, has been extended until December 31, 2026.

Registration with Clark Special Economic Zone

ClarkTel's franchise expired on July 1, 2024. Prior to the expiration, ClarkTel's Board of Directors applied for a national franchise. The franchise application has been filed and for evaluation of Congress as of report date. Considering the timeline for the national franchise grant, ClarkTel also applied for VAS license with the NTC to ensure continued services to subscribers. The license was approved on November 20, 2024 with a validity period of up to November 19, 2029.

ClarkTel is registered with Clark Special Economic Zone, or Economic Zones, under Republic Act No. 7227 otherwise known as the Bases Conversion and Development Act of 1992. As a registrant, ClarkTel is entitled to all the rights, privileges and benefits established thereunder including tax and duty-free importation of capital equipment and a special income tax rate of 5% of gross income, as defined in Republic Act No. 7227. These incentives are in effect until May 11, 2027 by virtue of a License to Operate issued by Clark Development Corporation.

Our consolidated income derived from non-registered activities within the Economic Zones is subject to the RCIT rate at the end of the reporting period.

BEPS 2.0 Pillar Two Impact Assessment

The Organization for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GLoBE) Model Rules (Pillar Two), which establish a 15% minimum effective tax rate on a jurisdictional basis. The rules apply to Multinational Enterprise (MNE) Groups with consolidated annual revenues of at least Euro 750 million in at least two (2) of the four (4) fiscal years immediately preceding the tested fiscal year. The Group is within the scope of the Pillar Two Model Rules. For the period ended December 31, 2025, the Group has applied the PASB amendment to PAS 12, Income Taxes, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

The Pillar Two legislation has been enacted by some of the jurisdictions in which the Group operates effective for financial year beginning on or after January 1, 2025. The Group has performed assessment of its potential exposure based on the 2025 financial information for the constituent entities in the Group. There are a limited number of jurisdictions where the Pillar Two effective tax rate is close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows.

8. Earnings Per Common Share

The following table presents information necessary to calculate the EPS for the years ended December 31, 2025, 2024 and 2023:

	2025		2024		2023	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
	(in million pesos)					
Net income attributable to equity holders of PLDT from:						
Continuing operations	30,011	30,011	32,307	32,307	26,655	26,655
Discontinued operations	—	—	—	—	(41)	(41)
Consolidated net income attributable to common shares	30,011	30,011	32,307	32,307	26,614	26,614
Dividends on preferred shares (Note 19)	(59)	(59)	(59)	(59)	(59)	(59)
Consolidated net income attributable to common equity holders of PLDT	29,952	29,952	32,248	32,248	26,555	26,555
	(in thousands, except per share amounts which are in pesos)					
Outstanding common shares at beginning of year	216,056	216,056	216,056	216,056	216,056	216,056
Weighted average number of common shares	216,056	216,056	216,056	216,056	216,056	216,056
EPS from continuing operations	138.63	138.63	149.26	149.26	123.10	123.10
EPS from discontinued operations	—	—	—	—	(0.19)	(0.19)
EPS attributable to common equity holders of PLDT	138.63	138.63	149.26	149.26	122.91	122.91

Basic EPS amounts are calculated by dividing our consolidated net income for the period attributable to common equity holders of PLDT (consolidated net income adjusted for dividends on all series of preferred shares), by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS amounts are calculated in the same manner assuming that, at the beginning of the year or at the time of issuance during the year, all outstanding options are exercised, convertible preferred shares are converted to common shares, and appropriate adjustments to our consolidated net income are effected for the related income and expenses on preferred shares. Outstanding stock options will have a dilutive effect only when the average market price of the underlying common share during the year exceeds the exercise price of the stock option.

Convertible preferred shares are deemed dilutive when required dividends declared on each series of convertible preferred shares divided by the number of equivalent common shares, assuming such convertible preferred shares are converted to common shares, decreases the basic EPS. As such, the diluted EPS is calculated by dividing our consolidated net income attributable to common shareholders (consolidated net income, adding back any dividends and/or other charges recognized for the year related to the dilutive convertible preferred shares classified as liability, less dividends on non-dilutive preferred shares) by the weighted average number of common shares excluding the weighted average number of common shares held as treasury shares, and including the common shares equivalent arising from the conversion of the dilutive convertible preferred shares.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options has an anti-dilutive effect, basic and diluted EPS are stated at the same amount.

9. Property and Equipment

Changes in property and equipment account for the years ended December 31, 2025 and 2024 are as follows:

	Cable and wire facilities	Central equipment	Network facilities	Building and lease improvement	Vehicles, furniture and other network equipment	Land and land improvements	IT systems and platforms	Security platforms	Property under construction	Total
	(in million pesos)									
December 31, 2025										
Net book value at beginning of the year	101,265	257	116,506	7,304	1,971	4,474	17,210	864	68,218	318,069
Additions (Note 4)	882	—	723	97	367	—	273	—	51,935	54,277
Disposals/retirements	(6)	—	(4)	(3)	(68)	(1)	—	—	—	(82)
Reclassification	11,158	—	23,581	7,141	448	(614)	6,977	258	(51,345)	(2,396)
Translation differences charged directly to cumulative translation adjustments	1	—	1	—	—	—	—	—	—	2
Depreciation and amortization (Note 3)	(10,483)	(103)	(24,626)	(759)	(725)	(53)	(4,850)	(282)	—	(41,881)
Net book value at end of the year	102,817	154	116,181	13,780	1,993	3,806	19,610	840	68,808	327,989
As at December 31, 2025										
Cost	327,658	513	384,033	35,183	35,463	4,301	66,115	2,189	68,808	924,263
Accumulated depreciation, impairment and amortization	(224,841)	(359)	(267,852)	(21,403)	(33,470)	(495)	(46,505)	(1,349)	—	(596,274)
Net book value	102,817	154	116,181	13,780	1,993	3,806	19,610	840	68,808	327,989
December 31, 2024										
Net book value at beginning of the year	81,227	384	101,941	7,979	3,654	4,122	18,794	1,162	67,840	287,103
Additions (Note 4)	86	—	70	31	397	—	598	—	69,730	70,912
Disposals/retirements	—	—	(19)	(1)	(234)	—	(1)	(129)	—	(384)
Reclassification	31,435	—	33,692	542	(809)	456	5,561	202	(69,167)	1,912
Translation differences charged directly to cumulative translation adjustments	1	—	—	—	1	—	—	—	—	2
Adjustments	—	(25)	—	—	25	—	—	—	(185)	(185)
Impairment losses recognized during the year	—	—	—	—	—	—	—	(67)	—	(67)
Depreciation and amortization (Note 3)	(11,484)	(102)	(19,178)	(1,247)	(1,063)	(104)	(7,742)	(304)	—	(41,224)
Net book value at end of the year	101,265	257	116,506	7,304	1,971	4,474	17,210	864	68,218	318,069
As at December 31, 2024										
Cost	316,803	532	362,387	27,884	36,467	4,960	56,418	1,930	68,218	875,599
Accumulated depreciation, impairment and amortization	(215,538)	(275)	(245,881)	(20,580)	(34,496)	(486)	(39,208)	(1,066)	—	(557,530)
Net book value	101,265	257	116,506	7,304	1,971	4,474	17,210	864	68,218	318,069

Interest capitalized to property and equipment that qualified as borrowing costs amounted to Php2,724 million, Php2,589 million and Php2,169 million for the years ended December 31, 2025, 2024 and 2023, respectively. See *Note 5 – Income and Expenses – Financing Costs – Net*. The average interest capitalization rate used was approximately 5% each for the years ended December 31, 2025 and 2024 and 4% for the year ended December 31, 2023.

Our net foreign exchange differences, which qualified as borrowing costs, amounted to Php308 million, Php686 million and Php195 million for the years ended December 31, 2025, 2024 and 2023, respectively.

As at December 31, 2025, the estimated useful lives of our property and equipment are as follows:

Cable and wire facilities ⁽¹⁾	5 – 25 years
Central equipment ⁽²⁾	10 years
Network facilities	3 – 20 years
Buildings	25 – 50 years
Vehicles, furniture and other network equipment	3 – 15 years
Land improvements	10 years
IT systems and platforms ⁽³⁾	3 – 20 years
Security platforms	3 – 5 years
Leasehold improvements	3 – 10 years or the term of the lease, whichever is shorter

⁽¹⁾ As at December 31, 2024, the estimated useful life ranged from 5-15 years.

⁽²⁾ As at December 31, 2024, the estimated useful life ranged from 3-15 years.

⁽³⁾ As at December 31, 2024, the estimated useful life ranged from 3-5 years.

See *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Estimating useful lives of property and equipment*.

Sale and Leaseback of Telecom Towers

On various dates in 2022 and 2023, Smart and DMPI signed Sale and Purchase Agreements with Edotco Towers, Inc., Edgepoint Towers, Inc., Unity Digital Infrastructure and Frontier Tower Associates Philippines, Inc., or collectively the TowerCos, in connection with the sale of 7,569 telecom towers and related passive telecommunication infrastructure for Php98,309 million.

Concurrent with the execution of the Sale and Purchase Agreements, Smart also entered into Master Service Agreements, or MSAs, with the TowerCos wherein Smart agreed to lease back the towers sold in the transaction for a period of 10 years. In addition to space, the TowerCos are responsible for providing operations and maintenance services, as well as power to the sites. The sale and leaseback with the TowerCos is complemented by a commitment to place service orders for a total of 1,220 Build-To-Suit, or BTS, sites within the next two to four years. Thus, total committed BTS sites with the TowerCos is 2,270 sites. The closing of the agreements is on a staggered basis depending on the satisfaction of closing conditions based on the number of towers transferred.

The following summarizes the completed sale of Smart and DMPI telecom towers as at December 31, 2025:

Closing Date	Number of Tower Assets	Cash Consideration (in million pesos)	Gain on Sale and Leaseback (in million pesos)
	Sold		
2022	4,665	60,492	25,234
2023	1,705	22,465	7,467
2024	356	4,362	1,471
2025	89	1,068	859
	6,815	88,387	35,031 ⁽¹⁾

⁽¹⁾ Gross of related transaction costs.

The remaining telecom towers with net book value of Php4,162 million and Php4,547 million as at December 31, 2025 and 2024, respectively, subject to sale and purchase agreement within one year, were reclassified from “Property and equipment” to “Assets classified as held-for-sale” under current assets in our consolidated statement of financial position.

10. Leases

Group as a Lessee

We have lease contracts for various items of sites, buildings, leased circuits and poles used in our operations. We 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.

Our consolidated estimated useful lives of ROU assets as at December 31, 2025 are as follows:

Sites	1 – 30 years
International leased circuits ⁽¹⁾	2 – 19 years
Poles ⁽²⁾	2 – 12 years
Domestic leased circuits	2 – 10 years
Office buildings	1 – 25 years
Co-located sites ⁽³⁾	4 – 7 years

⁽¹⁾ As at December 31, 2024, the estimated useful life ranges from 1-19 years.

⁽²⁾ As at December 31, 2024, the estimated useful life ranges from 1-12 years.

⁽³⁾ As at December 31, 2024, the estimated useful life ranges from 2-11 years.

Our consolidated roll forward analysis of ROU assets as at December 31, 2025 and 2024 are as follows:

	Sites	International Leased Circuits	Poles	Domestic Leased Circuits	Office Buildings	Co-located Sites	Total
(in million pesos)							
December 31, 2025							
Costs:							
Balances at beginning of the year	44,047	5,055	5,336	2,637	1,301	61	58,437
Additions (Note 28)	16,227	2,535	1,079	596	371	—	20,808
Asset retirement obligation	73	—	—	—	24	—	97
Modifications	8	96	164	4	(6)	—	266
Terminations	(2,504)	(1,964)	(411)	(318)	(326)	(3)	(5,526)
Reclassification to ROU assets classified as held-for-sale	(255)	—	—	—	—	—	(255)
Balances at end of the year	57,596	5,722	6,168	2,919	1,364	58	73,827
Accumulated depreciation and amortization:							
Balances at beginning of the year	(11,608)	(3,110)	(1,739)	(1,810)	(1,010)	(49)	(19,326)
Modifications	6	—	—	—	19	—	25
Terminations	1,321	1,307	405	231	305	18	3,587
Depreciation (Note 3)	(6,419)	(907)	(1,196)	(420)	(328)	(11)	(9,281)
Reclassification to ROU assets classified as held-for-sale	(55)	—	—	—	—	—	(55)
Balances at end of the year	(16,755)	(2,710)	(2,530)	(1,999)	(1,014)	(42)	(25,050)
Net book value at the end of the year	40,841	3,012	3,638	920	350	16	48,777
December 31, 2024							
Costs:							
Balances at beginning of the year	38,461	4,305	3,364	2,001	1,144	53	49,328
Additions (Note 28)	8,683	1,546	4,273	763	334	8	15,607
Asset retirement obligation	571	—	—	—	5	—	576
Modifications	(1,180)	266	173	135	27	—	(579)
Terminations	(2,350)	(1,062)	(2,474)	(262)	(209)	—	(6,357)
Reclassification to ROU assets classified as held-for-sale	(138)	—	—	—	—	—	(138)
Balances at end of the year	44,047	5,055	5,336	2,637	1,301	61	58,437
Accumulated depreciation and amortization:							
Balances at beginning of the year	(7,599)	(3,298)	(3,156)	(1,632)	(887)	(39)	(16,611)
Modifications	108	(12)	(3)	(75)	(20)	—	(2)
Terminations	361	1,028	2,474	262	192	—	4,317
Depreciation (Note 3)	(4,763)	(828)	(1,054)	(365)	(295)	(10)	(7,315)
Reclassification to ROU assets classified as held-for-sale	285	—	—	—	—	—	285
Balances at end of the year	(11,608)	(3,110)	(1,739)	(1,810)	(1,010)	(49)	(19,326)
Net book value at the end of the year	32,439	1,945	3,597	827	291	12	39,111

The following amounts are recognized in our consolidated income statements for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
	(in million pesos)		
Depreciation expense of ROU assets from continuing operations	9,281	7,315	6,898
Depreciation expense of ROU assets from discontinued operations	—	—	19
Interest expense on lease liabilities from continuing operations	4,579	3,935	3,266
Interest expense on lease liabilities discontinued operations	—	—	2
Variable lease payments (included in general operating costs) from continuing operations	895	829	656
Variable lease payments (included in general operating costs) from discontinued operations	—	—	(2)
Expenses relating to short-term leases (included in general operating costs)	516	569	714
Expenses relating to leases of low-value assets (included in general operating costs)	2	—	2
Total amount recognized in consolidated income statements	15,273	12,648	11,555

Our consolidated roll forward analysis of lease liabilities as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Balances at beginning of the year	54,038	47,546
Additions (Note 28)	20,800	15,607
Accretion on lease liabilities (Note 5)	4,579	3,935
Reclassification to lease liabilities classified as held-for-sale	(20)	(87)
Foreign exchange gains – net	33	100
Lease modifications	287	(121)
Termination	(1,216)	(863)
Settlement of obligations	(14,328)	(12,079)
Balances at end of the year (Notes 3 and 28)	64,173	54,038
Less: Current portion of lease liabilities (Note 27)	8,897	7,335
Noncurrent portion of lease liabilities (Note 27)	55,276	46,703

We had total cash outflows for leases of Php14,328 million, Php12,079 million and Php10,707 million for the years ended December 31, 2025, 2024 and 2023, respectively. We had non-cash additions to ROU assets of Php20,808 million and Php15,607 million and lease liabilities of Php20,800 million and Php15,607 million both as at December 31, 2025 and 2024, respectively. The future cash outflows relating to leases that have not yet commenced are disclosed in *Note 28 – Notes to the Statements of Cash Flows*.

We have entered into several lease contracts that include automatic extension and termination options. These options are negotiated by us to provide flexibility in managing the leased-asset portfolio and aligning with our business needs. However, in some of these lease contracts, we did not impute the renewal period in our assessment of the lease terms of these contracts since said renewal period is not yet reasonably estimable at the time of transition or commencement date of the lease. See *Note 3 – Managements Use of Accounting Judgments, Estimates and Assumptions – Determining the lease term of contracts with renewal and termination options – Company as a Lessee*.

As disclosed in *Note 9 – Property and Equipment*, on the sale and leaseback of telecom towers, Smart and DMPI signed Sale and Purchase Agreements with the TowerCos in connection with the sale of 7,569 telecom towers and related passive telecom infrastructure, with the concurrent execution of MSAs with the TowerCos where Smart has agreed to lease back the towers sold in the transaction for a period of 10 years.

In 2022, 2023, 2024 and 2025, the MSAs covering the leaseback arrangements of 4,665, 1,705, 356 and 89 telecom towers, respectively, became effective. As a result, we recognized cumulative lease liability of Php40,824 million and cumulative ROU assets of Php24,759 million as at December 31, 2025.

The ROU assets relating to leasehold land with net book value of Php2,258 million and Php1,954 million, and the related lease liabilities amounting to Php1,625 million and Php1,615 million, were respectively reclassified as “Assets classified as held-for-sale” under current assets and “Liabilities associated with assets classified as held-for-sale” under current liabilities in our consolidated statement of financial position as at December 31, 2025 and 2024, respectively.

Common Tower Pilot, or CTP, Program

The CTP Program, established by Smart in January 2020, in partnership with several TowerCos duly accredited by the DICT aims to accelerate new site rollouts and reduce upfront the capital expenditures spending.

Under the MSAs, TowerCos will handle site acquisition and permitting, site development works, construction and permanent electrification of the towers. Effective 30 days after the sites are Ready For Telecommunication Installation, or RFTI, Smart will be liable to settle a monthly fixed fee covering rental and maintenance costs for a contract term of 15 years. The monthly fee will be subject to agreed escalation rates with TowerCos. As anchor tenant, Smart will also be entitled to colocation discounts when additional tenants come on board.

Upon launching of the program, the original CTP commitment covered 200 sites. As at December 31, 2025, Smart has issued service orders, or SOs, corresponding to 434 sites. As at December 31, 2025 and 2024, 433 and 422 sites are ready for service, respectively. All are classified as RFTI.

Group as a Lessor

We have entered into operating leases on our investment property portfolio consisting of certain office buildings and business offices. See *Note 13 – Investment Properties*. These leases have a term of five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual guarantee on the properties. Rental income recognized amounted to Php62 million, Php59 million and Php57 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Future minimum rentals receivable under non-cancellable operating leases expected within one year both amounted to Php62 million, and after one year but not more than five years amounted to nil and Php62 million as at December 31, 2025 and 2024, respectively.

11. Investments in Associates and Joint Ventures

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Carrying value of investments in associates:		
MediaQuest PDRs	8,706	9,186
MIH	7,411	6,731
Individually immaterial associates	3,034	3,064
	19,151	18,981
Carrying value of investments in joint ventures:		
VTI, Bow Arken and Brightshare	32,990	33,675
Individually immaterial joint ventures	284	108
	33,274	33,783
Total carrying value of investments in associates and joint ventures	52,425	52,764

Changes in the cost of investments for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Balances at beginning of the year	68,010	64,658
Additions	779	3,485
Disposals	(97)	—
Return of capital	(600)	—
Translation and other adjustments	—	(133)
Balances at end of the year	68,092	68,010

Changes in the accumulated impairment losses for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Balances at beginning of the year	2,763	2,875
Adjustments	—	(112)
Balances at end of the year	2,763	2,763

Changes in the accumulated equity share in net earnings (losses) of associates and joint ventures as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Balances at beginning of the year	(12,483)	(11,475)
Equity share in net earnings (losses) of associates and joint ventures:	(428)	(990)
<i>MIH</i>	681	(935)
<i>VTI, Bow Arken and Brightshare</i>	(85)	26
<i>MediaQuest PDRs</i>	(480)	(74)
<i>Individually immaterial associates and joint ventures</i>	(544)	(7)
Disposals	9	—
Translation and other adjustments	(2)	(18)
Balances at end of the year	(12,904)	(12,483)

Investments in Associates

Investment of ePLDT in MediaQuest PDRs

ePLDT made various investments in PDRs issued by Mediaquest in relation to its direct interest in Satventures and indirect interest in Cignal TV through Satventures. These investments in PDRs provided ePLDT with a 64% economic interest in Cignal TV.

Cignal TV is a wholly-owned subsidiary of Satventures, which is a wholly-owned subsidiary of MediaQuest, an entity incorporated in the Philippines. It operates a direct-to-home, or DTH, Pay-TV business under the brand name “Cignal TV”, which is the largest DTH Pay-TV operator in the Philippines.

The PLDT Group’s financial investment in PDRs of MediaQuest is part of the PLDT Group’s overall strategy of broadening its distribution platforms and increasing the PLDT Group’s ability to deliver multimedia content to its customers across the PLDT Group’s broadband and mobile networks.

ePLDT’s aggregate value of investment in MediaQuest PDRs amounted to Php8,706 million and Php9,186 million as at December 31, 2025 and 2024, respectively. See *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Accounting for investment in MediaQuest through PDRs*.

The table below presents the summarized financial information of Satventures/Cignal TV as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023:

	2025	2024
	(in million pesos)	
Statements of Financial Position:		
Noncurrent assets	22,546	22,710
Current assets	6,596	8,578
Noncurrent liabilities	1,350	2,146
Current liabilities	13,188	13,787
Equity	14,604	15,355
Carrying amount of interest in Satventures/Cignal TV	8,706	9,186
Additional Information:		
Cash and cash equivalents	405	588
Current financial liabilities ⁽¹⁾	4,077	2,736
Noncurrent financial liabilities ⁽¹⁾	965	1,210

⁽¹⁾ Excluding trade, other payables and provisions.

	2025	2024	2023
	(in million pesos)		
Income Statements:			
Revenues	7,219	8,440	8,637
Depreciation and amortization	1,459	1,405	1,304
Interest income	52	52	46
Interest expense	396	347	281
Benefit from income tax	(219)	(40)	(334)
Net loss / Total comprehensive loss	(750)	(115)	(929)
Equity share in net losses of Satventures/Cignal TV	(480)	(74)	(595)

The carrying amount of Satventures' investment as at December 31, 2025 and 2024 are as follows.

	2025	2024
	(in million pesos)	
Satventures'/Cignal TV's equity	14,604	15,355
Deposit for future stock subscription	(1,000)	(1,000)
Satventures'/Cignal TV's net equity	13,604	14,355
Satventures'/Cignal TV's noncontrolling interest	64%	64%
Carrying amount of interest in Satventures/Cignal TV	8,706	9,186

Investment of PCEV in MIH

The following summarizes the subscription agreements entered into by PCEV with MIH:

Date	Agreement	Number of Shares	Total Consideration	PCEV's Equity Interest
		(in millions)		
March 14, 2018	Acquisition of Ordinary Shares	53.4	465	100.00%
March 14, 2018	Subscription of Ordinary Shares	95.9	3,806	100.00%
December 31, 2020	Conversion of notes to Class A2 preference shares	7.9	544	43.97%
March 12, 2021	Exercise of warrants to subscribe to Class A2 preference shares	6.7	447	41.87%
June 11, 2021	Subscription to Class B convertible preferred shares	15.6	1,218	38.45%
April 7, 2022	Subscription to Class C convertible preferred shares	27.2	3,252	36.82%
December 13, 2023	Subscription to Class C2 convertible preferred shares	12.3	1,563	36.97%
April 5, 2024	Subscription to Class C2 convertible preferred shares	6.7	857	37.66%

Additional Investment in MIH

On April 5, 2024, PCEV paid a consideration of US\$15.3 million or Php857 million for 6.7 million MIH Class C2 convertible preferred shares and received warrants for 2.7 million shares valued at Php152 million, resulting in an increase of PCEV's ownership in MIH from 36.97% to 37.66%.

PCEV's percentage equity interest in MIH stood at 37.66% as at December 31, 2025 and 2024.

The summarized financial information of MIH as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023 is shown below:

	2025	2024
	(in million pesos)	
Statements of Financial Position:		
Noncurrent assets	9,798	7,241
Current assets	30,261	29,815
Noncurrent liabilities	1,523	798
Current liabilities	29,499	29,461
Equity	9,037	6,797
Carrying amount of interest in MIH	7,411	6,731
Additional Information:		
Cash and cash equivalents	7,375	8,565
Current financial liabilities ⁽¹⁾	29,194	29,274

⁽¹⁾ Excluding statutory payables and accrued taxes.

	2025	2024	2023
	(in million pesos)		
Income Statements:			
Revenues	17,577	14,089	8,553
Depreciation and amortization	537	392	348
Interest income	129	168	112
Provision for income tax	489	64	32
Net gain (loss)/Total comprehensive gain (loss)	1,807	(2,501)	(6,153)
Equity share in net income (loss) of MIH ⁽¹⁾	681	(935)	(2,273)

⁽¹⁾ 2025 and 2024 amounts include impact of 2024 and 2023 audit adjusting entries, respectively.

The carrying value of PCEV's investment in MIH as at December 31, 2025 and 2024 are as follows.

	2025	2024
	(in million pesos)	
MIH Equity ⁽¹⁾	6,623	4,711
PCEV's noncontrolling interests	37.66%	37.66%
Share in net assets of MIH	2,494	1,774
Goodwill arising from acquisition	4,917	4,957
Carrying amount of interest in MIH	7,411	6,731

⁽¹⁾ Net of Php2,413 million and Php2,086 million Employee Share Stock Option in 2025 and 2024, respectively.

Investments in Joint Ventures

Investments of PLDT in VTI, Bow Arken and Brightshare

The Company's acquisition of a 50% equity interest in the telecommunications business of San Miguel Corporation, or SMC, through the VTI, Bow Arken and Brightshare Transactions (collectively, the SMC Transactions), was approved by the Board on May 30, 2016. Globe acquired the remaining 50%. PLDT and Globe executed separate Share Purchase Agreements to acquire the equity, outstanding advances, and assumed liabilities of these entities.

The total consideration of Php52.8 billion was paid in three tranches: 50% on May 30, 2016, 25% on December 1, 2016, and 25% on May 30, 2017. Under the agreements, PLDT and Globe, through VTI, Bow Arken, and Brightshare, also assumed liabilities amounting to Php17.2 billion from May 30, 2016 subject to a price adjustment mechanism. Following confirmatory due diligence, both parties paid the previous owners a net adjustment of Php2.6 billion on May 29, 2017.

As part of the SMC Transactions, PLDT and Globe also acquired certain outstanding advances from the previous owners, the largest of which amounted to Php11,359 million, comprising Php11,038 million from VTI and its subsidiaries, Php238 million from Bow Arken, and Php83 million from Brightshare.

PLDT and Globe each subscribed to preferred shares of VTI as follows: (a) February 28, 2017: 2.8 million preferred shares at Php4,000 per share (Php11,040 million per party), paid by applying assigned advances; (b) February 28, 2017: 800 thousand additional preferred shares at Php4,000 per share (Php3,200 million per party), with Php148 million paid in cash and the balance settled by year-end 2017; and (c) December 15, 2017: 600 thousand preferred shares at Php5,000 per share (Php3,000 million per party), partly paid in cash and the balance settled through conversion of advances.

All subscription payments were fully paid as at December 31, 2017. The amount of the advances outstanding of PLDT, to cover for the assumed liabilities and working capital requirements of the acquired companies, amounted to nil and Php69 million as at December 31, 2025 and 2024, respectively.

The table below presents the summarized financial information of VTI, Bow Arken and Brightshare as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023:

	2025	2024
	(in million pesos)	
Statements of Financial Position:		
Noncurrent assets	77,344	77,849
Current assets	4,486	5,231
Noncurrent liabilities	9,448	9,475
Current liabilities	2,651	2,395
Equity	69,731	71,209
Carrying amount of assets in VTI, Bow Arken and Brightshare	32,990	33,675
Additional Information:		
Cash and cash equivalents	2,006	3,010
Current financial liabilities ⁽¹⁾	122	81

⁽¹⁾ Excluding trade, other payables and provisions.

	2025	2024	2023
	(in million pesos)		
Income Statements:			
Revenues	4,904	4,708	4,344
Depreciation and amortization	1,920	1,973	1,685
Interest income	125	128	111
Provision for income tax	42	135	186
Net loss / Total comprehensive loss	(169)	52	132
Equity share in net income of VTI, Bow Arken and Brightshare	(85)	26	66

The carrying value of PLDT's investment in VTI, Bow Arken and Brightshare as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
VTI, Bow Arken and Brightshare equity	69,731	71,209
PLDT's share	50%	50%
Share in net assets of VTI, Bow Arken and Brightshare	34,866	35,605
Share in adjustment based on liability and ETPI net cash balance	442	442
Reimbursements	(393)	(248)
Share in SMC's advances in VTI, Bow Arken and Brightshare	(840)	(840)
Non-controlling interests	(1,118)	(1,127)
Others	33	(157)
Carrying amount of interest in VTI, Bow Arken and Brightshare	32,990	33,675

Notice of Transaction filed with the PCC

Prior to the closing of the transaction on May 30, 2016, PLDT, Globe, and SMC each submitted separate notices to the Philippine Competition Commission (PCC) covering the VTI, Bow Arken, and Brightshare transactions, respectively, pursuant to the Philippine Competition Act (PCA) and PCC Circular Nos. 16-001 and 16-002 (the "Circulars"). Under the Circulars, such transactions are deemed approved upon the PCC's receipt of complete and compliant notices.

On June 6 and 7, 2016, the PCC informed the parties that: (a) with respect to the VTI transaction, the notice was deficient in form and substance and therefore not deemed approved, as key terms were allegedly missing and certain agreements potentially prohibited; and (b) with respect to the Bow Arken and Brightshare transactions, compulsory notification under the Circulars was inapplicable, and in any case, the notices were also deemed deficient.

In its response dated June 10, 2016, PLDT maintained that its notice was complete, sufficient, and compliant, and that the VTI transaction was therefore deemed approved under Section 23 of the PCA and not subject to retroactive review. PLDT further stated that the parties had taken measures to prevent any substantial lessening of competition, including the relinquishment and co-use of certain frequencies among Smart, BellTel, and Globe. For transparency, PLDT and the other parties voluntarily furnished the PCC with copies of the Sale and Purchase Agreements.

Despite this response, the PCC, in a letter dated June 17, 2016, required the parties to submit additional documents relating to the co-use arrangements and other definitive agreements, and disregarded the transaction's deemed-approved status under the Circulars, indicating its intent to conduct a full review or investigation of the transaction.

In the Matter of the Petition against the PCC

PLDT's Petition for Certiorari and Prohibition before the Court of Appeals (CA) against the Philippine Competition Commission (PCC), which challenged the PCC's review of PLDT's and Globe's acquisition of SMC's telecommunications business (the "SMC Transactions"), was decided by the CA in October 2017 in favor of PLDT and Globe. The CA permanently enjoined the PCC from conducting any pre-acquisition review or investigation, set aside the PCC's letters directing such review, and declared the SMC Transactions "deemed approved" under the Philippine Competition Act and the PCC's transitory rules. The CA, however, clarified that the PCC retained authority to conduct post-acquisition reviews to address any anti-competitive conduct.

The PCC elevated the case to the Supreme Court via a Petition for Review on Certiorari, which was consolidated with an earlier PCC petition to annul the CA's writ of preliminary injunction. The Supreme Court proceedings have since involved multiple submissions and motions by the parties, and the consolidated petitions remain pending resolution.

The Supreme Court has not yet issued a final decision on the consolidated cases. The most recent action was the Court's February 8, 2021 Resolution, noting the Consolidated Reply filed by petitioners in a related docket (G.R. No. 242352). No further order or resolution has been promulgated since. As of the date of this report, the matter remains pending before the Supreme Court.

Return of Capital from VTI

On September 2, 2025, the Board of Directors of VTI authorized to partially redeem a portion of its issued and outstanding redeemable preferred shares issued to PLDT and Globe consisting of an aggregate of 265,420 preferred shares (132,710 shares per party) at a redemption price of Php4 thousand per share or an aggregate redemption price of Php1,062 million (Php531 million per party). Additionally, the Board of Directors of VTI agreed to return the deposits for future stock subscription in the amount of Php138 million (Php69 million per party) as it no longer desires to convert the said deposits into equity.

Individually immaterial associates and joint ventures

As at December 31, 2025 and 2024, following are the carrying values of individually immaterial associates and joint ventures:

	2025	2024
	(in million pesos)	
Individually immaterial associates:		
Radius	1,679	2,123
Kayana	1,355	853
Appcard	—	88
	3,034	3,064
Individually immaterial joint ventures:		
DFTI	238	66
Telecommunications Connectivity, Inc.	42	42
PFC/VFC	4	—
	284	108
Total individually immaterial associates and joint ventures	3,318	3,172

The summarized financial information of individually immaterial associates and joint ventures as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023 is shown below:

	Associates		Joint Ventures	
	2025	2024	2025	2024
	(in million pesos)			
Statements of Financial Position:				
Noncurrent assets	8,259	9,342	4,848	3,652
Current assets	3,331	2,393	173	118
Noncurrent liabilities	863	1,279	2,960	2,346
Current liabilities	5,052	3,607	678	1,222
Equity	5,675	6,849	1,383	202
Carrying amount of interest in individually immaterial associates and joint ventures	3,034	3,064	284	108
Additional Information:				
Cash and cash equivalents	1,517	1,011	101	54
Current financial liabilities	1,586	1,614	678	1,210
Noncurrent financial liabilities	—	674	2,960	2,346

	Associates			Joint Ventures		
	2025	2024	2023	2025	2024	2023
	(in million pesos)					
Income Statements:						
Revenues	2,798	3,694	927	8	8	8
Depreciation and amortization	2,225	1,122	302	1	1	1
Interest income	39	30	5	—	—	—
Interest expense	(56)	(65)	—	—	—	—
Other comprehensive income	(1,828)	(542)	(457)	530	(84)	(58)
Provision for income tax	24	30	22	—	—	—
Net loss / Total comprehensive loss	(1,828)	(542)	(457)	530	(84)	(58)
Equity share in net losses of individually immaterial associates and joint ventures	(536)	(7)	—	(8)	—	(4)

12. Debt Instruments at Amortized Cost

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Retail Treasury Bonds	340	340
Fixed Rate Treasury Notes, or FXTN	30	55
	370	395
Less: Current portion of debt instrument at amortized cost (Note 27)	20	25
Noncurrent portion of debt instrument at amortized cost (Note 27)	350	370

Retail Treasury Bonds

On March 9, 2021, Smart purchased at par a three-year Retail Treasury Bond Tranche 25 with face value of Php100 million which matured on March 9, 2024. The bond had a gross coupon rate of 2.375% payable on a quarterly basis. Interest income, recognized on this investment amounted to nil, Php475 thousand and Php1.9 million for the years ended December 31, 2025, 2024 and 2023, respectively.

On December 2, 2021, PLDT and Smart purchased at par a 5.5-year Retail Treasury Bond Tranche 26 with face value of Php300 million maturing on June 2, 2027. The bond has a gross coupon rate of 4.6250% payable on a quarterly basis. Interest income, recognized on this investment amounted to Php11.1 million each for the years ended December 31, 2025, 2024 and 2023. The carrying value of this investment each amounted to Php300 million as at December 31, 2025 and 2024.

On March 4, 2022, PLDT and Smart purchased at par a five-year Retail Treasury Bond Tranche 27 with face value of Php40 million maturing on March 4, 2027. The bond has a gross coupon rate of 4.8750% payable on a quarterly basis. Interest income, recognized on this investment amounted to Php1.6 million each for the years ended December 31, 2025, 2024 and 2023. The carrying value of this investment each amounted to Php40 million as at December 31, 2025 and 2024.

FXTN

On June 3, 2022, Smart purchased at a discount a three-year FXTN 03-27 with face value of Php25 million which matured on April 7, 2025. The bond has a gross coupon rate of 4.25% payable on a semi-annual basis. Interest income recognized on this investment amounted to Php425 thousand for the year ended December 31, 2025 and Php850 thousand each for the years ended December 31, 2024 and 2023. The carrying value of this investment amounted to nil and Php25 million as at December 31, 2025 and 2024, respectively.

On June 16, 2022, Smart purchased at a premium a seven-year FXTN 07-67 with face value of Php10 million maturing on May 19, 2029. The bond has a gross coupon rate of 6.5% payable on a semi-annual basis. Interest income recognized on this investment amounted to Php520 thousand each for the years ended December 31, 2025, 2024 and 2023. The carrying value of this investment each amounted to Php10 million as at December 31, 2025 and 2024.

On July 7, 2022, PLDT and Smart purchased at a premium a four-year FXTN 07-62 with face value of Php20 million subsequently matured on February 14, 2026. The bond has a gross coupon rate of 6.25% payable on a semi-annual basis. Interest income recognized on this investment amounted to Php1.0 million each for the years ended December 31, 2025, 2024 and 2023. The carrying value of this investment each amounted to Php20 million as at December 31, 2025 and 2024.

ASENSO Bonds

On February 16, 2026, PLDT and Smart subsequently purchased at par a 1.5-year Landbank ASENSO Bonds Series B with face value of Php50 million each maturing on August 16, 2027. The bond has a gross coupon rate of 5.1714% payable on a quarterly basis.

13. Investment Properties

Changes in investment properties account for the years ended December 31, 2025 and 2024 are as follows:

	Land	Land Improvements	Building	Total
	(in million pesos)			
December 31, 2025				
Balances at beginning of the year	2,882	12	106	3,000
Net gains (losses) from fair value adjustments charged to other comprehensive income	3,386	(90)	298	3,594
Transfers from property and equipment	464	168	219	851
Net gains (losses) from fair value adjustments charged to profit or loss	346	(1)	7	352
Disposals during the year	(8)	—	—	(8)
Balances at end of the year	7,070	89	630	7,789
December 31, 2024				
Balances at beginning of the year	1,184	12	119	1,315
Revaluation charged to OCI	2,093	—	—	2,093
Transfers to property and equipment - net	(398)	—	(19)	(417)
Net gains from fair value adjustments charged to profit or loss	17	—	6	23
Disposals during the year	(14)	—	—	(14)
Balances at end of the year	2,882	12	106	3,000

Investment properties, which consist of land, land improvements and building, are stated at fair values, which have been determined based on appraisal performed by an independent firm of appraisers, an industry specialist in valuing these types of investment properties.

The valuation for land was based on a market approach valuation technique using price per square meter. The valuation for building and land improvements was based on a cost approach valuation technique using current material and labor costs for improvements based on external and independent reviewers.

We have determined that the highest and best use of some of the idle or vacant land properties at the measurement date would be to convert the properties for residential or commercial development. The properties are not being used for strategic reasons.

We have no restrictions on the realizability of our investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Repairs and maintenance expenses related to investment properties that do not generate rental income amounted to Php119 million, Php122 million and Php129 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Rental income relating to investment properties that are being leased and included as part of other miscellaneous income amounted to Php62 million, Php59 million and Php57 million for the years ended December 31, 2025, 2024 and 2023, respectively. See *Note 10 – Leases*.

The above investment properties were categorized under Level 2 and Level 3 of the fair value hierarchy. There were no transfers in and out of Level 2 and Level 3 of the fair value hierarchy.

Significant increases or decreases in price per square meter for land, current material and labor costs of improvements would result in a significantly higher or lower fair value measurement.

14. Goodwill and Intangible Assets

Changes in goodwill and intangible assets account for the years ended December 31, 2025 and 2024 are as follows:

	Intangible Assets with Indefinite Life	Intangible Assets with Finite Life						Total Intangible Assets with Finite Life	Total Intangible Assets	Goodwill	Total Goodwill and Intangible Assets
		Trademark	Franchise	Licenses	Customer List	Spectrum	Others				
(in million pesos)											
December 31, 2025											
Costs:											
Balances at beginning of the year	220	4,565	3,017	135	4,703	1,205	1,689	15,314	15,534	63,595	79,129
Additions during the year	—	—	—	—	12	—	217	229	229	—	229
Translation and other adjustments	—	5	—	(12)	(8)	—	—	(15)	(15)	—	(15)
Balances at end of the year	220	4,570	3,017	123	4,707	1,205	1,906	15,528	15,748	63,595	79,343
Accumulated amortization and impairment:											
Balances at beginning of the year	—	4,565	2,451	135	4,703	1,205	952	14,011	14,011	654	14,665
Amortization during the year	—	—	186	—	2	—	82	270	270	—	270
Translation and other adjustments	—	5	1	(12)	(8)	—	1	(13)	(13)	—	(13)
Balances at end of the year	—	4,570	2,638	123	4,697	1,205	1,035	14,268	14,268	654	14,922
Net balances at end of the year	220	—	379	—	10	—	871	1,260	1,480	62,941	64,421
Estimated useful lives (in years)	—	—	16	—	6	—	5-10	—	—	—	—
Remaining useful lives (in years)	—	—	2	—	5	—	3-10	—	—	—	—
December 31, 2024											
Costs:											
Balances at beginning of the year	220	4,561	3,017	135	4,703	1,205	1,321	14,942	15,162	63,595	78,757
Additions during the year	—	—	—	—	—	—	366	366	366	—	366
Translation and other adjustments	—	4	—	—	—	—	2	6	6	—	6
Balances at end of the year	220	4,565	3,017	135	4,703	1,205	1,689	15,314	15,534	63,595	79,129
Accumulated amortization and impairment:											
Balances at beginning of the year	—	4,561	2,265	135	4,703	1,205	899	13,768	13,768	654	14,422
Amortization during the year	—	—	186	—	—	—	54	240	240	—	240
Translation and other adjustments	—	4	—	—	—	—	(1)	3	3	—	3
Balances at end of the year	—	4,565	2,451	135	4,703	1,205	952	14,011	14,011	654	14,665
Net balances at end of the year	220	—	566	—	—	—	737	1,303	1,523	62,941	64,464
Estimated useful lives (in years)	—	—	16	—	6	—	5-10	—	—	—	—
Remaining useful lives (in years)	—	—	3	—	—	—	3-10	—	—	—	—

The consolidated goodwill and intangible assets of our reportable segments as at December 31, 2025 and 2024 are as follows:

	2025			2024		
	Wireless	Fixed Line	Total	Wireless	Fixed Line	Total
	(in million pesos)					
Franchise	379	—	379	566	—	566
Customer list	—	230	230	—	220	220
Others	—	871	871	—	737	737
Total intangible assets	379	1,101	1,480	566	957	1,523
Goodwill	56,571	6,370	62,941	56,571	6,370	62,941
Total goodwill and intangible assets	56,950	7,471	64,421	57,137	7,327	64,464

The consolidated future amortization of intangible assets as at December 31, 2025 are as follows:

Year	(in million pesos)
2026	296
2027	294
2028	113
2029	107
2030	93
2031 and onwards	357
	1,260

Impairment Testing of Goodwill

The organizational structure of PLDT and its subsidiaries is designed to monitor financial operations based on fixed line and wireless segmentation. Management provides guidelines and decisions on resource allocation, such as continuing or disposing of assets and operations by evaluating the performance of each segment through review and analysis of available financial information on the fixed line and wireless segments. As at December 31, 2025, the PLDT Group's goodwill comprised of goodwill resulting from PGIH's acquisition of Multisys in 2022, ePLDT's acquisition of IPCDSI in 2012, PLDT's acquisition of Digitel in 2011, ePLDT's acquisition of ePDS in 2011, Smart's acquisition of PDSI and Chikka in 2009, SBI's acquisition of Airborne Access Corporation in 2008, and Smart's acquisition of SBI in 2004.

Although revenue streams may be segregated among the companies within the PLDT Group, cash inflows are not considered coming from independent groups of assets on a per Company basis due largely to the significant portion of shared and commonly used network/platform that generates related revenue. On the other hand, PLDT has the largest fixed line network in the Philippines. PLDT's transport facilities are installed nationwide to cover both domestic and international IP backbone to route and transmit IP traffic generated by the customers. In the same manner, PLDT has the most Internet Gateway facilities which are composed of high-capacity IP routers and switches that serve as the main gateway of the Philippines to the Internet connecting to the World Wide Web. With PLDT's network coverage, other fixed line subsidiaries share the same facilities to leverage from a Group perspective.

Because of the significant common use of network facilities among fixed line and wireless companies within the Group, management deems that the Wireless and Fixed Line units are the lowest CGUs to which goodwill is to be allocated and tested for impairment given that the Fixed Line and Wireless operations generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of the Wireless and Fixed Line CGUs have been determined using the value-in-use approach calculated using cash flow projections based on the financial budgets approved by the Board of Directors. The post-tax discount rates applied to cash flow projections are 9.32% for the Wireless and Fixed Line CGUs. Cash flows beyond the projection period of three years are determined using a 2% growth rate for the Wireless and Fixed Line CGUs, which is the same as the long-term average growth rate for the telecommunications industry. Other key assumptions used in the cash flow projections include revenue growth rate and capital expenditures.

Based on the assessment of the VIU of the Wireless and Fixed Line CGUs, the recoverable amount of the Wireless and Fixed Line CGUs exceeded their carrying amounts. Hence, no impairment was recognized in relation to goodwill as at December 31, 2025 and 2024.

15. Cash and Cash Equivalents

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Cash on hand and in banks (Note 27)	10,497	8,547
Temporary cash investments (Note 27)	1,369	1,464
Total	11,866	10,011

Cash in banks earn interest at prevailing bank deposit rates. Temporary cash investments are made for varying periods of up to three months depending on our immediate cash requirements and earn interest at the prevailing temporary cash investment rates. Due to the short-term nature of such transactions, the carrying value approximates the fair value of our temporary cash investments. See *Note 27 – Financial Assets and Liabilities*.

Interest income earned from cash in banks and temporary cash investments amounted to Php176 million, Php267 million and Php469 million for the years ended December 31, 2025, 2024 and 2023, respectively. See *Note 5 – Income and Expenses*.

16. Trade and Other Receivables

As at December 31, 2025 and 2024, this account consists of receivables from:

	2025	2024
	(in million pesos)	
Corporate subscribers (Note 27)	21,373	20,936
Retail subscribers (Note 27)	19,369	17,516
Foreign administrations (Note 27)	1,615	1,254
Domestic carriers (Note 27)	208	256
Dealers, agents and others (Note 27)	7,699	8,846
	50,264	48,808
Less: Allowance for expected credit losses	18,897	17,196
	31,367	31,612

Trade and other receivables are noninterest-bearing and generally have settlement terms of 30 to 180 days.

Receivables from foreign administrations and domestic carriers represent receivables based on interconnection agreements with other telecommunications carriers. The aforementioned amounts of receivable are shown net of related payables to the same telecommunications carriers where a legal right of offset exists and settlement is facilitated on a net basis.

Receivables from dealers, agents and others consist mainly of receivables from credit card companies, dealers and distributors having collection arrangements with the PLDT Group, dividend receivables and advances to affiliates.

For terms and conditions relating to related party receivables, see *Note 24 – Related Party Transactions*.

See *Note 27 – Financial Assets and Liabilities* on credit risk of trade receivables to understand how we manage and measure credit quality of trade receivables that are neither past due nor impaired.

The following table explains the changes in the allowance for expected credit losses as at December 31, 2025 and 2024:

	Retail Subscribers		Corporate Subscribers		Foreign Administrations		Domestic Carriers		Dealers, Agents and Others		Total		Total
	Stage 2	Stage 3	Stage 2	Stage 3	Stage 2	Stage 3	Stage 2	Stage 3	Stage 2	Stage 3	Stage 2	Stage 3	
	Lifetime ECL		Lifetime ECL		Lifetime ECL		Lifetime ECL		Lifetime ECL		Lifetime ECL		
	(in million pesos)												
December 31, 2025													
Balances at beginning of the year	576	9,290	2,400	3,513	14	63	—	—	606	734	3,596	13,600	17,196
Provisions	231	2,926	(83)	764	(6)	—	—	—	(1)	7	141	3,697	3,838
Translation adjustments	—	—	9	5	—	—	—	—	12	—	21	5	26
Write-offs	—	(1,760)	—	(446)	—	—	—	—	—	—	—	(2,206)	(2,206)
Reclassifications and reversals	(84)	73	547	(20)	10	3	—	—	(464)	(22)	9	34	43
Balances at end of the year	723	10,529	2,873	3,816	18	66	—	—	153	719	3,767	15,130	18,897
December 31, 2024													
Balances at beginning of the year	1,448	8,250	2,126	3,820	8	116	—	1	608	838	4,190	13,025	17,215
Provisions	(484)	3,537	322	472	6	—	—	—	13	9	(143)	4,018	3,875
Translation adjustments	—	—	21	2	—	—	—	—	—	—	21	2	23
Write-offs	—	(2,975)	—	(916)	—	(1)	—	—	—	—	—	(3,892)	(3,892)
Reclassifications and reversals	(388)	436	(69)	135	—	(52)	—	(1)	(15)	(113)	(472)	405	(67)
Others	—	42	—	—	—	—	—	—	—	—	—	42	42
Balances at end of the year	576	9,290	2,400	3,513	14	63	—	—	606	734	3,596	13,600	17,196

The significant changes in the balances of trade and other receivables and contract assets are disclosed in *Note 5 – Income and Expenses*, while the information about the credit exposures are disclosed in *Note 27 – Financial Assets and Liabilities*.

17. Inventories and Supplies

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Cost:		
Commercial	1,048	2,100
Network	1,716	2,436
Others	245	279
	3,009	4,815
Allowance for inventory obsolescence and write-down:		
Commercial	308	133
Network	837	1,358
Others	21	18
	1,166	1,509
Net realizable value:		
Commercial	740	1,967
Network	879	1,078
Others	224	261
Net balances at the end of the year	1,843	3,306

Changes in the allowance for inventory obsolescence and write-down for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Balances at beginning of the year	1,509	1,612
Provisions (Note 5)	23	196
Cost of devices and accessories consumed, previously provided	(13)	(176)
Disposals and other adjustments	(63)	(85)
Reversals	(290)	(38)
Balances at end of the year	1,166	1,509

The cost of inventories and supplies recognized as expense for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
	(in million pesos)		
Cost of devices and accessories	7,287	9,904	11,912
Repairs and maintenance	266	407	734
Provision for inventory obsolescence	23	196	89
	7,576	10,507	12,735

18. Prepayments and Other Non-Financial Assets

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Subscriber contract costs	26,906	28,817
Advances to suppliers and contractors	23,825	29,486
Prepaid taxes	5,228	6,968
Prepaid fees and licenses	1,947	2,084
Prepaid benefit costs (Note 25)	810	975
Prepaid repairs and maintenance	541	862
Prepaid rent	319	371
Prepaid insurance	145	144
Other prepayments	1,822	1,168
Other non-financial assets	1,134	1,029
	62,677	71,904
Less current portion of prepayments and other nonfinancial assets	16,191	9,975
Noncurrent portion of prepayments and other nonfinancial assets	46,486	61,929

Subscriber contract costs consist of the cost to obtain and cost to fulfill a contract with subscribers. Cost to obtain amounted to Php4,533 million and Php4,448 million as at December 31, 2025 and 2024, respectively. Amortization of cost to obtain presented under selling and promotions amounted to Php1,427 million, Php1,204 million and Php3,147 million for the years ended December 31, 2025, 2024 and 2023, respectively. Costs to fulfill amounted to Php22,373 million and Php24,369 million as at December 31, 2025 and 2024, respectively. Amortization of cost to fulfill, which is presented under depreciation and amortization in the Income Statement, amounted to Php8,055 million, Php7,449 million and Php11,789 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Advances to suppliers and contractors are non-interest bearing and are to be applied to contractors' subsequent progress billings for projects.

Prepaid taxes include creditable withholding taxes and input VAT.

Prepaid fees and licenses include advance payments for NTC license fees and unexpired portion of fees paid to the NTC.

19. Equity

PLDT's number of shares of subscribed and outstanding capital stock as at December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
	(in millions)	
Authorized		
Non-Voting Serial Preferred Stock	388	388
Voting Preferred Stock	150	150
Common Stock	234	234
Subscribed		
Non-Voting Serial Preferred Stock ⁽¹⁾	300	300
Voting Preferred Stock	150	150
Common Stock	219	219
Outstanding		
Non-Voting Serial Preferred Stock ⁽¹⁾	300	300
Voting Preferred Stock	150	150
Common Stock	216	216
Treasury Stock		
Common Stock	3	3

⁽¹⁾ 300 million shares of Series IV Cumulative Non-Convertible Redeemable Preferred Stock subscribed for Php3 billion, of which Php360 million has been paid and with subscription payable amounting to Php2,640 million as at December 31, 2025 and 2024.

There were no changes in Parent Company's capital account for the years ended December 31, 2025 and 2024.

Preferred Stock

Non-Voting Serial Preferred Stock

Pursuant to the PLDT Subscriber Investment Plan, the Board of Directors designated 50,000 shares of Non-Voting Serial Preferred Stock as Series JJ 10% Cumulative Convertible Preferred Stock on November 5, 2013 to be issued from January 1, 2013 to December 31, 2015, and 20,000 shares as Series KK on January 26, 2016, to be issued from January 1, 2016 to December 31, 2020 on (collectively, “SIP Shares”). On June 8, 2015, PLDT issued 870 shares of Series JJ. SIP shares earn cumulative dividends at an annual rate of 10% and may be converted into Common Stock of PLDT, at a price 10% below the average market price over 30 trading days, subject to a minimum of par value. The Board of Directors may, at its sole discretion, adjust the conversion price in the event of a reclassification, change in outstanding Common Stock, consolidation, or merger. PLDT, at its discretion, may redeem Series JJ and KK SIP Shares five years after issuance at par value plus any accrued dividends.

The Series IV Cumulative Non-Convertible Redeemable Preferred Stock earns cumulative dividends at an annual rate of 13.5% based on the paid-up subscription price. It is redeemable at the option of PLDT at any time one year after subscription and at the actual amount paid for such stock, plus accrued dividends. This stock is non-voting, except as specifically provided by law, and is preferred in liquidation.

All preferred stocks limit the ability of PLDT to pay cash dividends unless all dividends on such preferred stock for all past dividend payment periods have been paid, or declared, set apart and provision has been made for the currently payable dividends.

PLDT’s Non-Voting Serial Preferred Stock has a par value of Php10 per share.

Voting Preferred Stock

On June 5, 2012, the Philippine SEC approved the amendments to the Seventh Article of PLDT’s Articles of Incorporation consisting of the sub-classification of its authorized Preferred Capital Stock into: 150 million shares of Voting Preferred Stock with a par value of Php1.00 each, and 807.5 million shares of Non-Voting Serial Preferred Stock with a par value of Php10.00 each, and other conforming amendments, or the Amendments. The shares of Voting Preferred Stock may be issued, owned, or transferred only to or by: (a) a citizen of the Philippines or a domestic partnership or association wholly-owned by citizens of the Philippines; (b) a corporation organized under the laws of the Philippines of which at least 60% of the capital stock entitled to vote is owned and held by citizens of the Philippines and at least 60% of the board of directors of such corporation are citizens of the Philippines; and (c) a trustee of funds for pension or other employee retirement or separation benefits, where the trustee qualifies under paragraphs (a) and (b) above and at least 60% of the funds accrue to the benefit of citizens of the Philippines, or Qualified Owners. The holders of Voting Preferred Stock will have voting rights at any meeting of the stockholders of PLDT for the election of directors and for all other purposes, with one vote in respect of each share of Voting Preferred Stock. The Amendments were approved by the Board of Directors and stockholders of PLDT on July 5, 2011 and March 22, 2012, respectively.

On October 12, 2012, the Board of Directors, pursuant to the authority granted to it in the Seventh Article of PLDT’s Articles of Incorporation, determined the following specific rights, terms and features of the Voting Preferred Stock: (a) entitled to receive cash dividends at the rate of 6.5% per annum, payable before any dividends are paid to the holders of Common Stock; (b) in the event of dissolution or liquidation or winding up of PLDT, holders will be entitled to be paid in full, or pro-rata insofar as the assets of PLDT will permit, the par value of such shares of Voting Preferred Stock and any accrued or unpaid dividends thereon before any distribution shall be made to the holders of shares of Common Stock; (c) redeemable at the option of PLDT; (d) not convertible to Common Stock or to any shares of stock of PLDT of any class; (e) voting rights at any meeting of the stockholders of PLDT for the election of directors and all other matters to be voted upon by the stockholders in any such meetings, with one vote in respect of each Voting Preferred Share; and (f) holders will have no pre-emptive right to subscribe for or purchase any shares of stock of any class, securities or warrants issued, sold or disposed by PLDT.

On October 16, 2012, BTFHI subscribed to 150 million newly issued shares of Voting Preferred Stock of PLDT, at a subscription price of Php1.00 per share for a total subscription price of Php150 million pursuant to a subscription agreement between BTFHI and PLDT dated October 15, 2012. As a result of the issuance of Voting Preferred Shares, the voting power of the NTT Group (comprising of NTT DOCOMO and NTT DOCOMO Business), First Pacific Group and its Philippine affiliates, and JG Summit Group was reduced to 12.01%, 15.09% and 6.65%, respectively, which still holds as at December 31, 2025. See *Note 1 – Corporate Information*.

PLDT’s Voting Serial Preferred Stock has a par value of Php1 per share.

Redemption of Preferred Stock

The Board of Directors approved the redemption, or the Redemption, of all outstanding shares of the following 10% Cumulative Convertible Preferred Stock as follows:

Date of Board Approval	Series	Amount set aside for Redemption Price	Amount set aside for Unclaimed Dividends	Date of Redemption	Redemption Period
September 23, 2011	A-FF	Php4,029 million	Php4,143 million	January 19, 2012	January 19, 2012 to January 19, 2022
May 8, 2012	GG	Php236 thousand	Php74 thousand	August 30, 2012	August 30, 2012 to August 30, 2022
January 29, 2013	HH (issued in 2007)	Php24 thousand	Php6 thousand	May 16, 2013	May 16, 2013 to May 16, 2023
January 28, 2014	HH (issued in 2008)	Php2 thousand	Php1 thousand	May 16, 2014	May 16, 2014 to May 16, 2024
January 26, 2016	II	Php4 thousand	—	May 11, 2016	May 11, 2016 to May 11, 2026
January 28, 2020	JJ	—	—	May 12, 2020	May 12, 2020 to May 12, 2030

PLDT set aside amounts required to fund the redemption price and unclaimed dividends for the Series A to JJ Shares, or the Redemption Trust Fund, in a trust account, or the Trust Account, in the name of RCBC, as Trustee. Pursuant to the terms of the Trust Account, the Trustee will continue to hold the Redemption Trust Fund or any balance thereof, in trust, for the benefit of holders of Series A to JJ Shares, for a period of ten years from the date of redemption. After the said date, any and all remaining balance in the Trust Account shall be returned to PLDT and revert to its general funds. Any interest on the Redemption Trust Fund shall accrue for the benefit of, and be paid from time to time, to PLDT.

On January 20, 2022, RCBC returned to PLDT the remaining unclaimed balance of the Trust Account for the Series A to FF, amounting to Php7,839 million. Due to the prescription of PLDT's obligations to pay the trust amounts for Series A to FF, income from prescription of preferred shares redemption liability of Php7,839 million was recognized in 2022.

PLDT has withdrawn nil, Php13 thousand and Php354 thousand from the Trust Account representing total payments on redemption for the years ended December 31, 2025, 2024 and 2023, respectively. There were no outstanding balance of the Trust Account as at December 31, 2025 and 2024. On June 14, 2013, PLDT amended its Articles of Incorporation to decrease the authorized capital stock for its Non-Voting Serial Preferred Stock from 807.5 million shares to 388 million shares. See related disclosures below under Non-controlling interests - Perpetual Notes and *Note 27 – Financial Assets and Liabilities*.

Common Stock/Treasury Stock

The Board of Directors approved a share buyback program of up to five million shares of PLDT's common stock, representing approximately 3% of PLDT's then total outstanding shares of common stock in 2008. Under the share buyback program, PLDT reacquired shares on an opportunistic basis, directly from the open market through the trading facilities of the PSE and NYSE.

As at November 2010, we had acquired a total of approximately 2.72 million shares of PLDT's common stock at a weighted average price of Php2,388 per share for a total consideration of Php6,505 million in accordance with the share buyback program. There were no further buyback transactions subsequent to November 2010.

PLDT's Common Stock, has a par value of Php5 per share, with shares issued and outstanding amounting to Php1,093 million as at December 31, 2025 and 2024.

Dividends Declared

Our dividends declared for the years ended December 31, 2025, 2024 and 2023 are detailed as follows:

December 31, 2025

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
(in million pesos, except per share amounts)					
Cumulative Non-Convertible Redeemable Preferred Stock					
Series IV ⁽¹⁾	January 28, 2025	February 11, 2025	March 15, 2025	—	12
	May 15, 2025	May 22, 2025	June 15, 2025	—	12
	August 12, 2025	August 26, 2025	September 15, 2025	—	12
	November 11, 2025	November 25, 2025	December 15, 2025	—	13
					49
Voting Preferred Stock					
	March 20, 2025	April 3, 2025	April 15, 2025	—	2
	June 10, 2025	June 24, 2025	July 15, 2025	—	3
	August 12, 2025	September 15, 2025	October 15, 2025	—	3
	December 2, 2025	December 16, 2025	January 15, 2026	—	2
					10
Common Stock					
Regular Dividend	February 27, 2025	March 13, 2025	April 3, 2025	47.00	10,155
	August 12, 2025	August 28, 2025	September 10, 2025	48.00	10,370
					20,525
Charged to retained earnings					20,584

⁽¹⁾ Dividends were declared based on the total amount subscribed.

December 31, 2024

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
(in million pesos, except per share amounts)					
Cumulative Non-Convertible Redeemable Preferred Stock					
Series IV ⁽¹⁾	January 30, 2024	February 14, 2024	March 15, 2024	—	12
	May 9, 2024	May 24, 2024	June 15, 2024	—	13
	August 13, 2024	August 28, 2024	September 15, 2024	—	12
	November 12, 2024	November 28, 2024	December 15, 2024	—	12
					49
Voting Preferred Stock					
	March 21, 2024	April 5, 2024	April 15, 2024	—	2
	June 11, 2024	June 28, 2024	July 15, 2024	—	3
	August 13, 2024	September 16, 2024	October 15, 2024	—	2
	December 3, 2024	December 17, 2024	January 15, 2025	—	3
					10
Common Stock					
Regular Dividend	March 7, 2024	March 21, 2024	April 5, 2024	46.00	9,938
	August 13, 2024	August 27, 2024	September 11, 2024	50.00	10,803
					20,741
Charged to retained earnings					20,800

⁽¹⁾ Dividends were declared based on the total amount subscribed.

December 31, 2023

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
(in million pesos, except per share amounts)					
Cumulative Non-Convertible Redeemable Preferred Stock					
Series IV ⁽¹⁾	January 31, 2023	February 27, 2023	March 15, 2023	—	12
	May 4, 2023	May 19, 2023	June 15, 2023	—	12
	August 3, 2023	August 19, 2023	September 15, 2023	—	13
	November 7, 2023	November 22, 2023	December 15, 2023	—	12
					49
Voting Preferred Stock					
	March 2, 2023	March 17, 2023	April 15, 2023	—	3
	June 13, 2023	June 28, 2023	July 15, 2023	—	3
	August 29, 2023	September 13, 2023	October 15, 2023	—	2
	December 5, 2023	December 22, 2023	January 15, 2024	—	2
					10
Common Stock					
Regular Dividend	March 23, 2023	April 11, 2023	April 24, 2023	45.00	9,722
	August 3, 2023	August 17, 2023	September 4, 2023	49.00	10,587
	March 23, 2023	April 11, 2023	April 24, 2023	14.00	3,025
					23,334
Charged to retained earnings					23,393

⁽¹⁾ Dividends were declared based on the total amount subscribed.

Our dividends declared after December 31, 2025 are detailed as follows:

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
(in million pesos, except per share amounts)					
Cumulative Non-Convertible Redeemable Preferred Stock					
Series IV ⁽¹⁾	January 27, 2026	February 10, 2026	March 15, 2026	—	12
					12
Common Stock					
Regular Dividend	February 26, 2026	March 26, 2026	April 16, 2026	46	9,939
					9,939
Charged to retained earnings					9,951

⁽¹⁾ Dividends were declared based on the total amount subscribed.

Noncontrolling Interests – Perpetual Notes

Smart issued Php2,610 million and Php1,590 million perpetual notes on March 3, 2017 and March 6, 2017, respectively, under two Notes Facility Agreements dated March 1, 2017 and March 2, 2017, respectively. Proceeds from the issuance of these notes were used to finance capital expenditures. The notes have no fixed redemption dates. The transaction costs amounting to Php34 million were accounted for as a deduction from the perpetual notes. The notes are subordinated to and rank junior to all senior loans of Smart. In accordance with PAS 32, *Financial Instruments: Presentation*, the notes are classified as part of Smart's equity and recorded as noncontrolling interests in PLDT's consolidated financial statements.

Smart paid distributions amounting to Php59 million and Php236 million as at December 31, 2024 and 2023, respectively. On March 3, 2024 and March 6, 2024, Smart fully redeemed its Perpetual Notes amounting to Php2,610 million and Php1,590 million, respectively.

Retained Earnings Available for Dividend Declaration

The following table shows the reconciliation of our consolidated retained earnings available for dividend declaration as at December 31, 2025:

	(in million pesos)
Consolidated Unappropriated Retained Earnings as at December 31, 2024	33,901
Effect of PAS 27 Adjustments	1,405
Parent Company's unappropriated retained earnings at beginning of the year	35,306
Adjustments: Unrealized gains in prior years:	
Fair value adjustments of investment property resulting to gain	(1,385)
DTA	(2,196)
Unrealized foreign exchange gains – net (except those attributable to cash and cash equivalents)	(2,590)
Fair value adjustments (mark-to-market gains)	(8,696)
Parent Company's unappropriated retained earnings available for dividends as at January 1, 2025	20,439
Add: Net income actually earned/realized during the year	
Parent Company's net income for the period	26,293
Less: Non-actual/unrealized income - net of tax	
Fair value adjustments (mark-to-market gains)	(1,211)
Fair value adjustment of investment property resulting to gain	(282)
	24,800
Less: Cash dividends declared during the period	
Preferred stock	(59)
Common stock	(20,525)
	(20,584)
Parent Company's unappropriated retained earnings available for dividends as at December 31, 2025	24,655

As at December 31, 2025, our consolidated unappropriated retained earnings amounted to Php43,328 million while the Parent Company's unappropriated retained earnings amounted to Php42,255 million. The difference of Php1,073 million pertains to the effect of PAS 27, *Separate Financial Statements*, in our investments in subsidiaries, associates and joint ventures accounted for under the equity method.

20. Interest-bearing Financial Liabilities

As at December 31, 2025 and 2024, this account consists of the following:

	2025	2024
	(in million pesos)	
Long-term portion of interest-bearing financial liabilities —		
Long-term debt (Notes 27 and 28)	278,868	258,246
Current portion of interest-bearing financial liabilities:		
Long-term debt maturing within one year (Notes 27 and 28)	15,880	23,340
Short-term debt (Notes 27 and 28)	300	—
	295,048	281,586

Unamortized debt discount, representing debt premium, debt issuance costs and any difference between the fair value of consideration given or received at initial recognition, included in our financial liabilities amounted to Php1,891 million and Php1,989 million as at December 31, 2025 and 2024, respectively.

The following table describes all changes to unamortized debt discount for the years ended December 31, 2025 and 2024:

	2025	2024
	(in million pesos)	
Unamortized debt discount at beginning of the year	1,989	2,129
Additions	271	219
Revaluations	3	9
Accretion included as part of financing costs – net	(372)	(368)
Unamortized debt discount at end of the year	1,891	1,989

The scheduled maturities of our consolidated outstanding long-term and short-term debt at nominal values as at December 31, 2025 are as follows:

Year	U.S. Dollar Debt		Php Debt	Total
	U.S. Dollar	Php	Php	Php
	(in millions)			
2026	14	823	15,736	16,559
2027	14	823	27,056	27,879
2028	28	1,646	20,027	21,673
2029	—	—	26,662	26,662
2030	14	823	24,192	25,015
2031 and onwards	600	35,274	143,877	179,151
Total long-term debt (Note 27)	670	39,389	257,550	296,939

Long-term Debt

As at December 31, 2025 and 2024, long-term debt consists of:

		December 31, 2025		December 31, 2024	
Description	Interest Rates	U.S.		U.S.	
		Dollar	Php	Dollar	Php
(in millions)					
U.S. Dollar Debts:					
Fixed Rate Notes	2.5000% to 3.4500% in 2025 and 2024	591	34,779	591	34,177
Term Loans:					
Others	SOFR + 1.31161 % in 2025 and SOFR + 1.31161 % to 1.47826% in 2024	70	4,100	84	4,838
		661	38,879	675	39,015
Philippine Peso Debts:					
Term Loans:					
Unsecured Term Loans	4.0000% to 5.3500%; PHP BVAL + 0.4000% to 1.1250% (floor rate 4.5000% to 4.6250%) in 2025 and 4.000% to 5.3500%; PHP BVAL + 0.5000% to 1.0000% (floor rate 4.5000% to 4.6250%) in 2024		255,869		242,571
			255,869		242,571
Total long-term debt (Notes 27 and 28)			294,748		281,586
Less portion maturing within one year (Note 27)			15,880		23,340
Noncurrent portion of long-term debt (Note 27)			278,868		258,246

							Outstanding Amounts			
							December 31, 2025		December 31, 2024	
Loan Amount	Issuance Date	Trustee	Terms	Repurchase Amount		Paid in full on	U.S. Dollar	Php	U.S. Dollar	Php
				Php	Dates			(in millions)		
Fixed Rate Notes ⁽¹⁾										
US\$300M	June 23, 2020	The Bank of New York Mellon, London Branch	Non-amortizing, payable in full upon maturity on January 23, 2031	—	—	—	297 ⁽²⁾	17,468 ⁽²⁾	297 ⁽²⁾	17,155 ⁽²⁾
US\$300M	June 23, 2020	The Bank of New York Mellon, London Branch	Non-amortizing, payable in full upon maturity on June 23, 2050	—	—	—	294 ⁽²⁾	17,311 ⁽²⁾	294 ⁽²⁾	17,022 ⁽²⁾
							591	34,779	591	34,177

⁽¹⁾ The purpose of this loan is to refinance the existing loan obligations, prepay outstanding loans and partially finance capital expenditures.

⁽²⁾ Amounts are net of unamortized debt discount/premium and/or debt issuance cost.

Loan Amount	Date of Loan Agreement	Lender(s)	Terms	Dates Drawn	Drawn Amount	Cancelled Undrawn Amount	Paid in full on	Outstanding Amounts			
					U.S. Dollar	U.S. Dollar		December 31, 2025		December 31, 2024	
								U.S. Dollar	Php	U.S. Dollar	Php
					(in millions)			(in millions)			
U.S. Dollar Debts											
Other Term Loans ⁽¹⁾											
US\$25M	2017	NTT TC Leasing	Non-amortizing, payable upon maturity on March 27, 2024	2017	25	—	March 27, 2024	—	—	—	—
US\$140M	March 4, 2020	PNB	Quarterly amortization rates equivalent to: (a) 2.5% of the total amount drawn payable on the first interest payment date up to the 28th interest payment date; (b) 5% of the total amount drawn payable on the 29th interest payment date up to the 32nd interest payment date; and (3) 2.5% of the total amount drawn payable on the 37th interest payment date up to maturity on December 13, 2030	December 14, 2020	140	—	—	70 ⁽²⁾	4,100 ⁽²⁾	84 ⁽²⁾	4,838 ⁽²⁾
								70	4,100	84	4,838

⁽¹⁾ The purpose of this loan is to finance capital expenditures and/or to refinance existing loan obligations which were utilized for network expansion and improvement programs.

⁽²⁾ Amounts are net of unamortized debt discount/premium and/or debt issuance cost.

Loan Amount	Agreement	Paying Agent	Terms	Date of Issuance/ Drawdown	Payments		Outstanding Amounts		
							December 31, 2025		December 31, 2024
					Amount	Date			
					Php		Php	Php	
					(in millions)		(in millions)		
Fixed Rate Retail Bonds ⁽¹⁾									
PLDT									
Php15,000M	January 22, 2014	Philippine Depositary Trust Corp.	Php12.4B – non-amortizing, payable in full upon maturity on February 6, 2021; Php2.6B – non-amortizing payable in full on February 6, 2024	February 6, 2014	12,400 2,600	February 8, 2021 February 6, 2024	—	—	

⁽¹⁾ The purpose of this loan is to finance capital expenditures and/or to refinance existing loan obligations which were utilized for network expansion and improvement programs.

⁽²⁾ Amounts are net of unamortized debt discount/premium and/or debt issuance cost.

Loan Amount	Date of Loan Agreement	Lender(s)	Terms	Dates Drawn	Drawn Amount	Outstanding Amounts	
						December 31, 2025	December 31, 2024
					Php	Php	Php
					(in millions)	(in millions)	
Term Loans							
Unsecured Term Loans⁽¹⁾							
Php9,500M	Various dates in 2014 and 2019	Union Bank of the Philippines	With annual amortization up to 10 years	Various dates in 2014 and 2019	9,500	7,689 ⁽²⁾	7,811 ⁽²⁾
Php70,500M	Various dates in 2015 to 2024	Bank of the Philippine Islands	With annual amortization up to 6, 10 and 11 years	Various dates in 2015 to 2025	70,500	56,443 ⁽²⁾	54,738 ⁽²⁾
Php56,000M	Various dates in 2015 to 2025	Metropolitan Bank and Trust Company ⁽³⁾	With annual amortization up to 10 and 11 years	Various date in 2015 to 2025	54,000	42,635 ⁽²⁾	38,618 ⁽²⁾
Php18,500M	Various dates in 2019 and 2023	China Banking Corporation	With annual amortization up to 10 years	Various dates in 2019 and 2023	18,500	14,919 ⁽²⁾	15,770 ⁽²⁾
Php14,000M	Various dates in 2016 and 2017	Security Bank	With semi-annual amortization up to 10 years	Various dates in 2017	14,000	10,372 ⁽²⁾	10,566 ⁽²⁾
Php39,970M	Various dates in 2016 to 2025	Banco de Oro	With annual amortization up to 7 and 10 years	Various dates in 2016, 2020, 2021, 2024 and 2025	39,820	38,560 ⁽²⁾	29,564 ⁽²⁾
Php8,500M	Various dates in 2016, 2017 and 2019	Philippine National Bank	With annual amortization up to 7, 8 and 10 years	Various dates in 2017, 2018 and 2019	8,500	6,491 ⁽²⁾	7,920 ⁽²⁾
Php41,500M	Various dates in 2016 to 2023	Landbank of the Philippines	With annual amortization up to 10 years	Various dates in 2017 to 2023	41,500	39,131 ⁽²⁾	39,475 ⁽²⁾
Php14,000M	Various dates in 2019 to 2021	Development Bank of the Philippines	With annual amortization up to 8, 9 and 10 years	Various dates in 2019 to 2022	14,000	13,397 ⁽²⁾	13,513 ⁽²⁾
Php2,000M	April 11, 2019	Bank of China (Hong Kong) Limited, Manila Branch	With annual amortization up to 7 years	September 6, 2019	2,000	1,878 ⁽²⁾	1,896 ⁽²⁾
Php15,000M	Various dates in 2020, 2021 and 2023	Rizal Commercial Banking Corporation	With annual amortization up to 8, 10 and 11 years	Various dates in 2020, 2021 and 2023	15,000	14,324 ⁽²⁾	14,443 ⁽²⁾
Php2,500M	March 30, 2020	MUFG Bank, Ltd.	With semi-annual amortization up to 6 years	April 2, 2020	2,500	949 ⁽²⁾	972 ⁽²⁾
Php3,800M	Various dates in 2023 and 2024	Bank of Commerce	With annual amortization up to 9 and 10 years	Various dates in 2023 and 2024	3,800	3,733 ⁽²⁾	3,769 ⁽²⁾
Php3,000M	Various dates in 2024	Hongkong and Shanghai Banking Corporation ⁽³⁾	With annual amortization up to 5 years	Various dates in 2024	3,000	2,838 ⁽²⁾	2,986 ⁽²⁾
Php2,530M	Various dates in 2024 and 2025	Philippine Veterans Bank	With annual amortization up to 7 years	Various dates in 2024 and 2025	2,530	2,510 ⁽²⁾	530 ⁽²⁾
						255,869	242,571

⁽¹⁾ The purpose of this loan is to finance capital expenditure and/or to refinance existing loan obligations which were utilized for network expansion and improvement programs.

⁽²⁾ Amounts are net of unamortized debt discount/premium and/or debt issuance cost.

⁽³⁾ Includes Green Loan and Social Loan.

Green Loan and Social Loan Facilities

On March 6 and May 6, 2024, PLDT secured Php1,000 million and Php4,000 million Green Loan Facilities from HSBC Philippines and Metropolitan Bank & Trust Company, respectively, to partially fund the Company's ongoing nationwide modernization and expansion of its fiber network. The upgrade of the network to fiber and the resultant energy-efficient operations support the PLDT Group decarbonization roadmap, which aims to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 40% by 2030, from a 2019 baseline.

On October 21, 2024, PLDT secured a Php2,000 million Social Loan Facility from HSBC Philippines to partially fund the Company's network fiber expansion to reach the country's fourth to sixth class municipalities. This initiative aligns with the government's focus on enhancing connectivity in Geographically Isolated and Disadvantaged Areas (GIDAs).

On November 4, 2025, Smart secured a Php2,000 million Green Loan Facility from Metropolitan Bank & Trust Company, to partially fund the expansion of its 5G network. Compared to previous technologies, 5G networks are more energy efficient per gigabyte of data and more reliable in delivering better speeds to end-users. 5G also enables shifting to low-energy mode and optimizes energy consumption based on actual network activity, facilitating reduction of greenhouse gas (GHG) emissions.

Short-term Debt

On January 3, 2025, PLDT and Smart availed of unsecured short-term debt amounting to Php787 million and Php235 million, respectively, with an interest rate of 6.43%, which were fully paid on March 21, 2025.

In July and August 2025, Multisys availed of unsecured short-term debt amounting to Php50 million each, with an interest rate of 6.40%.

In October 2025, Multisys availed of unsecured short-term debt amounting to Php200 million, with an average interest rate of 6.0391%.

As at December 31, 2025, outstanding short-term debt amounted to Php300 million.

Subsequent Drawdown

No subsequent drawdowns were made after December 31, 2025.

Compliance with Debt Covenants

PLDT's debt instruments contain restrictive covenants, including covenants that require us to comply with specified financial ratios tests, such as total debt to EBITDA and interest cover ratio, at relevant measurement dates, principally at the end of each quarterly period.

PLDT's debt instruments also contain a number of other negative covenants that, subject to certain exceptions and qualifications, restrict PLDT's ability to take certain actions without lenders' approval, including: (a) making or permitting any material change in the character of its business; (b) selling, leasing, transferring or disposing of all or substantially all of its assets or any significant portion thereof other than in the ordinary course of business; (c) creating any lien or security interest; (d) permitting set-off against amounts owed to PLDT; (e) merging or consolidating with any other company; and (f) making or permitting any preference or priority in respect of any other relevant indebtedness of PLDT.

PLDT's debt instruments 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 debt instruments.

Smart's debt instruments contain certain restrictive covenants that require Smart to comply with specified financial ratios and other financial tests at semi-annual measurement dates. Smart's loan agreements include compliance with financial tests such as Smart's consolidated debt to consolidated EBITDA and interest coverage ratio. The agreements also contain customary and other default provisions that permit the lender to accelerate amounts due under the loans or terminate their commitments to extend additional funds under the loans.

Vitro's debt instruments contain certain restrictive covenants that require Vitro to comply with specified financial ratios and other financial tests at quarterly measurement dates. Vitro's loan agreement includes compliance with financial tests such as total debt to equity and interest coverage ratio. The agreement also contains customary and other default provisions that permit the lender to accelerate amounts due under the loans or terminate their commitment to extend additional funds under the loans. Vitro's debt instruments also contain a number of other negative covenants that, subject to certain exceptions and qualifications, restrict Vitro's ability to take certain actions without lenders' approval.

The principal factors that could negatively affect our ability to comply with these financial ratio covenants and other financial tests are poor operating performance of PLDT and its subsidiaries, depreciation of the Philippine Peso relative to the U.S. Dollar, impairment or similar charges in respect of investments or other long-lived assets that may be recognized by PLDT and its subsidiaries, and increases in our interest expense. Interest expense may increase as a result of various factors including issuance of new debt, the refinancing of lower cost indebtedness by higher cost indebtedness, depreciation of the Philippine Peso relative to the U.S. Dollar, the lowering of PLDT's credit ratings or the credit ratings of the Philippines, increase in reference interest rates, and general market conditions. Of our total consolidated debts (net of consolidated debt discount), approximately 13% and 14% were denominated in U.S. Dollars as at December 31, 2025 and 2024, respectively. Considering our consolidated outstanding derivatives, the unhedged portion of the PLDT's net debt amounts was approximately 10% (or 9%, net of our consolidated U.S. Dollar cash balances allocated for debt) as at December 31, 2025 and 6% (or 5%, net of our consolidated U.S. Dollar cash balances allocated for debt) as at December 31, 2024. Therefore, the financial ratio and other tests are expected to be negatively affected by any weakening of the Philippine Peso relative to the U.S. Dollar. See *Note 27 – Financial Assets and Liabilities – Foreign Currency Exchange Risk*.

The loan agreements with banks (foreign and local alike) and other financial institutions provide for certain restrictions and requirements with respect to, among others, maintenance of percentage of ownership of specific shareholders, incurrence of additional long-term indebtedness or guarantees and creation of property encumbrances.

As at December 31, 2025 and 2024, we were in compliance with all of our debt covenants. See *Note 27 – Financial Assets and Liabilities – Derivative Financial Instruments*.

21. Deferred Credits and Other Noncurrent Liabilities

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Contract liabilities and unearned revenues - non-current	4,884	5,625
Provision for asset retirement obligations	1,836	1,752
Accrual of capital expenditures ⁽¹⁾	1,526	44
Others	65	54
	8,311	7,475

⁽¹⁾ Represents expenditure related to the acquisition of Property and Equipment which are not due to be settled within one year.

The following table summarizes the changes to provision for asset retirement obligations for the years ended December 31, 2025 and 2024:

	2025	2024
	(in million pesos)	
Provision for asset retirement obligations at beginning of the year	1,752	1,164
Capitalized to ROU assets during the year	103	73
Accretion expenses	94	54
Settlement of obligations and others	(4)	(3)
Reclassification to liabilities associated with assets classified as held-for-sale	(9)	—
Change in assumptions	(48)	(51)
Revaluation due to change in IBR	(52)	515
Provision for asset retirement obligations at end of the year	1,836	1,752

22. Accounts Payable

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Suppliers and contractors (Note 27)	49,896	58,524
Taxes (Note 26)	3,559	5,473
Carriers and others (Note 27)	2,674	2,579
Related parties	250	146
	56,379	66,722

Certain suppliers entered into Trade Financing Arrangements (TFAs) to sell their receivables. The Purchaser will have exclusive ownership of the purchased receivables and all of its rights, title and interest. As of December 31, 2025 and 2024, the carrying amounts of liabilities entered into TFAs amounted to Php15,741 million and Php14,106 million, respectively. The same amounts were also received by the suppliers as at December 31, 2025 and 2024, respectively. These are presented as part of Accounts Payable – Suppliers and contractors.

Below are the range of payment terms:

	2025	2024
Liabilities that are part of the arrangement	210-359 days after invoice due date	210-300 days after invoice due date
Comparable trade payables that are not part of an arrangement	30-300 days after invoice due date	30-300 days after invoice due date

Non-cash changes

There were no material business combinations or foreign exchange differences in either period. There were no non-cash transfers from trade payables to finance payables as at December 31, 2025 and 2024.

For terms and conditions pertaining to the payables to related parties, see *Note 24 – Related Party Transactions*.

For detailed discussion on the PLDT Group's liquidity risk management processes, see *Note 27 – Financial Assets and Liabilities – Liquidity Risk*.

23. Accrued Expenses and Other Current Liabilities

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Accrued utilities and related expenses (Notes 24 and 27)	50,462	57,276
Contract liabilities and unearned revenues - current portion	9,445	10,442
Accrued employee benefits and other provisions (Note 27)	4,970	9,246
Accrued interests and other related costs (Note 28)	2,454	2,426
Accrued taxes and related expenses (Note 26)	2,349	3,907
Others	3,272	2,191
	72,952	85,488

Accrued utilities and related expenses pertain to costs incurred for electricity and water consumption, repairs and maintenance, selling and promotions, professional and other contracted services, rent, insurance and security services and other operational related expenses pending receipt of billings and statements of account from suppliers. These liabilities are noninterest-bearing and are normally settled within a year.

Contract liabilities and unearned revenues represent advance payments for leased lines, installation fees, monthly service fees and unused and/or unexpired portions of prepaid loads.

Accrued employee benefits and other provisions pertain to accrued salaries, wages and bonuses, and other employee benefits that are normally settled within a year.

Accrued taxes and related expenses pertain to licenses, permits and other related business taxes, which are normally settled within a year.

Accrued interests and other related costs include interest expense on loans, which are normally settled within a year.

Other accrued expenses and other current liabilities are normally settled within a year. They pertain to other costs incurred for operation-related expenses pending receipt of invoice and statement of accounts from suppliers and are noninterest-bearing. They also include accruals related to acquisition of Property and Equipment which are due to be settled within a year.

24. Related Party Transactions

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or with interlocking directorship. Related parties may be individuals or corporate entities. Transactions with related parties are on an arm's length basis, similar to transactions with third parties.

Settlement of outstanding balances of related party transactions at year-end are expected to be settled with cash.

The following table provides a summary of outstanding balances as at December 31, 2025 and 2024, and transactions for the years ended December 31, 2025, 2024 and 2023 that have been entered into with related parties:

Company Name	Particulars	Terms	Conditions	Statement of Financial Position Classification	2025	2024	Income Statement Classification	2025	2024	2023
					(in million pesos)		(in million pesos)			
Transactions with major stockholders, directors and officers:										
Manila Electric Company, or Meralco	Electricity services to PLDT and certain subsidiaries' offices within Meralco's franchise area	Immediately upon receipt of invoice	Unsecured	Accounts payable and accrued expenses and other current liabilities	590	552	Repairs and maintenance	3,152	3,039	2,928
	Pole attachment contracts, wherein Meralco leases its pole spaces to accommodate PLDT and Smart's cable network facilities	Upon depreciation or expiration of lease	Unsecured	ROU assets	1,974	2,600	Depreciation and amortization	1,309	652	603
		2025 – due after December 31, 2026; 2024 – due after December 31, 2025	Unsecured	Lease liabilities - net of current portion	1,552	2,191				
		2025 – due after December 31, 2025; 2024 – due after December 31, 2024	Unsecured	Current portion of lease liabilities	645	565				
Meralco Industrial Engineering Services Corporation, or MIESCOR	Customer line installation, repair, rehabilitation and maintenance activities	30 days upon receipt of invoice	Unsecured	Accrued expenses and other current liabilities	47	26	Repairs and maintenance	213	53	10

Company Name	Particulars	Terms	Conditions	Statement of Financial Position Classification	2025	2024	Income Statement Classification	2025	2024	2023
					(in million pesos)		(in million pesos)			
Transactions with major stockholders, directors and officers:										
NTT TC Leasing	PLDT signed a US\$25 million term loan facility agreement on March 22, 2016	Non-amortizing, payable upon maturity on March 30, 2023	Unsecured	Interest-bearing financial liabilities	—	—	Financing costs – net	—	—	19
	PLDT signed a US\$25 million term loan facility agreement on January 31, 2017	Non-amortizing, payable upon maturity on March 27, 2024	Unsecured	Interest-bearing financial liabilities	—	—	Financing costs – net	—	26	96
NTT World Engineering Marine Corporation	On February 1, 2008, PLDT entered into a service agreement, wherein NTT World Engineering Marine Corporation provides offshore submarine cable repair and other allied services for the maintenance of PLDT’s domestic fiber optic network submerged plant.	1st month of each quarter; noninterest-bearing	Unsecured	Accounts payable and accrued expenses and other current liabilities	217	256	Repairs and maintenance	136	116	92
NTT DOCOMO Business	On March 24, 2000, PLDT entered into an advisory service agreement (as amended on March 31, 2003, March 31, 2005 and June 16, 2006), under which NTT DOCOMO Business provides PLDT with technical, marketing and other consulting services for various business areas of PLDT starting April 1, 2000.	30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accrued expenses and other current liabilities	29	115	Professional and other contracted services	122	123	110
NTT Worldwide Telecommunications Corporation	On March 24, 2000, PLDT entered into an agreement under which PLDT markets, and manages data and other services under NTT DOCOMO Business’ “Arcstar” brand to its corporate customers in the Philippines. PLDT also entered into a Trade Name and Trademark Agreement with NTT DOCOMO Business under which PLDT has been given the right to use the trade name “Arcstar” and its related trademark, logo and symbols, solely for the purpose of PLDT’s marketing, promotional and sales activities for the Arcstar services within the Philippines.	30 days upon receipt of invoice; noninterest-bearing	Unsecured				Selling and promotions	—	—	1
NTT DOCOMO	On June 5, 2006, in accordance with the Cooperation Agreement dated January 31, 2006, an Advisory Services Agreement was entered into by NTT DOCOMO and PLDT. Pursuant to the Advisory Services Agreement, NTT DOCOMO will provide the services of certain key personnel in connection with certain aspects of the business of PLDT and Smart. Also, this agreement governs the terms and conditions of the appointments of such key personnel and the corresponding fees related thereto.	30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accrued expenses and other current liabilities	16	121	Professional and other contracted services	122	125	105

Company Name	Particulars	Terms	Conditions	Statement of Financial Position Classification	2025	2024	Income Statement Classification	2025	2024	2023
					(in million pesos)		(in million pesos)			
Transactions with major stockholders, directors and officers:										
JGSHI and Subsidiaries	PLDT and certain of its subsidiaries have existing agreements with Universal Robina Corporation and Robinsons Land Corporation for office and business office rental.	1st month of each quarter; 30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accounts payable and accrued expenses and other current liabilities	20	59	Rent	244	361	246
		Upon depreciation or expiration of lease	Unsecured	ROU assets	4	4				
	PLDT Group's other transactions with JGSHI and subsidiaries mainly consist of electricity charges for collocated offices and business offices.	30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accrued expenses and other current liabilities	51	44	Repairs and maintenance	12	14	48
Malayan Insurance Co., Inc., or Malayan	PLDT and certain of its subsidiaries have insurance policies with Malayan covering directors, officers, liability to employees and material damage for buildings, building improvements, equipment and motor vehicles. The premiums are directly paid to Malayan.	Immediately upon receipt of invoice	Unsecured	Accounts payable and accrued expenses and other current liabilities	9	8	Insurance and security services	171	209	261
Gotuaco del Rosario and Associates, or Gotuaco	Gotuaco acts as the broker for certain insurance companies to cover certain insurable properties of the PLDT Group. Insurance premiums are remitted to Gotuaco and the broker's fees are settled between Gotuaco and the insurance companies.	Immediately upon receipt of invoice	Unsecured	Accounts payable and accrued expenses and other current liabilities	—	2	Insurance and security services	116	133	142
First Pacific Investment Management Limited, or FPIML	On March 1, 2018, Smart entered into an Advisory Services Agreement with FPIML effective for a period of one-year subject to a 12-month automatic renewal unless either party notifies the other party of its intent not to renew the agreement. FPIML provides advisory and related services in connection with the operation of Smart's business of providing mobile communications services, high-speed internet connectivity, and access to digital services and content. Since April 2021, Smart pays a monthly service fee amounted to \$220 thousand per month.		Unsecured	Accounts payable and accrued expenses and other current liabilities	38	—	Professional and other contracted services	127	163	149

Company Name	Particulars	Terms	Conditions	Statement of Financial Position Classification	2025	2024	Income Statement Classification	2025	2024	2023
					(in million pesos)		(in million pesos)			
Other related parties:										
Various	PLDT and certain of its subsidiaries provide telephone, data communication and other services to various related parties including affiliates and directorship affiliations.	30 days upon receipt of invoice	Unsecured	Trade and other receivables (Note 16)	8,459	7,948	Revenues	2,656	2,589	2,510
	PLDT and certain of its subsidiaries avail of lease and other services from various related parties including affiliates and directorship affiliations.	2025 – due after December 31, 2026; 2024 – due after December 31, 2025	Unsecured	Lease liabilities - net of current portion (Note 10)	738	181	Expenses	4,355	7,618	4,433
		2025 – due after December 31, 2025; 2024 – due after December 31, 2024	Unsecured	Current portion of lease liabilities (Note 10)	243	97				
		Upon depreciation or expiration of lease	Unsecured	ROU assets (Note 10)	907	308				
		30 days upon receipt of billing; noninterest-bearing	Unsecured	Accounts payable (Note 22)	734	1,485				
		Immediately upon receipt of billing	Unsecured	Accrued expenses and other current liabilities (Note 23)	744	516				

Compensation of Key Officers

The compensation of key officers of the PLDT Group by benefit type for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
		(in million pesos)	
Short-term employee benefits	318	384	582
Post-employment benefits	16	22	23
Other long-term employee benefits (Note 25)	254	168	72
Total compensation of PLDT key officers	588	574	677

The amounts disclosed in the table above are the amounts recognized as expenses during the period related to key management personnel.

Effective January 2014, each of the directors, including the members of the advisory board of PLDT, is entitled to a director's fee in the amount of Php250 thousand for each board meeting attended. Each of the members or advisors of the audit, governance, nomination and sustainability, executive compensation, technology strategy, and risk and data privacy and information security committees is entitled to a fee in the amount of Php125 thousand for each committee meeting attended.

Total fees paid for board meetings and board committee meetings amounted to Php62 million, Php85 million and Php88 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Except for the fees mentioned above, the directors are not compensated, directly or indirectly, for their services as directors.

There are no agreements between PLDT and any of its key management personnel providing benefits upon termination of employment, except for such benefits to which they may be entitled under PLDT's retirement and incentive plans.

25. Pension and Other Employee Benefits

Pension

Defined Benefit Pension Plans

PLDT has defined benefit pension plans, operating under the legal name “The Board of Trustees for the account of the Beneficial Trust Fund created pursuant to the Benefit Plan of PLDT Company” and covering all of our permanent and regular employees. For the purpose of complying with Revised PAS 19, *Employee Benefits*, pension benefit expense has been actuarially computed based on defined benefit plan.

PLDT and certain of its subsidiaries’ actuarial valuation is performed every year-end. There is no significant change in the fair value of plan assets for the year ended December 31, 2025. Based on the latest actuarial valuation, the actual present value of accrued (prepaid) benefit costs as at December 31, 2025 and 2024, and net periodic benefit costs and average assumptions used in developing the valuation as at and for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
	(in million pesos)		
Changes in the present value of defined benefit obligations:			
Present value of defined benefit obligations at beginning of the year	17,376	17,964	15,883
Service costs	1,101	1,042	1,016
Interest costs on benefit obligation	1,059	1,043	1,065
Actuarial losses on obligations – experience	(35)	437	154
Actuarial gains on obligations – economic assumptions	(122)	(496)	2,303
Actual benefits paid/settlements	(1,686)	(2,744)	(2,848)
Curtailment and others	93	130	391
Present value of defined benefit obligations at end of the year	17,786	17,376	17,964
Changes in fair value of plan assets:			
Fair value of plan assets at beginning of the period	13,985	14,522	16,291
Actual contributions	1,533	3,201	4,507
Interest income on plan assets	984	1,019	1,138
Actual benefits paid/settlements	(1,599)	(2,820)	(2,510)
Return on plan assets (excluding amount included in net interest)	(760)	(1,937)	(4,904)
Fair value of plan assets at end of the year	14,143	13,985	14,522
Unfunded status – net	(3,643)	(3,391)	(3,442)
Accrued benefit costs	3,810	3,548	3,541
Prepaid benefit costs	167	157	99
	2025	2024	2023
Components of net periodic benefit costs:			
Service costs	1,101	1,042	1,016
Interest costs - net	75	24	(73)
Curtailment and others	64	130	272
Net periodic benefit costs	1,240	1,196	1,215

Actual net gain on plan assets amounted to Php224 million, Php918 million and Php3,766 million for the years ended December 31, 2025, 2024 and 2023.

Based on the latest actuarial valuation, our expected contribution to the defined benefit plan in 2026 will amount to Php4,665 million.

The following table sets forth the expected future settlements by the Plan of maturing defined benefit obligation as at December 31, 2025:

	(in million pesos)
2026	250
2027	308
2028	711
2029	644
2030	1,331
2031 and onwards	12,069

The average duration of the defined benefit obligation at the end of the reporting period is 12.70 years.

The weighted average assumptions used to determine pension benefits for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
	(in percentage)		
Rate of increase in compensation	5.7	5.7	5.7
Discount rate	6.5	6.2	6.0

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2025 and 2024, assuming if all other assumptions were held constant:

	Increase (Decrease)	Effect
	(in percentage)	(in million pesos)
Discount rate	1	15,525
	(1)	(19,744)
Future salary increases	1	19,730
	(1)	(15,501)

PLDT's Retirement Plan

The Board of Trustees, which manages the beneficial trust fund, is composed of: (i) a member of the Board of Directors of PLDT, who is not a beneficiary of the Plan; (ii) a member of the Board of Directors or a senior officer of PLDT, who is a beneficiary of the Plan; (iii) a senior member of the executive staff of PLDT; and (iv) two persons who are not executives nor employees of PLDT.

Benefits are payable in the event of termination of employment due to: (i) compulsory, optional, or deferred retirement; (ii) death while in active service; (iii) physical disability; (iv) voluntary resignation; or (v) involuntary separation from service. For a plan member with less than 15 years of credited services, retirement benefit is equal to 100% of final compensation for every year of service. For those with at least 15 years of service, retirement benefit is equal to 125% of final compensation for every year of service, with such percentage to be increased by an additional 5% for each completed year of service in excess of 15 years, but not to exceed a maximum of 200%. In the case of voluntary resignation after attainment of age 40 and completion of at least 15 years of credited service, benefit is equal to a percentage of his vested retirement benefit, in accordance with percentages prescribed in the retirement plan.

The Board of Trustees of the beneficial trust fund uses an investment approach with the objective of maximizing the long-term expected return of plan assets.

The majority of the Plan's investment portfolio consists of listed and unlisted equity securities while the remaining portion consists of passive investments like temporary cash investments and fixed income investments.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Board of Trustees invests at least the equivalent amount of actuarially computed expected compulsory retirement benefit payments for the year to liquid/semi-liquid assets such as government securities, savings and time deposits with commercial banks.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the PSE. In order to effectively manage price risk, the Board of Trustees continuously assesses these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

The following table sets forth the fair values, which are equal to the carrying values, of PLDT's plan assets recognized as at December 31, 2025 and 2024:

	2025	2024
	(in million pesos)	
Noncurrent Financial Assets		
Investments in:		
Unquoted equity investments	10,502	10,774
Shares of stock	2,288	1,983
Corporate bonds	317	303
Mutual funds	306	252
Government securities	4	4
Total noncurrent financial assets	13,417	13,316
Current Financial Assets		
Cash and cash equivalents	459	409
Receivables	100	103
Total current financial assets	559	512
Total PLDT's Plan Assets	13,976	13,828
Subsidiaries Plan Assets	167	157
Total Plan Assets of Defined Benefit Pension Plans	14,143	13,985

Investment in shares of stocks is valued using the latest bid price at the reporting date. Investments in corporate bonds, mutual funds and government securities are valued using the quoted market prices at reporting date.

Unquoted Equity Investments

As at December 31, 2025 and 2024, this account consists of:

	2025	2024	2025	2024
	(Percentage of Ownership)		(in million pesos)	
MediaQuest	100	100	6,970	7,304
Tahanan Mutual Building and Loan Association, Inc., or TMBLA, (net of subscriptions payable of Php32 million)	100	100	773	722
BTFHI	100	100	2,759	2,748
			10,502	10,774

Investments in MediaQuest

MediaQuest was registered with the Philippine SEC on June 29, 1999 primarily to purchase, subscribe for or otherwise acquire and own, hold, use, manage, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property or every kind and description, and to pay thereof in whole or in part, in cash or by exchanging, stocks, bonds and other evidences of indebtedness or securities of this any other corporation. Its investments include common shares of stocks of various communication, broadcasting and media entities.

Investments in MediaQuest are carried at fair value. The VIU calculations were derived from cash flow projections over a period of five years based on the 2026 financial budgets approved by MediaQuest's Board of Directors and calculated terminal value. Other key assumptions used in the cash flow projections include revenue growth rate, direct costs and capital expenditures. The post-tax discount rates applied to cash flow projections range from 11.15% to 11.36%. Cash flows beyond the five-year period are determined using 0.00% to 4.89% growth rates.

The Board of Trustees of PLDT Beneficial Trust Fund and the MediaQuest Board of Directors, on various dates in 2012 and 2013, approved the issuances of MediaQuest of PDRs comprising of underlying shares of stocks of 40% of Cignal TV (Cignal TV PDRs), 40% of Satventures (Satventures PDRs) and 70% of Hastings (Hastings PDRs). Satventures is a wholly-owned subsidiary of MediaQuest and the parent company of Cignal TV. Hastings, on the other hand, is also a wholly-owned subsidiary of MediaQuest, which holds all the print-related investments of MediaQuest, including equity interests in The Philippine Star and BusinessWorld.

ePLDT's Board of Directors approved on various dates in 2012 to 2015, the investment in the PDRs of MediaQuest as follows:

	ePLDT's economic interest	Amount
		(in million pesos)
Satventures PDRs	40% of Satventures	3,600
Cignal TV PDRs	40% of Cignal TV	6,000
Hastings PDRs	70% of Hastings	3,250

In February 2018, ePLDT entered into a Deed of Assignment with the Board of Trustees of the PLDT Beneficial Trust Fund transferring the Hastings PDRs for Php1,664 million. This provided PLDT Beneficial Trust with 100% economic interest in Hastings.

As at December 31, 2025 and 2024, the PLDT Beneficial Trust Fund's economic interests in Signal TV (through Satventures) and Hastings were at 36% and 100%, respectively.

Investment in TMBLA

TMBLA was incorporated for the primary purpose of accumulating the savings of its stockholders and lending funds to them for housing programs. The beneficial trust fund's total investment into TMBLA amounted to Php119 million consisting of initial direct subscription in shares of stocks of TMBLA in the amount of Php20 million (net of unpaid subscription amounting to Php32 million) and subsequently via a Deed of Pledge amounting to Php99 million. The cumulative change in the fair market values of this investment amounted to Php654 million and Php603 million as at December 31, 2025 and 2024, respectively.

Investment in BTFHI

BTFHI was incorporated for the primary purpose of acquiring voting preferred shares in PLDT and while the owner, holder or possessor thereof, to exercise all the rights, powers, and privileges of ownership or any other interest therein.

BTFHI subscribed to a total of 150 million shares of Voting Preferred Stock of PLDT at a subscription price of Php1.00 per share for a total subscription price of Php150 million on October 26, 2012.

On April 30, 2024, the Board of Trustees of PLDT Beneficial Trust Fund subscribed and paid an additional subscription into BTFHI amounting to Php2,480 million.

Total cash dividend income amounted to Php10 million for each of the years ended December 31, 2025, 2024 and 2023. Dividend receivables amounted to Php2 million each as at December 31, 2025 and 2024.

Shares of Stocks

As at December 31, 2025 and 2024, this account consists of:

	2025	2024
	(in million pesos)	
Common shares		
PSE	1,388	1,093
PLDT	34	34
Others	506	496
Preferred shares	360	360
	2,288	1,983

Dividends earned on PLDT common shares amounted to Php3 million each for the years ended December 31, 2025, 2024 and 2023.

Preferred shares represent 300 million unlisted preferred shares of PLDT at Php10 par value, net of subscription payable of Php2,640 million as at December 31, 2025 and 2024. These shares, which bear a dividend of 13.5% per annum based on the paid-up subscription price, are cumulative, non-convertible and redeemable at par value at the option of PLDT. Dividends earned on this investment amounted to Php49 million each for the years ended December 31, 2025, 2024 and 2023.

Corporate Bonds

Investment in corporate bonds includes debt securities of First Pacific and International Container Terminal Services, Inc. amounting to Php140 million and Php74 million, respectively. Other various long-term peso and dollar denominated bonds with maturities ranging from March 2026 to July 2035 and fixed interest rates from 3.36% to 7.53% per annum amounted to Php103 million.

Mutual Funds

Investment in mutual funds amounting to Php306 million includes UITF, bond and equity funds, which aims to out-perform benchmarks in various indices as part of its investment strategy.

Government Securities

Investments in government securities include Retail Treasury Bonds and FXTN bearing interest rates ranging from 3.9% to 4.8% per annum. These securities are fully guaranteed by the government of the Republic of the Philippines.

The allocation of the fair value of the assets for the PLDT pension plan as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in percentage)	
Investments in listed and unlisted equity securities	92	92
Temporary cash investments	3	3
Debt and fixed income securities	2	2
Mutual funds	2	2
Receivables and other assets	1	1
	100	100

Defined Contribution Plans

Smart's and certain subsidiaries' contributions to the plan are made based on the employees' years of tenure and range from 5% to 10% of the employee's monthly salary. Additionally, an employee has the option to make a personal contribution to the fund, at an amount not exceeding 10% of his monthly salary. The employer then provides an additional contribution to the fund ranging from 10% to 50% of the employee's contribution based on the employee's years of tenure. Although the plan has a defined contribution format, Smart and certain of its subsidiaries regularly monitor their compliance with Republic Act No. 7641. As at December 31, 2025 and 2024, Smart and certain subsidiaries were in compliance with the requirements of Republic Act No. 7641.

Smart's and certain subsidiaries' actuarial valuation is performed every year-end. There is no significant change in the fair value of plan assets from December 31, 2024 to December 31, 2025. Based on the latest actuarial valuation, the actual present value of prepaid benefit costs, net periodic benefit costs and average assumptions used in developing the valuation as at and for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
	(in million pesos)		
Changes in the present value of defined contribution obligations:			
Present value of defined contribution obligations at beginning of the period	3,235	2,800	2,777
Contribution costs	262	294	262
Interest costs on contribution obligation	219	174	210
Actuarial gains on obligations – economic assumptions	1	(1)	8
Actuarial losses on obligations – experience	(10)	254	(98)
Actual benefits paid/settlements	(380)	(89)	(344)
Curtailment and others	275	(197)	(15)
Present value of defined contribution obligations at end of the period	3,602	3,235	2,800
Changes in fair value of plan assets:			
Fair value of plan assets at beginning of the period	4,053	3,618	3,485
Actual contributions	246	243	248
Interest income on plan assets	260	223	261
Return on plan assets (excluding amount included in net interest)	42	56	(4)
Actual contribution paid/settlements	(356)	(87)	(372)
Fair value of plan assets at end of the period	4,245	4,053	3,618
Funded status – net	643	818	818
Prepaid contribution costs	643	818	818
Components of net periodic contribution costs:			
Service costs	262	294	262
Interest costs - net	(40)	(49)	(51)
Others	(28)	—	—
Net periodic contribution costs	194	245	211

Actual net income on plan assets amounted to Php302 million, Php318 million and Php257 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Based on the latest actuarial valuation, Smart and certain subsidiaries expect to contribute the amount of approximately Php309 million to the plan in 2026.

The following table sets forth the expected future settlements by the Plan of maturing defined contribution obligation as at December 31, 2025:

	(in million pesos)
2026	121
2027	153
2028	245
2029	271
2030	337
2031 and onwards	2,524

The average duration of the defined contribution obligation at the end of the reporting period is 10 years.

The weighted average assumptions used to determine pension benefits for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025 (Unaudited)	2024 (Audited)	2023 (Audited)
		(in percentage)	
Rate of increase in compensation	5.0	5.0	5.0
Discount rate	6.0	6.3	7.3

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined contribution obligation as at December 31, 2025 and 2024, assuming if all other assumptions were held constant:

	Increase (Decrease) (in percentage)	Effect (in million pesos)
Discount rate	1	3,499
	(1)	(3,508)
Future salary increases	(1)	(3,508)
	1	3,499

Smart's Retirement Plan

The fund is being managed and invested by BPI Asset Management and Trust Corporation, as Trustee, pursuant to an amended trust agreement dated February 21, 2012.

The plan's investment portfolio seeks to achieve regular income, long-term capital growth and consistent performance over its own portfolio benchmark. In order to attain this objective, the Trustee's mandate is to invest in a diversified portfolio of bonds and equities, both domestic and international. The portfolio mix is kept at 68% and 32% for fixed income securities and equity securities, respectively.

The following table sets forth the fair values, which are equal to the carrying values, of Smart's plan assets recognized as at December 31, 2025 and 2024:

	2025	2024
	(in million pesos)	
Noncurrent Financial Assets		
Investments in:		
Domestic fixed income	2,479	2,655
International equities	1,042	854
Philippine foreign currency bonds	892	753
Domestic equities	813	738
International fixed income	306	295
Total noncurrent financial assets	5,532	5,295
Current Financial Assets		
Cash and cash equivalents	311	284
Total current financial assets	311	284
Total plan assets	5,843	5,579
Less: Employee's share, forfeitures and mandatory reserve account	1,598	1,526
Total Plan Assets of Defined Contribution Plans	4,245	4,053

Domestic Fixed Income

Investments in domestic fixed income include Philippine Peso denominated bonds, such as government securities and corporate debt securities, with fixed interest rates from 3.36% to 10.25% per annum.

International Equities

Investments in international equities include iShares Core MSCI World UCITS ETF USD, Invesco QQQ Trust Series, Wellington Strategic European Equity Fund, and Odyssey Asia Pacific High Dividend Equity Feeder Fund.

Philippine Foreign Currency Bonds

Investments in Philippine foreign currency bonds include U.S. Dollar denominated fixed income instruments issued by the Philippine government and local corporations with fixed interest rates from 2.38% to 9.5% per annum.

Domestic Equities

Investments in domestic equities include direct equity investments in common shares listed in the PSE. These investments earn on stock price appreciation and dividend payments. This includes investment in PLDT shares with fair value of Php72 million and Php38 million as at December 31, 2025 and 2024, respectively.

International Fixed Income

Investments in international fixed income include iShares International Treasury Bond ETF, iShares J.P. Morgan EM Local Currency Bond ETF, iShares US Treasury Bond ETF, and PIMCO Global Investors Series – Income Fund.

Cash and Cash Equivalents

This pertains to the fund's excess liquidity in Philippine Peso and U.S. Dollars including investments in time deposits, money market funds and other deposit products of banks with duration or tenor less than a year.

The asset allocation of the Plan is set and reviewed from time to time by the Plan Trustees taking into account the membership profile, the liquidity requirements of the Plan and risk appetite of the Plan sponsor. This considers the expected benefit cash flows to be matched with asset durations.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the Plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Plan Trustees invest a portion of the fund in readily tradeable and liquid investments which can be sold at any given time to fund liquidity requirements.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the PSE. In order to effectively manage price risk, the Plan Trustees continuously assess these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

The allocation of the fair value of Smart and certain subsidiaries' pension plan assets as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in percentage)	
Investments in debt and fixed income securities and others	68	71
Investments in listed and unlisted equity securities	32	29
	100	100

Other Long-term Employee Benefits

LTIP

The ECC approved on December 23, 2021 the LTIP covering the years 2022 to 2026, covering two cycles, based on the achievement of telco core income targets, with additional performance metrics on Customer Experience and Sustainability to impact the LTIP payout. Cycle 1 covered the performance period from 2022 to 2024 and was settled in 2025 based on the achievement of performance targets. Cycle 2 covers the performance period from 2025 and 2026 and is subject to the ECC's further evaluation and approval of the final terms.

This long-term employee benefit liability was recognized and measured using the projected unit credit method and was amortized on a straight-line basis over the vesting period.

The expense accrued for the LTIP amounted to nil, Php1,136 million and Php839 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The accrued incentive payable amounted to nil and Php3,406 million as at December 31, 2025 and 2024, respectively. See *Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions – Estimating Pension Benefit Costs and Other Employee Benefits* and *Note 5 – Income and Expenses – Compensation and Employee Benefits*.

26. Provisions and Contingencies

PLDT's Local Business and Franchise Tax Assessments

As at December 31, 2025, PLDT has no contested LGU assessments for franchise taxes based on gross receipts received or collected for services within its respective territorial jurisdiction.

Smart's Local Business and Franchise Tax Assessments

Province of Cagayan

The Province of Cagayan, or the Province, issued a tax assessment against Smart in 2016 for alleged local franchise tax covering the years 2011 to 2015. Smart appealed the assessment to the Regional Trial Court, or RTC, on the ground that Smart cannot be held liable for local franchise tax mainly because it has no sales office within the Province pursuant to Section 137 of the Local Government Code (Republic Act No. 7160). The RTC rendered its Decision on November 29, 2021 dismissing the appeal of Smart for lack of jurisdiction without prejudice. Subsequently, a motion for reconsideration was filed by the Province. On April 25, 2023, the RTC ruled in favor of the Province and denied Smart's subsequent Motion for Reconsideration. On May 24, 2023, Smart filed its Petition for Review before the Court of Tax Appeals. On June 27, 2023, the Second Division of the CTA, in a resolution, ordered the Province to file their Comment to the Petition for Review filed by Smart. The same was complied with. On December 14, 2023, Smart filed its Memorandum requesting for favorable decision by stating all legal and factual bases. On March 12, 2025, Smart received a Decision from the CTA Second Division. The CTA Second Division ruled in favor of Smart. As of this writing, the Company is waiting for finality of judgement or the filing of motion for reconsideration from the Province of Cagayan.

City of Makati

The City of Makati sent letters to Smart and SBI for alleged franchise tax liability, which Smart and SBI refuted through respective protest letters and judicial actions on the ground that Makati City is imposing tax on revenues outside its jurisdiction. After several court proceedings, on March 2, 2023, the City of Makati, Smart and SBI, mutually agreed to execute respective Compromise Agreements to abbreviate the long and protracted court cases. On March 17, 2023, the court approved the Compromise Agreement. Pursuant thereto, on March 28, 2023 and June 30, 2023, external counsels informed Smart and SBI, respectively, that the Courts approved Compromise Agreements, which eventually ended the cases. On April 27, 2023, the City of Makati issued the Business Permits of Smart and SBI. For 2024 and 2025, all Business Permits were issued by the City of Makati to Smart and SBI.

Digitel's Local Government Unit, or LGU, Assessments

Digitel is discussing with various LGUs, as to the settlement of its local taxes.

DMPI vs. City of Trece Martires

DMPI petitioned in 2010 to declare void the City of Trece Martires' ordinance of imposing tower fee of Php150 thousand for each cell site every year. Application for the issuance of a preliminary injunction by DMPI is pending resolution as of the date of this report.

ACeS Philippines' Withholding Tax Assessments

ACeS Philippines had a case filed with the Supreme Court (*ACeS Philippines Satellite Corporation vs. Commissioner of Internal Revenue* Supreme Court G.R. No. 226680) for alleged 2006 deficiency withholding tax. On July 23, 2014, the CTA Second Division affirmed the assessment of the Commissioner of Internal Revenue for deficiency basic withholding tax, surcharge plus deficiency interest, and delinquency interest amounting to Php87 million. On November 18, 2014, ACeS Philippines filed a Petition for Review with the CTA En Banc. On August 16, 2016, the CTA En Banc also affirmed the assessment with finality. On October 19, 2016, ACeS Philippines filed a petition before the Supreme Court assailing the decision of the CTA. On February 23, 2017 and March 15, 2017, respectively, the Company paid a compromise settlement amounting to Php27 million and filed a formal request for compromise of tax liabilities before the Bureau of Internal Revenue, or BIR, while the case is pending before the Supreme Court.

ACeS Philippines entered into an amicable settlement with the BIR on February 19, 2021 pursuant to the provisions of the Civil Code of the Philippines and paid an additional compromise settlement amounting to Php20 million. The Commissioner of Internal Revenue signed the judicial compromise agreement on April 18, 2021. The corresponding Certificate of Availment (Compromise Settlement) was issued by the BIR. The parties filed with the Supreme Court on July 21, 2022 a Joint Motion for Judgment based on Judicial Compromise Agreement. On January 31, 2023, ACeS Philippines received the Decision of the Supreme Court dated August 30, 2022 affirming the decision of the CTA En Banc. On February 15, 2023, ACeS Philippines filed its Motion for Reconsideration praying to consider the Joint Motion for Judgment based on Judicial Compromise Agreement filed on July 21, 2022. In a Notice dated February 21, 2023, the Supreme Court required the BIR to comment on the Motion for Reconsideration (on the Decision dated August 30, 2022). The BIR filed its Comment dated March 13, 2023 submitting that the Judicial Compromise Agreement executed by and between the parties be considered and judgment be rendered based thereon.

In a Notice received on June 29, 2023, the Supreme Court issued a Resolution dated April 25, 2023 resolving to deny ACeS Philippines' Motion for Reconsideration with finality. The corresponding Entry of Judgment was received on September 20, 2023. While the Supreme Court Decision and Resolution did not mention the Judicial Compromise Agreement, the BIR – National Evaluation Board previously approved ACeS Philippines' application and payment for compromise settlement and issued the Certificate of Availment.

Arbitration with Eastern Telecommunications Philippines, Inc., or ETPI

PLDT and Eastern Telecommunications Philippines, Inc. (ETPI) have been involved in disputes since 1990 concerning interconnection and traffic exchange arrangements. The issues include, among others, ETPI's alleged uncompensated bypass of PLDT's systems, unpaid access charges, and non-payment of applicable rates for Off-Net and On-Net traffic from 1998 to 2003. ETPI, in turn, claims traffic shortfalls, under-reporting of revenues, and lost revenues arising from the blocking of incoming traffic and circuit migration during the same period.

Although the parties executed Compromise Agreements in 1990 and 1999, these did not fully resolve their differences. To avoid protracted litigation and preserve their business relationship, PLDT and ETPI entered into an Arbitration Settlement Agreement on April 16, 2008, submitting their respective Statements of Claims and Answers. Each party asserted claims of approximately Php2.8 billion to Php2.9 billion, and the arbitration proceedings were subsequently suspended by mutual agreement.

In connection with PLDT's and Globe's acquisition of San Miguel Corporation's telecommunications business, the parties further agreed to cause the dismissal with prejudice of *Eastern Telecommunications Philippines, Inc. v. Philippine Long Distance Telephone Company* (Civil Case No. 17694) and all related or incidental proceedings, including the voluntary arbitration. As of the date of this report, there have been no changes in the status of the arbitration proceedings.

Department of Labor and Employment, or DOLE, Compliance Order, or Order, to PLDT

In a series of orders including a Compliance Order issued by the DOLE Regional Office on July 3, 2017, partly affirmed by the DOLE Secretary in resolutions dated January 10 and April 24, 2018, the DOLE directed PLDT to regularize 7,344 workers from 38 third-party service contractors. PLDT questioned these "regularization orders" before the CA, which, in a Decision dated July 31, 2018, granted PLDT's prayer for injunction and set aside the DOLE orders insofar as they declared labor-only contracting in several functions, including janitorial, clerical, IT, back-office, call center sales, and

professional services. The CA remanded to the DOLE only the determination of workers performing installation, repair, and maintenance, (IRM) functions and the computation of Php51.8 million in monetary awards.

The CA held that the DOLE Secretary's regularization order was tainted with grave abuse of discretion for failure to meet the substantial-evidence standard and for misapplying the legal tests of "control over means and methods" versus "control over results." PLDT thereafter filed a Motion for Partial Reconsideration on August 20, 2018, arguing that the remand exceeded the DOLE's visitatorial powers, as the fact-finding required could not be performed in the normal course of a labor inspection. PLDT also maintained that not all IRM work is necessarily regular, as some may be project-based or seasonal in nature, and proposed that the NLRC, with broader fact-finding authority, should determine such issues. The DOLE and the PLDT rank-and-file union MKP likewise sought reconsideration.

In a Resolution dated February 14, 2019, the CA denied all motions for reconsideration and affirmed its earlier decision. PLDT elevated the case to the Supreme Court through a Petition for Review filed on April 5, 2019, questioning only the CA's remand order on IRM functions. The petitions of the DOLE and MKP were later consolidated with PLDT's petition, and PLDT filed its Comment and Reply between February and December 2020.

On March 20, 2024, PLDT received the Supreme Court Decision dated February 14, 2024, which dismissed all petitions and affirmed the CA's July 31, 2018 Decision. The Supreme Court upheld the modification of the DOLE Secretary's resolutions and set aside the regularization orders for all contractor workers except those performing IRM services, who may be declared regular employees of PLDT subject to further proceedings. The Court remanded the case to the DOLE-NCR Regional Office to (a) determine the effects of regularization of IRM workers; (b) review and compute monetary awards for labor-standards violations, for which PLDT and the concerned contractors are solidarily liable; and (c) conduct further proceedings consistent with the Decision.

PLDT filed a Motion for Partial Reconsideration on April 4, 2024, and received MKP's separate motion on April 16, 2024.

The Supreme Court, First Division, in its Resolution dated November 05, 2025, which was received by counsel on February 24, 2026, resolved to deny with finality the motions for partial reconsideration filed by PLDT and MKP and held that no further pleadings, motions, letters, or other communications will be entertained. Accordingly, the Decision of the Supreme Court to remand the case stands.

Attys. Baquiran and Tecson vs. NTC, et al.

This Petition for Mandamus filed before the Supreme Court against the NTC, PCC, Liberty, BellTel, Globe, PLDT, and Smart concerns the 700 MHz frequency band and related frequencies originally assigned to Liberty and subsequently covered by the Co-Use Agreement among Globe, PLDT, and Smart. The petition questions the constitutionality and validity of the NTC's assignments of the Subject Frequencies, the transfer from Liberty to BellTel, and the Co-Use Agreement itself, and also seeks to compel the NTC and PCC to revoke the Co-Use Agreement and conduct a full review of the Vega Telecom acquisition.

PLDT and Smart filed their Comment on January 17, 2019, arguing that the requisites for judicial review and mandamus were not met, that congressional approval was not required for Liberty's assignment of the Subject Frequencies to BellTel, and that the Co-Use Agreement was valid and duly approved by the NTC. BellTel and Globe likewise filed their respective comments, which the Supreme Court noted in a Resolution dated March 19, 2019.

In a Resolution dated June 18, 2019, the Supreme Court ordered the consolidation of this case with G.R. No. 230798 (PCC v. CA [Twelfth Division] and PLDT; Globe, intervenor) and G.R. No. 234969 (PCC v. PLDT and Globe), assigning the consolidated cases to the division handling the lowest-numbered docket.

On September 17, 2024, PLDT received a Notice of Resolution dated August 6, 2024, directing the parties to move in the premises within ten (10) days from notice. PLDT, Liberty, and Globe thereafter filed their respective compliances.

As of the date of this report, the consolidated cases remain pending before the Supreme Court.

DITO, PCC and NTC Complaints

The NTC proceedings between Smart and DITO over interconnection capacity and bypass traffic have been largely overtaken by subsequent events. In 2024, Smart informed the NTC and PCC that it had provided DITO with additional interconnection capacity and that both parties had executed a Memorandum of Agreement on Bypass Activities, under which DITO acknowledged its ISR liabilities for 2021 to August 2023.

During 2023–2024, Smart representatives appeared before the PCC Competition Enforcement Office (PCC-CEO) in relation to an ongoing administrative investigation concerning alleged violations of the Philippine Competition Act. Smart submitted

required documents and attended clarificatory hearings in June, July, and November 2023, and filed several Manifestations in 2024 confirming its agreement with DITO and subsequent compliance actions.

On March 18, 2025, Smart received another Subpoena Duces Tecum from the PCC-CEO, directing it to submit documents and information on or before April 11, 2025 pertaining to its operations as a PTE and its relationship with other PTEs for the period of March 2021 to December 2024. On April 11, 2025, Smart requested for an additional thirty (30) days to comply with the Subpoena. Thereafter, on May 13, 2025, Smart filed its Compliance to the PCC-CEO's Subpoena.

On May 30, 2025, Smart received a resolution from the PCC-CEO requiring it to clarify documents to be further submitted in relation to the March 18, 2025 Subpoena, and scheduling a videoconference on June 11, 2025. Smart, through its representatives then attended the June 11, 2025 clarificatory hearing via videoconference, and simultaneously filed its partial compliance with the Subpoena and a prayer that it be given a period of fifteen (15) days from June 11, 2025 or until June 26, 2025, to submit other information and documents required in the Subpoena. Accordingly, Smart filed its Compliance on June 25, 2025. Thereafter, the PCC-CEO issued a Resolution dated June 25, 2025, directing Smart to submit further documents in relation to the issues on or before July 07, 2025. In compliance therewith, Smart filed its Manifestation on July 07, 2025.

As of the date of this report, the PCC-CEO's investigation remains pending resolution.

Other disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice our position in on-going claims, litigations and assessments. See *Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions – Provision for legal contingencies and tax assessments*.

27. Financial Assets and Liabilities

We have various financial assets such as trade and non-trade receivables, cash and short-term deposits. Our principal financial liabilities, other than derivatives, comprise of bank loans, lease liabilities, trade and non-trade payables. The main purpose of these financial liabilities is to finance our operations. We also enter into derivative transactions, primarily forward foreign exchange contracts and options to manage the currency arising from our operations and sources of financing. Our accounting policies in relation to derivatives are set out in *Note 2 – Summary of Material Accounting Policies – Financial Instruments*.

The following table sets forth our consolidated financial assets and financial liabilities as at December 31, 2025 and 2024:

	Financial instruments at amortized cost	Financial instruments at FVPL	Derivatives used for hedging	Total financial instruments
(in million pesos)				
Assets as at December 31, 2025				
Noncurrent:				
Financial assets at fair value through profit or loss	—	1,030	—	1,030
Debt instruments at amortized cost – net of current portion	350	—	—	350
Derivative financial assets – net of current portion	—	—	617	617
Other financial assets – net of current portion	3,616 ⁽¹⁾	—	—	3,616
Current:				
Cash and cash equivalents	11,866	—	—	11,866
Short-term investments	10	—	—	10
Trade and other receivables	31,367	—	—	31,367
Current portion of derivative financial assets	—	203	—	203
Current portion of debt instruments at amortized cost	20	—	—	20
Current portion of other financial assets	339 ⁽¹⁾	—	—	339
Total assets	47,568	1,233	617	49,418
Liabilities as at December 31, 2025				
Noncurrent:				
Interest-bearing financial liabilities – net of current portion	278,868	—	—	278,868
Lease liabilities – net of current portion	55,276	—	—	55,276
Customers' deposits	1,262	—	—	1,262
Deferred credits and other noncurrent liabilities	1,583	—	—	1,583
Current:				
Accounts payable	52,755	—	—	52,755
Accrued expenses and other current liabilities	60,807	2	—	60,809
Current portion of interest-bearing financial liabilities	16,180	—	—	16,180
Current portion of lease liabilities	8,897	—	—	8,897
Dividends payable	2,087	—	—	2,087
Current portion of derivative financial liabilities	—	—	77	77
Liabilities associated with assets classified as held-for-sale	1,625	—	—	1,625
Total liabilities	479,340	2	77	479,419
Net assets (liabilities)	(431,772)	1,231	540	(430,001)

⁽¹⁾ Includes refundable deposits and notes receivable.

	Financial instruments at amortized cost	Financial instruments at FVPL	Derivatives used for hedging	Total financial instruments
(in million pesos)				
Assets as at December 31, 2024				
Noncurrent:				
Financial assets at fair value through profit or loss	—	1,101	—	1,101
Debt instruments at amortized cost – net of current portion	370	—	—	370
Derivative financial assets – net of current portion	—	—	385	385
Other financial assets – net of current portion	3,126 ⁽¹⁾	—	—	3,126
Current:				
Cash and cash equivalents	10,011	—	—	10,011
Short-term investments	136	—	—	136
Trade and other receivables	31,612	—	—	31,612
Current portion of derivative financial assets	—	30	—	30
Current portion of debt instruments at amortized cost	25	—	—	25
Current portion of other financial assets	831 ⁽¹⁾	—	—	831
Total assets	46,111	1,131	385	47,627
Liabilities as at December 31, 2024				
Noncurrent:				
Interest-bearing financial liabilities – net of current portion	258,246	—	—	258,246
Lease liabilities – net of current portion	46,703	—	—	46,703
Customers' deposits	2,046	—	—	2,046
Deferred credits and other noncurrent liabilities	90	—	—	90
Current:				
Accounts payable	61,204	—	—	61,204
Accrued expenses and other current liabilities	70,795	2	—	70,797
Current portion of interest-bearing financial liabilities	23,340	—	—	23,340
Current portion of lease liabilities	7,335	—	—	7,335
Dividends payable	2,005	—	—	2,005
Current portion of derivative financial liabilities	—	20	77	97
Liabilities associated with assets classified as held-for-sale	1,615	—	—	1,615
Total liabilities	473,379	22	77	473,478
Net assets (liabilities)	(427,268)	1,109	308	(425,851)

⁽¹⁾ Includes refundable deposits and notes receivable.

The following table sets forth our consolidated offsetting of financial assets and liabilities recognized as at December 31, 2025 and 2024:

	Gross amounts of recognized financial assets and liabilities	Gross amounts of recognized financial assets and liabilities set-off in the consolidated statements of financial position	Net amount presented in the consolidated statements of financial position
(in million pesos)			
December 21, 2025			
Current Financial Assets			
Trade and other receivables			
Foreign administrations	4,071	2,540	1,531
Domestic carriers	400	192	208
Total	4,471	2,732	1,739
Current Financial Liabilities			
Accounts payable			
Suppliers and contractors	50,024	128	49,896
Carriers and others	4,835	2,225	2,610
Total	54,859	2,353	52,506
December 31, 2024			
Current Financial Assets			
Trade and other receivables			
Foreign administrations	2,536	1,359	1,177
Domestic carriers	356	100	256
Total	2,892	1,459	1,433
Current Financial Liabilities			
Accounts payable			
Suppliers and contractors	58,613	89	58,524
Carriers and others	8,359	5,825	2,534
Total	66,972	5,914	61,058

There are no financial instruments subject to an enforceable master netting arrangement as at December 31, 2025 and 2024.

The following table sets forth our consolidated carrying values and estimated fair values of our financial assets and liabilities recognized as at December 31, 2025 and 2024 other than those whose carrying amounts are reasonable approximations of fair values. This includes financial assets and financial liabilities measured using Level 3 inputs, which are not based on observable market data:

	Carrying Value		Fair Value	
	2025	2024	2025	2024
(in million pesos)				
Noncurrent Financial Assets				
Debt instruments at amortized cost	350	370	349	363
Other financial assets – net of current portion	3,616	3,126	2,973	2,716
Total	3,966	3,496	3,322	3,079
Noncurrent Financial Liabilities				
Interest-bearing financial liabilities:				
Long-term debt – net of current portion	278,868	258,246	272,011	246,572
Customers' deposits	1,262	2,046	837	1,311
Deferred credits and other noncurrent liabilities	1,583	90	1,372	79
Total	281,713	260,382	274,220	247,962

Below is the list of our consolidated financial assets and liabilities carried at fair value that are classified using a fair value hierarchy as required for our complete sets of consolidated financial statements as at December 31, 2025 and 2024. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial statements.

	December 31, 2025				December 31, 2024			
	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
(in million pesos)								
Noncurrent Financial Assets								
Financial assets at FVPL	—	1,027	3	1,030	—	1,098	3	1,101
Current Financial Assets								
Current portion of derivative financial assets	—	203	—	203	—	30	—	30
Total	—	1,230	3	1,233	—	1,128	3	1,131
Current Financial Liabilities								
Accrued expenses and other current liabilities	—	2	—	2	—	2	—	2
Current portion of derivative financial liabilities	—	—	—	—	—	20	—	20
Total	—	2	—	2	—	22	—	22

⁽¹⁾ Fair values determined using observable market inputs that reflect quoted prices in active markets for identical assets or liabilities.

⁽²⁾ Fair values determined using inputs other than quoted market prices that are either directly or indirectly observable for the assets or liabilities.

⁽³⁾ Fair values determined using discounted values of future cash flows for the assets or liabilities.

As at December 31, 2025 and 2024, there were no transfers into and out of Level 3 and between Level 1 and Level 2 fair value measurements.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Long-term financial assets and liabilities:

Fair value is based on the following:

Type	Fair Value Assumptions	Fair Value Hierarchy
Noncurrent portion of advances and other noncurrent assets	Estimated fair value is based on the discounted values of future cash flows using the applicable zero-coupon rates plus counterparties' credit spread.	Level 3
Fixed rate loans: U.S. Dollar notes	Quoted market price.	Level 1
Investment in debt securities	Fair values were determined using quoted prices. For non-quoted securities, fair values were determined using discounted cash flow based on market observable rates.	Level 1 Level 2
Other loans in all other currencies	Estimated fair value is based on the discounted value of future cash flows using the applicable Commercial Interest Reference Rate and BVAL rates for similar types of loans plus PLDT's credit spread.	Level 3
Variable rate loans	The carrying value approximates fair value because of recent and regular repricing based on market conditions.	Level 2

Derivative Financial Instruments

Forward foreign exchange contracts and foreign currency options: The fair values were computed as the present value of estimated future cash flows using market U.S. Dollar and Philippine Peso interest rates as at valuation date.

The valuation techniques considered various inputs including the credit quality of counterparties.

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents, short-term investments, trade and other receivables, accounts payable, accrued expenses and other current liabilities and dividends payable approximate their carrying values as at the end of the reporting period.

Our derivative financial instruments are accounted for as either cash flow hedges or transactions not designated as hedges. Cash flow hedges refer to those transactions that hedge our exposure to variability in cash flows attributable to a particular risk associated with a recognized financial asset or liability and exposures arising from forecast transactions. Changes in the fair value of these instruments representing effective hedges are recognized directly in other comprehensive income until the hedged item is recognized in our consolidated income statements. For transactions that are not designated as hedges, any gains or losses arising from the changes in fair value are recognized directly to income for the period.

As at December 31, 2025 and 2024, we have taken into account the counterparties' credit risks (for derivative assets) and our own non-performance risk (for derivative liabilities) and have included a credit or debit valuation adjustment, as appropriate, by assessing the maximum credit exposure and taking into account market-based inputs which considers the risk of default occurring and corresponding losses once the default event occurs. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

The table below sets out the information about our consolidated derivative financial instruments as at December 31, 2025 and 2024:

							December 31, 2025	December 31, 2024		
	Original Notional Amount	Trade Date	Underlying Transaction in U.S. Dollar	Termination Date	Weighted Average Hedge Cost/ (Premium)	Weighted Average Foreign Exchange Rate	Notional Amount	Net Mark- to- market Gains (Losses) in Php	Notional Amount	Net Mark-to- market Gains (Losses) in Php
	(in millions)		(in millions)						(in millions)	
Transactions not designated as hedges:										
PLDT										
Forward foreign exchange contracts	US\$1,191	Various dates in 2023 and 2024	U.S. Dollar Liabilities	Various dates in 2024	—	Php56.93	US\$—	—	US\$—	—
	US\$303	Various dates in October to December 2024	U.S. Dollar Liabilities	Various dates in January to July 2025	—	Php58.45	—	—	303	(10)
	US\$14	Various dates in October to December 2024	U.S. Dollar Revenues	Various dates in July to December 2025	—	Php58.65	—	—	14	(2)
	US\$766	Various dates in January to December 2025	U.S. Dollar Liabilities	Various dates in March 2025 to May 2026	—	Php57.75	243	165		
	US\$38	Various dates in June to December 2025	U.S. Dollar Revenues	Various dates in December 2025 to December 2026	—	Php58.37	37	(27)	—	—
	US\$77	Various dates in January 2026	U.S. Dollar Liabilities	Various dates in March to August 2026	—	Php59.01	—	—	—	—
	US\$2	Various dates in January 2026	U.S. Dollar Revenues	Various dates in December 2026	—	Php60.13	—	—	—	—
	US\$22	Various dates in December 2025	U.S. Dollar Cash	January 2026	—	Php58.70	22	(2)	—	—
Foreign exchange options ^(a)	US\$16	Various dates in March to September 2024	U.S. Dollar Liabilities	Various dates in September to December 2024	—	Php56.40	—	—	—	—
					—	Php56.84	—	—	—	—
					—	Php57.76	—	—	—	—
	US\$10	Various dates in September to December 2024	U.S. Dollar Liabilities	Various dates in April 2025	—	Php57.00	—	—	10	(3)
					—	Php57.59	—	—	—	—
					—	Php58.32	—	—	—	—
	US\$22	Various dates in January to December 2025	U.S. Dollar Liabilities	Various dates in April 2025 to April 2026	—	Php56.71	6	10	—	—
					—	Php56.99	—	—	—	—
					—	Php58.74	—	—	—	—
	US\$11	Various dates in January to February 2026	U.S. Dollar Liabilities	Various dates in April to December 2026	—	Php57.76	—	—	—	—
					—	Php58.00	—	—	—	—
					—	Php59.56	—	—	—	—
								146	(15)	
Smart										
Forward foreign exchange contracts	US\$1,063	Various dates in June 2023 to December 2024	U.S. Dollar Liabilities	Various dates in 2024	—	Php56.66	US\$—	—	US\$—	—
	US\$204	Various dates in October to December 2024	U.S. Dollar Liabilities	Various dates in January to June 2025	—	Php58.18	—	—	204	31
	US\$5	Various dates in October to November 2024	U.S. Dollar Revenues	Various dates in July to November 2025	—	Php58.48	—	—	5	(2)
	US\$550	Various dates in January to December 2025	U.S. Dollar Liabilities	Various dates in January 2025 to March 2026	—	Php57.83	120	46	—	—
	US\$23	Various dates in June to December 2025	U.S. Dollar Revenues	Various dates in December 2025 to November 2026	—	Php58.22	21	(16)	—	—
	US\$72	Various dates in January 2026	U.S. Dollar Liabilities	Various dates in March to July 2026	—	Php59.36	—	—	—	—
	US\$1	Various dates in January 2026	U.S. Dollar Revenues	Various dates in December 2026	—	Php59.88	—	—	—	—
Foreign exchange options ^(b)	US\$45	Various dates in 2023 and 2024	U.S. Dollar Liabilities	Various dates in 2024	—	Php55.60 Php56.00 Php57.00	—	—	—	—
	US\$8	Various dates in September to December 2024	U.S. Dollar Liabilities	Various dates in January to April 2025	—	Php57.01 Php57.41 Php58.63	—	—	8	(4)
	US\$58	Various dates in January to December 2025	U.S. Dollar Liabilities	Various dates in April 2025 to May 2026	—	Php57.71 Php58.03 Php59.55	18	27	—	—
	US\$20	Various dates in January to February 2026	U.S. Dollar Liabilities	Various dates in May to September 2026	—	Php58.07 Php58.30 Php59.65	—	—	—	—
								57	25	
								203	10	

							December 31, 2025		December 31, 2024	
	Original Notional Amount	Trade Date	Underlying Transaction in U.S. Dollar	Termination Date	Weighted Average Hedge Cost/ (Premium)	Weighted Average Foreign Exchange Rate	Notional Amount	Net Mark- to- market Gains (Losses) in Php	Notional Amount	Net Mark-to- market Gains (Losses) in Php
	(in millions)		(in millions)						(in millions)	
Transactions designated as hedges:										
PLDT										
Long-term foreign currency options ^(c)		Various dates in July 2020 and February to March 2021	300M Notes 2031	January 23, 2031	1.20%	Php49.58 Php55.27	US\$222	271	US\$225	86
	US\$225									
		Various dates in July 2020 and July 2025	300M Notes 2031	January 23, 2031	1.21%	Php49.67 Php55.35	US\$108	106	109	78
	US\$109									
								377		164
Smart										
Long-term foreign currency options ^(d)		February to April 2021	US\$140 PNB Loan	December 13, 2030	1.63%	Php48.00 Php53.34	US\$55	163	US\$66	144
	US\$109									
								163		144
								540		308
								743		318

- (a) If the Philippine Peso to U.S. dollar spot exchange rate on fixing date settles between Php56.84 to Php57.76, PLDT will purchase the U.S. Dollar for Php56.84. However, if on maturity, the exchange rate settles above Php57.76, PLDT will purchase the U.S. Dollar for Php56.84 plus the excess above Php57.76, and if the exchange rate is lower than Php56.84, PLDT will purchase the U.S. Dollar at the prevailing Philippine peso to U.S. Dollar spot exchange rate, subject to a floor of Php56.40.

If the Philippine Peso to U.S. dollar spot exchange rate on fixing date settles between Php57.59 to Php58.32, PLDT will purchase the U.S. Dollar for Php57.59. However, if on maturity, the exchange rate settles above Php58.32, PLDT will purchase the U.S. Dollar for Php57.59 plus the excess above Php58.32, and if the exchange rate is lower than Php57.59, PLDT will purchase the U.S. Dollar at the prevailing Philippine peso to U.S. Dollar spot exchange rate, subject to a floor of Php57.00.

If the Philippine Peso to U.S. dollar spot exchange rate on fixing date settles between Php56.99 to Php58.74, PLDT will purchase the U.S. Dollar for Php56.99. However, if on maturity, the exchange rate settles above Php58.74, PLDT will purchase the U.S. Dollar for Php56.99 plus the excess above Php58.74, and if the exchange rate is lower than Php56.99, PLDT will purchase the U.S. Dollar at the prevailing Philippine peso to U.S. Dollar spot exchange rate, subject to a floor of Php56.71.

- (b) If the Philippine Peso to U.S. Dollar spot exchange rate on fixing date settles between Php56.00 to Php57.00, Smart will purchase the U.S. Dollar for Php56.00. However, if on maturity, the exchange rate settles above Php56.00, Smart will purchase the U.S. Dollar for Php56.00 plus the excess above Php57.00, and if the exchange rate is lower than Php56.00, Smart will purchase the U.S. Dollar at the prevailing Philippine peso to U.S. Dollar spot exchange rate, subject to a floor of Php55.60.

If the Philippine Peso to U.S. Dollar spot exchange rate on fixing date settles between Php57.41 to Php58.63, Smart will purchase the U.S. Dollar for Php57.41. However, if on maturity, the exchange rate settles above Php57.41, Smart will purchase the U.S. Dollar for Php57.41 plus the excess above Php58.63, and if the exchange rate is lower than Php57.41, Smart will purchase the U.S. Dollar at the prevailing Philippine Peso to U.S. Dollar spot exchange rate, subject to a floor of Php57.01.

If the Philippine Peso to U.S. Dollar spot exchange rate on fixing date settles between Php58.03 to Php59.55, Smart will purchase the U.S. Dollar for Php58.03. However, if on maturity, the exchange rate settles above Php59.55, Smart will purchase the U.S. Dollar for Php58.03 plus the excess above Php59.55, and if the exchange rate is lower than Php58.03, Smart will purchase the U.S. Dollar at the prevailing Philippine Peso to U.S. Dollar spot exchange rate, subject to a floor of Php57.71.

- (c) PLDT's long-term foreign currency option agreements outstanding as at December 31, 2025 and 2024 were designated as cash flow hedges, wherein the effective portion of the movements in fair value is recognized in our consolidated statements of other comprehensive income, while any ineffective portion is recognized immediately in our consolidated income statements. Settlement of the foreign currency option agreements will depend on the spot exchange rate on the fixing date.

If the Philippine peso to U.S. dollar spot exchange rate on fixing date is between Php49.58 and Php55.27, PLDT will purchase the U.S. dollar at Php49.58. However, if on fixing date, the exchange rate is beyond Php55.27, PLDT will purchase the U.S. dollar at the prevailing Philippine peso to U.S. dollar spot exchange rate minus a subsidy of Php5.69,

and if the exchange rate is lower than Php49.58, PLDT will purchase the U.S. dollar at the prevailing Philippine peso to U.S. dollar spot exchange rate.

If the Philippine peso to U.S. dollar spot exchange rate on fixing date is between Php49.67 and Php55.35, PLDT will purchase the U.S. dollar at Php49.67. However, if on fixing date, the exchange rate is beyond Php55.35, PLDT will purchase the U.S. dollar at the prevailing Philippine peso to U.S. dollar spot exchange rate minus a subsidy of Php5.68, and if the exchange rate is lower than Php49.67, PLDT will purchase the U.S. dollar at Php49.67.

The mark-to-market gains amounting to Php452 million and Php239 million were recognized in our consolidated statement of other comprehensive income as at December 31, 2025 and 2024, respectively. Hedge cost accrual on the long-term foreign currency option agreements amounting to Php75 million each were recognized as at December 31, 2025 and 2024. The intrinsic value of the long-term foreign currency options recognized as other comprehensive income is transferred to profit or loss when the hedged loan is revalued for changes in the foreign exchange rate. The hedge cost portion of the movements in the fair value amounting to Php129 million, Php119 million and Php39 million were recognized in our consolidated income statements for the years ended December 31, 2025, 2024 and 2023, respectively. The effective portion of the movements in the fair value amounting to Php1,316 million and Php1,624 million were recognized in our consolidated statement of other comprehensive income for the years ended December 31, 2025 and 2024, respectively.

- (d) Smart's long-term foreign currency option agreements outstanding as at December 31, 2025 and 2024 were designated as cash flow hedges, wherein the effective portion of the movements in fair value is recognized in our consolidated statements of other comprehensive income, while any ineffective portion is recognized immediately in our consolidated income statements. Settlement of the foreign currency option agreements will depend on the spot exchange rate on the fixing date. If the Philippine Peso to U.S. Dollar spot exchange rate on fixing date is between Php48.00 and Php53.34, Smart will purchase the U.S. Dollar at Php48.00. However, if on fixing date the exchange rate is beyond Php53.34, Smart will purchase the U.S. Dollar for Php48.00 plus the excess above Php53.34, and if the exchange rate is lower than Php48.00, Smart will purchase the U.S. Dollar at the prevailing Philippine Peso to U.S. Dollar spot exchange rate. The mark-to-market gains amounting to Php165 million and Php146 million were recognized in our consolidated statement of other comprehensive income as at December 31, 2025 and 2024, respectively. Hedge cost accrual on the long-term foreign currency option agreements amounting to Php2 million each were recognized as at December 31, 2025 and 2024. The intrinsic value of the long-term foreign currency options recognized as other comprehensive income are transferred to profit or loss when the hedged loan is revalued for changes in the foreign exchange rate. The hedge cost portion of the movements in the fair value amounting to Php43 million and Php52 million were recognized in our consolidated income statements for the years ended December 31, 2025 and 2024, respectively. The effective portion of the movements in the fair value amounting to Php318 million and Php439 million were recognized in our consolidated statement of other comprehensive income for the years ended December 31, 2025 and 2024, respectively.

Our derivative financial instruments as at December 31, 2025 and 2024 are presented in the statements of financial position as follows:

	2025	2024
	(in million pesos)	
Asset:		
Noncurrent assets	617	385
Current assets	203	30
Liabilities:		
Current liabilities (Note 28)	(77)	(97)
Net assets (liabilities)	743	318

Movements of our consolidated mark-to-market gains (losses) for the years ended December 31, 2025 and 2024 are summarized as follows:

	2025	2024
	(in million pesos)	
Net mark-to-market gains (losses) at beginning of the period	318	(937)
Gains on derivative financial instruments	2,014	4,252
Settlements, accretion and others	45	(934)
Net fair value losses on cash flow hedges charged to other comprehensive income	(1,634)	(2,063)
Net mark-to-market gains at end of the period	743	318

Our consolidated analysis of gains on derivative financial instruments for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
	(in million pesos)		
Gains on derivative financial instruments	2,014	4,252	1,436
Hedge costs	(198)	(229)	(238)
Gains on derivative financial instruments – net (Note 5)	1,816	4,023	1,198

Financial Risk Management Objectives and Policies

The main risks arising from our financial instruments are liquidity risk, foreign currency exchange risk, interest rate risk and credit risk. The importance of managing those risks has significantly increased in light of the considerable change and volatility in both the Philippine and international financial markets. Our Board of Directors reviews and approves policies for managing each of these risks, which are summarized below. We also monitor the market price risk arising from all financial instruments.

Liquidity Risk

Our exposure to liquidity risk refers to the risk that our financial requirements, working capital requirements and planned capital expenditures may not be met.

We manage our liquidity profile to be able to finance our operations and capital expenditures, service our maturing debts and meet our other financial obligations. To cover our financing requirements, we use internally generated funds and proceeds from debt and equity issues and sales of certain assets.

As part of our liquidity risk management program, we regularly evaluate our projected and actual cash flows, including our loan maturity profiles, and continuously assess conditions in the financial markets for opportunities to pursue fund-raising initiatives. These may include bank loans, export credit agency-guaranteed facilities, and issuances in the debt and equity markets.

Any excess funds are primarily invested in short-term and principal-protected bank products that provide flexibility of withdrawing the funds anytime. We also allocate a portion of our cash in longer tenor investments such as fixed income securities issued or guaranteed by the Republic of the Philippines, and Philippine banks and corporates and managed funds. We regularly evaluate available financial products and monitor market conditions for opportunities to enhance yields at acceptable risk levels. Our funding arrangements are designed to keep an appropriate balance between equity and debt and to provide financing flexibility while enhancing our businesses.

Our cash position remains sufficient to support our planned capital expenditure requirements and service our debt and financing obligations; however, we may be required to finance a portion of our future capital expenditures from external financing sources. We have cash and cash equivalents, and short-term investments amounting to Php11,866 million and Php10 million, respectively, as at December 31, 2025, which we can use to meet our short-term liquidity needs. See *Note 15 – Cash and Cash Equivalents*. As part of our liquidity management, we assess dividend declarations in light of operating cash flows, funding needs, and financial priorities.

The following table summarizes the maturity profile of our financial assets based on our consolidated undiscounted claims outstanding as at December 31, 2025 and 2024:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
(in million pesos)					
December 31, 2025					
<i>Financial instruments at amortized cost:</i>	56,238	52,002	4,005	3	228
Debt instruments at amortized cost	370	20	340	—	10
Other financial assets	4,225	339	3,665	3	218
Temporary cash investments	1,369	1,369	—	—	—
Short-term investments	10	10	—	—	—
Retail subscribers	19,369	19,369	—	—	—
Corporate subscribers	21,373	21,373	—	—	—
Foreign administrations	1,615	1,615	—	—	—
Domestic carriers	208	208	—	—	—
Dealers, agents and others	7,699	7,699	—	—	—
<i>Financial instruments at FVPL:</i>	1,030	—	—	—	1,030
Financial assets at fair value through profit or loss	1,030	—	—	—	1,030
Total	57,268	52,002	4,005	3	1,258
December 31, 2024					
<i>Financial instruments at amortized cost:</i>	55,039	51,264	3,608	10	157
Debt instruments at amortized cost	395	25	360	10	—
Other financial assets	4,236	831	3,248	—	157
Temporary cash investments	1,464	1,464	—	—	—
Short-term investments	136	136	—	—	—
Retail subscribers	17,516	17,516	—	—	—
Corporate subscribers	20,936	20,936	—	—	—
Foreign administrations	1,254	1,254	—	—	—
Domestic carriers	256	256	—	—	—
Dealers, agents and others	8,846	8,846	—	—	—
<i>Financial instruments at FVPL:</i>	1,101	—	—	—	1,101
Financial assets at fair value through profit or loss	1,101	—	—	—	1,101
Total	56,140	51,264	3,608	10	1,258

The following table summarizes the maturity profile of our financial liabilities based on our consolidated contractual undiscounted obligations outstanding as at December 31, 2025 and 2024:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
(in million pesos)					
December 31, 2025					
<i>Debt:</i>	396,013	12,663	95,634	73,945	213,771
Principal ⁽¹⁾	296,939	12,240	53,872	51,676	179,151
Interest	99,074	423	41,762	22,269	34,620
<i>Lease obligations</i>	84,616	18,199	23,239	18,452	24,726
<i>Various trade and other obligations:</i>	116,304	113,183	2,026	18	1,077
Suppliers and contractors	49,980	49,896	84	—	—
Utilities and related expenses	50,114	50,113	1	—	—
Carriers and others	2,610	2,610	—	—	—
Employee benefits and other provisions	4,970	4,970	—	—	—
Customer deposits	1,262	—	167	18	1,077
Dividends	2,087	2,087	—	—	—
Others	5,281	3,507	1,774	—	—
Total contractual obligations	596,933	144,045	120,899	92,415	239,574
December 31, 2024					
<i>Debt:</i>	385,962	20,335	89,028	69,915	206,684
Principal ⁽¹⁾	283,575	19,610	47,479	47,561	168,925
Interest	102,387	725	41,549	22,354	37,759
<i>Lease obligations</i>	77,244	16,560	19,410	16,178	25,096
<i>Various trade and other obligations:</i>	133,811	131,580	362	24	1,845
Suppliers and contractors	58,568	58,524	44	—	—
Utilities and related expenses	57,029	56,934	95	—	—
Carriers and others	2,534	2,534	—	—	—
Employee benefits and other provisions	9,246	9,246	—	—	—
Customers' deposits	2,046	—	177	24	1,845
Dividends	2,005	2,005	—	—	—
Others	2,383	2,337	46	—	—
Total contractual obligations	597,017	168,475	108,800	86,117	233,625

⁽¹⁾ Consists of long-term debt, including current portion, gross of unamortized debt discount/premium and debt issuance costs.

Debt

See Note 20 – Interest-bearing Financial Liabilities – Long-term Debt for a detailed discussion of our debt.

Our consolidated future minimum lease commitments payable with non-cancellable leases as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Within one year	18,199	16,560
After one year but not more than five years	41,691	35,588
More than five years	24,726	25,096
Total	84,616	77,244

Various Trade and Other Obligations

PLDT Group has various obligations to suppliers for the acquisition of network equipment, contractors for services rendered on various projects, foreign administrations and domestic carriers for the access charges, shareholders for unpaid dividends distributions, employees for benefits and other related obligations, and various business and operational related agreements. Total obligations under these various agreements amounted to approximately Php116,304 million and Php133,811 million as at December 31, 2025 and 2024, respectively. See Note 22 – Accounts Payable and Note 23 – Accrued Expenses and Other Current Liabilities.

Commercial Commitments

Major Network Vendors

Significant commitment in respect of major network vendors, net of advances and deliveries, amounted to about Php19,700 million and Php15,900 million as at December 31, 2025 and 2024.

Other Capital Expenditure Vendors

Commitments related to non-major capital expenditure vendors, net of advances and deliveries amounted to Php16,900 million and Php11,200 million as at December 31, 2025 and 2024, respectively.

We have no outstanding commercial commitments, in the form of letters of credit, as at December 31, 2025 and 2024.

Collateral

There are no pledges as collaterals with respect to our financial liabilities as at December 31, 2025 and 2024.

Foreign Currency Exchange Risk

Foreign currency exchange risk refers to the potential impact of exchange rate fluctuations on the fair value and future cash flows of financial instruments.

The revaluation of our foreign currency-denominated financial assets and liabilities as a result of the appreciation or depreciation of the Philippine Peso is recognized as foreign exchange gains or losses as at the end of the reporting period. The extent of foreign exchange gains or losses is largely dependent on the amount of foreign currency denominated financial assets and liabilities. While a certain percentage of our revenues are either linked to or denominated in U.S. Dollars, a substantial portion of our capital expenditures, a portion of our indebtedness and related interest expense and a portion of our operating expenses are denominated in foreign currencies, mostly in U.S. Dollars. As such, a strengthening or weakening of the Philippine Peso against the U.S. Dollar will decrease or increase in Philippine Peso terms both the principal amount of our foreign currency-denominated debts and the related interest expense, our foreign currency-denominated capital expenditures and operating expenses as well as our U.S. Dollar-linked and U.S. Dollar-denominated revenues. In addition, many of our financial ratios and other financial tests are affected by the movements in the Philippine Peso to U.S. Dollar exchange rate.

To manage our foreign exchange risks and to stabilize our cash flows in order to improve investment and cash flow planning, we enter into forward foreign exchange contracts, currency option contracts and other hedging products aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on our operating results and cash flows. Further details of the risk management strategy are recognized in our hedge designation documentation. We use forward foreign exchange purchase contracts, currency swap contracts and currency option contracts to manage the foreign currency risks associated with our foreign currency-denominated financial liabilities. We accounted for these instruments as either cash flow hedges, wherein changes in the fair value are recognized in our consolidated other comprehensive income until the hedged transaction affects our consolidated income statements or transactions not designated as hedges, wherein changes in the fair value are recognized directly as income or expense for the year.

The impact of the hedging instruments on our consolidated statements of financial position as at December 31, 2025 and 2024 are as follows:

	Notional Amount (U.S. Dollar)	Carrying Amount (Php)	Line item in our Consolidated Statements of Financial Position
	(in million pesos)		
December 31, 2025			
Long-term foreign currency options	384	617	Derivative financial assets – net of current portion
	384	617	
December 31, 2024			
Long-term foreign currency options	356	385	Derivative financial assets – net of current portion
	356	385	

The impact of the hedged items on our consolidated statements of financial position as at December 31, 2025 and 2024 are as follows:

	2025		2024	
	Cash flow hedge reserve	Cost of hedging reserve	Cash flow hedge reserve	Cost of hedging reserve
	(in million pesos)			
PLDT:				
US\$300M Notes 2031	(7,486)	75	(6,169)	75
	(7,486)	75	(6,169)	75
Smart:				
US\$140M PNB	(2,355)	2	(2,038)	2
	(2,355)	2	(2,038)	2

The effect of the cash flow hedge on our consolidated statements of financial position as at December 31, 2025 and 2024 are as follows:

	Total hedging loss recognized in OCI	Line item in our Consolidated Statements of Financial Position
	(in million pesos)	
December 31, 2025		
Long-term foreign currency options	(9,841)	Other comprehensive loss
	(9,841)	
December 31, 2024		
Long-term foreign currency options	(8,207)	Other comprehensive loss
	(8,207)	

The following table shows our consolidated foreign currency-denominated monetary financial assets and liabilities and their Philippine Peso equivalents as at December 31, 2025 and 2024:

	2025		2024	
	U.S. Dollar	Php ⁽¹⁾	U.S. Dollar	Php ⁽²⁾
	(in millions)			
Noncurrent Financial Assets				
Derivative financial assets – net of current portion	10	617	7	385
Total noncurrent financial assets	10	617	7	385
Current Financial Assets				
Cash and cash equivalents	63	3,704	52	2,980
Trade and other receivables – net	112	6,593	97	5,596
Derivative assets	4	203	1	30
Current portion of other financial assets	—	7	—	—
Total current financial assets	179	10,507	150	8,606
Total Financial Assets	189	11,124	157	8,991
Noncurrent Financial Liabilities				
Interest-bearing financial liabilities – net of current portion	653	38,395	667	38,575
Other noncurrent liabilities	1	33	1	29
Total noncurrent financial liabilities	654	38,428	668	38,604
Current Financial Liabilities				
Accounts payable	594	34,932	685	39,621
Accrued expenses and other current liabilities	190	11,182	232	13,448
Current portion of interest-bearing financial liabilities	14	809	14	797
Current portion of derivative financial liabilities	1	77	2	97
Total current financial liabilities	799	47,000	933	53,963
Total Financial Liabilities	1,453	85,428	1,601	92,567

⁽¹⁾ The exchange rate used to convert the U.S. Dollar amounts into Philippine Peso was Php58.79 to US\$1.00, the Philippine Peso-U.S. Dollar exchange rate as quoted through the Bankers Association of the Philippines, or BAP, as at December 31, 2025.

⁽²⁾ The exchange rate used to convert the U.S. Dollar amounts into Philippine Peso was Php57.85 to US\$1.00, the Philippine Peso-U.S. Dollar exchange rate as quoted through the BAP as at December 31, 2024.

As at February 26, 2026, the Philippine Peso-U.S. Dollar exchange rate was Php57.60 to US\$1.00. Using this exchange rate, our consolidated net foreign currency-denominated financial liabilities would have decreased in Philippine Peso terms by Php1,508 million as at December 31, 2025.

Approximately 13% and 14% of our total consolidated debts (net of consolidated debt discount) was denominated in U.S. Dollars as at December 31, 2025 and 2024, respectively. Our consolidated foreign currency-denominated debt decreased to

Php38,879 million as at December 31, 2025 from Php39,015 million as at December 31, 2024. See *Note 20 – Interest-bearing Financial Liabilities*. The aggregate notional amount of our consolidated outstanding derivatives allocated for debt were US\$345 million and US\$381 million as at December 31, 2025 and 2024, respectively. Consequently, the unhedged portion of our consolidated debt amounts was 6% (or 5%, net of consolidated U.S. Dollar cash balances allocated for debt) as at December 31, 2025 and 2024.

Approximately 15% of our consolidated revenues for the years ended December 31, 2025 and 2024 and 13% for the year ended December 31, 2023 were denominated in U.S. Dollars and/or were linked to U.S. Dollars. Approximately 15%, 14% and 12% of our consolidated expenses for the years ended December 31, 2025, 2024 and 2023, respectively were denominated in U.S. Dollars and/or linked to the U.S. Dollar. In this respect, the higher weighted average exchange rate of the Philippine Peso against the U.S. Dollar increased our revenues and expenses, and consequently, affects our cash flow from operations in Philippine Peso terms. In view of the anticipated continued decline in dollar-denominated/dollar-linked revenues, which provide a natural hedge against our foreign currency exposure, we are progressively refinancing our dollar-denominated debts in Philippine Pesos.

The Philippine Peso depreciated by 1.63% against the U.S. Dollar to Php58.79 to US\$1.00 as at December 31, 2025 from Php57.85 to US\$1.00 as at December 31, 2024. As a result of our consolidated foreign exchange movements, as well as the amount of our consolidated outstanding net foreign currency financial assets and liabilities, we recognized net consolidated foreign exchange losses of Php550 million and Php36 million for the years ended December 31, 2025 and 2024, respectively and net foreign exchange gains of Php1,149 million for the year ended December 31, 2023.

Management conducted a survey among our banks to determine the outlook of the Philippine Peso-U.S. Dollar exchange rate until December 31, 2025. Our outlook is that the Philippine Peso-U.S. Dollar exchange rate may weaken/strengthen by 2.06% as compared to the exchange rate of Php58.79 to US\$1.00 as at December 31, 2025. If the Philippine Peso-U.S. Dollar exchange rate had weakened/strengthened by 2.06% as at December 31, 2025, with all other variables held constant, consolidated profit after tax for the year ended December 31, 2025 and stockholders' equity as at December 31, 2025 would have been approximately Php858 million and Php32 million, respectively, lower/higher, mainly as a result of consolidated foreign exchange gains and losses on conversion of U.S. Dollar-denominated net assets/liabilities and mark-to-market valuation of derivative financial instruments.

Interest Rate Risk

Interest rate risk arises from fluctuations in market interest rates that may impact the fair value or future cash flows of financial instruments.

Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates.

Our policy is to manage interest costs through a mix of fixed and variable rate debts. We evaluate the fixed to floating ratio of our loans in line with movements of relevant interest rates in the financial markets. Based on our assessment, new financing will be priced either on a fixed or floating rate basis. We enter into interest rate swap agreements in order to manage our exposure to interest rate fluctuations. Further details of the risk management strategy are recognized in our hedge designation documentation. We make use of hedging instruments and structures solely for reducing or managing financial risk associated with our debt obligations and not for trading purposes.

There are no outstanding interest rate hedges as at December 31, 2025 and 2024.

The following tables set out the carrying amounts, by maturity, of our financial instruments that are expected to have exposure on interest rate risk as at December 31, 2025 and 2024. Financial instruments that are not subject to interest rate risk were not included in the table.

As at December 31, 2025

	In U.S. Dollars						Discount/ Debt Issuance Cost In Php	Carrying Value In Php	Fair Value	
	Below 1 year	1-2 years	2-3 years	3-5 years	Over 5 years	Total			In Php	In U.S. Dollar
(in millions)										
Assets:										
Debt Instruments at Amortized Cost										
Philippine Peso	—	6	—	—	—	6	370	—	370	369
Interest rate	6.2500%	4.6250% - 4.8750%	—	6.5000%	—					
Cash in Bank										
U.S. Dollar	20	—	—	—	—	20	1,177	—	1,177	1,177
Interest rate	0.0100% - 0.5000%	—	—	—	—					
Philippine Peso	91	—	—	—	—	91	5,355	—	5,355	5,355
Interest rate	0.0500% - 4.5000%	—	—	—	—					
Temporary Cash Investments										
U.S. Dollar	10	—	—	—	—	10	584	—	584	584
Interest rate	3.6100-3.9000%	—	—	—	—					
Philippine Peso	14	—	—	—	—	14	785	—	785	785
Interest rate	0.2500% - 6.0000%	—	—	—	—					
Short-term Investments										
Philippine Peso	—	—	—	—	—	—	10	—	10	10
Interest rate	2.0000% - 6.0000%	—	—	—	—					
	135	6	—	—	—	141	8,281	—	8,281	8,280
Liabilities:										
Long-term Debt										
Fixed Rate										
U.S. Dollar Notes	—	—	—	—	600	600	35,274	495	34,779	28,819
Interest rate	—	—	—	—	2.5000% - 3.4500%					
Philippine Peso	203	344	198	238	77	1,060	62,345	423	61,922	60,052
Interest rate	4.6500% - 5.3500%	4.0000% to 5.2000%	4.0000% to 5.2000%	4.0000% to 5.1560%	4.0000%					
Variable Rate										
U.S. Dollar Loans	—	28	28	14	—	70	4,115	15	4,100	4,115
Interest rate	—	SOFR+ 1.31161%	SOFR+ 1.31161%	SOFR+ 1.31161%	SOFR+ 1.31161%					
Philippine Peso	—	176	142	627	2,370	3,315	194,905	958	193,947	194,905
Interest rate	—	PHP BVAL + 0.4000% to 0.7500%	PHP BVAL + 0.4000% to 0.7500%	PHP BVAL + 0.4000% to 0.7500%	PHP BVAL + 0.4000% to 0.7500%					
Short-term Debt										
Notes Payable										
Philippine Peso	5	—	—	—	—	5	300	—	300	300
Interest rate	6.0249% to 6.0790%									
	208	548	368	879	3,047	5,050	296,939	1,891	295,048	288,191

As at December 31, 2024

	In U.S. Dollars						Discount/ Debt Issuance Cost In Php	Carrying Value In Php	Fair Value	
	Below 1 year	1-2 years	2-3 years	3-5 years	Over 5 years	Total			In Php	In U.S. Dollar
(in millions)										
Assets:										
Debt Instruments at Amortized Cost										
Philippine Peso	1	—	6	—	—	7	395	—	395	388
Interest rate	4.250%	6.250%	4.625% - 4.875%	6.500%	—					
Cash in Bank										
U.S. Dollar	14	—	—	—	—	14	785	—	785	785
Interest rate	0.0500% - 0.5000%	—	—	—	—					
Philippine Peso	91	—	—	—	—	91	5,296	—	5,296	5,296
Interest rate	0.0500% - 5.1000%	—	—	—	—					
Temporary Cash Investments										
U.S. Dollar	7	—	—	—	—	7	395	—	395	395
Interest rate	4.5000% - 5.2500%	—	—	—	—					
Philippine Peso	18	—	—	—	—	18	1,069	—	1,069	1,069
Interest rate	0.2500% - 6.0000%	—	—	—	—					
Short-term Investments										
Philippine Peso	2	—	—	—	—	2	136	—	136	136
Interest rate	6.0000% - 6.1000%	—	—	—	—					
	133	—	6	—	—	139	8,076	—	8,076	8,069
Liabilities:										
Long-term Debt										
Fixed Rate										
U.S. Dollar Notes	—	—	—	—	600	600	34,708	531	34,177	26,811
Interest rate	—	—	—	—	2.5000% - 3.4500%					
Philippine Peso	315	231	339	316	205	1,406	81,315	581	80,734	75,550
Interest rate	4.0000% to 4.6500%	4.0000% to 5.3500%	4.0000% to 5.2000%	4.0000% to 5.2000%	4.0000% to 5.0880%					
Variable Rate										
U.S. Dollar Loans	—	28	14	28	14	84	4,860	22	4,838	4,859
Interest rate	—	SOFR+ 1.31161%	SOFR+ 1.31161%	SOFR+ 1.31161%	SOFR+ 1.31161%					
Philippine Peso	24	87	122	478	2,101	2,812	162,692	855	161,837	162,692
Interest rate	BVAL + 1.0000%	0.5000% to 1.0000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.5000% to 1.0000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.5000% to 0.9000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.5000% to 0.7500% over PHP BVAL (floor rate 4.5000%)					
	339	346	475	822	2,920	4,902	283,575	1,989	281,586	269,912

Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk.

Repricing of our regular floating rate financial instruments is done on intervals of three months and six months, while repricing of our structured floating rate instruments is done every one year or up to five years. Interest on fixed rate financial instruments is fixed until maturity of the particular instrument.

Approximately 67% and 59% of our consolidated debts (net of consolidated debt discount) were variable rate debts as at December 31, 2025 and 2024, respectively. Our consolidated variable rate debt amounted to Php198,347 million and Php166,675 million as at December 31, 2025 and 2024, respectively.

Management conducted a survey among our banks to determine the outlook of the U.S. Dollar and Philippine Peso interest rates until March 31, 2026. Our outlook is that the U.S. Dollar and Philippine Peso interest rates may move 30 basis points, or bps, and 90 bps higher/lower, respectively, as compared to levels as at December 31, 2025. If the U.S. Dollar interest rates had been 30 bps higher/lower as compared to market levels as at December 31, 2025, with all other variables held constant, consolidated profit after tax for the year ended December 31, 2025 and stockholders' equity as at December 31, 2025 would have been approximately Php1 million and Php31 million, respectively, lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings and loss/gain on derivative transactions. If the Philippine Peso interest rates had been 90 bps higher/lower as compared to market levels as at December 31, 2025, with all other variables held constant, consolidated profit after tax for the year December 31, 2025 and stockholders' equity as at December 31, 2025 would have been approximately Php46 million and Php63 million, respectively, lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings and loss/gain on derivative transactions.

Credit Risk

Credit risk arises from the possibility that customers, clients and counterparties may default on their contractual obligations, resulting in financial loss.

We manage and control credit risk by setting limits on the amount of risk we are willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce our exposure to bad debts.

We established a credit quality review process to provide regular identification of changes in the creditworthiness of counterparties. Our credit quality review process allows us to assess the potential loss as a result of the risks to which we are exposed and allow us to take corrective actions.

Maximum exposure to credit risk of financial assets not subject to impairment

The gross carrying amount of financial assets not subject to impairment also represents our maximum exposure to credit risk as at December 31, 2025 and 2024 are as follows:

	2025	2024
	(in million pesos)	
Financial assets at fair value through profit or loss	1,030	1,101
Current portion of derivative financial assets	203	30
Total	1,233	1,131

Maximum exposure to credit risk of financial assets subject to impairment

The table below shows the maximum exposure to credit risk for the components of our consolidated statements of financial position, including derivative financial instruments as at December 31, 2025 and 2024. The maximum exposure is shown gross before both the effect of mitigation through use of master netting and collateral arrangements. The extent to which collateral and other credit enhancements mitigate the maximum exposure to credit risk is described in the footnotes to the table.

For financial assets recognized on our consolidated statements of financial position as at December 31, 2025 and 2024, the gross exposure to credit risk equal their carrying amount.

For loan commitments and other credit related commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

	December 31, 2025			Total
	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
	(in million pesos)			
High grade	14,980	11,128	—	26,108
Standard grade	1,215	7,914	—	9,129
Substandard grade	6	12,325	—	12,331
Default	270	3,767	15,130	19,167
Gross carrying amount	16,471	35,134	15,130	66,735
Less allowance	270	3,767	15,130	19,167
Carrying amount	16,201	31,367	—	47,568

	December 31, 2024			Total
	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
	(in million pesos)			
High grade	14,059	11,670	—	25,729
Standard grade	440	5,486	—	5,926
Substandard grade	—	14,456	—	14,456
Default	279	3,596	13,600	17,475
Gross carrying amount	14,778	35,208	13,600	63,586
Less allowance	279	3,596	13,600	17,475
Carrying amount	14,499	31,612	—	46,111

Maximum exposure to credit risk after collateral held or other credit enhancements

Collateral held as security for financial assets depends on the nature of the instrument. Debt investment securities are generally unsecured. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are regularly updated according to internal lending policies and regulatory guidelines. Generally, collateral is not held over loans and advances to us. Collateral usually is not held against investment securities, and no such collateral was held as at December 31, 2025 and 2024.

Our policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by us during the year.

We have not identified significant risk concentrations arising from the nature, type or location of collateral and other credit enhancements held against our credit exposures.

An analysis of the maximum exposure to credit risk for the components of our consolidated statements of financial position, including derivative financial instruments as at December 31, 2025 and 2024, follows:

	December 31, 2025		
	Gross Maximum Exposure	Collateral and Other Credit Enhancements ⁽¹⁾	Net Maximum Exposure
	(in million pesos)		
<i>Financial instruments at amortized cost:</i>	47,568	410	47,158
Debt instruments at amortized cost	370	—	370
Other financial assets	3,955	2	3,953
Cash and cash equivalents	11,866	129	11,737
Short-term investments	10	—	10
Corporate subscribers	14,684	240	14,444
Retail subscribers	8,117	39	8,078
Foreign administrations	1,531	—	1,531
Domestic carriers	208	—	208
Dealers, agents and others	6,827	—	6,827
<i>Financial instruments at FVPL:</i>	1,233	—	1,233
Financial assets at FVPL	1,030	—	1,030
Forward foreign exchange contracts	203	—	203
<i>Derivatives used for hedging:</i>	617	—	617
Long-term foreign currency options	617	—	617
Total	49,418	410	49,008

⁽¹⁾ Includes bank insurance, security deposits and customer deposits. We have no collateral held as at December 31, 2025.

	December 31, 2024		
	Gross Maximum Exposure	Collateral and Other Credit Enhancements ⁽¹⁾	Net Maximum Exposure
	(in million pesos)		
<i>Financial instruments at amortized cost:</i>	46,111	427	45,684
Debt instruments at amortized cost	395	—	395
Other financial assets	3,957	—	3,957
Cash and cash equivalents	10,011	44	9,967
Short-term investments	136	—	136
Corporate subscribers	15,023	346	14,677
Retail subscribers	7,650	37	7,613
Foreign administrations	1,177	—	1,177
Domestic carriers	256	—	256
Dealers, agents and others	7,506	—	7,506
<i>Financial instruments at FVPL:</i>	1,131	—	1,131
Financial assets at FVPL	1,101	—	1,101
Forward foreign exchange contracts	30	—	30
<i>Derivatives used for hedging:</i>	385	—	385
Long-term foreign currency options	385	—	385
Total	47,627	427	47,200

⁽¹⁾ Includes bank insurance, security deposits and customer deposits. We have no collateral held as at December 31, 2024.

The table below provides information regarding the credit quality by class of our financial assets according to our credit ratings of counterparties as at December 31, 2025 and 2024:

		Neither past due nor credit impaired		Past due but not credit impaired	
	Total	Class A ⁽¹⁾	Class B ⁽²⁾		Impaired
(in million pesos)					
December 31, 2025					
Financial instruments at amortized cost:	66,735	26,108	9,129	12,331	19,167
Debt instruments at amortized cost	370	370	—	—	—
Other financial assets	4,225	3,617	332	6	270
Cash and cash equivalents	11,866	10,983	883	—	—
Short-term investments	10	10	—	—	—
Retail subscribers	19,369	5,472	256	2,389	11,252
Corporate subscribers	21,373	4,412	3,404	6,868	6,689
Foreign administrations	1,615	117	482	932	84
Domestic carriers	208	—	137	71	—
Dealers, agents and others	7,699	1,127	3,635	2,065	872
Financial instruments at FVPL:	1,233	1,227	6	—	—
Financial assets at FVPL	1,030	1,024	6	—	—
Forward foreign exchange contracts	203	203	—	—	—
Derivatives used for hedging:	617	617	—	—	—
Long-term foreign currency options	617	617	—	—	—
Total	68,585	27,952	9,135	12,331	19,167
December 31, 2024					
Financial instruments at amortized cost:	63,586	25,729	5,926	14,456	17,475
Debt instruments at amortized cost	395	395	—	—	—
Other financial assets	4,236	3,956	1	—	279
Cash and cash equivalents	10,011	9,572	439	—	—
Short-term investments	136	136	—	—	—
Retail subscribers	17,516	5,381	171	2,098	9,866
Corporate subscribers	20,936	5,124	886	9,013	5,913
Foreign administrations	1,254	139	381	657	77
Domestic carriers	256	—	135	121	—
Dealers, agents and others	8,846	1,026	3,913	2,567	1,340
Financial instruments at FVPL:	1,131	1,126	5	—	—
Financial assets at FVPL	1,101	1,096	5	—	—
Forward foreign exchange contracts	30	30	—	—	—
Derivatives used for hedging:	385	385	—	—	—
Long-term foreign currency options	385	385	—	—	—
Total	65,102	27,240	5,931	14,456	17,475

⁽¹⁾ This includes low risk and good paying customer accounts with no history of account treatment for a defined period and no overdue accounts as at report date; and deposits or placements to counterparties with good credit rating or bank standing financial review.

⁽²⁾ This includes medium risk and average paying customer accounts with no overdue accounts as at report date, and new customer accounts for which sufficient credit history has not been established; and deposits or placements to counterparties not classified as Class A.

The aging analysis of past due but not impaired class of financial assets as at December 31, 2025 and 2024 are as follows:

			Past due but not credit impaired			
	Total	Neither past due nor credit impaired	1-60 days	61-90 days	Over 91 days	Impaired
	(in million pesos)					
December 31, 2025						
Financial instruments at amortized cost:	66,735	35,237	3,695	1,275	7,361	19,167
Debt instruments at amortized cost	370	370	—	—	—	—
Other financial assets	4,225	3,949	—	—	6	270
Cash and cash equivalents	11,866	11,866	—	—	—	—
Short-term investments	10	10	—	—	—	—
Retail subscribers	19,369	5,728	2,028	326	35	11,252
Corporate subscribers	21,373	7,816	1,315	788	4,765	6,689
Foreign administrations	1,615	599	269	138	525	84
Domestic carriers	208	137	57	9	5	—
Dealers, agents and others	7,699	4,762	26	14	2,025	872
Financial instruments at FVPL:	1,233	1,233	—	—	—	—
Financial assets at FVPL	1,030	1,030	—	—	—	—
Forward foreign exchange contracts	203	203	—	—	—	—
Derivatives used for hedging:	617	617	—	—	—	—
Long-term foreign currency options	617	617	—	—	—	—
Total	68,585	37,087	3,695	1,275	7,361	19,167
December 31, 2024						
Financial instruments at amortized cost:	63,586	31,655	5,927	586	7,943	17,475
Debt instruments at amortized cost	395	395	—	—	—	—
Other financial assets	4,236	3,957	—	—	—	279
Cash and cash equivalents	10,011	10,011	—	—	—	—
Short-term investments	136	136	—	—	—	—
Retail subscribers	17,516	5,552	1,710	248	140	9,866
Corporate subscribers	20,936	6,010	3,182	548	5,283	5,913
Foreign administrations	1,254	520	232	158	267	77
Domestic carriers	256	135	73	17	31	—
Dealers, agents and others	8,846	4,939	730	(385)	2,222	1,340
Financial instruments at FVPL:	1,131	1,131	—	—	—	—
Financial assets at FVPL	1,101	1,101	—	—	—	—
Forward foreign exchange contracts	30	30	—	—	—	—
Derivatives used for hedging:	385	385	—	—	—	—
Long-term foreign currency options	385	385	—	—	—	—
Total	65,102	33,171	5,927	586	7,943	17,475

Capital Management Risk

We aim to achieve an optimal capital structure in pursuit of our business objectives, which include maintaining healthy capital ratios and strong credit ratings and maximizing shareholder value.

Our approach to capital management focuses on balancing the allocation of cash and the incurrence of debt as we seek new investment opportunities for new businesses and growth areas. On August 5, 2014, the PLDT Board of Directors approved an amendment to our dividend policy, increasing the dividend payout rate to 75% from 70% of our core EPS as regular dividends. However, in view of our elevated capital expenditures to build-out a robust, superior network to support the continued growth of data traffic, plans to invest in new adjacent businesses that will complement the current business and provide future sources of profits and dividends, and management of our cash and gearing levels, the PLDT Board of Directors approved on August 2, 2016, the amendment of our dividend policy, reducing the regular dividend payout to 60% of core EPS. Starting 2019, we base our dividend payout on telco core income. In declaring dividends, we take into consideration the interest of our shareholders, as well as our working capital, capital expenditures and debt servicing requirements. The retention of earnings may be necessary to meet the funding requirements of our business expansion and development programs.

As part of the dividend policy, in the event no investment opportunities arise, we may consider the option of returning additional cash to our shareholders in the form of special dividends or share buybacks. Philippine corporate regulations prescribe, however, that we can only pay out dividends or make capital distribution up to the amount of our unrestricted retained earnings.

Some of our debt instruments contain covenants that impose maximum leverage ratios. In addition, our credit ratings from the international credit ratings agencies are based on our ability to remain within certain leverage ratios.

No changes were made in our objectives, policies or processes for managing capital during the years ended December 31, 2025, 2024 and 2023.

28. Notes to the Statements of Cash Flows

The following table shows the changes in liabilities arising from financing activities as at December 31, 2025 and 2024:

	January 1, 2025	Cash flows	Foreign exchange movement (in million pesos)	Others	2025
Interest-bearing financial liabilities	281,586	12,467	623	372	295,048
Lease liabilities	54,038	(14,328)	33	24,430	64,173
Derivative financial liabilities	97	(243)	—	223	77
Accrued interests and other related costs	2,426	(13,233)	—	13,261	2,454
Dividends payable	2,005	(20,590)	—	20,672	2,087
	340,152	(35,927)	656	58,958	363,839

	January 1, 2024	Cash flows	Foreign exchange movement (in million pesos)	Others	2024
Interest-bearing financial liabilities	254,798	24,722	1,698	368	281,586
Lease liabilities	47,546	(12,079)	100	18,471	54,038
Derivative financial liabilities	1,033	704	—	(1,640)	97
Accrued interests and other related costs	2,157	(10,740)	—	11,009	2,426
Dividends payable	1,912	(20,750)	—	20,843	2,005
	307,446	(18,143)	1,798	49,051	340,152

Others include the effect of accretion of long-term borrowings, effect of recognition and accretion of lease liabilities, unrealized mark-to-market losses of derivative financial instruments, effect of accrued but not yet paid interest on interest-bearing loans and borrowings and dividend declarations.

Non-cash Investing Activities

The following table shows our significant non-cash investing activities and corresponding transaction amounts as at December 31, 2025 and 2024:

	2025	2024
	(in million pesos)	
Acquisition of property and equipment on account	21,158	19,219
Additions to ROU assets	20,808	15,607
Capitalization to property and equipment of:		
Inventories	2,196	4,128
Foreign exchange differences – net	308	686
Additional interest in investment in associates	594	—
Transfers from(to) property and equipment	851	(417)
	45,915	39,223

Non-cash Financing Activities

The following table shows our significant non-cash financing activities and corresponding transaction amounts as at December 31, 2025 and 2024:

	2025	2024
	(in million pesos)	
Additions to lease liabilities	20,800	15,607

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and Board of Directors
PLDT Inc.
Ramon Cojuangco Building
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PLDT Inc. and its subsidiaries (the PLDT Group) as of December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 and have issued our report thereon dated February 26, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the PLDT Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as of December 31, 2025, and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Lucy L. Chan

Lucy L. Chan
Partner
CPA Certificate No. 88118
Tax Identification No. 152-884-511
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 88118-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-046-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10765026, January 2, 2026, Makati City

February 26, 2026



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and Board of Directors
PLDT Inc.
Ramon Cojuangco Building
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PLDT Inc. and its subsidiaries (the PLDT Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 26, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the PLDT Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Lucy L. Chan

Partner

CPA Certificate No. 88118

Tax Identification No. 152-884-511

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 88118-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-046-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765026, January 2, 2026, Makati City

February 26, 2026



PLDT INC.

Annex A. Financial Soundness Indicators
December 31, 2025 and 2024

	December 31,	
	2025	2024
Current Ratio ⁽¹⁾	0.44:1.0	0.34:1.0
Acid Test Ratio ⁽²⁾	0.27:1.0	0.22:1.0
Solvency Ratio ⁽³⁾	0.32:1.0	0.33:1.0
Net Debt to Equity Ratio ⁽⁴⁾	2.24:1.0	2.37:1.0
Net Debt to EBITDA Ratio ⁽⁵⁾	2.56:1.0	2.52:1.0
Total Debt to EBITDA Ratio ⁽⁶⁾	2.67:1.0	2.61:1.0
Asset to Equity Ratio ⁽⁷⁾	5.00:1.0	5.40:1.0
Liability/Asset to Equity/Asset Ratio ⁽⁸⁾	80:20	81:19
Interest Coverage Ratio ⁽⁹⁾	3.35:1.0	3.96:1.0
Net Profit Margin ⁽¹⁰⁾	14%	15%
Return on Assets ⁽¹¹⁾	5%	5%
Return on Equity ⁽¹²⁾	25%	29%
EBITDA Margin ⁽¹³⁾	52%	52%

- Current ratio is measured as current assets divided by current liabilities.
- Acid test ratio is measured as total of cash and cash equivalents, short-term investments and trade and other receivables divided by total current liabilities.
- Solvency ratio is measured by adding back non-cash expenses to the net income after tax divided by total debt (long-term debt, including current portion.)
- Net Debt to equity ratio is measured as total debt (principal amount of long-term debt, including current portion, i.e., excluding debt issuance cost) less cash and cash equivalents, short-term investments and debt instruments at amortized cost divided by total equity attributable to equity holders of PLDT.
- Net Debt to EBITDA ratio is measured as total debt (principal amount of long-term debt, including current portion, i.e., excluding debt issuance cost) less cash and cash equivalents, short-term investments and debt instruments at amortized cost divided by EBITDA, for the year.
- Total Debt to EBITDA ratio is measured as total debt (principal amount of long-term debt, including current portion, i.e., excluding debt issuance cost) divided by EBITDA for the year.
- Asset to equity ratio is measured as total assets divided by total equity attributable to equity holders of PLDT.
- Liability/Asset to equity/asset is the proportion between liability and equity to the total assets.
- Interest coverage ratio is measured by EBIT, or earnings before interest and taxes for the year, divided by total financing cost less interest income for the year.
- Net profit margin is derived by dividing net income for the year with total revenues for the year.
- Return on assets is measured as net income attributable to equity holders of PLDT for the year divided by average total assets.
- Return on Equity is measured as net income attributable to equity holders of PLDT for the year divided by average total equity attributable to equity holders of PLDT.
- EBITDA margin for the year is measured as EBITDA divided by service revenues for the year.

EBITDA for the year is measured as net income for the year excluding depreciation and amortization, amortization of intangible assets, asset impairment on noncurrent assets, financing cost, interest income, equity share in net earnings (losses) of associates and joint ventures, foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net, provision for (benefit from) income tax and other income (expenses) – net, MRP and non-recurring income (expenses) for the year.

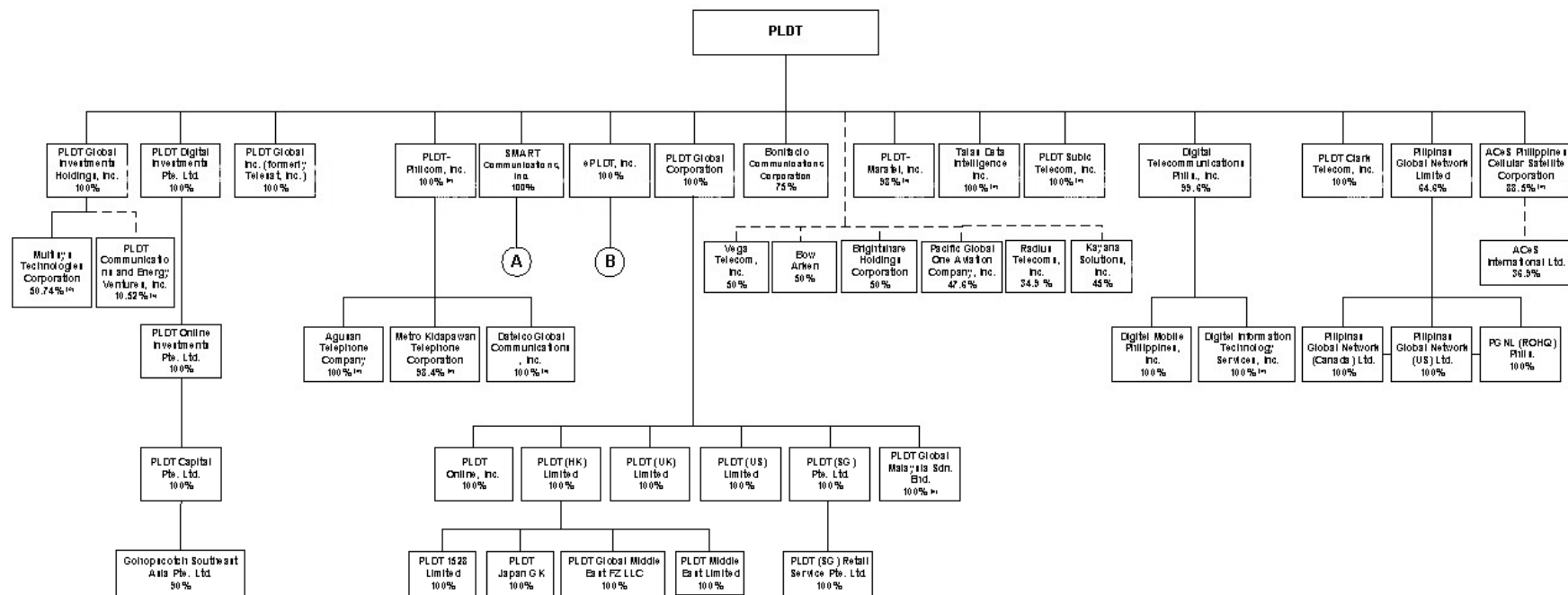
PLDT INC.**Annex B. Reconciliation of Retained Earnings Available for Dividend Declaration**
December 31, 2025

	(in million pesos)
Consolidated unappropriated retained earnings as at December 31, 2024	33,901
Effect of PAS 27 adjustments	1,405
Parent Company's unappropriated retained earnings at beginning of the year	35,306
Adjustments: Unrealized gains in prior years:	
Fair value adjustments of investment property resulting to gain	(1,385)
Deferred Tax Assets	(2,196)
Unrealized foreign exchange gains – net (except those attributable to cash and cash equivalents)	(2,590)
Fair value adjustments (market-to-market gains)	(8,696)
Parent Company's unappropriated retained earnings available for dividends as at January 1, 2025	20,439
Add: Net income actually earned/realized during the year	
Parent Company's net income for the year	26,293
Less: Non-actual/unrealized income – net of tax	
Fair value adjustments (mark-to-market gains)	(1,211)
Fair value adjustment of real property resulting to gain	(282)
	24,800
Less: Cash dividends declared during the year	
Preferred stock	(59)
Common stock	(20,525)
	(20,584)
Parent Company's unappropriated retained earnings available for dividends as at December 31, 2025	24,655

As at December 31, 2025, our consolidated unappropriated retained earnings amounted to Php43,328 million while the Parent Company's unappropriated retained earnings amounted to Php42,255 million. The difference of Php1,073 million pertains to the effect of PAS 27, Separate Financial Statements, in our investments in subsidiaries, associates and joint ventures accounted for under the equity method.

PLDT INC.

Annex C. Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-Subsidiaries, Associates, Wherever Located or Registered
December 31, 2025



Legend

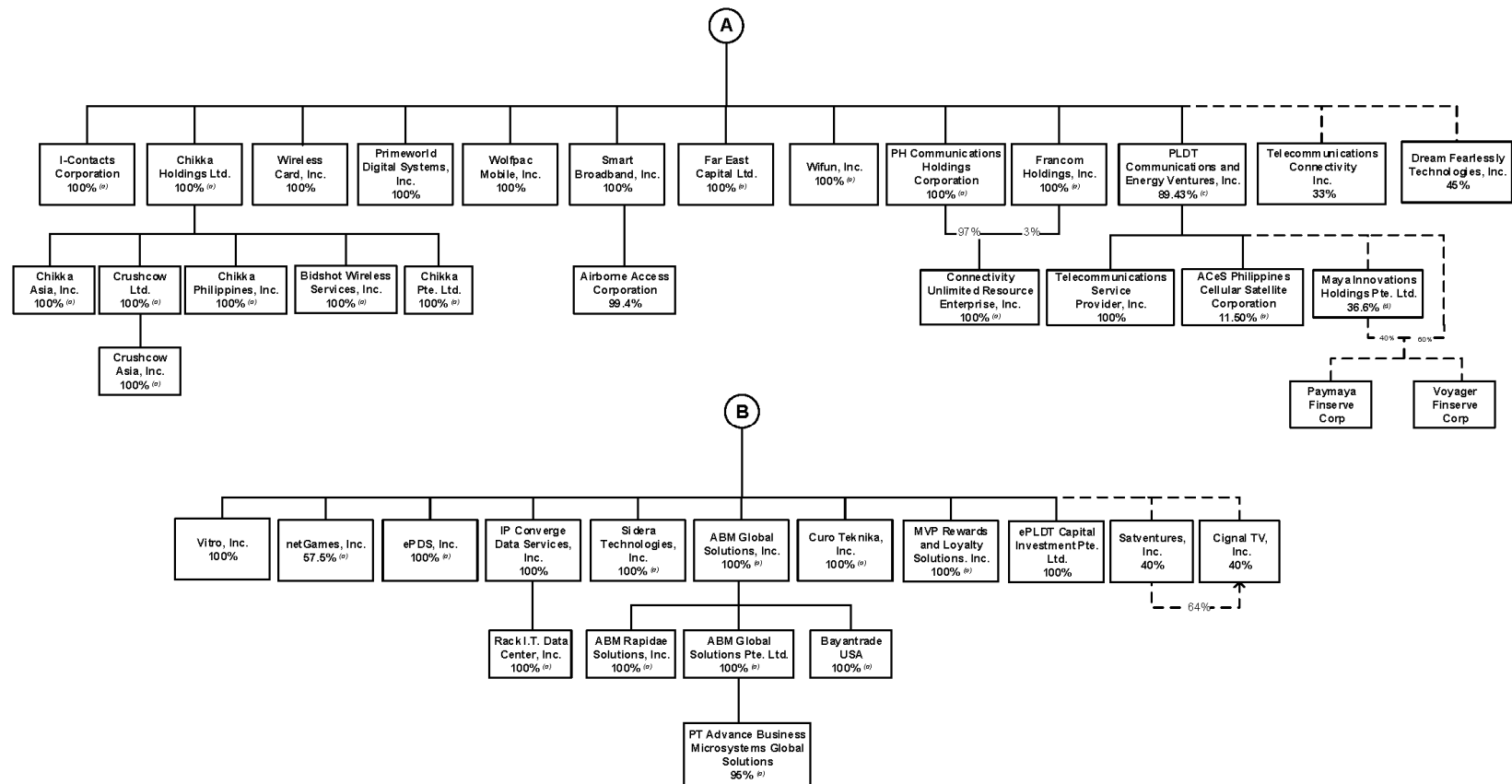
— — — — Joint Ventures and Associates

(iv) *Ceased commercial operations.*

(iv) On January 5, 2024 PLDT Global Investments Holdings, Inc. sold 227 common shares of MultiSys Technologies Corp, thereby decreasing its ownership from 50.72 to 45.73. On April 2, 2025, PGHH entered into a share purchase agreement to buy 228 common shares thereby increasing its ownership from 45.73% to 50.74%.

(2) On February 16, 2024 SEC has approved PLDT Communications and Energy Ventures, Inc.'s application for increase in capital stock between Smart Communications, Inc and PLDT Global Investments Holdings, Inc, which decreases Smart's ownership interest to 89.43% and increase PGIH's ownership interest of 10.52%

(iv) Dissolved on July 16, 2025.



Legend:

----- Joint Ventures and Associates

^(a) Ceased commercial operations.

^(c) On February 16, 2024 SEC has approved PLDT Communications and Energy Ventures, Inc.'s application for increase in capital stock between Smart Communications, Inc. and PLDT Global Investments Holdings, Inc., which decreases Smart's ownership interest to 89.43% and increase PGIH's ownership interest of 10.52%.

^(d) On May 16, 2023, Accounting and Corporate Regulatory Authority (ACRA) Singapore approved the change in business name of Voyager Innovations Holdings Pte. Ltd. to Maya Innovations Holdings Pte. Ltd.

PLDT INC.Annex D. Supplementary Schedule of External Auditor-Fee Related Information
December 31, 2025 and 2024

	2025	2024
	(in millions)	
Total Audit Fees	Php52	Php51
Non-audit service fees:		
Other Assurance Services	6	7
Tax Services	—	1
All other services	5	5
Total Non-audit Fees	11	13
Total Audit and Non-audit Fees	Php63	Php64

PLDT INC. AND SUBSIDIARIES

Annex E. Supplementary Schedules Required by Annex 68-J

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

December 31, 2025

	December 31, 2024	Additions	Collections	December 31, 2025
	(in millions)			
ABM Global Solutions Pte.Ltd.	—	52	—	52
ACeS Philippines Cellular Corporation	18	—	—	18
Airborn Access	4	—	—	4
BayanTrade	—	162	—	162
Bayantrade USA	—	—	—	—
Bonifacio Communications Corporation	9	—	—	9
Chikka Holdings, Ltd.	—	122	—	122
Chikka Phils, Inc.	1,232	71	—	1,303
Chikka Pte Ltd.	—	159	(890)	(731)
Connectivity Unlimited Resource Enterprise, Inc.	1,226	335	—	1,561
CrushCow Ltd.	—	—	—	—
Curo Teknika, Inc.	—	13	(26)	(13)
Datelco Global Communications, Inc.	—	—	—	—
Digital Telecommunications Phils., Inc	13,045	—	(36)	13,009
Digitel Mobile Philippines, Inc.	12	15	(1)	26
ePDS, Inc.	10	18	—	28
ePLDT Inc.	4,396	1,306	(575)	5,127
Francom Holdings, Inc.	—	—	—	—
Gohopscotch Southeast Asia Pte. Ltd	—	2	—	2
IP Converge Data Services, Inc.	(2)	106	(5)	99
iCommerce Pte Ltd	—	2	—	2
London-Manila Express Limited	—	26	—	26
Mabuhay Satellite Corporation	—	0	—	—
Maranao Telephone, Inc.	—	0	—	—
Metro Kidapawan Telephone Corporation	6	3	—	9
Multisys Technologies Corporation	56	164	—	220
MVP Rewards and Loyalty Solutions, Inc.	1	1	(29)	(27)
Netgames, Inc.	—	6	—	6
Pacific Global One Aviation	—	—	—	—
Pilipinas Global Network Limited	—	163	—	163
PGNL Canada	—	94	—	94
PGNL ROHQ Phils.	556	24	—	579
PGNL US	—	104	—	104
PH Communications Holdings Corporation	—	—	—	—
Philcom Corporation	51	9	—	60
Philippine Long Distance Telephone Company	1,990	2,298	(524)	3,764
PLDT (HK) Limited	(3)	33	—	30
PLDT (SG) Pte Ltd	—	—	(490)	(490)
PLDT (SG) Retail Service Pte Ltd	—	8	(2)	6
PLDT (UK) Limited	—	798	—	798
PLDT (US) Limited	52	37	(50)	39
PLDT 1528 Limited	1	253	—	254
PLDT Capital PTE LTD	—	43	—	43
PLDT Clark Telecom, Inc.	100	181	(1)	279
PLDT Communication and Energy Ventures, Inc.	1	5	—	6
PLDT Digital Investments PTE LTD	—	296	—	296

	December 31, 2024	Additions	Collections	December 31, 2025
		(in millions)		
PLDT Global (Phils.) Corporation	3	2,688	(1)	2,690
PLDT Global Corporation	401	3,870	(1,312)	2,959
PLDT Japan GK	—	419	—	419
PLDT Online Inc.	—	537	—	537
PLDT Online Investments PTE LTD	—	1	(162)	(161)
Primeworld Digital Systems, Inc.	591	3	—	594
PT Advance Business Microsystems Global Solutions	—	125	—	125
Rack I.T. Data Center, Inc	—	198	—	198
Smart Broadband Inc.	1	2	(10)	(7)
Smart Communications Inc.	6,322	2,696	(371)	8,647
Subic Telecommunications Company, Inc.	26	1	—	27
Talas Data Intelligence, Inc.	—	1	—	1
Telecommunications Service Provider, Inc.	—	—	—	—
Telesat, Inc.	52	21	(78)	(6)
VITRO INC.	1,058	639	(587)	1,109
Wolfpac Mobile, Inc.	—	—	—	—
	Php31,213	Php18,108	(Php5,150)	Php44,171

All receivables eliminated during the consolidation of financial statements are classified as current. There were no receivables written off during the year.

PLDT INC. AND SUBSIDIARIES

Annex E. Supplementary Schedules Required by Annex 68-J

Schedule D. Long-term Debt

December 31, 2025

Name of Issuer and Type of Obligation	Total Outstanding	Amount shown as Current		Amount shown as Non-Current	
	Balance	Debt Discount/ Debt Issuance Cost		Debt Discount/ Debt Issuance Cost	
		Gross Amount		Gross Amount	
(In Millions)					
<i>U.S. Dollar Debts:</i>					
Fixed Rate Notes					
The Bank of New York Mellon, London Branch US\$300M Global Bonds Due 2031	Php17,468	Php —	(Php31)	Php17,637	(Php138)
The Bank of New York Mellon, London Branch US\$300M Global Bonds Due 2050	17,311	—	(8)	17,637	(318)
	34,779	—	(39)	35,274	(456)
Term Loans:					
Others					
PNB \$140M Term Loan	Php4,100	Php823	(Php6)	Php3,292	(Php9)
	4,100	823	(6)	3,292	(9)

Name of Issuer and Type of Obligation	Total Outstanding	Amount shown as Current		Amount shown as Non-Current	
	Balance				
		Gross Amount	Debt Discount/ Debt Issuance Cost	Gross Amount	Debt Discount/ Debt Issuance Cost
		(In Millions)			
Philippine Peso Debts:					
Term Loans:					
Unsecured Term Loans:					
UBP P8.0B Term Loan	Php7,689	Php80	Php45	Php7,440	Php124
BPI 10B	9,756	100	(5)	9,700	(39)
BPI 1B	960	10	—	950	—
BPI 2B	1,785	20	(29)	1,840	(46)
BPI 2B	1,920	20	—	1,900	—
BPI 3B	2,866	30	(2)	2,850	(12)
BPI 3B	2,865	30	(2)	2,850	(13)
BPI 4.5B	4,215	45	(4)	4,185	(11)
BPI 4B	3,820	40	(2)	3,800	(18)
BPI 5B	4,777	50	(4)	4,750	(19)
BPI P2B	1,960	20	—	1,940	—
BPI P11B	10,921	110	(7)	10,890	(72)
BPI P3B	2,784	30	(2)	2,760	(4)
BPI - 8B	7,814	79	(6)	7,783	(42)
MBTC P3B	2,758	30	(2)	2,730	(0)
MBTC P3B	2,896	30	(2)	2,880	(12)
MBTC P4B	3,933	40	(3)	3,920	(24)
MBTC P3B	2,896	30	(2)	2,880	(12)
MBTC P4B	3,862	40	(2)	3,840	(16)
MBTC P5B	4,499	4,500	(1)	—	—
MBTC P8.5B	8,388	85	(3)	8,330	(24)
MBTC P13B	12,907	130	(9)	12,870	(84)
MBTC P500M	496	5	(1)	495	(3)
SBC P2B	1,830	20	—	1,810	—
SBC P8B	6,715	160	(4)	6,560	(1)
SBC P4B	1,827	20	(2)	1,810	(1)
BDO - P7.5B	7,376	75	(5)	7,350	(44)
BDO P5B	4,698	50	(12)	4,700	(40)
BDO - P4.47B	4,395	45	(3)	4,380	(27)
BDO 1B	960	10	—	950	—

Name of Issuer and Type of Obligation	Total Outstanding Balance	Amount shown as Current		Amount shown as Non-Current	
	Gross Amount	Debt Discount/ Debt Issuance Cost	Gross Amount	Debt Discount/ Debt Issuance Cost	
		(In Millions)			
BDO P3B	Php2,808	Php30	(Php10)	Php2,820	(Php32)
BDO P3B	2,870	30	(3)	2,850	(7)
BDO P3B	2,730	2,730	0	—	0
BDO P2B	1,980	20	0	1,960	0
BDO P3B	2,950	30	(2)	2,940	(18)
BDO P3B	2,978	30	(2)	2,970	(20)
BDO P5B	4,815	49	(4)	4,802	(32)
PNB P2B	1,878	1,880	(2)	—	0
PNB 4B	3,706	40	(45)	3,720	(9)
PNB P1B	907	10	(7)	910	(6)
LBP P3.5B	3,220	35	—	3,185	—
LBP P3B	2,839	30	(2)	2,820	(9)
LBP P1.5B	1,396	15	(0)	1,380	1
LBP P1B	889	10	(16)	920	(25)
LBP P2.5B	2,400	25	—	2,375	—
LBP P2B	1,789	20	(29)	1,840	(42)
LBP P3.5B	3,217	35	(2)	3,185	(1)
LBP P3B	2,838	30	(2)	2,820	(10)
LBP P5.5B	5,358	55	(4)	5,335	(28)
LBP P2B	1,842	20	(9)	1,840	(9)
LBP P3B	2,868	30	(2)	2,850	(10)
LBP P3B	2,867	30	(2)	2,850	(11)
LBP P4B	3,784	40	(3)	3,760	(13)
LBP P4B	3,824	40	(3)	3,800	(13)
DBP P5B	4,732	50	(19)	4,750	(49)
DBP P5B	4,838	50	(3)	4,800	(9)
DBP P4B	3,827	40	(3)	3,800	(10)
BANK OF CHINA P2B	1,878	1,880	(2)	—	0
BANK OF COMMERCE P2.8B	2,753	28	(2)	2,744	(17)
BANK OF COMMERCE P1B	980	10	0	970	0

Name of Issuer and Type of Obligation	Total Outstanding Balance	Amount shown as Current		Amount shown as Non-Current	
		Gross Amount	Debt Discount/ Debt Issuance Cost	Gross Amount	Debt Discount/ Debt Issuance Cost
	(In Millions)				
CHINA BANK P10.5B	Php10,251	Php105	Php4	Php10,185	(Php35)
CHINA BANK P8B	4,668	800	(44)	4,000	(88)
RCBC P4B	3,739	40	(26)	3,760	(35)
RCBC P3B	2,867	30	(2)	2,850	(11)
RCBC P4B	3,896	40	(2)	3,880	(22)
RCBC P4B	3,822	40	(3)	3,800	(15)
MUFG P2.5B	949	950	(1)	—	0
HSBC - P1B	950	50	0	900	0
HSBC - P2B	1,888	100	(3)	1,800	(9)
PVB - P530M	525	5	0	520	0
PVB - P2B	1,985	20	(2)	1,980	(13)
	255,870	15,436	(336)	241,814	(1,047)
Total Long-term Debt	Php294,748	Php16,259	(Php379)	Php280,380	(Php1,512)
Short Term Debt					
Philippine Peso Debts:					
BDO - P300M	Php300	Php300	Php —	Php —	Php —
Total Short-term Debt	Php300	Php300	Php —	Php —	Php —
TOTAL Debt	Php295,048	Php16,559	(Php379)	Php280,380	(Php1,512)

See Note 20 – *Interest-bearing Financial Liabilities* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements.”

PLDT INC.

Annex E. Supplementary Schedules Required by Annex 68-J

Schedule G. Capital Stock

December 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued And Outstanding	Number of Shares Reserved For Options, Warrants, Conversion and Other Rights	Number of Shares Held By Related Parties	Directors and Executive Officers ⁽¹⁾	Others
(In Millions)						
Preferred Stock	538	450	—	450	—	—
Non-Voting Preferred Stock (Php10 par value)	388	300	—	300	—	—
Cumulative Convertible Series II to JJ	88	— ⁽²⁾	—	—	—	—
Cumulative Nonconvertible Series IV	300	300 ⁽³⁾	—	300 ⁽³⁾	—	—
Voting Preferred Stock (Php1 par value)	150	150	—	150	—	—
Common Stock (Php5 par value)	234	216	—	123 ⁽⁴⁾	2	91

1) Consists of 1,551,250 common shares directly and indirectly owned by directors and executive officers as at December 31, 2025.

2) On June 8, 2015, the Company issued 870 shares of Series JJ 10% Cumulative Convertible Preferred Stock, which are currently outstanding. On January 28, 2020, the Board of Directors approved the redemption of PLDT's Series JJ 10% Cumulative Convertible Preferred Stock which were issued in the year 2014, effective May 12, 2020. In April 2011, the Company issued 370 shares of Series II 10% Cumulative Convertible Preferred Stock, all of which were redeemed by May 11, 2016.

3) Includes 300,000,000 shares subscribed for Php3,000,000,000, of which Php360,000,000 has been paid.

4) Represents approximately 25.57% beneficial ownership of First Pacific Group and its Philippine affiliates, and 20.35% beneficial ownership of NTT Group in PLDT's outstanding shares.

Exhibit 1

SEC Number

PW-55

File Number

PLDT INC.

(Company's Full Name)

Ramon Cojuangco Building Makati Avenue, Makati City

(Company's Address)

(632) 8816-8534

(Telephone Number)

December 31st

(Fiscal Year Ending) (month & day)

Sustainability Report

Report

December 31, 2025

Period Ended Date

Melissa V. Vergel de Dios

(Highest ranking person responsible for this report)

SECURITIES AND EXCHANGE COMMISSION

SUSTAINABILITY REPORT

[PURSUANT TO MEMORANDUM CIRCULAR No. 4, SERIES OF 2019 OF THE SECURITIES AND EXCHANGE COMMISSION]

- Name of Organization: **PLDT Inc.**
- Location of Headquarters: **Ramon Cojuangco Building, Makati Avenue, Makati City**
- Location of Operations: **Nationwide**
- Report Boundary: **Legal Entities (e.g. subsidiaries) included in this report: PLDT Inc., Smart Communications, Inc., ePLDT, Inc., VITRO Inc., PLDT Global Corporation, and Maya Innovations Holdings.**
- Brand Model, including Primary Activities, Brands, Products, and Services:

PLDT Inc. (PLDT) is the leading fully integrated telecommunications and digital services provider in the Philippines. PLDT offers a wide range of telecommunications and digital services across the Philippines' most extensive fiber optic backbone, fixed line, and cellular networks. PLDT is listed on the Philippine Stock Exchange (PSE:TEL) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE:PHI). PLDT has one of the largest market capitalizations among Philippine-listed companies.

PLDT Home is the Philippines' most trusted telco and digital services provider, offering broadband data services and smart home solutions powered by a robust fiber-to-the-home (FTTH) network that enables future-ready innovations to Filipino homes. PLDT's FTTH fixed line network has the country's most extensive transmission and distribution infrastructure.

PLDT Enterprise is the corporate business arm of PLDT, the leading telecommunications and digital services provider in the Philippines. Dedicated to delivering innovative fixed-line, wireless, and ICT solutions, PLDT Enterprise enables businesses to adapt to evolving technological needs, optimize efficiency, continuity, and connectivity, and enhance customer experience. With a strong commitment to doing business responsibly, PLDT Enterprise aims to contribute to the United Nations Sustainable Development Goals by enabling digital transformation, championing meaningful innovations, and bridging the digital divide.

ePLDT, Inc. (ePLDT) is the industry-leading digital transformation partner of enterprises in the Philippines. Leveraging the expertise and world-class telecommunication infrastructure of the PLDT Group, ePLDT delivers secure multi-cloud, cybersecurity, data and AI, and data center solutions that enable enterprises to achieve their digital transformation goals.

ePLDT's data center solutions are offered through its subsidiary, VITRO, Inc., helping local, global, and hyperscale clients safeguard their mission-critical operations.

VITRO Inc. (VITRO) is the pioneer in hyperscale-grade data centers in the Philippines. It provides secure, reliable, and compliant data center solutions that empower the mission-critical operations of its enterprise and hyperscale clients. Established under ePLDT in 2000, VITRO has the largest local data center footprint, leveraging over 25 years of industry experience and expertise.

PLDT Global Corporation (PGC) is the international arm of PLDT Inc., delivering world-class connectivity and innovative digital solutions to Filipinos and enterprises worldwide. Committed to empowering global communities, PLDT Global provides reliable, tailored services that enable seamless communication and support the digital transformation of Overseas Filipinos and businesses across international markets.

Multisys Technologies Corporation, a leading software solutions company that provides a wide range of cost-effective, full-scale software services, system platforms, and integration, being used by more than 2,500 companies and organizations in the Philippines and the Asia-Pacific region. Operating for over 15 years now, it holds 17 copyrighted solutions and more than 90 comprehensive system modules developed by a team of full-stack developers and elite programmers.

Smart Communications, Inc. (Smart) is a wholly owned wireless communications and digital services subsidiary of PLDT, Inc., the Philippines' leading integrated telecommunications company. Smart serves approximately 97% of the country's population, providing mobile communications services, high-speed internet connectivity, and access to digital services and content to Filipinos, supporting the country's growing digital economy, and providing the best customer experience for an increasingly digital Filipino lifestyle.

Maya Innovations Holdings Pte. Ltd. (MIH) is the ultimate parent holding company of Maya Philippines, Inc. (formerly PayMaya Philippines, Inc.) and Maya Bank.

Maya Philippines is registered with the BSP as an electronic money issuer, remittance and transfer company, operator of payments system, and virtual asset services provider. Maya Bank is one of only six digital banks in the Philippines licensed by the BSP.

Together, Maya Philippines and Maya Bank power the platforms under the Maya group, providing the next generation of integrated financial products to both consumers and businesses in the Philippines.

Maya continues to scale its consumer and business platforms to grow its ecosystem, expanding its portfolio of fully integrated financial services for its customers. As digital payments and banking adoption accelerate in the country, Maya's approach enables it to drive financial penetration and reinforce its position as a leading player in the Philippines' digital financial landscape.

Kayana Solutions Inc. (Kayana) is a data-powered digital experience company that harnesses the data assets of the MVP Group to enable superior and hyper-personalized customer experiences, paving the way for a radical change in customer engagement across the MVP Group. We aim to be a beacon of digital possibilities that continuously uplifts Filipino lives and propels the Philippines towards a more progressive, thriving future.

Kayana is jointly owned by PLDT, MPIC and Meralco.

- Reporting Period: **For the year ended on December 31, 2025**
- Highest Ranking Person responsible for the report: **Melissa V. Vergel de Dios**, Chief Sustainability Officer

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CERTAIN CONVENTIONS AND TERMS USED IN THIS SUSTAINABILITY REPORT

Unless the context indicates or otherwise requires, references to “Company” “we” or “PLDT Group” in this sustainability report mean PLDT Inc. and its subsidiaries, Smart, ePLDT, VITRO, and PGC, and references to “PLDT” mean PLDT Inc., excluding subsidiaries.

Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding. In this sustainability report, the following terms are used:

- *Board of Directors* – the board of directors of PLDT Inc.
- *Fixed Line or Fixed* – fixed-line telecommunications services including fiber home broadband primarily provided by PLDT. This also includes fixed line services such as data center, cloud, cyber security services, and managed information technology solutions through ePLDT, VITRO, and PGC.
- *Wireless* - mobile telecommunications services provided by Smart Communications, Inc. or Smart.

MATERIALITY PRINCIPLE

To ensure long-term profitability, the PLDT Group places people and the planet at the heart of its sustainability journey. Sustainability is not only a strategic pillar for the business but a commitment to creating meaningful, lasting impact. Our roadmap focuses on issues that matter most to our stakeholders, ensuring our actions generate economic value, enable inclusive digital access, respect human rights, protect the environment, and uphold responsible governance. By aligning with global environmental, social, and governance (ESG) standards and listening closely to those we serve, we work to embed sustainability into every aspect of our operations.

To drive this commitment forward, the Group advances initiatives organized under four key pillars and twelve material topics. These guide our efforts to generate positive outcomes: from using resources more efficiently and reducing greenhouse gas emissions, to enhancing customer experience, advancing digital inclusion, and supporting a culture of integrity and safety. Ongoing engagement with our stakeholders ensures these priorities stay relevant and responsive to evolving needs, expectations, and regulations.

PLDT Sustainability Pillar	Material Topic
Connection <i>Anchors on PLDT's purpose to continuously innovate, expand our digital infrastructure, and invest in the latest network technology to enable the best possible experience for our customers across segments.</i>	● Investments in Innovation and Infrastructure ● Digital Inclusion and Community Investments ● Customer Experience
Concern <i>Advocates respect and promotion of fundamental human rights and ensures that our operations deliver a positive impact on our employees, customers, and communities</i>	● Customer Welfare ● Employee Welfare ● Child Protection
Conservation <i>Aims to institutionalize consciousness of our environmental impact and actions to embed stewardship into our day-to-day operations.</i>	● Operational Resource Efficiency ● Circularity and Waste Management ● Climate-related Risk Management
Commitment <i>Reinforces our commitment to uphold the highest standards of corporate governance and business ethics.</i>	● Cybersecurity and Data Privacy ● Governance and Business Ethics ● Greening of the Supply Chain

The Board of Directors maintains oversight of our materiality, primarily through the Governance, Nomination, and Sustainability Committee (GNSC). Key sustainability strategies, policies, and progress updates are regularly presented to the Board. In addition, our material topics are discussed at the level of the Board's Risk Committee, as these complement and integrate into the implementation of enterprise risk management strategies.

Through our continuing focus on our materiality, we strive to contribute meaningfully to the Philippine Development Plan and the United Nations Sustainable Development Goals (UN SDGs). Our primary anchor -- **UN SDG 9: Industry, Innovation, and Infrastructure** -- reflects our purpose of enabling innovation, expanding digital access, and supporting resilient, sustainable industries that fuel inclusive economic growth. Our sustainability roadmap helps ensure that our actions today build a more connected, empowered, and future-ready Philippines.

PART I - ECONOMIC

Item 1. Economic Performance

Direct Economic Value Generated and Distributed

The following table summarizes our financial results for operations for the year ended December 31, 2025:

	Amount (in million PhP)
Direct economic value generated (revenue)	220,294
Direct economic value distributed:	
a. Operating costs	76,036
b. Employee wages and benefits	22,767
c. Payments to suppliers, other operating costs	*
d. Dividends given to stockholders and interest payments to loan providers	33,823
e. Taxes given to government	7,984
f. Investments to community (e.g. donations, CSR)	452

**Payments to suppliers amounting to PhP24,541 million are already part of the Operating Costs*

Impacts and Management Approach

The PLDT Group contributes to national development by supporting the country's digital transformation agenda and improving access to reliable connectivity. The Group's initiatives are designed to expand digital participation, strengthen service availability, and enhance the ability of individuals, households, enterprises, and vulnerable sectors to benefit from emerging technologies.

The Group focuses on solutions that address evolving customer requirements, enable secure communication, access to essential services, and continuity of daily activities. These efforts help broaden economic participation, enhance community resilience, and promote inclusive growth across various sectors.

Investments in digital infrastructure remain a core priority. As of end-December 2025, the Group's fiber network, domestic and international, reached over 1.2 million kilometers, with coverage extending to about 19.4 million homes across the country, covering over 74% of the country's towns and around 91% of provinces. These investments, including the Asia Direct Cable (ADC) which reached operational and commercial readiness in the first quarter of 2025 and the ongoing construction of Apricot cable, support improved service quality, enhance network reliability, strengthens international connectivity, and reinforce the Philippines' position as an emerging regional hyperscale hub.

The Group also advances financial inclusion through digital financial services offered by Maya Philippines and Maya Bank, providing secure and accessible platforms that support broader participation in the digital economy.

Risks and Management Approach

PLDT employs a balanced approach to risk management, guided by a risk appetite hierarchy that supports the Company's objective of optimizing its financial position while upholding investment-grade ratings and established dividend policies. This discipline is reinforced by prudent financial management practices, including structured approval processes that ensure appropriate oversight of material spending.

The PLDT Group continues to navigate a rapidly shifting business environment shaped by active competition, accelerating digitalization, regulatory developments, and sustainability-related requirements. To address this complexity, the Group maintains a disciplined and dynamic Enterprise Risk Management Framework (ERMF) that embeds risk considerations into strategic planning, capital allocation, and operational decision-making. ERMF operates enterprise-wide, enabling the organization to identify, assess, and respond to risks with greater accuracy and speed through enhanced linkages among risk governance bodies and strengthened collaboration with oversight

units. Regular top-risk assessments and quarterly reviews by the Board Risk Committee ensure that material risks are continuously monitored and mitigated. Complementing this, the Joint Risk Interviews conducted with Internal Audit enable a comprehensive, bottom-up capture of risks across the enterprise. Insights from this process anchor the identification of the company's Top Enterprise Risks and related assurance activities, ensuring that enterprise priorities remain aligned with operational realities.

In 2025, PLDT and Smart identified the following as top enterprise risks:

1. Increased competition in a transforming market
2. Targeted CAPEX upgrades enabling growth
3. Managing cash flow and financial commitments
4. Compliance in an evolving regulatory environment
5. Maintaining cyber resilience in an AI-threatened landscape
6. Optimizing vendor value for strategic gains
7. Governance and management of data environments
8. Governing organizational change to meet evolving market needs
9. Impact of climate change and nature-related conditions on business operations and financial statements
10. Operationalizing the ESG agenda

Recognizing that risk drivers continue to shift amid technological advances, regulatory and geopolitical developments, climate-related impacts, and changing customer expectations, PLDT continues to build strategic resilience by strengthening its risk culture. This includes targeted capability building, cross-functional awareness initiatives, and the refinement of structured methodologies—such as Enterprise Risk Management (ERM) - led workshops that equip Business Units with practical tools to improve operational risk management. Additional workshops for other units are planned for 2026 to further embed consistent risk ownership across the organization.

PLDT's Form 20-F features a more in-depth discussion of risk factors.

Opportunities and Management Approach

The wide gap between high- and low-income communities reinforces the urgent need to expand equitable access to essential services and economic opportunities. The PLDT Group is committed to investing in its network not only to meet rising connectivity demands but also to reach underserved and geographically isolated communities that remain excluded from meaningful digital participation.

We focus on enabling real improvements in people's lives, supporting innovation, local entrepreneurship, and broader economic activity by providing reliable, affordable, and accessible digital services. By opening pathways to connectivity, we enable individuals and communities to unlock opportunities that strengthen their social and economic well-being.

The expansion of digital access comes with a heightened responsibility to safeguard vulnerable users from online harm. We remain steadfast in our commitment to protecting our customers, including senior citizens, persons with disabilities, indigenous peoples communities, and other vulnerable sectors, against various cyber threats through a robust cybersecurity infrastructure and year-round awareness programs that promote safe and responsible digital habits. We also endeavor to champion a digital environment that upholds children's rights and protects young users from exploitation and abuse. Guided by our Human Rights and Child Safeguarding Policies, we embed child rights-related practices across our systems, processes, products and services, and operational protocols.

To advance this commitment, we invested in a custom-built Child Protection Platform (CPP), a pioneering cybersecurity solution that blocks online sexual abuse and exploitation of children (OSAEC) and child sexual abuse and exploitation materials (CSAEM) at the domain and content level. This initiative incorporates technology from Palo Alto Networks and operationalizes our active subscription to the intelligence data of global watchdogs, such as the WeProtect Global Alliance, the Internet Watch Foundation (IWF), and the Canadian Centre for Child Protection (C3P).

We also include children and youth in our materiality assessment and conduct periodic consultations with them to understand from their perspective the various issues that impact their rights in the digital environment. In addition, we collaborate closely with national and international stakeholders—including the National Coordination Center Against OSAEC and CSAEM, National Telecommunications Commission, the International Justice Mission, and other child-rights advocates—to strengthen knowledge-sharing and monitor emerging threats. Our ongoing work with UNICEF advances the adoption of the Children’s Rights and Business Principles, reinforcing our commitment towards child-friendly practices in the workplace, marketplace, community, and environment.

Opportunities of the top risks

The PLDT Group recognizes that customers depend on our products and services for education, business, entertainment, and connectivity. And as such, PLDT continues to make a lasting positive impact on the lives of Filipinos. Therefore, strategic approaches have been implemented to manage and mitigate the top risks that may derail the delivery of the Group’s services.

	TOP RISKS	OPPORTUNITIES
1	Increased competition in a transforming market	- Differentiate through customer experience by deploying AI-enabled churn prediction and personalized offers to strengthen loyalty in high-risk segments. - Leverage integrated fixed–wireless solutions to capture share from converging markets and unlock cross-sell opportunities.
2	Targeted CAPEX upgrades enabling growth	- Accelerate modernization to enhance network quality, improving competitive positioning and enabling premium service offerings. - Improve CAPEX efficiency through data-driven prioritization, ensuring faster monetization and higher returns across fiber and wireless expansions.
3	Managing cash flow and financial commitments	- Regular monitoring of sources and uses of funds to achieve cash optimization - Expand strategic partnerships and explore alternative financing structures to reduce dependency on debt-heavy models. - Utilize financial hedging and tighter liquidity management to protect against FOREX swings and rising capital costs
4	Compliance in an evolving regulatory environment	- Keeping abreast of developments in the regulatory environment to anticipate and prepare for any impact on operations - Position compliance excellence as a differentiator to build stakeholder trust, especially in a tightening digital governance environment
5	Maintaining cyber resilience in an AI-threatened landscape	- Reinforce platform trust through AI-enhanced threat detection, reducing breach incidents and improving customer confidence. - Monetize cybersecurity capabilities by extending cyber-as-a-service offerings to enterprise clients.
6	Optimizing vendor value for strategic gains	- Strengthen vendor governance to unlock savings from renegotiated terms and improved Service Level Agreement enforcement. - Deepen collaboration with key suppliers to accelerate innovation in deployment, maintenance, and resilience initiatives.
7	Governance and management of data environments	- Standardize data practices and accelerate AI governance maturity to harness analytics-driven efficiencies across customer, network, and financial operations. - Unlock enterprise value through lifecycle digitization and improved asset visibility, supporting better investment decisions.
8	Governing organizational change to meet evolving market needs	- Leverage organizational transformation to upskill the workforce for AI, cloud, and digital roles, improving productivity and agility. - Strengthen talent mobility and leadership development to support succession readiness in critical functions.
9	Impact of Climate Change and nature- related conditions on business operations and financial statements	- Advance climate adaptation investments (e.g., resilient sites, energy-efficient systems) to reduce long-term operational and financial exposure. - Tap opportunities for renewable energy sourcing and efficiency initiatives that lower emissions and operating costs
10	Operationalizing the ESG agenda	- Concept alignment across the organization to highlight imperatives for embedding sustainability in the business focused on material topics identified by the company’s stakeholders - Institutionalize enterprise-wide ESG data collection to unlock analytics that guide sustainability strategy and reporting.

ERM Digitization.

In 2025, PLDT advanced its ERM digitization journey by accelerating the adoption of ServiceNow GRC across key Second Line of Defense (2LoD) units (Business Continuity and Resiliency Office and Cyber Security Operations Group) as the unified platform for digitizing risk processes. This enterprise-grade system strengthens governance through standardized workflows, automated controls monitoring, enhanced incident and issue tracking, and streamlined reporting across risk domains. Integration efforts across 2LoD units support the development of a centralized, end-to-end digital risk ecosystem. This unified environment enhances real-time visibility of risk profiles and improves alignment across compliance, security, and governance functions.

Complementing platform modernization, PLDT expanded the use of AI-enabled insights through Copilot to enhance the Joint Risk Interviews process. AI capabilities support data synthesis, pattern detection, and summarization of executive inputs—improving efficiency, reducing manual workload, and elevating the quality of risk data captured for enterprise-level analysis.

Together, the automated platform adoption and AI-driven enhancements represent major steps in strengthening PLDT’s digital risk maturity, enabling smarter decision-making, faster risk response, and a more resilient and future-ready enterprise.

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Item 2. Climate-related Risks and Opportunities

PLDT recognizes that climate change increasingly affects the people and communities it serves, as well as the continuity of its operations. In line with its commitment to responsible stewardship, the Company aligns with PFRS S2 – Climate-related disclosures, to ensure that climate-related risks and opportunities are addressed with transparency and strategic intent.

Governance

The Board of Directors, through the Governance, Nomination and Sustainability Committee (GNSC), oversees the Company's sustainability direction and ensures that climate-related risks are managed in a way that protects customers, employees, and the public who rely on PLDT's services.

The Risk Committee (RC) oversees the PLDT Group's top risks, including climate-related exposures, and ensures that appropriate mitigation measures are in place to strengthen the Company's ability to safeguard its operations against climate-driven disruptions.

The Corporate Sustainability Office (CSO), headed by the Chief Sustainability Officer, and the Group Risk Management Department (GRMD), reporting to the Chief Risk Management Officer, work together to embed climate considerations in operational planning and decision-making so that business units can respond more effectively to the human and economic impacts of extreme weather events.

The Enterprise Business Continuity and Resilience Office (BCRO) reinforces the Company's disaster preparedness and response programs, helping prepare organization-wide business continuity plans to ensure that the company is able to operate during climate-related emergencies.

To institutionalize climate risk management, the Company integrates climate-related requirements into its enterprise risk governance, capital investments, and regulatory compliance. Employees with climate-related responsibilities carry dedicated sustainability KPIs, ensuring that adaptation strategies translate into real, measurable improvements in resilience for customers and communities.

Strategy

PLDT has identified key transition and physical risks that could impact its financial performance and long-term sustainability:

Transition Risks

Transition risks arise from regulatory changes, market shifts, and evolving consumer preferences as the global economy moves toward low-carbon operations. The primary transition risks identified by the Company include:

a) Policy & Legal Risks

Compliance with various laws:

- Electric Vehicle Industry Development Act (EVIDA) (Republic Act 11697) (- mandates the adoption of electric vehicles (EVs) including the replacement of 5% of its fleet to EV by 2034. This may entail additional CAPEX and a potential write-off in existing fleet assets.
- Energy Efficiency and Conservation Act (RA 11285) requiring high-energy consuming companies to adopt energy-efficient technologies and comply with energy-related audits, certifications, and reporting. This requires upskilling of selected workforce and investing in energy efficient technologies.
- Extended Producers Responsibility Act (RA11898) requires companies with assets exceeding ₱100 million and generating plastic packaging waste to manage the full environmental lifecycle of their products and to recover or remove an equivalent volume of the plastic they introduce into the market. Compliance with this regulation entails increased operating expenses for engaging accredited auditors and Producer Responsibility Organizations, as well as necessary adjustments to internal processes, including modifications to product packaging.

- Implementation of a carbon tax in the Philippines could result in additional financial liabilities. The Department of Finance secretary has called for the study of carbon pricing instruments in January 2024. The International Monetary Fund said the Philippines can initially impose a carbon tax of US\$20 per ton and eventually add US\$4 in the succeeding years, according to a report in 2023. Had this been implemented, PLDT's estimated carbon tax for 2025 would be approximately PhP1,215 million,

b) Technology Risks

The shift to a more energy-efficient network infrastructure (e.g., 5G deployment) entails significant capital investments and may give rise to potential operational disruptions.

While there is a pipeline of renewable energy sources in the Philippines, the current limited inventory of renewable power results in a continued reliance on coal-based energy to support the country's retail and institutional demand for energy.

Increased adoption of new technologies, including AI which involves higher computing capability, is expected to result in higher demand for power.

c) Market & Reputation Risks

Consumers and investors are increasingly favoring eco-friendly brands. Failure to meet sustainability expectations could lead to revenue and opportunity loss and higher financing costs.

Higher costs of raw materials and supply chain disruptions due to climate events and global climate policies could impact the availability and/or pricing of network infrastructure components.

Physical Risks

The Company recognizes that climate change directly affects the people and communities who depend on its services. Extreme weather events increasingly disrupt daily connectivity, damage vital infrastructure, and threaten the safety and well-being of customers, employees, and partners. To understand the scale of this impact, the Company conducted scenario-based climate risk assessments using three Representative Concentration Pathways (RCPs), with results summarized below.

Scenario	Projected Physical Risks by 2030
RCP 2.6 (Aggressive mitigation, <2°C warming)	45% of assets at high risk; 46% of customer base exposed to extreme weather
RCP 4.5 (Moderate mitigation, ~2°C warming)	59% of assets at high risk; potential revenue loss of 47%
RCP 8.5 (Business-as-usual, >4°C warming)	68% of assets at high risk; 73% of customer base exposed to severe weather events

Note: The vulnerability and risk exposure are currently being updated as of this report

Across scenarios, key climate-related hazards continue to pose significant threats:

- **Typhoons and Flooding:** Approximately 60% of the Company's assets and 53% of its revenue base are in high-risk areas. Damage to facilities can interrupt essential communication services, affecting households, businesses, emergency responders, and local governments.
- **Sea Level Rise:** Coastal infrastructure faces the risk of permanent inundation, which may disrupt connectivity in vulnerable communities and require substantial reinvestment to maintain service continuity.
- **Heat Waves and Water Stress:** Rising temperatures can strain power supply and cooling systems, increasing the risk of service outages that affect customers who rely on stable connectivity for work, education, health, and safety.

Climate-related Opportunities

While climate risks create real challenges for people, the transition to a low-carbon economy also presents opportunities to strengthen resilience and deliver broader benefits.

- Investments in a fiber-optic network and renewable-powered data centers: These initiatives offer more reliable and energy-efficient services for customers. Fiber networks and data centers are classified as low-carbon investments under the Low Carbon Investment (LCI) Registry Taxonomy.¹

¹ Source: Low Carbon Investment (LCI) Registry Taxonomy, https://www.iasj.org/wp-content/uploads/low_carbon_investment_registry_taxonomy.pdf

- Expansion of AI, IoT, and Machine Learning: Emerging technologies enable us to improve energy efficiency, anticipate climate-related disruptions, and enhance the customer experience through smarter, more adaptive networks.
- Partnerships for Renewable Energy: Ongoing initiatives to secure additional renewable energy sources help lower operational emissions. We also encourage our suppliers to adopt clean energy solutions, contributing collectively to the reduction of Scope 3 emissions across the value chain.

Risk Management

The PLDT Group recognizes that climate-related hazards directly affect the people and communities who depend on its services. Guided by the ISO 31000 framework, we integrate climate considerations into our ERM system to safeguard service continuity, protect stakeholders, and reduce the human and financial impacts of extreme weather events. We classify climate risks based on their potential to disrupt lives, impair operations, and create long-term socioeconomic consequences.

To strengthen resilience, the Company adopts the following strategies:

Disaster Resilience Investments

- We established a dedicated disaster recovery facility to help ensure uninterrupted service during climate-related emergencies. This facility enables faster restoration of connectivity that families, businesses, and emergency responders rely on.
- We reinforce network towers and critical infrastructure to withstand stronger typhoons, designing them to tolerate wind speeds of 240–340 km/h. These upgrades aim to reduce service interruptions that can affect communities during severe weather conditions.
- The Company relocates essential equipment to higher and safer ground to mitigate flood-related risks. This measure helps protect vital communication assets and supports continued access to essential services for customers in vulnerable areas.

Sustainable Business Practices

- We started to consider the inclusion of shadow carbon pricing into investment decisions, ensuring that long-term environmental and social impacts inform the development of new facilities and technologies.
- We are progressively phasing out older, energy-inefficient, and high-emission technologies, enabling a gradual transition toward more sustainable, reliable, and climate-resilient operations that better serve customers and reduce the Company's environmental footprint.
- We are conducting nationwide energy management trainings and carrying out energy audits for selected high-energy-consuming facilities.

Metrics & Targets

PLDT Group remains committed to reducing its greenhouse gas emissions and advancing climate action that benefits the communities it serves. The Company targets a 40% reduction in Scope 1 and Scope 2 GHG emissions by 2030, using 2019 as its baseline.

In 2025, the Company's carbon footprint reached 738,232 tCO₂e, net of 28,362 tCO₂e avoided through the increased use of renewable and green energy. These efforts demonstrate the Company's intent not only to lower operational emissions but also to contribute to a safer, more resilient environment for its customers, employees, and partner communities.

Item 3 - Procurement Practices

Proportion of Spending on Local Suppliers

The following table shows the proportion of spending on local suppliers for the year that ended on December 31, 2025:

	Quantity
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	86.43%

Impact and Management Approach

The PLDT Group considers high-quality procurement as essential support for sustainable growth. Efficient procurement management keeps the Group agile, resilient, and innovative while fulfilling its brand promise and adding value to customers.

We have a network of qualified local and international suppliers and service providers who have passed rigorous evaluations. These partners are encouraged to align with our core values and standards, and we ensure all transactions are transparent and equitable by setting clear rules for all suppliers.

At the same time, procurement management tools such as SAP Ariba provide a unified platform for enhancing efficiency and monitoring of sourcing, contracting, and supplier collaboration activities across the organization. Additionally, we encourage offshore suppliers to either establish a locally registered entity or partner with a reputable local company. This is important because having a local presence has been proven to enhance response times and support quality.

Risks and Management Approach

Implementing comprehensive strategies for preparedness and disruption management is essential to maintaining the seamless delivery of our products and services. Our Supply Chain Management team reports to the Risk Committee for an annual update on identified risks and corresponding mitigation measures, and collaborates with Business Continuity and Resiliency Office (BCRO) to assess and update its existing Business Continuity Plan (BCP) as necessary.

Moreover, we incorporate emergency response plans into contracts with key suppliers to effectively address any potential hazards such as:

- **Disaster Risk.** The Procurement Group, along with the BCRO, assesses the business continuity capabilities of key suppliers, which are essential for ensuring continuous provision during crisis events. Critical network facilities benefit from dependable suppliers who conduct regular maintenance to guarantee optimal conditions. During extreme weather conditions, emergency procurement may be permitted, provided that such engagement is regularized and reverted to standard processes as soon as feasible. Established standard operating procedures for such circumstances enable personnel to promptly address issues in the field.
- **Geo-political Risk.** We employ advanced ordering and alternative sourcing methods to maintain a steady supply of technical components. We foster high-trust partnerships with suppliers to ensure the effectiveness of our strategy.
- **Emerging Technology Risk.** We dedicate substantial time and resources to testing, piloting, and knowledge transfer initiatives for emerging technologies that potentially play a pivotal role in the digital communications industry. Management evaluates various factors such as available data, industry trends, market intelligence, and insights, to identify appropriate solutions and partners for collaboration. We foster close collaboration with technology suppliers to continuously advance and remain at the forefront of emerging technological developments through strategic agreements.

Opportunities and Management Approach

The PLDT Group aims to establish a dependable and robust supply chain network for its current needs while facilitating access to future technological advancements. It forms strong alliances with strategic suppliers who align with the Company's goals, values, and ethical standards, ensuring a sustainable approach to supply chain management.

Item 4. Anti-corruption

Training in Anti-corruption Policies and Procedures

The following table shows the proportion of training on Anti-Corruption Policies and Procedures:

	Quantity
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated	100.00%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated*	99.31%
Percentage of directors and management that have received anti-corruption training**	***
Percentage of employees that have received anti-corruption training	***

* business partners, other than suppliers include, among others, agents, lobbyists and other intermediaries, joint venture and consortia partners, governments, customers, and clients.

** This pertains to directors only

***Since 2007, PLDT has organized an annual in-house training for its directors and officers referred to as the Annual Corporate Governance Enhancement Session (ACGES). Included among the topics covered in the ACGES are anti-corruption, anti-bribery, and related topics such as the role of the Board of Directors in corporate ethics and compliance, business ethics and corporate culture, disclosure controls and procedures, insider trading, whistleblowing procedures, accounting and transparency requirements. Consistent with the Code of Corporate Governance for Publicly Listed Companies, this is complemented with corporate governance-related training that ensures directors and officers are continually informed of developments in governance, business, and regulatory environments, including emerging business trends and risks relevant to PLDT. In 2014, the ACGES was conducted specifically on the topic "Corporate Governance Requirements under US Laws and Regulations and Foreign Corrupt Practices Act of 1977." The 2025 ACGES was held on November 18, 2025 with the SEC-approved topics and speakers: Winning with AI: Embracing Change and Optimizing Decisions at Scale" by keynote speaker, Ms. Cassie Kozyrkov, Google's first Chief Decision Scientist and "SuperCreativity: Leading in the Age of AI" by keynote speaker, Mr. James Taylor, speaker and advisor to Fortune 500 CEOs. One of our directors, Mr. James L. Go, has been granted permanent exemption by the Philippine Securities and Exchange Commission (PSEC) from its corporate governance training requirement. Overall, 100% of directors attended the 2025 ACGES; and/or other SEC-accredited training; and 85.64% of employees completed the 2025 ACGES eLearning, and/or attended the Corporate Governance Orientation Session.

Impacts and Management Approach

As a company listed on the Philippine Stock Exchange (PSE) and the New York Stock Exchange (NYSE), PLDT consistently upholds the governance and ethical standards required under Philippine and U.S. laws, including the regulations of the PSEC, PSE, US Securities and Exchange Commission (US SEC), and NYSE. Our alignment with the governance standards of the Hong Kong Stock Exchange, as an associated company of First Pacific Company Ltd., further reinforces our commitment to transparency and accountability across all markets in which we operate.

We translate these obligations into action by embedding ethical safeguards throughout the organization. The PLDT Board oversees the implementation of corporate governance policies—such as the Code of Business Conduct and Ethics (Code of Ethics) and the Policy on Gift-Giving Activities (Gift-Giving Policy)—that form the foundation of our anti-corruption framework. These policies not only uphold legal compliance but also help protect employees, customers, suppliers, communities, and other stakeholders from the harmful impacts of corruption and misconduct.

Our Gift-Giving Policy complies with major anti-corruption statutes, including Republic Acts 6713 and 3019, applicable provisions of the Revised Penal Code, and the U.S. Foreign Corrupt Practices Act. This ensures that employees are guided as they engage with public officials, customers, and business partners with integrity, fairness, and consistent ethical judgment.

To more effectively prevent, detect, and address corruption risks, PLDT implements a comprehensive set of measures, including:

- (i) Strengthened Internal Controls and Governance through maintaining clear approval hierarchies, thresholds, and documentation requirements for gifts, hospitality, and similar activities. The Company conducts periodic compliance reviews and internal audits to verify adherence to corporate governance and anti-corruption policies. It also enforces segregation of duties to reduce opportunities for fraud or unauthorized transactions, ensuring that no individual has sole authority over critical processes and workflows.
- (ii) Supplier and Third-Party Integrity Measures. PLDT ensures that its suppliers and business partners follow high ethical standards by applying its Corporate Governance Guidelines for Suppliers. The Company carefully

checks new and existing suppliers and partners through background reviews and risk assessments. In addition, PLDT requires all partners to agree to anti-corruption principles in their contracts and to report any violations immediately.

(iii) Whistleblowing, Reporting, and Enforcement through maintaining confidential, secure, and accessible whistleblowing channels for both employees and external stakeholders, ensuring protection from retaliation. The company promptly investigates reports of misconduct and takes disciplinary action and remediation measures when violations occur to address and manage any identified risks and prevent recurrence of similar incidents in the future. Additionally, PLDT regularly reviews case trends to identify systemic issues and areas for improvement.

(iv) Employee Awareness, Capacity Building, and Cultural Reinforcement. Enhancing employee awareness and reinforcing its ethical culture by requiring mandatory training on the Company policies, including the Gift-Giving Policy, and gifts, entertainment and sponsored travel, ethical conduct, conflict of interest, and responsible decision-making. The company also provides targeted and refresher training for high-risk roles, such as those in procurement, sales, and regulatory engagement. Regular communications, advisories, and reminders are released to reinforce expected conduct and encourage a speak-up culture across the organization.

(v) Monitoring, Prevention, and Continuous Improvement. The Company strengthens its integrity framework through risk-based monitoring and active participation in relevant industry anti-corruption initiatives. Employees receive clear ethical guidance through targeted training, regular communications, and accessible whistleblowing channels, enabling them to raise concerns with confidence. The Corporate Governance Office reinforces accountability through ongoing governance advisories and mandatory training on the Code of Ethics and related policies. Supplier contracts require adherence to applicable laws and Company standards, promoting responsible conduct across the value chain.

Through these measures, PLDT fosters an organizational culture that values integrity, protects stakeholders' interest, and reinforces trust in the company's business practices. This approach strengthens our ability to operate responsibly, retain investor confidence, and contribute to long-term organizational resilience.

Third-party due diligence

The Company upholds its commitment to integrity by conducting rigorous due diligence on all third-party partners. This process ensures that suppliers, vendors, and contractors understand and share the Company's responsibility to prevent, identify, and report any form of bribery or corruption. By fostering transparent relationships and continuously monitoring partner activities, the Company strengthens accountability across its supply chain and promotes ethical business practices that protect stakeholders and reinforce trust. These efforts are supported by the Company's established vendor sanctions policy and its implementing guidelines, which provide clear standards for responsible conduct and corrective action.

Incidents of Corruption

The following table shows a summary of incidents of corruption for the reporting year ended December 31, 2025:

	Number of incidents
Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0

Potential Impact and Our Involvement in the Impact

The Board provides strategic leadership by setting and overseeing a corporate governance framework that anchors the Company's long-term direction, vision, and strategic priorities. Through the Company's Code of Ethics -- applicable to all directors, officers, and employees -- it upholds principles of accountability, integrity, fairness, and transparency. These principles guide its decisions and interactions, ensuring that its conduct consistently protects stakeholder trust and advances the Company's mission.

PLDT enforces a strict anti-corruption policy grounded in the Code of Ethics and the Gift-Giving Policy. These policies ensure that all employees across the Company comply with laws and regulations governing bribery, extortion, fraud, and money laundering, including the Code of Conduct and Ethical Standards for Public Officials and Employees or the Republic Act No. 6713, the Anti-Graft and Corrupt Practices Act or the Republic Act No. 3019, as amended, the Revised Penal Code or Act No. 3815, as amended, and the U.S. Foreign Corrupt Practices Act. and their implementing rules.

The Company's Code of Ethics, the Gift Giving Policy, and other corporate governance policies undergo review at least once every two years, or more frequently at the discretion of the Board or the GNSC, to ensure that they remain compliant with relevant laws, are generally effective and appropriate for the Company, aligned with the Code of Ethics, and are responsive to emerging risks, regulatory developments, and the evolving expectations of our stakeholders.

Affected Stakeholders

Our anti-corruption policy, alongside related governance policies, directs the actions of employees, agents, and representatives; and serves as guide for suppliers, contractors, and business partners. By committing to ethical behavior across all levels of engagement, the Company helps safeguard the welfare of its customers and communities where it operates. This shared responsibility enables the reliable delivery of services and reinforces the Company's long-term sustainability.

Identified Risks, Affected Stakeholders, and Our Management Approach

Sustaining a culture of compliance and good governance is essential to maintaining stakeholder confidence. Corruption incidents can disrupt operations, diminish customer loyalty, and harm reputations built over time. Given these risks and our regulatory responsibilities, the PLDT Group proactively advances its anti-corruption efforts through a values-based and people-centered approach.

We integrate our core values into everyday business practices, deploy technology to enhance awareness, and create channels for real-time feedback and engagement. These actions strengthen employee ownership of ethical conduct and support consistent adherence to regulatory requirements and governance expectations.

Identified Opportunities, Benefited Stakeholders, and our Management Approach

We continually benchmark our governance practices against international standards to strengthen accountability, reinforce ethical conduct, and support the long-term interests of our customers, employees, stockholders, and partners. This commitment to ongoing improvement enables the organization to enhance its internal controls, elevate stakeholder confidence, and safeguard the integrity of our operations.

The PLDT Group discloses in its magazine-type annual and sustainability report the number of whistleblowing complaints received, together with the status of corresponding investigations and actions taken.

For PLDT and its subsidiaries, there were no confirmed incidents of corruption or retaliation in 2025.

Part II – ENVIRONMENT

Item 5. Resource Management

The PLDT Group recognizes operational resource efficiency as a material priority essential to safeguarding both our business resilience and the well-being of the communities we serve. We aim to reduce our environmental footprint by managing energy, water, and other natural resources responsibly, ensuring that our operations support long-term value creation for stakeholders.

We embed sustainable practices into daily operations by tracking consumption, monitoring greenhouse gas emissions, and evaluating our environmental performance with rigor and transparency. Through these actions, we strive to make every operational decision contribute meaningfully to healthier ecosystems and to a more sustainable future for our customers, employees, and partner communities.

As inaugural members of the government-led Stakeholders' Chamber on the Sustainable Development Goals of the Department of Economy, Planning and Development (DEPDev) and in support of national government efforts to align with global targets for Net Zero, we actively participate in advancing national efforts toward carbon reduction. Our initiatives reflect a shared responsibility to protect the environment while supporting inclusive economic growth.

Energy Consumption

The following table shows the energy consumption within the organization for the year that ended on December 31, 2025:

	Quantity	Unit
Energy consumption (renewable sources)		
Fixed	149,662	GJ
Wireless	1,307	GJ
Energy consumption (gasoline)		
Fixed	97,401	GJ
Wireless	12,475	GJ
Energy consumption (diesel)		
Fixed	105,343	GJ
Wireless	339,160	GJ
Energy consumption (electricity)		
Fixed	282,201	MWh
Wireless	642,922	MWh

Reduction of energy consumption

The following table shows the reduction* of energy consumption within the organization for the year that ended on December 31, 2025:

	Quantity	Unit
Energy reduction (gasoline)		
Fixed	8,295	GJ
Wireless	864	GJ
Energy reduction (diesel)		
Fixed	1,986	GJ
Wireless	-	GJ
Energy reduction (electricity)		
Fixed	-	MWh
Wireless	6,901	MWh

**compared to 2024 energy consumption*

We recognize that every improvement in efficiency not only strengthens operational performance but also reduces our environmental footprint and supports broader societal resilience.

Our approach prioritizes maximizing energy efficiency and optimizing consumption across our operations. We actively embed sustainable practices into daily workflows, continuously track energy use, monitor GHG emissions, and assess performance to guide decision-making. By doing so, we ensure that our actions today contribute to healthier, safer, and more sustainable environments for our customers, employees, and partner communities.

In line with the government's focus on climate adaptation, we integrate resilience considerations into the design and operation of our fixed and wireless networks. This ensures that our infrastructure remains reliable in the face of environmental risks, helping safeguard continuity of service for the people and communities who depend on us.

Renewable Energy

The PLDT Group is advancing its decarbonization roadmap with a clear commitment to reduce Scope 1 and 2 greenhouse gas emissions by 40% by 2030, using 2019 as its baseline. Central to this commitment is the transition toward sourcing 100% of the Company's electricity needs from renewable energy, subject to availability.

To support this shift, we broadened our energy mix to include geothermal, solar, and wind sources. A major milestone in this direction is our partnerships with ACEN Renewable Energy Solutions (ACEN RES) and First Gen Corporation (First Gen), which supply 100% renewable energy to 24 facilities nationwide through the Green Energy Option Program (GEOP). This transition is expected to significantly reduce operating costs and avoid over 3,000 tons of carbon emissions annually.

In 2025, we further increased renewable energy sourcing for 17 facilities through our agreement with MPower—the local retail electricity supplier of Meralco. PLDT and Smart now access greater renewable capacity under the Competitive Retail Electricity Market (CREM), powering high-demand facilities with a combined monthly consumption exceeding 15,000 kilowatts. Among these are our main offices in Makati City - the Ramon Cojuangco Building and the Makati General Office, which together require more than 2,200 kilowatts monthly. This transition is projected to reduce emissions by an additional 11,000 tons of CO₂e annually.

PLDT and Smart also expanded partnership with MPower in support of Energy Regulatory Commission's (ERC) Retail Aggregation Program (RAP) which allows aggregation of multiple accounts under the same franchise area and purchase power in bulk from licensed retail electricity suppliers. In 2025, over 140 sites have been registered under RAP, enabling facilities with a combined energy demand of over 2,500 kilowatts per month to tap renewable energy. Additional RAP implementations will be rolled to more than 2,000 sites by 2027 for sites within the Meralco franchise area, including shared infrastructure operated with TowerCo partners.

MPower also supplies renewable energy to 7 of our VITRO-operated data centers.

In addition, we have deployed solar rooftop installations in five facilities across the Visayas in partnership with MSpectrum, Meralco's solar solutions company, as well as a self-installed solar rooftop system in our Clark data center.

Energy Efficiency

The PLDT Group advances its commitment to sustainability by reducing the energy intensity of its operations and strengthening the resilience of the communities it serves. We continue to integrate solutions that lessen consumption at the source while improving the comfort, safety, and reliability experienced by customers and employees across our facilities and network sites.

PLDT is modernizing its network by shifting from copper to fiber, which produces less heat and requires no cooling system, resulting in lower energy use and a reduced carbon footprint.

In 2025, Smart secured its first ₱2.0-billion green loan facility to accelerate the expansion of its 5G network. 5G technology allows us to serve rising digital demand more efficiently. Compared to earlier generations, 5G transfers greater data volumes at higher speeds while consuming less energy per gigabyte.

In addition, we deployed efficient cooling and lighting systems, and applied AI-enabled tools that adjust power consumption in real time to optimize temperature settings in key facilities. These measures help ensure more stable network performance and better working environments, while lowering operational costs and GHG emissions.

We also expanded the adoption of cool roof and insulation technologies that reduce heat transfer inside buildings, easing cooling demand and improving indoor comfort. Complementing these upgrades, nanofluid enhancements in chiller systems increase heat-carrying capacity, allowing facilities to operate more efficiently with fewer resources. These innovations work alongside our Green Radio Network Solutions, which automate energy management across wireless sites to reduce environmental impact while enhancing network reliability for our customers nationwide.

Fleet Rationalization

We are transforming fleet operations to enhance fuel efficiency, while ensuring the safety and productivity of our employees.

Our fleet rationalization program aims to deliver measurable impact. We continue to rationalize the number of vehicles which results in reduced maintenance and fuel expenses as well as lower capital outlays, enabling resources to be redirected to mission-critical initiatives. As we streamline fleet use, we also reduce our environmental footprint by cutting emissions through the elimination of redundant trips and the increased utilization of more efficient vehicles. These improvements enhance the way our field personnel move, respond, and support customers across the country.

In 2025, we achieved significant milestones in advancing this program. We reduced overall fleet size, started to phase out vehicles aged 10 years old and above, and strengthened utilization strategies. These efforts contributed to substantial cost savings and reinforced operational discipline across business units. Continuous monitoring of fuel consumption, mileage, and maintenance requirements support more informed decision-making and ensure alignment with our long-term sustainability roadmap.

We have observed an increase in the uptake of hybrid and electric vehicles (EVs) among company-issued units provided to our officers and executives. To support this shift, we installed pilot EV charging stations at our main office in Makati City, making low-emission mobility more accessible within the organization.

The company is evaluating several options as part of our re-fleeting program anticipating compliance with the EVIDA Law.

Risks and Management Approach

The Republic Act 11285 or the Energy Efficiency and Conservation Act provides a comprehensive national framework designed to promote reduced energy consumption and enhance the responsible utilization of resources. In line with this mandate, we actively embed energy efficiency into our operations to minimize environmental impact and support sustainability.

Our certified energy managers and certified energy auditors conduct comprehensive audits across facilities and operations, generating insights that directly contribute to our overall Energy Management Plan. This plan integrates both immediate actions and long-range strategies to reduce energy use, optimize processes, and support operational resilience. Our Corporate Environment, Health, and Safety (CEHS), Property, Facilities, Asset Resilience Management (PFARM), and Network units work closely together to implement these measures, oversee program performance, and ensure that energy-saving initiatives translate into meaningful benefits for the communities we serve.

As the regulatory environment continue to evolve, the PLDT Group remains proactive in preparing for policy developments. We stay committed to complying with regulatory standards, conserving resources, and promoting a more sustainable environment for customers, employees, and stakeholders.

Opportunities and Management Approach

Our digital transformation initiative continues to create meaningful opportunities to improve how we operate and how our people work. This shift not only streamlines workflows but also increases operational efficiency by empowering employees with tools that enable faster, more reliable service delivery.

PLDT and Smart are ramping up audits of energy performance across critical network sites and base stations nationwide. These audits reinforce the Group's commitment to responsible resource management, strengthening network reliability, and customer experience while helping reduce energy consumption and GHG emissions.

We recognize that network sites are essential to meeting our service and business objectives, yet they also remain among our most energy intensive assets. Conducting regular audits allows us to identify targeted improvements that lower consumption and ensure energy-efficient operations, directly contributing to both cost savings and improved service resilience.

On-site assessments examine factors that influence energy efficiency, such as equipment age and performance, cooling system capacity, and facility layout. Beyond technical evaluation, these sessions strengthen capabilities of our network field personnel by equipping them with practical knowledge on energy management, performance analysis, and alignment with the Group's sustainability roadmap. These approaches encourage continuous improvement and strengthen employee ownership of energy efficiency initiatives.

Insights gathered directly from field teams deepen our understanding of day-to-day operational conditions. These on-the-ground perspectives enable us to design more responsive strategies and empower employees to take proactive action -- driving a culture where resource stewardship is shared across the organization.

Water Consumption

As a vital yet scarce natural resource, water underpins the well-being of our people, the continuity of our operations, and the resilience of the communities we serve. Across the PLDT Group, we pursue responsible and efficient water use, incorporating conservation practices in our facilities and optimizing consumption in network equipment and data center cooling systems.

The following table shows the water consumption within the organization for the reporting year that ended on December 31, 2025:

	Quantity	Unit
Water withdrawal*	43,925	cubic meters
Water recycled and reused**	440,467	cubic meters
Water from utility providers	544,638	cubic meters
Total Water Consumption	1,029,030	cubic meters

*from groundwater

**from collected rainwater

Impacts and Management Approach

Responsible water consumption is a key component of the PLDT Group's environmental stewardship and a key indicator of our non-financial performance. We monitor water usage across our facilities nationwide, providing management with data-driven insights that support strategic decision-making and long-term resource planning.

To minimize our impact to water stressed areas and safeguard supply in our facilities, including data centers, and network sites, we deploy various efficiency and conservation measures. We implemented advanced closed-loop cooling systems, water recycling initiatives and utilize rainwater catchments. Routine maintenance, such as proactive leak detection, helps further ensure that our operations remain efficient and that we reduce avoidable water loss.

Risks and Management Approach

Water availability directly affects the safety, comfort, and productivity of our employees and the reliability of our network. Recognizing its central role in daily operations, we take a proactive stance in anticipating supply disruptions and have identified alternative water to ensure uninterrupted supply.

We also support national efforts to strengthen watershed protection and climate resilience. Through collaborations with environmental partners and government stakeholders, we contribute to reforestation, peatland conservation, and ecosystem restoration -- initiatives that help ensure long-term water security for surrounding communities.

Opportunities and Management Approach

The PLDT Group recognizes its capacity to influence stakeholders and business partners in championing sustainable practices. By advocating for water efficiency and integrating it into our operational culture, we help cultivate more resilient communities and support sustained economic growth in the areas where we operate.

We continue to explore innovative approaches to reduce groundwater extraction and expand alternative water sources. For example, selected facilities in Visayas and Mindanao utilize rainwater catchment systems for vehicle washing, plant irrigation, and general cleaning, which demonstrates how practical solutions contribute to broader environmental outcomes.

Throughout the year, we also integrate water into our organizational campaigns to promote employee awareness on our consumption and encourage them to contribute to resource-efficiency initiatives.

Materials Used

The PLDT Group does not engage in manufacturing and therefore deems material usage reporting inapplicable. Equipment and devices provided to subscribers are sourced from vendors that adhere to global production and manufacturing standards and are required to meet corresponding compliance and reporting protocols.

Ecosystem and biodiversity (whether in upland/watershed or coastal/marine)

	Quantity
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	28
Habitats protected and restored (hectares)	1.8
IUCN* Red list species and national conservation list species with habitats in areas affected by operations	none

* *International Union for Conservation of Nature*

Impacts and Management Approach

To expand connectivity in unserved and underserved communities, we often roll out facilities, including relay towers and cable landing stations, in or near protected areas and coastal settlements. We secure all required permits and approvals from government authorities and engage with local communities to ensure lawful, responsible, and respectful operations.

We remain committed to understanding and managing our environmental footprint. This commitment guides how we plan, design, and construct network infrastructure. For example, we maintain buffer zones around our facilities whenever feasible to help reduce noise, absorb emissions, and preserve local biodiversity.

Beyond infrastructure, we engage directly with the communities we serve. Through digital upskilling, livelihood support, and entrepreneurship programs, we help expand economic participation and improve access to quality education. These initiatives aim to ensure that the benefits of connectivity translate into meaningful improvements in people's lives.

We closely monitor all facilities, equipment, and generator sets, and they lead the development of environmental management plans for sites located in protected areas. We continue to strengthen our processes to mitigate environmental risks, enhance operational resilience, and uphold responsible stewardship.

We also collaborate with contractors and service providers to assess and manage the environmental impacts of new facilities. As part of our hazardous waste management program, we partner with Department of Environment and Natural Resources (DENR)-accredited suppliers to ensure the responsible treatment of used lead-acid batteries. We recycle these materials and reinvest the proceeds in initiatives that advance education, livelihood development, and environmental protection.

Risks and Management Approach

We maintain full compliance with applicable environmental laws and regulations. This commitment supports our risk management and business continuity efforts, helping us avoid potential delays, penalties, permit disapprovals, operational disruptions, and reputational harm.

We recognize that climate change continues to heighten risks for telecommunications operators. More frequent and severe natural disasters, including typhoons and heat waves, may damage critical network infrastructure and disrupt both wired and wireless services. These events may also interrupt supply chains, delay equipment deliveries, and strain resources required for timely repairs and restoration, especially when disasters occur in quick succession.

Emerging environmental legislation, driven by heightened awareness of climate-related impacts, may introduce stricter compliance requirements. These changes could increase operating and capital expenditure and may require additional upskilling and technical capacity-building. Such developments could influence operational design and affect financial performance.

Environmental Stewardship Initiatives

We uphold our commitment to operate responsibly and to contribute meaningfully to the well-being of Filipino communities and the protection of the environment. Our approach to environmental stewardship goes beyond regulatory compliance—we intentionally invest in programs that support achievement of business goals, while also safeguarding ecosystems, supporting local livelihood, and contributing to long-term climate resilience.

In partnership with the DENR – Biodiversity Management Bureau (DENR-BMB), we are pursuing a wetlands conservation and protection program that identified seven potential peatlands within the Agusan Marsh Wildlife Sanctuary (AMWS). Wetlands, particularly peatlands, play a vital role in global carbon storage—holding up to twice the carbon found in the world’s forests. When degraded, these areas can release significant carbon emissions, underscoring the importance of their protection.

In 2025, PLDT and Smart formalized biodiversity policies that prioritize conservation and champion nature-based solutions as we expand network infrastructure nationwide. Developed through consultations with DENR-BMB and an assessment of our operational dependencies on nature, these policies guide the integration of environmental safeguards throughout our business operations and supply chain.

The policies articulate our long-term commitments to “No Net Deforestation” and “No Net Loss in Natural Forest Cover,” aligned with the Philippine Biodiversity Strategy and Action Plan. These commitments ensure that any tree or forest cover affected by our activities is restored through targeted reforestation and habitat rehabilitation initiatives.

We also embed programs that raise awareness of biodiversity among our stakeholders, uphold the rights of Indigenous Peoples communities, and explore technology-enabled solutions that support ecosystem protection. Through collaborations with government agencies, academic institutions, industry partners, and people’s organizations, we continue to advance conservation efforts in key ecosystems—including seagrass, and peatlands—and contribute to the sustainable use of natural resources.

Environmental Impact Management

Air Emissions Greenhouse Gases (GHG)

	Quantity	Unit
Direct (Scope 1) GHG Emissions		
Fixed – Vehicles	12,357	tCO _{2e}
Wireless - Vehicles	3,476	tCO _{2e}
Fixed – Gensets	2,335	tCO _{2e}
Wireless – Gensets	23,305	tCO _{2e}
Energy indirect (Scope 2) GHG Emissions		
Fixed	235,082	tCO _{2e}
Wireless	461,676	tCO _{2e}
Emissions of ozone-depleting substances (ODS)	52,334	tCO _{2e}

Digital connectivity plays an essential role in helping industries operate more efficiently, innovate faster, and reduce their environmental footprint. As the PLDT Group continues to expand and modernize its data and broadband services, we aim not only to enhance customer experience through faster speeds and lower latency but also to lessen the environmental burden associated with our operations.

Even as we continue to identify sources of renewable energy, our network and field activities still depend on gasoline- and diesel-powered equipment and electricity consumption. These are sources that contribute to national GHG emissions. These emissions have tangible effects on communities and ecosystems, reinforcing the need for sustained action.

In 2025, Scopes 1 and 2 CO_{2e} emission were recorded at 738,232 tCO_{2e}.

Looking ahead, we are prioritizing the reduction of emissions within our direct control, while also collaborating with suppliers to identify opportunities across the value chain. Our key strategies include:

- Optimizing energy consumption across facilities and network operations
- Increasing the share of renewable energy in our electricity purchases
- Deploying solar-powered solutions where feasible
- Rationalizing our fleet, including the acquisition of hybrid and electric vehicles, to reduce fuel use
- Improving generator efficiency through operational optimization

These efforts reflect our commitment to pursuing more energy-efficient operations and contributing to broader national decarbonization goals.

Air Pollutants

Reliable connectivity relies on a robust network infrastructure, including generator sets that provide primary and backup power for office sites, technical hubs, and remote relay towers. In off-grid, bad-grid, or underserved areas, diesel generators make continuous service possible. However, when these units operate outside optimal conditions, they may produce smoke and noise that affect surrounding communities.

We recognize the direct impact such pollutants may have on people's well-being. To safeguard community health and ensure responsible operations, we continuously monitor equipment performance and enforce strict operational standards.

We remain committed to transitioning toward cleaner, quieter, and more energy-efficient technologies. To this end, we are actively exploring hybrid-powered and fuel cell-enabled base stations for remote areas and plan to broaden the adoption of these solutions in the coming years. These shifts allow us to reduce local air pollutants while maintaining network reliability.

Solid and Hazardous Waste

Solid Waste

	Quantity	Unit
Total solid waste generated		
Fixed	179.69	Metric ton
Wireless	185.74	Metric ton
Total solid waste disposed		
Turned over to accredited recycler		
Fixed	178.87	Metric ton
Wireless	185.74	Metric ton
Went to landfill*		
Fixed	0.82	Metric ton
Wireless	-	Metric ton

* The solid waste disposed of in landfill consists solely of non-recyclable wooden debris. As this material is organic, it is not expected to release harmful substances into the environment.

PLDT and Smart recognize that their marketing and trade engagement activities generate printed collaterals and outdoor advertising materials that ultimately contribute to solid waste. To manage plastic packaging waste, we have strengthened commitment to the Extended Producers Responsibility (EPR) Act as registered Obligated Enterprises. In accordance with the law, we have engaged PCX Markets Philippines, Inc. as our Producer Responsibility Organization (PRO) for the implementation of EPR programs and corresponding reports.

We have also been expanding our use of eco-friendly alternatives and investing in more durable promotional and merchandising materials. These shifts aim not only to reduce waste, but also to minimize the environmental footprint of our operational presence in communities.

In addition, we continue to pursue partnerships that advance innovative waste management solutions and promote circularity, including our collaboration with the Philippine Business for Social Progress (PBSP) and Basic Environment Systems & Technologies, Inc. for the Xtrash Challenge Program. This encourages employees to segregate and exchange recyclable plastic, paper, and metal materials at designated drop-off points across the country. Each Environmental Point (EP) earned supports the procurement of grocery packs distributed to indigent communities.

Through these collective efforts, which advance the UN Sustainable Development Goals on Sustainable Cities and Communities (SDG 11) and Responsible Consumption and Production (SDG 12), PLDT and Smart help accelerate the country's transition toward a circular economy and foster safer, smarter, and more sustainable communities.

Hazardous Waste

	Quantity	Unit
Total weight of hazardous waste generated		
Fixed	244.57	Metric ton
Wireless	224.62	Metric ton
Total weight of hazardous waste transported		
Fixed	195.17	Metric ton
Wireless	222.77	Metric ton

Note: Hazardous wastes pending transport have not yet been collected by our DENR-accredited hauler. In the interim, these materials are securely stored in designated areas within our facilities and managed in accordance with our registered Hazardous Waste Generator ID and applicable regulations.

Our operations utilize materials, such as batteries, that become hazardous waste at the end of their life cycle. Guided by the Republic Act 6969 or the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, we ensure every stage of handling these materials is performed safely and responsibly. Proper identification, labeling, segregation, and disposal are critical steps that protect our employees, surrounding communities, and the environment.

Non-compliance with hazardous waste regulations poses serious risks to health and safety and may result in penalties from regulatory authorities. To prevent these outcomes, we maintain strict adherence to environmental compliance standards and work exclusively with accredited third-party service providers equipped and authorized to handle, transport, and dispose of hazardous waste.

Our Pollution Control Officers (PCOs) play a key role in safeguarding operational integrity. Equipped with technical training in environmental management and regulatory compliance, they identify, monitor, and report hazardous waste accordingly. Beyond compliance, they help foster an organizational culture of environmental responsibility by promoting awareness, guiding pollution-prevention initiatives, and ensuring the consistent application of our environmental management framework.

To reinforce proper waste stewardship, we implement internal policies on waste handling and disposal. We conduct periodic spot audits across facilities, identifying risks early and ensuring immediate corrective actions. A cross-functional team provides continuing education to Operations teams, Security personnel, and Property and Facilities staff to strengthen proper storage and handling practices for generated wastes.

We apply accountability measures when personnel fail to uphold these standards, underscoring the importance of maintaining a safe workplace and protecting our environmental commitments. In addition, The PLDT Group partners only with DENR-accredited recyclers, each subject to regular audits to ensure safe and responsible recycling practices. Through these measures, we affirm our commitment to operational excellence, community well-being, and environmental sustainability.

Electronic Waste (e-Waste)

PLDT and Smart recognize that while we are not direct manufacturers of electronic devices, our service delivery and ongoing network modernization contribute to the growing volume of e-waste in the country. In response, we have taken an active role in enabling proper recovery, collection, and disposal of discarded electronics to help reduce environmental and community risk.

Through our “Be Kind. Recycle.” program, we advance circularity and promote responsible e-waste management across our ecosystem. What began as an internal initiative has evolved into a nationwide collaboration with private organizations and community partners, broadening public access to safe and responsible e-waste disposal. The program empowers households, consumers, and partner communities to dispose of their e-waste responsibly, while ensuring that all collected materials are handled by accredited recycling facilities in accordance with environmental regulations.

Since the program’s launch in July 2023, PLDT and Smart have activated over 200 e-waste collection sites and community partner locations across the country as of December 2025. This expansion has helped make proper e-waste disposal more accessible to customers and the general public, while supporting the collection operations of the DENR – Environmental Management Bureau–accredited treatment, storage, and disposal (TSD) facilities.

As we target a more pervasive expansion of the program nationwide, we continue to work closely with accredited e-waste facilities to enhance operational efficiency, improve traceability, and strengthen the measurement and reporting of our collective impact.

Effluents

Effluents remain an insignificant aspect of the PLDT Group’s operational footprint. Wastewater generated from fixed and wireless operations are classified as municipal wastewater and routed to authorized third-party utilities for treatment. In areas not served by distribution utilities, we comply with the applicable regulation. As a result, these effluents are neither material to our operations.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

The following table shows the information on our non-compliance with environmental laws and regulations:

	Quantity
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	PhP 0.00
Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	17
Number of cases resolved through dispute resolution mechanism	16

Note: One case remains pending. The relevant position paper has been duly submitted, and as of the end of 2025, no decision has been issued by the DENR-BMB.

The PLDT Group i

s committed to delivering reliable connectivity and digital services while safeguarding the environment and the communities it serves. This commitment is anchored on strong corporate governance, industry best practices, and full adherence to regulatory requirements—underscoring the Company’s commitment to manage its environmental and social impacts as part of its sustainability agenda.

A core driver of this is our Occupational Safety, Health, and Environmental Commitments, which upholds high standards of protection for workers and surrounding communities. This policy requires strict compliance with applicable regulations issued by the Department of Labor and Employment (DOLE), the DENR, and the Department of Energy (DOE). We actively monitor regulatory developments and promptly communicate relevant updates to affected business units, ensuring organization-wide alignment.

To strengthen compliance and improve operational efficiency, we leverage technology and automation, including the digitalization of self-monitoring reports. This enhances the effectiveness of PCOs, particularly those overseeing multiple facilities, by streamlining workflows and improving the accuracy and timeliness of submissions. We also continue to reinforce capabilities of PCOs as they evaluate environmental performance, verify compliance, and provide regular operational progress updates to the DENR.

The PLDT Group also enjoins its suppliers and contractors to uphold the same level of environmental stewardship and standards across their own operations. This includes set expectations on compliance with environmental laws and regulations, as well as deliberate efforts to manage their environmental impact.

Part III - SOCIAL

Item 6. Employee Management

Employee Diversity by Gender

The following table shows the summary of our employee data as of December 31, 2025:

	Quantity
Total number of employees*	
Number of female employees	
Fixed	2,920
Wireless	1,813
Number of male employees	
Fixed	7,536
Wireless	2,035
Attrition rate**	
Fixed	5.57%
Wireless	11.54%
Ratio of lowest paid employee against minimum wage	
Fixed	1.48
Wireless	1.21

*Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

**For consistency with our magazine-type annual and sustainability report to be released in the second quarter, we used GRI's formula for the attrition rate: Total number of separated employees over the total number of employees as of the end of the reporting year

Our people are central to the sustainability of our business. We aspire to be a happy space where our people can grow, feel a sense of belonging, contribute meaningfully, and find purpose in their work. By investing in our workforce, we strengthen our ability to continuously deliver value to our customers and stakeholders,

Talent Acquisition and Retention

In line with our strategic focus on internal talent mobility, a total of 43 employees were hired internally across the organization in 2025. Of these internal hires, 32 came from PLDT, comprising 27 males and five (5) females, while 11 were from Smart, with a more balanced gender distribution of five (5) males and six (6) females.

We leverage technology and AI-enabled recruitment channels and adopt data-driven talent acquisition practices to improve the efficiency, quality, and consistency of how we attract, engage, and onboard talent. We prioritize hiring from the internal talent pool and complement this with the targeted use of professional networking platforms, employee referrals, and university partnerships. We are also guided by an annual hiring forecast to support proactive workforce and organizational design planning. All these facilitate our access to a pool of qualified talents that align with our values and long-term growth objectives, while also optimizing hiring costs.

To enhance hiring outcomes and strengthen the overall talent experience, we implement the following:

- Engage hiring managers early to ensure clear role definition, alignment with business priorities, and informed decision making, supported by talent market insights on supply, demand, and competitiveness to set realistic hiring expectations.
- Equip recruiters through targeted training to conduct effective virtual interviews and candidate outreach, supported by a structured approach that combines job postings with proactive passive sourcing on professional platforms, and AI enabled tools to personalize messaging at scale, improve response rates, and reinforce professionalism, transparency, and consistent execution.
- Leverage automated, personalized communications across the recruitment lifecycle to maintain timely interactions, collect actionable feedback, and support a seamless and efficient onboarding experience.

- Implement personalized onboarding and offboarding processes for internal hires, enabling faster role transitions, continuity of institutional knowledge, sustained employee engagement, and reduced productivity disruption, while reinforcing retention and internal career progression.
- Deliver a combination of face-to-face and virtual onboarding sessions, designed to support effective relationship building and cultural integration while maintaining scalability, consistency, and operational efficiency across different roles and geographic locations.

We conduct an annual review of our recruitment and internal mobility processes to improve responsiveness, reduce time to hire, strengthen data-informed decision making, and ensure consistent and positive experience for both candidates and employees, while maintaining operational discipline and scalability.

Guided by the PLDT Diversity and Inclusion Policy, we uphold fair and merit-based hiring criteria, reinforcing equal opportunity across all employment decisions. To retain and motivate our people, we provide programs focused on performance-based compensation, variable rewards, capability recognition, career progression, and employee engagement. We also implement a policy that prescribes integration of child safeguarding into our talent acquisition and hiring procedures, and prohibit hiring of minors.

To foster upward talent mobility and succession planning, we implement a management development program that evaluates the readiness of our employees for broader and leadership roles. This program identifies high-potential individuals and provides structured learning opportunities to support leadership succession and long-term organizational capability.

Compensation and Benefits

We follow a total rewards framework that aims to attract and retain employees who contribute to our growth, profitability, and industry leadership. This reflects our commitment to rewarding performance, supporting well-being, and reinforcing a culture of accountability and excellence across the organization.

The table below summarizes various benefits received by our employees for the year ended December 31, 2025.

List of Benefits	% of employees who availed for the year			
	Fixed		Wireless	
	Female	Male	Female	Male
SSS	23.36%	15.95%	28.63%	23.34%
PhilHealth	15.65%	23.59%	8.66%	4.08%
Pag-IBIG	25.17%	13.63%	26.86%	18.92%
Parental leaves	5.61%	5.61%	2.87%	3.29%
Vacation leaves	100.00%	100.00%	100.00%	100.00%
Sick leaves	18.88%	14.96%	70.27%	58.82%
Medical benefits (aside from PhilHealth)	93.87%	89.80%	83.18%	83.59%
Housing assistance (aside from Pag-IBIG)	0.89%	0.56%	0.28%	0.34%
Retirement fund (aside from SSS)	2.58%	2.28%	0.28%	0.44%

Employee Training and Development

The following table shows the summary of employee training and development conducted for the reporting year that ended on December 31, 2025:

	Quantity
Total training hours provided to employees	
Female employees	
Fixed	224,466
Wireless	157,632
Male employees	
Fixed	491,007
Wireless	169,565
Average training hours provided to employees	
Female employees	
Fixed	90.55
Wireless	86.95
Male employees	
Fixed	72.72
Wireless	83.32

Impacts and Management Approach

We view continuous learning as essential to building a resilient and future-ready workforce, particularly in the context of the rapidly evolving digital landscape and the country's transition to a low-carbon economy.

In 2025, we strengthened our development agenda by empowering employees to actively shape their growth, while ensuring that capability-building supports long-term business growth. Our approach places employees at the center by recognizing their aspirations, equipping them with relevant skills, and enabling them to navigate the ever-changing digital environment.

During the year, we expanded our learning initiatives to achieve our goal of 100% deliberate learning activity rate. This unprecedented coverage reflects our commitment to providing accessible and meaningful skilling and development opportunities. Through strategic and targeted learning interventions, we enhanced employees' digital fluency, leadership readiness, and capacity to adapt to evolving business needs, thereby reinforcing our organization's overall resilience and performance.

Scaling Up Learning for a Future-Ready Workforce

In 2025, PLDT and Smart employees invested over one million training hours in learning — 1,043,923 hours across 13,108 employees — nearly doubling the 525,000 hours recorded in 2024 and reflecting a deliberate intensification of capability development across the organization. Every employee in the workforce completed structured learning programs, achieving a 100% training participation rate with an average of 79.6 hours per person.

Training investment was concentrated in these two areas identified to be most critical to the Group's transformation:

- Functional skills accounted for 56.3% of total hours — covering compliance, operations, and core business capability that form the regulatory and operational backbone of a critical national infrastructure operator.
- Technology skills accounted for 26.7% — spanning AI-related topics, cloud computing, data analytics, cybersecurity, and network infrastructure.

A defining milestone for the year was the scale of AI capability building: 90.2% of the workforce (11,820 employees) completed AI-related training amounting to 267,870 hours through a deliberately layered curriculum. Foundational AI literacy programs reached the broadest population; applied productivity training — including Microsoft Copilot enablement and the facilitated Everyday AI program (4,288 employees, rated 4.8 out of 5.0) — translated awareness into workplace capability; and strategic AI immersion through the AI Leadership Lab brought the CEO and Management Committee through hands-on learning to signal organizational commitment from the top.

To identify skills gaps and ensure that learning investment connects to actual role requirements, a comprehensive skills mapping revalidation systematically reviewed 871 job roles across PLDT and Smart. Each role was mapped to validated skill requirements and connected to integrated learning pathways across LinkedIn Learning, Microsoft Enterprise Skills Initiative, Coursera, and Udemy — producing a skills-based architecture that transforms training from an activity the organization delivers into a capability system the organization operates.

Concurrently, 12 fragmented training policies (five PLDT, seven Smart) were unified into a single governance framework, establishing standardized definitions, skill categories, and validation requirements that enable consistent, auditable reporting across entities.

We have also enhanced learning accessibility through digital innovation, integrating virtual classrooms, mobile learning, nano-learning formats, and data-driven personalization. These tools enabled employees to learn at their own pace and adapt to changing industry expectations. Delivery was predominantly digital: 85.1% eLearning, 14.0% virtual instructor-led, and 0.6% face-to-face — a model that scales learning across every geographic region and organizational level.

In alignment with the evolving skills landscape, our learning priorities for 2026 emphasize:

- **Critical Thinking** — Strengthening judgment, analysis, and problem-solving in complex operating environments.
- **Growth Mindset** — Fostering adaptability, curiosity, and a culture of continuous learning.
- **AI and Digital Fluency** — Deepening AI capability through role-differentiated tracks: foundational literacy for all employees, applied skills for specialists, and technical depth for engineering and data teams.

To reinforce self-directed development, employees crafted Individual Development Plans (IDPs), creating alignment between personal growth aspirations and the organization’s strategic direction.

Investing in Leadership and Succession for Business Continuity

The PLDT Group continues to demonstrate strong commitment to developing and retaining the people who play critical roles in long-term organizational success. Retention among key talent segments remains stable, enabling business continuity and strengthening the organization’s ability to deliver on strategic priorities.

In 2025, PLDT and Smart leadership-classified training reached 9,334 employees — 89,575 hours representing 8.6% of total training. The Everyday Leadership program served as the anchor of leadership development: 696 leaders graduated from the program (49% of the 1,420 target population), with a 4.67 out of 5.0 participant satisfaction rating. The remaining target population is scheduled for completion in 2026.

The Innovation Diffusion 2025 program reached over 4,200 participants, building an innovation mindset at enterprise scale. The AI Leadership Lab brought the CEO and Management Committee through immersive AI learning, while the Customer Experience Charter embedded customer-centricity as a leadership commitment for Enterprise Business Group leaders.

Across all levels, continuous learning is embedded as a core element of organizational culture. Investing in employee development equips individuals with the skills required for current performance and future readiness — enabling greater contributions and guiding the organization’s strategic direction with focus and intent. This capability-centered approach to workforce development supports organizational resilience and sustains long-term value creation.

Labor Management Relations

We champion a workplace environment that respects and upholds labor rights of our employees. In line with the PLDT Human Rights Policy, we uphold our employees’ freedom of association and expression, as well as recognize their right to organize and engage in collective bargaining.

The following table shows relevant information regarding collective bargaining agreements among PLDT employees for the reporting year that ended on December 31, 2025:

	Quantity
% of employees covered with Collective Bargaining Agreements*	81.61%
Number of consultations conducted with employees concerning employee-related policies	92

**This is only applicable to PLDT employees as it is the only organization that is unionized*

Impacts and Management Approach

PLDT is committed to fostering a workplace where employees feel respected, supported, and empowered to participate meaningfully in shaping their working environment. In 2025, PLDT strengthened this commitment by upholding and implementing its Collective Bargaining Agreements (CBAs) with Three (3) active labor unions:

Gabay ng Unyon sa Telekomunikasyon ng mga Superbisor (GUTS)*	3,692 members
Manggagawa sa Komunikasyon ng Pilipinas (MKP)	3,638 members
PLDT Sales Supervisors' Union (PSSU)	203 members

* PLDT Supervisor union

** PLDT Rank and File union

Through these CBAs, we ensure that employees benefit from fair and predictable working conditions, clear avenues for raising concerns, and constructive dialogue between management and labor representatives. Our CBAs, established with the three labor organizations within the Company, remain effective according to the terms defined in each agreement. Each renegotiated CBA is registered with the Bureau of Labor Relations of the DOLE, reinforcing transparency, compliance, and accountability.

By continuously honoring these agreements, we cultivate a collaborative environment where employees feel heard and valued, and where organizational decisions reflect both operational priorities and human impact.

CBA Implementation and Engagement

We implement CBAs through processes that prioritize transparency, timeliness, and respect for employee rights.

Each CBA includes an “Effectivity of the Agreement” provision that clearly identifies the start and end dates, consistent with the Philippine Labor Code. Under the law, neither party may terminate or modify the agreement during its term, except when either party submits a written notice at least 60 days before expiration. When the union submits its proposals, the Company responds within ten (10) calendar days, ensuring that dialogue begins without delay.

At the start of negotiations, the Company and the union adopt shared ground rules that define expectations for conduct, documentation, scheduling, and decision-making. This structure enables both parties to engage constructively and maintain focus on outcomes that directly affect employees.

We maintain open communication channels with labor organizations, holding quarterly dialogues to monitor CBA implementation, discuss workplace issues, and collaborate on solutions. We also recognize and respect union representation in employee-related proceedings, reinforcing our commitment to fair and participatory processes.

In cases of separation under Article 298 of the Philippine Labor Code, we provide employees and their unions at least 30 days’ notice. This practice supports dignified and well-managed transitions, ensuring individuals have clarity and time to prepare for the next steps.

Grievance Resolution Mechanism

PLDT upholds a safe, respectful, and accountable workplace by providing multiple channels through which employees can raise concerns and seek redress. These mechanisms are designed to protect individuals, support fair outcomes, and promote a culture of trust and transparency.

(1) CBA Grievance Machinery

Union members may elevate workplace issues through the structured grievance machinery defined in the CBA. This mechanism enables employees to contest interpretations or applications of established working conditions that they believe adversely affect them.

(2) Grievance Channels for Non-Union Employees

Non-union members may raise workplace concerns with their immediate executive head or with the People Group. This pathway ensures that all employees, regardless of union affiliation, have an accessible avenue to seek resolution and be heard.

(3) Anonymous and Whistleblowing Reports

Employees may report sensitive issues anonymously through the Corporate Governance Office. This mechanism encourages individuals to speak up about potential misconduct without fear of retaliation, reinforcing the Company's broader commitment to ethical conduct and corporate responsibility.

(4) Gender-Based Sexual Harassment (GBSH)

The Committee on Workplace Decorum and Investigation (CODI) serves as an independent body that ensures all GBSH complaints are addressed promptly and impartially. Employees may file complaints through the designated channels under the Company's GBSH Policy or through Labor Relations within the People Group. The process prioritizes confidentiality and upholds the dignity and the well-being of the reporting party.

Risk Mitigation and Proactive Engagement

PLDT recognizes that meaningful labor relations thrive on consistent dialogue and early intervention. The Company's *Ugnayan* Sessions—informal discussions between union representatives and management—help surface concerns before they escalate, creating a healthier workplace climate. The Company also invests in continuous labor education, equipping leaders and employees with the knowledge needed to understand evolving labor standards, strengthen compliance, and uphold respect and fairness across interactions.

Opportunities for Strengthening Labor Relations

PLDT continues to reinforce constructive and collaborative labor relations by prioritizing practices that directly enhance employee experience and support organizational stability. The following measures reflect our commitment to transparent communication, fair implementation of agreements, and responsive engagement with our workforce:

1. Consistent and Timely Implementation of CBA Provisions

The Company implements negotiated wage increases, benefits, and allowances promptly and accurately, ensuring employees directly experience the improvements secured through collective bargaining.

2. Regular and Solutions-Focused Labor-Management Dialogues

Quarterly labor-management committee meetings provide a structured platform for both parties to jointly assess CBA compliance, address workplace concerns, and strengthen shared accountability for a productive and respectful work environment.

3. Full Adherence to the Grievance Machinery

The Company observes the grievance process with rigor and impartiality, enabling employees to raise issues safely and ensuring concerns are resolved efficiently and fairly.

4. Clear and Timely Communication of CBA Highlights

The Company cascades key CBA updates to leaders and employees, fostering awareness of employee rights and promoting consistent application of agreed-upon policies across the organization.

Sustaining Fair and Equitable Employment Practices

CBAs anchor our commitment to fair labor practices by covering economic provisions such as wages, benefits, bonuses, and allowances, as well as political provisions, including job security, grievance mechanisms, and union protections. All agreements align with the Philippine Labor Code, promoting stability, compliance, and a workplace where employees feel valued and supported.

Diversity and Equal Opportunity

The following table shows a summary of employee diversity and equal opportunity information for the reporting year that ended on December 31, 2025:

	Quantity
% of female workers in the workforce	
Fixed	27.93%
Wireless	47.12%
% of male workers in the workforce	
Fixed	72.07%
Wireless	52.88%
Number of employees from indigenous communities and/or vulnerable sector*	561

**Vulnerable sectors include the elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, single parents, and the poor or the base of the pyramid (BOP; Class D and E).*

The PLDT Group fosters a workplace culture grounded in openness, trust, and respect by upholding a zero tolerance policy towards discrimination and harassment. We make hiring and promotion decisions based solely on merit and job fitness, following our principles of Pay for Position, Pay for Performance, and Pay for Person. These commitments ensure that personal attributes such as race, regional affiliation, ethnicity, religion, gender, gender identity or expression, sexual orientation, family or marital status, genetics, appearance, disability, age, affiliations, social origin or political views never influence employment outcomes.

We believe that a diverse and inclusive workforce strengthens both employee and customer experience. By bringing together individuals with varied perspectives and lived experiences, we cultivate an environment where innovation thrives, and employees feel valued, supported, and empowered to contribute meaningfully.

This approach also enables us to attract and retain talent that reflects the communities we serve.

Our advocacy extends beyond internal practices. PLDT and Smart maintain active membership in the Philippine Business and Disability Network (PBDN), a local organization supported by the International Labor Organization (ILO) that promotes disability inclusion in the workplace. We also partner with the Philippine Business Coalition for Women Empowerment (PBCWE) to advance gender equality, non-discriminatory practices, and expanded opportunities for women.

Together, these efforts reinforce our commitment to building a workplace where every employee feels respected, included, and able to realize their full potential.

Item 7. Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

The following table shows a summary of information on occupational health and safety for the reporting year that ended on December 31, 2025:

	Quantity
Safe man-hours	
Fixed	2,790,418
Wireless	9,055,594
Number of work-related injuries	
Fixed	47
Wireless	6
Number of work-related fatalities	-
Number of work-related ill-health	-
Number of safety drills	109

Impacts and Management Approach

The PLDT Group respects the rights of employees to a safe and healthy work environment. As we deliver essential services, especially during crises and disruptions, we ensure that employee welfare remains at the center of our operational decisions.

Our Occupational Safety and Health, and Environmental Commitments uphold the highest standards mandated by the Occupational Safety and Health Standards (OSHS) and the DOLE. Through our Integrated Management System (IMS) certification—covering ISO 9001, ISO 45001, and ISO 14001—we reinforce a unified approach to quality, environmental stewardship, and workplace health and safety. In particular, our ISO 45001 certification strengthens our capability to manage occupational risks proactively, enhance protective measures, and safeguard the well-being of our workforce.

We also invest in accessible healthcare support to help employees receive timely care. Our healthcare portal app enables employees to schedule consultations with general physicians or specialists, either face-to-face or online. This system allows both employees and medical teams to track progress, improving continuity and quality of care.

To further enhance workplace safety and operational efficiency, PLDT and Smart developed digital platforms such as the Environment, Health, and Safety Incident Reporting (EHSIR) system, the online Job Hazard Analysis (eJHA), and the Emergency Drill Report (EDR). These tools empower employees to report incidents, assess risks, and document emergency preparedness activities swiftly and transparently.

Together, these initiatives strengthen our commitment to fostering a safe, healthy, and supportive workplace—one that enables employees to thrive while ensuring business continuity and service excellence for the communities we serve.

Labor Laws and Human Rights

The following table shows a summary of information on labor laws and human rights for the reporting year that ended on December 31, 2025:

	Quantity
Number of legal actions or employee grievances involving forced or child labor	-

The PLDT Group upholds the highest standards of human rights, labor protection, and environmental responsibility by strictly adhering to national laws, regulatory requirements, and internationally recognized principles. We safeguard workers' rights and promote employee well-being through full compliance with labor standards, including those pertaining to forced labor, child labor, and fair working conditions.

The Group adopts a zero tolerance policy towards all forms of forced labor, human trafficking, slavery, child labor, and human rights abuses within our own operations and throughout our supply chain, consistent with its continuous compliance with Philippine laws and regulations, including but not limited to, the Magna Carta of Women (RA 9710), the Anti-Sexual Harassment Act of 1995 (RA 7877), the Anti-Rape Law of 1997 (RA 8353), the Rape Victim Assistance and Protection Act of 1998 (RA 8505), the Anti-Violence Against Women and Their Children Act of 2004 (RA 9262), the Act Strengthening the Prohibition on Discrimination Against Women With Respect to Terms and Conditions of Employment (RA 6725), and the Safe Spaces Act (RA 11313).

We ensure continuous monitoring and compliance with the Labor Code, the General Labor Standards, and regulations on the protection of children against abuse, exploitation, and discrimination.

Our Human Resources Manual sets out clear policies on labor rights, including grievance procedures that ensure accessible, transparent, and accountable mechanisms for raising and resolving concerns. The CODI oversees cases involving GBSH to maintain a safe and respectful environment. We also uphold employees' freedom to resign with reasonable notice.

Child Rights

In 2025, PLDT reinforced its global industry leadership in embedding children's rights into its business practices.

The State of Children's Rights and Business: Benchmark Report 2025 of the Global Child Forum, in partnership with the Boston Consulting Group, gave PLDT a score of 9.9 out of 10, covering assessment of child rights indicators in governance, workplace, marketplace, environment and community. This is the second consecutive year for the company to receive such rating, retaining its spot as the world's highest-ranked telecommunications company and the second highest-ranked company overall, alongside Tele2 of Sweden. The benchmark assessed 1,806 companies across eight sectors and 33 industries worldwide.

PLDT's sustained performance reflects its long-standing commitment to protecting children's welfare and aligning with global standards of the Children's Rights and Business Principles. Under the strategic oversight of the Board of Directors' GNSC, PLDT implements robust human rights and child safeguarding policies. These policies institutionalize practices to prohibit child labor in the workplace and supply chain and promote a safe online environment for children.

During the year, PLDT and Smart's Child Protection Platform blocked more than two million URLs linked to Online Sexual Abuse or Exploitation of Children (OSAEC) and prevented more than one million attempts to access online Child Sexual Abuse and Exploitation Materials (CSAEM). These were made possible through the Group's continuing subscription to the dynamic blacklisting database of the Internet Watch Foundation and Canadian Centre for Child Protection for Project Arachnid.

PLDT and Smart also continue to collaborate with various children's rights organizations, and include children in their materiality assessment endeavors, ensuring participation of young people in informing sustainability strategies and keeping abreast of how business operations impact children's rights. The Group also maintains active participation to regional and national efforts towards combating OSAEC and CSAEM, including the annual ASEAN ICT Forum on Child Online Protection, Manila International Dialogue, and multi-sectoral engagements of the National Coordination Center Against OSAEC and CSAEM. Additionally, PLDT and Smart support the Council for the Welfare of Children in the establishment of the MAKABATA 1383 national reporting mechanism for child rights violations.

Recognizing children as a key stakeholder group and as active members of the digital society, PLDT and Smart commit to heed the Philippine Securities and Exchange Commission's call for transparency and more comprehensive disclosures on their children's rights impacts.

These initiatives form part of PLDT and Smart's broader human rights risk management framework and directly contribute to the United Nations Sustainable Development Goals, particularly Goal 16 (Peace, Justice, and Strong Institutions) and Goal 17 (Partnerships for the Goals). By partnering with government, civil society, and global organizations, PLDT continues to strengthen safeguards that protect children, uphold human dignity, and create safer communities.

Supply Chain Management

The Procurement Group implements a supplier qualification process to ensure that contracts are awarded to qualified suppliers. This process aligns with the company's commitment to environmental performance, the prevention of forced and child labor, human rights protection, and the fight against bribery and corruption, among others. These factors are carefully considered during the supplier qualification process.

As part of our ongoing commitment to responsible sourcing, we administer an ESG Questionnaire to suppliers during accreditation and renewal. This document enables us to systematically evaluate suppliers' environmental, social, and governance practices, ensuring alignment with the PLDT Group's sustainability standards and expectations.

In 2025, we conducted a Biodiversity Awareness and Policy Cascade Workshop to engage key suppliers—primarily common tower companies and network partners—on biodiversity risks, regulatory compliance, and environmental stewardship. The initiative strengthened supplier alignment with the Group's biodiversity policies and supports its ESG commitments on responsible sourcing and environmental governance across the value chain.

Other activities in 2025 included further enhancement of the Supplier Code of Conduct and Supplier Conforme to align with global best practices. Procurement Category Management and Information Technology leaders also shared their insights on "Transformation through Digitalization of Procurement" with fellow procurement leaders from across the Philippines as a panelist at the 2025 SAP Spend Connect.

We continue to work closely with our business partners in support of the Company's purpose of inspiring innovations and fulfilling its ambition of becoming a sustainability leader in the region. We ensure judicious procurement spending, operational efficiency, and responsible business operations, thereby driving our success in procurement digitalization and collaboration.

Impact and Management Approach

Conscientious Supply Chain Management is vital in ensuring that the PLDT Group partners with suppliers who place the same value on carbon footprint reduction, proper waste management, fair labor practices, and prevention of negative environmental and social impacts.

The Procurement Policy and Supply Chain Management processes are designed to align closely with the Company's sustainability strategy. They integrate environmental and social responsibility into operations and influence suppliers to do the same. These policies address human rights, fair labor, environmental protection, and anti-corruption.

New suppliers are screened based on environmental and social criteria, requiring a recent business permit and relevant certifications. Business permits from Local Government Units (LGUs) in the Philippines include environmental components like sanitary and garbage fees. Junk/scrap buyers under Logistics must have an Environmental Compliance Certificate from the DENR.

In addition, local suppliers must also submit DOLE certifications for Child Labor and Regulations, OSHS, Registration on DOLE Department Order No. 174 – Rules Implementing Articles 106 to 109 of the Labor Code, as amended (DO174) to ensure Human Rights compliance, and General Labor Standard (GLS) as well as the Philippine Contractor Accreditation Board (PCAB) License.

Our Procurement Group plays a pivotal role in shaping and executing strategies related to supply chain planning and procurement management. They develop and communicate sourcing strategies that create synergies, enhance efficiencies, and maximize savings. This comprehensive approach ensures value realization in the delivery of supply chain and procurement services. Such team also collaborates closely with various business units to identify requirements, specifications, and forecasts. They also participate actively in the annual budgeting process, providing critical inputs from a supply chain category perspective based on planned sourcing initiatives.

Furthermore, our Procurement Group ensures the effective implementation of supply chain solutions and strategies within procurement operations, supply chain planning, and supply chain performance and risk management. They also cultivate and manage relationships with suppliers, securing resources that best meet business requirements at the most reasonable prices.

This integrated approach ensures that we company remain agile and responsive to market changes, maintaining a robust and sustainable supply chain.

Risks and Management Approach

Selecting appropriate suppliers is crucial for us to ensure alignment of values and consistent delivery of high- quality products, thereby safeguarding brand reputation and track record. The risks associated with non-compliant suppliers extend beyond financial implications, as they can jeopardize relationships with stakeholders.

The PLDT Group’s supplier qualification process incorporates stringent criteria, including compliance with relevant laws on industrial relations, environment, health, and safety. This ensures that contracts are awarded only to qualified suppliers.

This process is governed by the PLDT Group Supplier Code of Conduct, which explicitly outlines our commitment to providing equal opportunities and fair treatment to suppliers in all business transactions. This policy also requires all personnel to disclose any irregular or unethical conduct by suppliers. Supplementing this is the Anti-Corruption policy, which fosters an overall culture of good governance.

In this manner, the Company encourages suppliers and service providers to manage their sustainability impacts, encompassing economic, social, and environmental aspects. Procurement contracts with suppliers include an annex specific to sustainability principles (Sustainable Development Goals) for Suppliers. Furthermore, the Supplier Conforme covers Environment, Health, and Safety (EHS)-related audits, which must be agreed upon and signed by the supplier. In the event of negative incidents identified within the Supply Chain, suppliers will be notified of the findings and the corrective actions required to address the situation.

Opportunities and Management Approach

The goal is to maintain mutually beneficial relationships with suppliers who uphold and share the PLDT Group’s core values of fairness, accountability, integrity, and transparency. We are developing sustainability assessments to encourage innovative, affordable, and eco-friendly products and services.

Supplier selection is conducted through the standard bidding and bid evaluation processes. A market scan is performed to identify other suppliers not currently in the pool who can meet the business requirements, while existing suppliers are determined based on their importance, impact, performance, and level of influence or expenditure. This approach aims to foster mutually beneficial relationships and collaborative efforts to meet the needs of both parties, while also providing opportunities to engage and/or develop new suppliers.

We facilitate meaningful supplier relationships by developing strategies to achieve engagement objectives. Stakeholder engagement is collaborative and being conducted in accordance with business needs and frequency requirements. Multiple communication channels, such as the supplier Portal, mobile phones, and email, are available to facilitate effective collaboration and strengthen partnerships with suppliers.

Relationship with community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities including Indigenous People (IP)	Location	Vulnerable sector* (if applicable)	Collective or individual rights that have been identified as of particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Towers and fiber rollout in ancestral domains	- Banay-Banay in Davao Oriental - Brgy. Lalud, Don Victoriano Chiongbian, Misamis Occidental - Poblacion, Concepcion, Misamis Occidental - Miarayon, Talakag, Bukdinon - Mt. Apo, Kidapawan City in North Cotabato - Mt. Mayapay, Brgy. Nongnong in Butuan City - Brgy. Inagawan and Brgy. Babuyan in Puerto Princesa City - Malasag Heights, Brgy. Cugman in Cagayan de Oro City - Ivana, Itbayat, Sabtang, Uyugan in Batanes - Bongabon and Carranglan in Nueva Ecija - Ladian, Marilog District in Davao City - Pangantucan in Bukidnon - Imelda in Zamboanga del Sur - Itogon in Benguet	Indigenous Communities Indigenous Political Structure	Presence of company facilities in their sacred grounds/ ancestral domain	- Community dialogues - Securing Free, Prior, and Informed Consent (FPIC) - Addressing the needs of the IP community in areas where they operate

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, single parents, and the poor or the base of the pyramid (BOP, Class D, and E)*

For operations that are affecting IPs, indicate the total number of FPIC undergoing consultations and Certificate Preconditions (CPs) secured and still operational, and provide a copy or link to the certificates if available.

Certificates	Quantity
FPIC process is still undergoing	2
CP secured	-

Identified Risk/s and their Management Approach

The PLDT Group operates facilities across the country and maintains consistent communication with communities to build relationships grounded in trust and mutual respect. Several sites are located within areas inhabited by IPs, where meaningful engagement is essential to prevent misunderstandings and uphold the rights and welfare of affected groups.

We actively address concerns raised by community members and local agencies to avoid friction and ensure clarity of purpose. During project preparation stages, we facilitate consultations to inform communities about planned activities and decisions. For areas involving IPs, the Group secures FPIC, which leads to the issuance of a CP. At present, five FPIC consultations are ongoing for tower projects situated in ancestral domains.

As a signatory to the UNGC, the PLDT Group upholds internationally recognized human rights principles. The Group acknowledges its responsibility to safeguard these rights by ensuring that all voices—particularly those of vulnerable groups—are heard, respected, and meaningfully included.

Identified Opportunities and their Management Approach

The PLDT Group applies a structured framework for social and environmental stakeholder engagement across its operations. This approach guides teams in working closely with local communities, identifying opportunities to embed sustainable and inclusive practices in business processes. This includes initiatives that create shared value for both the company and its stakeholders.

Throughout all engagements -- from routine interactions to complex, multi-stakeholder projects -- we emphasize respect, transparency, and collaboration. Communication campaigns support these engagements by ensuring the openness and accessibility of information. Community-centered initiatives range from reforestation efforts and digital learning programs to livelihood development and capacity-building activities.

We also strengthen community resilience during emergencies and natural disasters. Immediately following calamities, we deploy free calls, Wi-Fi connectivity, and charging stations, and in some cases opens select facilities as temporary evacuation centers for affected residents.

By demonstrating the benefits of technology and digital inclusion, the PLDT Group aims to deepen community partnerships. These efforts focus on enabling equitable access to education, supporting entrepreneurship and innovation, enhancing livelihood opportunities, promoting online safety and mental wellness, and ensuring inclusive participation across all communities served.

Ultimately, the Group strives to help bridge the digital divide and uplift communities through responsible and people-centered connectivity.

Customer Management

relational NPS (Net Promoter Score)

Starting 2025, PLDT shifted its reporting from transactional NPS (tNPS) to relational NPS (rNPS). This is also the metric included as one of the KPIs of officers and executives.

While tNPS measures customer sentiment immediately after a specific interaction or touchpoint, rNPS captures the customer's overall, long-term perception of the brand—reflecting relationship health, loyalty, and advocacy potential.

rNPS asks customers how likely they are to recommend PLDT based on their overall experience with the company. This goes beyond any single transaction and surfaces whether customers trust the brand, intend to remain loyal, and are willing to advocate for it. In this way, rNPS acts as an early warning and early opportunity indicator for future churn, cross sell, and word of mouth growth. Because rNPS provides a high-level view of overall loyalty, PLDT complements it with tNPS and journey-level NPS to pinpoint where loyalty is being created or eroded across the end-to-end experience, enabling teams to identify which concrete fixes and investments to prioritize.

In 2025, PLDT achieved an rNPS of 56, an improvement of +8 points from the previous year. This increase represents a meaningful uplift in overall customer sentiment. It indicates that customers are experiencing better end-to-end journeys and signals stronger future retention, higher advocacy, and improved long-term growth potential for the company.

By putting rNPS on the scorecard, it ensures that the organization is aligned not only with achieving internal efficiency targets but more importantly, with building stronger and more enduring customer relationships. Furthermore, it clearly signals that customer-centricity and loyalty are strategic priorities, not side metrics.

To ensure that all the NPS results are robust, unbiased, and trusted across the organization, PLDT has engaged a global, independent market research firm to administer its NPS monitoring across all its brands and companies. This independent setup helps prevent score manipulation, supports consistent methodology over time, and provides credible insights that leaders can confidently use for decision making, performance management, and continuous customer experience improvement.

Health and Safety

	Quantity
Number of substantiated complaints on product or service health and safety*	-
Number of complaints addressed	-

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged at and acted upon by government agencies.*

We remain steadfast in our commitment to protecting the health and safety of the people and communities we serve. We keep our customers in mind when we design, test, and deploy our products and services with a clear focus on safeguarding their well-being. We actively ensure that all materials, technologies, and product labels comply with applicable health and safety regulations.

As technology evolves and as we develop new products and services, we proactively identify and address potential risks. Our due diligence processes allow us to thoroughly assess product performance, anticipate areas of concern, and implement measures that prevent adverse impacts on users and the broader public.

We recognize that technical issues, such as related to electromagnetic radiation (EMR) from telecommunications antennas and devices, can give rise to concerns. We take these seriously. Guided by research from the World Health Organization (WHO), we work to provide clear and evidence-based information to the public. Through community forums, technical briefings, position papers, and capacity-building workshops, we help individuals make informed decisions about the technologies they rely on every day.

With the adoption of 5G technology, we continue to foster transparency. We collaborate closely with regulators to ensure that our network infrastructure meets stringent safety requirements and that our services remain both secure and reliable. By engaging openly with our stakeholders and adhering to global scientific standards, we aim to strengthen trust and contribute to a safer digital environment for all.

Marketing and Labeling

	Quantity
Number of substantiated complaints on marketing and labeling*	-
Number of complaints addressed	-

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Potential Impact, their Involvement in the Impact, and their Management Approach

We design our marketing and labeling with the goal of empowering customers to make informed choices. By ensuring our materials are accurate, clear, and complete, we help customers understand the value and performance of our products and services, shaping their overall experience and trust in our brand.

Our marketing teams maintain strict alignment with the guidelines of the Department of Trade and Industry (DTI) and the National Telecommunications Commission (NTC). Key products secure certification required by the Bureau of Philippine Standards (BPS), enabling consumers to easily verify conformity with Philippine National Standards and relevant international benchmarks. These affirm product authenticity and help safeguard customers from misleading information.

Identified Risks and their Management Approach

We recognize the risks posed by misinformation, misleading claims, and counterfeit products seeking to exploit consumer trust. To protect the public, we maintain accessible and responsive reporting channels (including hotlines, social media platforms, and our physical stores) where customers can raise concerns and request assistance.

We also receive complaints filed directly with the NTC and DTI, which these agencies forward to our Customer Care or Legal teams for investigation and resolution. Throughout these processes, we prioritize providing timely, accurate, and comprehensive information, reinforcing our commitment to a transparent and trustworthy customer experience.

Identified Opportunities and their Management Approach

Our commitment to customer experience drives us to continuously broaden access to reliable product and service information and offer flexible pricing options tailored to diverse customer needs. We proactively assess pre-sales interactions to prevent misconceptions and ensure that customers receive complete and accurate information before making purchasing decisions.

By identifying and addressing systemic issues and their root causes, we strengthen our ability to resolve concerns effectively and enhance outcomes from the customer's perspective. This ongoing improvement process helps us deliver communications that remain clear, consistent, and aligned with our promise of high-quality service.

Customer Privacy

2025 was a year of operational effectiveness and strategic transformation for the Privacy Office as it continued to mature its hybrid privacy program model while addressing critical governance gaps.

Our privacy practice achieved significant operational milestones in its second full year under the hybrid privacy program model. The project clearance rate reached 100% with all 273 assessed projects completed within committed timelines—a testament to process maturity and internal control effectiveness. The benefits were evident in the dramatically improved turnaround times: 1.5 days for Non-Privacy Sensitive projects (60.5% improvement from 2024), 4.0 days for Low-Risk projects (42.9% improvement), and 13.0 days for Moderate-to-High Risk projects (13.3% improvement). These efficiency gains demonstrate that the hybrid model has reached operational maturity without compromising assessment quality.

PLDT and Smart successfully deployed the Unified Consent and Preference Management (UCPM) Platform across PLDT Group operations. The platform is now operational across 20 systems including customer channels and

enforcement platforms, managing consent for over 46.1 million Smart subscribers and 3.4 million PLDT subscribers. The UCPM Platform provides subscribers with enhanced transparency through clearly presented privacy notices, greater control over consent preferences including opt-in/out capabilities for marketing and data sharing, near real-time updates across all integrated systems, improved security for consent records, and a consistent experience across all touchpoints.

PLDT made a comprehensive update to the "Upholding Data Subject Rights" standard. This update strengthens processes for managing privacy notices and consent, ensuring that data subjects can effectively exercise their rights. The standard defines clear roles and responsibilities for operationalization, establishing accountability frameworks for consent management, privacy notice deployment, and data subject rights request processing across business units, all operationalized by virtue of integration with the UCPM Consent Platform.

We continued our commitment to building a culture of privacy through comprehensive education initiatives. The “Privacy Bootcamp: Designing with Privacy”, launched in August 2025, is an interactive 4-hour workshop targeting key business units. The workshop equips teams to embed privacy protection throughout project lifecycles using real-world scenarios. Meanwhile, the Annual Data Privacy eLearning course was launched in September 2025 as a mandatory refresher for all employees. The 2025 course emphasized “Responsible Innovation in the age of AI,” preparing employees with future-ready skills to handle evolving digital and regulatory challenges. Through scenario-based modules and interactive storytelling, the course connects privacy principles with practical application and requires a Declaration of Compliance to ensure accountability and audit readiness.

Privacy Incidents

There were 17 confirmed non-reportable privacy incidents involving customers (for PLDT and Smart combined) as of December 31, 2025. None of the incidents were determined to be covered by the mandatory reporting requirement of the National Privacy Commission (NPC), maintaining PLDT's record of zero reportable breaches. With respect to exercise of rights of data subjects, there were a total of 121 requests from customers in 2025.

	Quantity
Number of substantiated complaints on customer privacy*	138
Fixed	28
Wireless	110
Number of complaints addressed	138
Fixed	28
Wireless	110
Number of customers, users, and account holders whose information is used for secondary purposes	49.5 million

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Privacy and Information Security Committee

The Board of Directors considers privacy and information security crucial to the company’s operations. The Board Committee on Data Privacy and Information Security oversees governance in these areas. This committee reviews and approves the company's strategic plans concerning data privacy and information security, supervises the implementation of systems for identifying, assessing, monitoring, and managing risks related to data privacy and information security, and ensures adherence to established frameworks, structures, policies, standards, and processes.

The Committee reviewed, on a periodic basis, a survey of international and local cybersecurity events, focusing on their geopolitical implications—such as state-sponsored threats and the impact of global conflicts on cyber warfare—and third-party and supply chain management risks. The Committee also discussed the operational statistics of the Cybersecurity Operations Group (CSOG), which included data on the blocking of billions of malicious sites and the mitigation of DDoS attacks. The Committee received updates on PLDT’s risk posture and identified areas for improvement, including the deployment of AI-enabled defense tools to automate threat remediation. The Chief Information Security Officer discussed the Company’s cybersecurity strategy that is aligned with business objectives, focusing on network segmentation, layered access control, and zero trust architecture. Additionally, CSOG’s education campaign to enhance employee awareness of cyber threats, including the achievement of 100% compliance in mandatory e-learning and the maintenance of low phishing simulation rates, was discussed.

On privacy and data protection, the Committee reviewed the updates from the Chief Data Privacy Officer (CDPO) on privacy regulations and regulatory activities. Statistics on privacy incidents, such as personal data breaches and the exercise of data subjects' rights, were presented, along with the confirmation of zero reportable breaches for the year and a downward trend in total recorded incidents for the Company. The Committee likewise discussed the updates on the Privacy Office's operations, including the statistics on the conduct of privacy risk assessments on various projects and the successful digitization of the Privacy Impact Assessment process to improve clearance rates. A key project presented to the Committee was the Unified Consent and Preference Management transformation, which was launched to establish a single source of truth for subscriber consent across the PLDT and Smart ecosystems. The Committee also noted a report from the CDPO on the Privacy Office's efforts to promote a culture of privacy and the operationalization of "Privacy by Design" in project consultations.

Data Security

	Quantity
Number of breaches*, including leaks, thefts, and losses of data	13
Fixed	1
Wireless	12

** Data from the Data Privacy Office. For CSOG, no data breach due to a cyber attack and no cybersecurity incident with a significant impact.*

Impacts and Management Approach

The Company recognizes that while technology continues to expand opportunities for innovation and improved customer experience, it also heightens exposure to evolving cyber threats. Any data leak or breach, whether accidental or malicious, can erode the trust our customers and employees place in us. Protecting their personal information and safeguarding our business operations, therefore, remain central to our mission.

To strengthen this commitment, the CSOG advanced the Company's enterprise-wide cybersecurity posture through measures designed not only to protect systems but also to empower people. We maintain an accessible Sentinel SharePoint portal that provides employees with practical guidance, current threat information, and educational materials that reinforce everyday cyber hygiene. All cybersecurity policies and procedures, including the annually updated and CEO-approved Corporate Information Security Policy (CISP), are consolidated in the Sentinel SharePoint portal for easy, 24/7 access.

Employees play a critical role in maintaining a secure environment. We support them through streamlined reporting channels such as online security operations modules, as well as a dedicated cybersecurity incident email address that is regularly promoted through advisories and infographics. These tools enable employees to report issues quickly, helping the Company respond before threats escalate.

Training is mandatory throughout the workforce to ensure everyone understands their responsibilities under the CISP. Annual eLearning courses, focused workshops, phishing simulations, and cyber crisis drills reinforce awareness and build practical skills. Employees must attest to their compliance, and failure to complete required training results in disciplinary action that affects performance evaluation.

CSOG also strengthened the Company's readiness to anticipate and respond to threats. Its predictive capabilities inform preventive measures, while the Cyber Security Incident Response Team (CSIRT) leads coordinated responses involving IT, Network, Legal, the Privacy Office, and Corporate Communications. Business continuity plans and incident response protocols undergo regular testing and are cascaded to employees and third-party partners to ensure alignment and preparedness. These efforts are supported by a 24/7 Security Operations Center and enhanced threat intelligence functions.

Following enhancements implemented in 2024, we continue to advance our cybersecurity strategy in 2025 by further strengthening each layer of the Security Onion—spanning external services, perimeter, network and systems, endpoints, and user layers.

Grounded in CSOG's Cyber Security Capability Framework, the Security Onion framework reflects the organization's ongoing commitment to reinforcing controls and elevating its cybersecurity maturity year after year. It continues to guide the PLDT Group's defense-in-depth approach, integrating people, processes, technology, and intelligence across all dimensions of security.

In 2025, no significant cybersecurity incidents or data breaches occurred. Looking ahead, CSOG plans to integrate artificial intelligence into its cybersecurity strategy and develop a corresponding policy to ensure responsible and secure implementation.

Risks and Management Approach

The PLDT Group adopts a comprehensive risk-management approach designed to safeguard the people, communities, and businesses who rely on its services every day. By treating data security not only as an operational requirement but as a core responsibility to its customers and stakeholders, the Group strengthens trust in its digital ecosystem.

To sustain this commitment, CSOG maintains an up-to-date asset registry that provides full visibility of all servers and systems within the network. This includes asset classifications, ownership, and the controls in place to protect them.

Complementing this is the CSOG Risk Registry, which consolidates identified risks for each asset, evaluates inherent and residual risk levels, and tracks corresponding treatment plans. This centralized registry supports informed decision-making and ensures the timely implementation of needed security controls.

The Group anchors its cybersecurity approach on the National Institute of Standards and Technology (NIST) Framework, focusing on the core functions of Identify, Protect, Detect, Respond, and Recover. Through this framework, the organization proactively identifies threats, strengthens safeguards that secure critical infrastructure, and establishes clear protocols for detecting and mitigating cybersecurity events. Recovery measures are also in place to restore affected services and minimize disruption to customers and business operations.

By embedding cybersecurity practices across day-to-day operations, the Group enhances the overall digital experience of its customers--providing secure, seamless connections that support their personal and professional lives. We ensure that these practices are consistently applied through tailored operational processes and a capability framework designed to preserve the organization's security posture and resilience.

Opportunities and Management Approach

We continue to strengthen our cybersecurity posture by advancing our reference architecture and executing a comprehensive roadmap that enhances protection across all security layers. The Security Onion's end-to-end operational framework integrates governance, risk, and compliance measures, ensuring that every control contributes meaningfully to safeguarding people, processes, and technology.

To reinforce identity and access security, the Company deployed a tier-based modeling framework for Active Directory environments and introduced a cyber-attack and breach simulation platform that continuously validates the effectiveness of existing controls.

The CSOG oversees the implementation of the CISP. Through the CISP, CSOG drives the execution of strategic initiatives, enforces policies, and ensures consistent protection of Company information assets. This responsibility extends to all employees, third-party vendors, and suppliers, reinforcing a culture where everyone plays a role in maintaining a secure ecosystem.

CSOG reviews its policies and standards every year to ensure alignment with evolving threats and best practices. These standards guide proper implementation of controls across key domains such as access management, data sharing, external party security, compliance monitoring, incident response, and patch and vulnerability management.

Recognizing the PLDT Group's broader role in nation-building and in protecting children from online sexual abuse and exploitation, CSOG continues to leverage critical tools such as the Child Protection Platform (CPP) to block access to harmful online content. As a member of the Internet Watch Foundation (IWF) and the Canadian Centre for Child Protection (C3P), the Group draws on global threat intelligence to strengthen its prevention capabilities.

In 2025, as digital fraud intensified, Smart and PLDT Enterprise took a leading role in protecting consumers and businesses from emerging threats. Through advanced authentication technologies, the Group enables financial institutions, e-commerce platforms, and enterprises of all sizes to provide secure, seamless digital transactions. This

approach reduces exposure to phishing, identity theft, and authentication-based fraud while improving customer experience.

In addition, Smart has made available a reporting platform, HULISCAM, where customers can report phishing, smishing and vishing incidents.

The Philippines remains one of Asia's most targeted markets for e-commerce phishing attacks, resulting in significant financial losses. As more organizations migrate operations online, the need for strong yet frictionless authentication grows. PLDT Enterprise and Smart introduced Silent Authentication as a robust alternative to traditional one-time passwords (OTPs), addressing vulnerabilities such as OTP interception and social engineering. This network-based verification enhances both user protection and transaction efficiency.

Smart has received a GSMA-certified Number Verification API supporting Silent Authentication. The solution is already helping strengthen fraud prevention across three major sectors:

- **Banking, finance, and insurance** – Protects customers from account takeover and transactional fraud while offering a smoother verification experience.
- **E-commerce and retail** – Reduces unauthorized access and fraudulent purchases, supporting higher buyer trust and fewer chargebacks.
- **Small and regional enterprises** – Provides accessible, enterprise-level security to support safe digital transactions for growing businesses.

By pioneering GSMA Open Gateway-certified solutions in the Philippines, we demonstrate our commitment to cybersecurity, innovation, and responsible digital transformation. As the Group expands its suite of certified APIs, it aims to build a safer digital environment for individuals, communities, and businesses across the Philippines. Through Silent Authentication and the broader Open Gateway ecosystem, the Group is not only securing transactions, but it is also shaping the future of mobile security nationwide.

PART IV – UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

United Nations Global Compact (UNGC) Participation

PLDT continues to advance responsible and ethical business conduct as an active participant to the UNGC, with its annual Communication on Progress signed by the company's Chairman and CEO. Through this commitment, the Company embeds values-based decision-making across strategies, policies, and operations, and engages stakeholders in initiatives that uphold human rights, fair labor, environmental stewardship, and integrity in business.

As a participant of the Global Compact Network Philippines (GCNP), PLDT collaborates closely with industry peers and non-business stakeholders to translate UNGC principles into local action. These efforts reinforce the company's contribution to the UN Sustainable Development Goals (SDGs), particularly SDG 8 on Decent Work and Economic Growth, SDG 9 on Industry, Innovation and Infrastructure, SDG 11 on Sustainable Cities and Communities, SDG 13 on Climate Action and SDG 17 Partnership for the Goals.

In 2025, PLDT was elected to the GCNP Board of Trustees, strengthening its role in shaping collective action across the Philippine private sector. The Company actively participated in GCNP-led dialogues to localize the UNGC Forward Faster Initiative, which call on businesses to accelerate progress on gender equality, living wages, climate action, water resilience, and SDG-aligned finance. Through these engagements, PLDT helps elevate standards that directly improve workplace dignity, community resilience, and environmental sustainability.

PLDT further leverages UNGC global learning platforms to enhance organizational capability in sustainability management. Employees participated in capacity-building programs such as the Climate Ambition Accelerator, the SDG Innovation Accelerator for Young Professionals, and the Target Gender Equality Accelerator. These programs support teams in aligning corporate actions with global best practices while empowering personnel to design solutions that benefit customers, communities, and the environment.

PLDT also represented the Philippines at the 2025 UNGC Leaders' Summit – Sustainable Development Goals Innovation Pitch Showcase in New York City, one of only 15 countries featured globally. PLDT and Smart presented a homegrown innovation that integrates localized natural-hazard mapping and remote monitoring of network facilities into a unified dashboard. Using artificial intelligence and Internet-of-Things technologies, the solution enables proactive maintenance, reduces service downtime, and enhances the safety of employees and the communities that rely on network connectivity.

Item 8. Product or Service Contribution to UN SDGs

Key products and services and their contributions to sustainable development

Key Business Units	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Flagship Products			
PLDT Home	PLDT Home, the fixed line consumer business unit of PLDT, provides a comprehensive range of digital services and solutions, including fiber home broadband, designed to keep Filipino households connected. These offerings facilitate convenient access to information, education, lifestyle, and entertainment content, as well as livelihood opportunities, all from the comfort of their homes. Through these, PLDT Home enables and contributes to SDGs 9, 10, 11, 12, 13, 16, and 17.	Access to digital connectivity and online platforms can expose users, including children, to various risks, such as cyberattacks and harmful content, like child sexual abuse or exploitation materials Customers may also be targeted by unscrupulous actors and cybercriminals. The installation and operation of network facilities across the country, including those undersea, might pose potential risks and impacts on natural resources and ecological systems.	The PLDT Group has made significant investments in various cybersecurity and child protection platforms, integrating these systems into its digital infrastructure. Additionally, the Group proactively implements customer educational programs focused on Internet safety and child online protection. The PLDT Group formalizes its commitment to protecting, conserving, and sustainably managing nature and biodiversity across its operations through the Board's approval of its Biodiversity Policy. We adhere to internal protocols and mechanisms for environmental management to ensure compliance with relevant laws and regulations regarding environmental protection and conservation. Furthermore, it engages continuously with stakeholders and fosters alliances with industry and academic institutions to strengthen risk management measures and proactively identify opportunities for generating positive environmental value.

Key Business Units	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
PLDT Enterprise	PLDT Enterprise offers connectivity and digital solutions to enterprises, national government agencies, local government units, and other private sector organizations. PLDT Enterprise solutions facilitate digital transformation and industrial development across various sectors, supporting the infrastructure of the Philippine economy. Commercial initiatives and community investments contribute to SDGs 9, 10, 11, 12, 13, 16, and 17.	Digital connectivity can expose users to various harms, abuses, and cyberattacks. The deployment of network facilities, including undersea cables, can negatively impact natural resources and ecosystems. Data centers, without proper resource optimization, demand high power usage and produce significant greenhouse gas emissions.	The PLDT Group continues to implement various cybersecurity measures within its digital infrastructure to safeguard its Enterprise customers. The Group also conducts customer education programs focused on Internet safety. The PLDT Group formalizes its commitment to protecting, conserving, and sustainably managing nature and biodiversity across its operations through the Board's approval of its Biodiversity Policy. The PLDT Group adheres to protocols and mechanisms for environmental management to comply with relevant laws and regulations regarding environmental protection and conservation. It engages with stakeholders and forms alliances with industry and academic institutions to enhance risk management measures and identify opportunities for positive environmental impact. The PLDT Group is committed to energy efficiency and resource optimization initiatives aimed at reducing emissions and managing its environmental impact. The Group continues to source renewable energy for its power requirements, explores new technologies to meet the high processing speed and energy and water efficiency requirements of its data centers.

Key Business Units	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Smart	Smart, the Group's wireless subsidiary, through mobile connectivity services, contributes to the development of the country's digital economy and offers customer services tailored to the growing digital lifestyle in the Philippines. Smart is aligned with SDGs 9, 10, 11, 12, 13, 16, and 17	Access to digital connectivity and online platforms poses potential risks of harm, abuse, cyber-attacks, and exposure to harmful content for users, including children. Customers are also at risk of exploitation by unscrupulous actors and cybercriminals. The physical deployment and operation of network facilities throughout the country may lead to potential risks and adverse impacts on natural resources and ecological systems, including the indigenous people (IP)	The PLDT Group has invested in various cybersecurity and child protection solutions, integrating these measures into its digital infrastructure. Additionally, the Group actively conducts customer educational programs on Internet safety and child online protection. The PLDT Group adheres to internal protocols and mechanisms for environmental management to ensure compliance with relevant laws and regulations on environmental protection and conservation, including engagement with IPs Furthermore, the Group continuously engages with stakeholders and forms alliances with industry and academic institutions to enhance risk management strategies and proactively identify opportunities for creating positive environmental value.
ePLDT	ePLDT, the PLDT Group's ICT subsidiary, provides digital business solutions comprising cloud services, cybersecurity, data center facilities, and managed IT services. These services support connectivity, productivity, safety, and business continuity for various sectors and organizations. ePLDT's operations contribute to SDGs 9, 10, 11, 13, and 16	The digital revolution has led to the emergence and expansion of cybercriminals who seek out and exploit vulnerabilities in the digital infrastructures of enterprises and organizations. This can result in cybersecurity breaches, reputational damage, and financial losses for both enterprises and individuals.	The PLDT Group continues to invest in developing a strategy, infrastructure, and capacity for cybersecurity. These efforts have enabled the Group to maintain secure services and safeguard its customers against cybercrimes and security breaches.

Key Business Units	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
VITRO	VITRO provides data center solutions across the country that are secure and reliable VITRO's operations contributed to SDGs 9 and 11	In the absence of adequate resource optimization measures, data centers demand high power consumption and consequently produce substantial greenhouse gas emissions.	VITRO is working on energy efficiency and resource optimization initiatives to reduce emissions and mitigate its environmental impact, including the addition of renewables in its energy mix and water optimization programs. Its newest data center (VITRO Sta. Rosa) has been designed according to LEED standards. It is exploring new technologies to meet the high processing speed and energy efficiency requirements of its data centers.
PLDT Global	PLDT Global delivers communications infrastructure and platforms to a worldwide network of carriers, Filipino migrant workers, enterprise clients, and distribution partners, facilitating their ability to establish international connections and access diverse markets across the globe. PLDT Global services contribute to SDGs 9, 10, 11, 12, 13, 16, and 17.	Access to digital connectivity and online platforms can potentially expose users to various harms, abuses, cyber-attacks, and harmful content. Additionally, customers may become targets for unscrupulous actors and cybercriminals.	The PLDT Group continues to make significant investments in various cybersecurity platforms, integrating these measures into its digital infrastructure. Additionally, the Group proactively implements customer educational programs focused on Internet safety.
Maya	Maya is the fintech investment of PLDT, which operates a financial ecosystem that includes a mobile wallet, merchant acquisition, and a digital bank. Maya services contribute to SDG 8, 9, and 11	Customers are also at risk of exploitation by unscrupulous actors and cybercriminals who may try to steal their information and money.	Maya adheres to the Payment Card Industry Data Security Standard (PCI DSS), ensuring high security standards for their platform. They also partner with SHIELD, a premier risk intelligence platform specializing in fraud prevention and detection. Each transaction requires a one-time pin to make sure that each transaction is legitimate. Maya continues to educate its users through regular campaigns on keeping their mobile wallets and bank accounts safe from fraudsters.

Corporate Citizenship

SDG 3: *Good Health and Well-being*

SDG 4: *Quality Education*

SDG 5: *Gender Equality*

SDG 8: *Decent Jobs and Economic Growth*

SDG 9: *Industry, Innovation, and Infrastructure*

SDG 10: *Reduced Inequalities*

SDG 11: *Sustainable Cities and Communities*

SDG 16: *Peace, Justice, and Strong Institutions*

SDG 17: *Partnership for the Goals*

The PLDT Group advances shared value programs that strengthen business competitiveness while contributing to long-term sustainability. Leveraging its robust technology infrastructure and extensive network coverage, the Group responds to the economic and social needs of the communities it serves.

These initiatives promote digital inclusion and harness technology as a catalyst for development and transformation. Through strategic partnerships with government, academe, media, civil society, and the community, the Group delivers collective impact across key areas such as education, internet and media safety, disaster resilience, and livelihood. These efforts form the core of PLDT's Corporate Citizenship strategy, anchored on the pillars of Connection, Concern, Conservation, and Commitment under its Sustainability Roadmap.

Internet and Media Safety

The PLDT Group continues to champion internet safety, data privacy, and cybersecurity to help safeguard its customers and end users, with particular attention to protecting vulnerable groups such as children and the youth. The Company remains committed to providing stakeholders with high quality, affordable connectivity, alongside a safe and secure digital experience.

Through our *#BeCyberSmart* program, we empower a wide range of audiences—including students, parents, teachers, farmers, government workers, small business owners, and the media — with essential knowledge and tools to navigate the digital environment safely and responsibly. This effort reflects the Group's broader commitment to cultivating a safe and inclusive digital ecosystem. Complementing this is the *Better Today for Kids* program, which reinforces our advocacy for children's rights and promotes safer online spaces through technology-enabled community interventions.

In 2025, the Group's key Internet and Media Safety initiatives and impact included:

- PLDT and Smart reached more than 58,000 individuals through their *#BeCyberSmart* internet safety awareness program, delivered through both face-to-face sessions and online training format.
-
- PLDT and Smart equipped 7,661 youth leaders and teachers to serve as local *#BeCyberSmart* champions in their schools and *barangay* via training-of-trainers sessions, enabling wider peer-to-peer learning and sustained community engagement.
- In collaboration with DOJ-IACAT, PLDT and Smart delivered the *Better Today* program to 560 teachers, students, and local leaders, supporting greater awareness and prevention of OSAEC.
- PLDT and Smart trained 141 journalists and other media personnel in NCR, Cebu, Cagayan de Oro, Davao, and Eastern Visayas on AI and Media Safety, equipping them with knowledge to use emerging technologies responsibly while strengthening digital resilience in news and content creation.

Disaster Resilience

The PLDT Group promotes disaster resilience and nurtures a culture of preparedness across its workforce and the communities it serves, recognizing the Philippines' vulnerability to frequent typhoons, volcanic events, and other natural and human-induced hazards. Through its robust technology and infrastructure, the Group provides essential support before, during, and after emergencies, helping maintain critical lifelines and enabling timely response and recovery.

To strengthen local preparedness, we deploy *Ligtas Kit*, a portable all-in-one emergency communications package that equips hazard-prone LGUs with essential tools and devices that enable crucial communication before, during, and after disasters and emergencies. When disasters occur, we further extend assistance by setting up *Libreng Tawag* (*free calling*), *Libreng Charging* (*free charging*), and *Libreng WiFi* (*free wifi*) stations, ensuring affected communities regain access to vital communication channels during their most vulnerable moments.

In 2025, the PLDT Group strengthened the country's disaster resilience by delivering timely support and restoring essential services to communities most affected by natural hazards.

- PLDT and Smart provided 7,360 relief packs to families impacted by calamities, ensuring immediate access to food and necessities during crises. The companies also established 81 emergency communications stations, enabling residents in disaster-stricken areas to reconnect with loved ones, seek assistance, and access critical information through *Libreng Tawag*, *Libreng Charging*, and *Libreng WiFi* services.
- To help local governments respond more effectively, PLDT and Smart deployed four *Ligtas Kits* to hazard-prone municipalities and trained local representatives on emergency communications protocols. These efforts enhanced community preparedness and supported frontline responders with reliable communication tools during emergencies.
- PLDT and Smart also advanced national emergency readiness by working with the Philippine Disaster Resilience Foundation to facilitate strategic workshops for the Department of Information and Communications Technology. Through this collaboration, 15 DICT Regional Offices developed and presented their respective Regional Emergency Communications Plans—essential building blocks toward completing the country's comprehensive National Emergency Communications Plan (NECP).
- Through its Relief Efforts and the AKFEED program, the PLDT-Smart Foundation supported nearly 10,000 families nationwide affected by typhoons, flooding, earthquakes, fires, and volcanic eruptions. These interventions, delivered in partnership with the *Tulong Kapatid* Group and the PLDT and Smart Sales Team, provided immediate relief and helped communities begin recovering from life-disrupting events.

Education

The PLDT Group supports the digital transformation of the education sector by providing access to technology, innovative pedagogy, and capacity-building to ensure that no learner gets left behind in the digital and creative economy.

To facilitate access to high-quality basic education, the Group implements the *School-in-a-Bag* initiative, providing portable digital classrooms to schools located in remote areas. This intervention is strengthened by teacher training on the CVIF–Dynamic Learning Program, an innovative pedagogical approach that develops independent learning, particularly in Science, Technology, Engineering, and Mathematics (STEM) subjects.

At the tertiary level, PLDT and Smart continue to foster a culture of innovation in schools through programs such as the *Smart Wireless Engineering Education Program (SWEEP)* and the *Innovation Generation* Program. These initiatives provide students and faculty with hands-on environments where they can explore, design, and test solutions that encourage creativity and innovation.

To foster lifelong learning in the digital age, the Group launched the *AI-in-a-Box* initiative, enabling various sectors to harness technology to enhance how they work, learn, and live.

In 2025, the PLDT Group made significant strides in enabling education through the following:

- PLDT and Smart formalized a landmark Memorandum of Understanding (MOU) with the Department of Education (DepEd) and the Central Visayan Institute Foundation (CVIF). This partnership facilitates the nationwide rollout of the CVIF-Dynamic Learning Program (CVIF-DLP), a disaster-resilient pedagogy that fosters independent learning and ensures academic continuity even in challenging environments.

- The program's impact is reflected in DepEd's ₱1.3-billion allocation to support its expanded rollout—marking the successful transition of a private-sector advocacy into a nationally adopted standard for delivering sustainable, quality education to millions of Filipino learners.
- In 2025 alone, the initiative successfully trained 1,520 teachers in this disaster- and pandemic-resilient pedagogy to support the expanded nationwide rollout.
- School-in-a-Bag portable digital classroom: PLDT and Smart reached 1,112 basic education teachers and students in last-mile areas
- Now in its 22nd year, the SWEEP continues to stand as the Philippines' longest-running academe-industry linkage program. A major milestone in 2025 was the renewal of partnerships with five (5) key universities, reinforcing a robust network of 25 partner institutions nationwide. This ongoing collaboration ensures that SWEEP remains a cornerstone for technical excellence and institutional support in the engineering field.
- Throughout the 2025 cycle, SWEEP directly enhanced the professional readiness of the next generation of engineers by accommodating 27 On-the-Job Trainees (OJTs) and engaging over 1,800 students through specialized learning sessions. These initiatives continue to bridge the gap between academic theory and the evolving industry demands, ensuring Filipino engineering students remain globally competitive.
- PLDT and Smart continued to conduct TechnoLab Tours, a unique educational opportunity by hosting 373 students from eleven schools. These tours offered students a first-hand look at emerging technologies. The TechnoLab facility serves as a sandbox for developing and testing revolutionary communication solutions of the Group that aim to improve customer experience. Innovations under development include Open Radio Access Network (ORAN), network disaggregation, extended reality, and advancements in cloud and home connectivity.
- Innovation Generation Season 4 was successfully rolled out in partnership with the National Council on Disability Affairs (NCDA), focusing on inclusive innovation and youth empowerment. The program engaged 96 teams, comprising 388 students and 96 teachers from schools across Luzon, Visayas, and Mindanao, through a comprehensive series of 92 learning sessions. This collaborative effort resulted in the development of 20 functional Minimum Viable Products (MVPs), which were officially presented during the project's Demo Day and concluding activities.
- PLDT and Smart reached 2,591 Filipinos -- including teachers, students, micro-entrepreneurs, farmers, LGU staff, people with disabilities, and members of the media -- through AI-in-a-Box, a digital empowerment initiative that brings AI closer to communities by equipping them with practical AI knowledge, tools, and skills. PLDT and Smart also deployed AI-in-a-Box kits to 22 media partners across Luzon, Visayas, and Mindanao, providing connectivity and access to premium AI tools to support them in creating more impactful content.
- The MVP Extraordinary Mobile Library brought meaningful learning experiences to more than 1,500 children in Quezon City, Pasig, San Juan, Benguet, Naga City, and Pasay City. Through engaging books, interactive learning activities, and meal support delivered with partners ASA, Huawei, and the TK Group, the initiative helped nurture children's curiosity and strengthened community access to literacy resources.
- PLDT and Smart's Scholarship Programs continued to expand education opportunities for underprivileged learners. Nearly 3,000 scholars under CARITAS, UP Engineering, and Gabay Guro received financial and academic support, enabling them to pursue quality education and improve their long-term socioeconomic prospects.
- The MVPAEA marked its 21st year of championing academic excellence, underscoring the Group's sustained commitment to educational advancement and nation-building.
- To broaden access to digital learning in underserved communities, PLDT and Smart distributed three School-in-a-Bag units in partnership with Angat Buhay and ASA Philippines—providing schools in remote areas with portable learning kits that enable students to continue their education despite resource limitations.
- Further strengthening local learning ecosystems, the Group also turned over 10 laptops and one TV to the LGU of Ormoc, in partnership with Huawei. These donations support the city's public library and enhance residents' access to digital tools and educational content.

Livelihood

The PLDT Group recognizes its vital role in enabling the country's digital economy—one that supports poverty alleviation, human capital development, food security, and broader economic growth. As the Philippines' largest fully integrated telco, the Group leverages its technology and industry expertise to empower communities and sectors.

Through programs such as the *Digital Farmers Program* and *eBizNovation*, the PLDT Group drives the digital transformation of smallholder farmers and micro, small, and medium enterprises (MSMEs), by providing access to digital tools, skills development, and capacity-building initiatives that enable participation in the digital economy and contribute to livelihood improvement.

In 2025, key Livelihood initiatives and impact included:

- *eBizNovation Program*: PLDT and Smart trained 3,681 representatives of MSMEs and cooperatives on digital entrepreneurship, e-commerce, and AI, equipping them with practical knowledge to strengthen their online presence, improve business operations, and expand market opportunities.
- *Digital Farmers Program*: In partnership with the Department of Agriculture–Agricultural Training Institute (DA-ATI), PLDT and Smart supported 1,351 smallholder farmers through digital literacy training and access to connectivity and technology, helping them build essential digital skills to improve access to information, tools, and livelihood opportunities.
- PSF Smart Cart Program supported 27 MSMEs across NCR, Baguio, Benguet, Ormoc, and Naga City.
- Launched the 1st PSF Smart Cart Bazaar, featuring 15 local partner vendors.
- The Sustainable Cacao Training Program expanded to Cebu, where it provided hands-on training that empowered 100 farmers to apply sustainable and commercially viable cacao-farming practices. The program also deepened collaboration with BICAO farmer cooperatives in Bohol, our pilot area, strengthening local value chains and supporting farmers in improving their productivity, resilience, and overall livelihood outcomes.

Inclusion, Diversity, Equity

The PLDT Group continues to promote digital inclusion for persons with disabilities and to uphold the rights of Indigenous Peoples. Through the *Inclusion, Diversity, Equity, and Advocacy through Technology (IDEATE)* Program, the Group conducts cultural and disability sensitivity workshops for employees and partners and provides marginalized communities with training in AI tools and digital entrepreneurship to support participation in the digital economy.

In 2025, key Inclusion initiatives and impact included:

- Trained 294 people with disabilities on digital entrepreneurship, android accessibility, remote technology jobs, and AI for accessibility
- Organized disability sensitivity seminars and workshops attended by 1,134 PLDT and Smart Employees and faculty members of partner universities

Note: A more detailed version of this Sustainability Report, highlighting the impacts of our ESG material topics and subjected to limited assurance by an independent third party, will be available by 2nd quarter this year. Differences between this report and the final report, if any, will mainly be due to the review in connection with the assurance process.

*****END*****