



Date: September 14, 2025

To: **Atty. Alan Felix J. Macaraya, Jr.**
OIC, National Telecommunication Commission - 7
Mandaue City, Cebu

From: **Alan M. Nazareno**
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Subject: Submission of 2nd Quarter 2025 Quarterly Report

Dear Atty. Macaraya,

In compliance with regulatory requirements, we respectfully submit our Quarterly Report for the 2nd Quarter of 2025. The report outlines our company's continued operations as a duly recognized Value-Added Service Provider, as well as updates on our secondary line of business in Internet Connectivity Services, particularly highlighting the second phase of our service expansion to Bantayan Island.

The report also provides details on our financial standing, operational data, and service performance for the quarter, reflecting our ongoing investments and commitment to delivering reliable and high-quality ICT services within Region VII.

We trust that this report provides the Commission with a clear view of our operations during the period. Should further information or clarification be required, we would be glad to provide the necessary details.

Thank you very much for your continued guidance and support.

Respectfully,

A handwritten signature in black ink, appearing to read 'Alan M. Nazareno', is written over a light blue rectangular background.

Alan M. Nazareno
Manager

I. Company Overview

Zeliant IT Solutions continues to operate as a duly recognized Value-Added Service (VAS) Provider, holding NTC Certificate No. RB-0488-2020/VAS. Our core businesses include Software Development, IT Consultancy, and ICT Equipment Supplies across diverse industries.

As a secondary line of business, the company also provides Internet Connectivity Services, recognized by the Commission.

During the 2nd Quarter of 2025, Zeliant IT Solutions proceeded with its second expansion to Bantayan Island in response to the growing demand for reliable and true fiber-grade connectivity in the area. This expansion reflects our continued investment in infrastructure and our commitment to delivering dependable, high-quality internet services to underserved communities.

II. Financial Standing

The company's financial performance for the 2nd Quarter of 2025 closed at break-even operations. While revenue streams from the Internet Connectivity Services remain in their investment phase, the VAS operations are substantially funded by earnings from our other primary lines of business.

Key points:

- No loan liabilities were incurred during this quarter, ensuring a debt-free balance sheet.
- Operating expenditures were kept within prudent levels, aided by efficient vendor negotiations and bandwidth procurement.
- Revenue recognition continues to stabilize as subscriber growth in expansion areas steadily increases.
- Capital investments remain focused on infrastructure deployment in Bantayan Island, with a view toward achieving positive margins in succeeding quarters.

III. Operational Data

Operational performance during the quarter is considered satisfactory with service quality prioritized across all lines.

- **Bandwidth Providers:** Partnerships with DITO Telecommunity Corp. and HGC continue to provide high service quality, ensuring stable backhaul connectivity while optimizing operational costs.
- **Subscriber Management:** The company maintained its subscriber count with minimal churn, reflecting customer confidence in service reliability.
- **Manpower and Training:** Operations remain lean but effective, with staff supported by adequate tools and ongoing skills training conducted during the quarter. This ensures service delivery is sustained at professional standards.

IV. Service Performance

Customer support logs indicate the following distribution of service-related concerns for the 2nd Quarter:

- **35%** – Browsing lags due to subscription abuse (excessive simultaneous users per subscribed plan).
- **35%** – Service interruptions from cable cuts caused by adverse weather, vehicular passage, and disorganized cabling from other providers.
- **20%** – Congestion during peak hours, an issue being monitored and managed within the financial viability of competitive pricing models.
- **10%** – False alarms or non-service-affecting reports.

Corrective Measures:

The company is committed to addressing these service-impacting factors in the next quarters by:

- Implementing fair usage and bandwidth management policies to mitigate subscription abuse.
- Reinforcing physical infrastructure protections against environmental and third-party damage.

- Strategically augmenting network capacity as financial sustainability improves.

V. Conclusion

The 2nd Quarter of 2025 reflects steady operational performance underpinned by break-even financial results and a strong focus on network expansion to Bantayan Island. While challenges remain in ensuring seamless service delivery, Zeliant IT Solutions remains committed to continuous improvement, responsible investment, and customer-centered service.

We respectfully submit this report for the information and guidance of the Commission.