ANNEX "A" (SEC Form 17-A)

ANNEX "G" (SEC Form 20-IS)

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Metro Manila Philippines

The management of **GMA Network, Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, 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 the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

[redacted]

FELIPE L. GOZON
Chairman of the Board

[redacted]

GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer

[redacted]

FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

APR 10 2025

QUEZON CITY

SUBSCRIBED AND SWORN to before me this ____ day of _________ at __________, affiants exhibited to me their (Felipe L. Gozon) [redacted], (Gilberto R. Duavit, Jr.) [redacted] and (Felipe S. Yalong) [redacted]

Doc. No. 246
Page No. 54
Book No. 05
Series of 2025

ATTY. MARIPER E. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 488541 Dec. 27, 2024
MCLE Compliance No. VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 6989737 Jan. 2, 2025/ Quezon City
Quezon City Roll No. 73209
38 Baker St. Fairmont Subd. Brgy.
North Fairview, Quezon City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

5213

COMPANY NAME

GMA NETWORK, INC. AND SUBSIDIARIES

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

GMA Network Center, Timog Avenue corner EDSA, Quezon City

Form Type	Department requiring the report	Secondary License Type, If Applicable
ACFS	CMD	Not Applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
Not applicable	8982-7777	Not applicable

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,622	3rd Wednesday of May	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Felipe S. Yalong	FSY@gmanetwork.com	8928-5133	Not applicable

CONTACT PERSON's ADDRESS

GMA Network Center, Timog Avenue corner EDSA, Quezon City

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

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

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

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

The Board of Directors and Stockholders
GMA Network, Inc. and Subsidiaries
GMA Network Center
Timog Avenue corner EDSA
Quezon City

Opinion

We have audited the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the 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, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 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 Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements 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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Revenue Recognition

The Group derives a significant portion of its revenue from advertising, which represents 92% of the consolidated revenues for the year ended December 31, 2024. Proper recognition of revenue from advertising is significant to our audit given the large volume of transactions processed daily and the highly automated airtime revenue process with multiple information technology (IT) interfaces from initiation to reporting. Further, there are different rates applicable depending on the time slot when the advertisements are aired which are adjusted by discounts granted by the Group on a case-by-case basis as indicated in the telecast orders. Lastly, there are variations in the timing of billings which are made depending on when the advertisements are aired.

Refer to Note 22 of the consolidated financial statements for the disclosure on details about the Group's revenues.

Audit Response

We obtained an understanding of the Group's advertising revenue process, tested the relevant internal controls and involved our internal specialist in testing the revenue-related IT controls. In addition, we selected samples of billing statements and performed re-computation. This was done by comparing the rates applied to the billing statements against the rates on the telecast orders and the billable airtime against the certificates of performance generated when the advertisements were aired. On a sampling basis, we also tested transactions taking place one month before and after year-end to check the timing of the recognition of the sample advertising revenues.

Adequacy of Allowance for Expected Credit Losses on Trade Receivables

The Group applies the simplified approach in calculating expected credit losses (ECL) on trade receivables. Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Allowance for ECL as of December 31, 2024 amounted to ₱919.68 million. The use of the ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include definition of default for trade receivables, grouping of instruments for losses measured on collective basis and incorporation of forward-looking information in calculating ECL.

Refer to Note 7 of the consolidated financial statements for the disclosure on the details of the allowance for credit losses using the ECL model.

Audit response

We obtained an understanding of the methodology used for the Group's trade receivables and assessed whether this considered the requirements of PFRS 9, *Financial Instruments*.

We (a) assessed the Group's segmentation of its credit risk exposure based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place, (c) tested historical loss rates by inspecting historical recoveries and write-offs; (d) checked the classification of outstanding exposures to their corresponding aging buckets; and (e) reviewed management's consideration of forward-looking information.

Further, we checked the data used in the ECL model, such as the historical aging analysis and default and recovery data, by reconciling data from source system reports. We also reconciled sample invoices to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

We recalculated impairment provisions on a sample basis.

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, 2024 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company 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 engagement partner on the audit resulting in this independent auditor's report is Julie Christine O. Mateo.

SYCIP GORRES VELAYO & CO.

[redacted]

Julie Christine O. Mateo
Partner
CPA Certificate No. 93542
Tax Identification No. 198-819-116
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465357, January 2, 2025, Makati City

March 31, 2025

GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 31 and 32)	**₱2,146,310,807**	₱1,374,983,407
Trade and other receivables (Notes 7, 21, 31 and 32)	**6,796,656,346**	6,275,604,966
Program and other rights (Note 8)	**1,873,413,569**	1,789,577,336
Inventories (Note 9)	**935,924,363**	1,164,269,440
Prepaid expenses and other current assets (Note 10)	**1,761,745,865**	1,831,589,912
Total Current Assets	**13,514,050,950**	12,436,025,061
Noncurrent Assets		
Property and equipment:		
At cost (Note 13)	**3,502,202,674**	3,669,998,218
At revalued amounts (Notes 14 and 32)	**8,813,281,439**	8,813,281,439
Program and other rights - net of current portion (Note 8)	**462,959,633**	429,707,160
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 31 and 32)	**370,856,990**	349,899,892
Investments and advances (Notes 12 and 21)	**170,426,515**	166,128,767
Right-of-use assets (Note 28)	**91,284,052**	140,666,823
Investment properties (Notes 15 and 32)	**30,841,564**	30,722,673
Other noncurrent assets (Notes 16, 31 and 32)	**373,960,322**	218,082,008
Total Noncurrent Assets	**13,815,813,189**	13,818,486,980
TOTAL ASSETS	**₱27,329,864,139**	₱26,254,512,041

LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 17, 31 and 32)	**₱2,858,147,097**	₱3,202,679,780
Short-term loans (Notes 18, 31 and 32)	**3,720,545,000**	1,527,307,000
Income tax payable	**147,163,716**	257,034,723
Dividends payable (Notes 20, 31 and 32)	**36,489,727**	39,687,211
Current portion of lease liabilities (Notes 28, 31 and 32)	**21,199,972**	43,848,796
Current portion of obligations for program and other rights (Notes 19, 31 and 32)	**583,054,563**	325,503,020
Total Current Liabilities	**7,366,600,075**	5,396,060,530
Noncurrent Liabilities		
Pension liability (Note 27)	**4,680,281,181**	5,154,803,946
Other long-term employee benefits (Note 27)	**282,678,068**	240,752,386
Lease liabilities - net of current portion (Notes 28, 31 and 32)	**94,421,705**	112,790,005
Dismantling provision (Note 28)	**52,557,654**	50,872,484
Obligations for program and other rights - net of current portion (Notes 19, 31 and 32)	–	9,157,895
Deferred tax liabilities - net (Note 29)	**511,813,753**	352,227,764
Total Noncurrent Liabilities	**5,621,752,361**	5,920,604,480
Total Liabilities	**12,988,352,436**	11,316,665,010

(Forward)

	December 31	
	2024	2023
Equity		
Capital stock (Note 20)	**₱4,864,692,000**	₱4,864,692,000
Additional paid-in capital	**1,686,556,623**	1,686,556,623
Revaluation increment on land - net of tax (Note 14)	**6,215,441,910**	6,215,441,910
Remeasurement loss on retirement plans - net of tax (Note 27)	**(1,949,544,969)**	(2,209,547,944)
Net unrealized loss on financial assets at FVOCI - net of tax (Note 11)	**(107,208,473)**	(105,567,325)
Retained earnings (Note 20)	**3,580,770,215**	4,430,164,446
Total equity attributable to equity holders of the Parent Company	**14,290,707,306**	14,881,739,710
Non-controlling interests (Note 2)	**50,804,397**	56,107,321
Total Equity	**14,341,511,703**	14,937,847,031
TOTAL LIABILITIES AND EQUITY	**₱27,329,864,139**	₱26,254,512,041

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUES (Note 22)	**₱17,564,643,764**	₱18,637,213,847	₱21,564,011,070
PRODUCTION COSTS (Note 23)	**(8,148,226,904)**	(8,173,434,050)	(7,482,897,793)
COST OF SALES (Note 9)	**(218,278,982)**	(297,863,633)	(302,137,704)
GROSS PROFIT	**9,198,137,878**	10,165,916,164	13,778,975,573
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	**(6,469,366,918)**	(6,120,348,230)	(6,640,369,182)
OTHER INCOME (EXPENSE) – NET			
Interest expense (Notes 18 and 28)	**(185,528,697)**	(131,129,984)	(25,132,083)
Interest income (Note 6)	**16,989,407**	34,239,643	20,547,986
Foreign currency exchange gain (loss) (Note 18)	**3,342,471**	(1,203,300)	39,930,883
Equity in net losses of a joint venture (Note 12)	**(1,559,719)**	(10,343,259)	(9,031,836)
Others - net (Note 26)	**226,787,362**	239,464,833	154,996,747
	60,030,824	131,027,933	181,311,697
INCOME BEFORE INCOME TAX	**2,788,801,784**	4,176,595,867	7,319,918,088
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)			
Current	**650,627,026**	1,096,163,757	1,989,254,621
Deferred	**73,207,945**	(81,417,353)	(125,844,848)
	723,834,971	1,014,746,404	1,863,409,773
NET INCOME	**2,064,966,813**	3,161,849,463	5,456,508,315
OTHER COMPREHENSIVE INCOME (LOSS) - net of tax			
Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on retirement plans (Note 27)	**259,154,207**	19,214,447	(205,306,815)
Net changes in the fair market value of financial assets at FVOCI (Note 11)	**(1,641,148)**	14,732,056	(2,353,849)
Revaluation increment on land (Note 29)	–	1,645,039,718	2,737,718,063
	257,513,059	1,678,986,221	2,530,057,399
TOTAL COMPREHENSIVE INCOME	**₱2,322,479,872**	₱4,840,835,684	₱7,986,565,714
Net income (loss) attributable to:			
Equity holders of the Parent Company	**₱2,069,420,969**	₱3,170,179,282	₱5,442,339,314
Non-controlling interests (Note 2)	**(4,454,156)**	(8,329,819)	14,169,001
	₱2,064,966,813	₱3,161,849,463	₱5,456,508,315
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	**₱2,327,782,796**	₱4,844,128,372	₱7,972,657,010
Non-controlling interests (Note 2)	**(5,302,924)**	(3,292,688)	13,908,704
	₱2,322,479,872	₱4,840,835,684	₱7,986,565,714
Basic / Diluted Earnings Per Share (Note 30)	**₱0.425**	₱0.652	₱1.119

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plans - net of tax (Note 27)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Total	Non-controlling Interests (Note 2)	Total Equity
Balances at January 1, 2024	**₱4,864,692,000**	**₱1,686,556,623**	**₱6,215,441,910**	**(₱2,209,547,944)**	**(₱105,567,325)**	**₱4,430,164,446**	**₱14,881,739,710**	**₱56,107,321**	**₱14,937,847,031**
Net income (loss)	–	–	–	–	–	**2,069,420,969**	**2,069,420,969**	**(4,454,156)**	**2,064,966,813**
Other comprehensive income (loss)	–	–	–	**260,002,975**	**(1,641,148)**	–	**258,361,827**	**(848,768)**	**257,513,059**
Total comprehensive income (loss) for the year	–	–	–	**260,002,975**	**(1,641,148)**	**2,069,420,969**	**2,327,782,796**	**(5,302,924)**	**2,322,479,872**
Cash dividends - ₱0.60 a share (Note 20)	–	–	–	–	–	**(2,918,815,200)**	**(2,918,815,200)**	–	**(2,918,815,200)**
Balances at December 31, 2024	**₱4,864,692,000**	**₱1,686,556,623**	**₱6,215,441,910**	**(₱1,949,544,969)**	**(₱107,208,473)**	**₱3,580,770,215**	**₱14,290,707,306**	**₱50,804,397**	**₱14,341,511,703**

	Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plans - net of tax (Note 27)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Total	Non-controlling Interests (Note 2)	Total Equity
Balances at January 1, 2023	₱4,864,692,000	₱1,686,556,623	₱4,570,402,192	(₱2,223,725,260)	(₱120,299,381)	₱6,611,146,364	₱15,388,772,538	₱77,250,009	₱15,466,022,547
Net income (loss)	–	–	–	–	–	3,170,179,282	3,170,179,282	(8,329,819)	3,161,849,463
Other comprehensive income	–	–	1,645,039,718	14,177,316	14,732,056	–	1,673,949,090	5,037,131	1,678,986,221
Total comprehensive income (loss) for the year	–	–	1,645,039,718	14,177,316	14,732,056	3,170,179,282	4,844,128,372	(3,292,688)	4,840,835,684
Cash dividends - ₱1.10 a share (Note 20)	–	–	–	–	–	(5,351,161,200)	(5,351,161,200)	–	(5,351,161,200)
Cash dividends to non-controlling interests (Note 2)	–	–	–	–	–	–	–	(17,850,000)	(17,850,000)
Balances at December 31, 2023	₱4,864,692,000	₱1,686,556,623	₱6,215,441,910	(₱2,209,547,944)	(₱105,567,325)	₱4,430,164,446	₱14,881,739,710	₱56,107,321	₱14,937,847,031

	Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plans - net of tax (Note 27)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Total	Non-controlling Interests (Note 2)	Total Equity
Balances at January 1, 2022	₱4,864,692,000	₱1,686,556,623	₱1,832,684,129	(₱2,018,678,742)	(₱117,945,532)	₱8,222,610,450	₱14,469,918,928	₱101,081,305	₱14,571,000,233
Net income	–	–	–	–	–	5,442,339,314	5,442,339,314	14,169,001	5,456,508,315
Other comprehensive income (loss)	–	–	2,737,718,063	(205,046,518)	(2,353,849)	–	2,530,317,696	(260,297)	2,530,057,399
Total comprehensive income (loss) for the year	–	–	2,737,718,063	(205,046,518)	(2,353,849)	5,442,339,314	7,972,657,010	13,908,704	7,986,565,714
Cash dividends – ₱1.45 a share (Note 20)	–	–	–	–	–	(7,053,803,400)	(7,053,803,400)	–	(7,053,803,400)
Cash dividends to non-controlling interests (Note 2)	–	–	–	–	–	–	–	(37,740,000)	(37,740,000)
Balances at December 31, 2022	₱4,864,692,000	₱1,686,556,623	₱4,570,402,192	(₱2,223,725,260)	(₱120,299,381)	₱6,611,146,364	₱15,388,772,538	₱77,250,009	₱15,466,022,547

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱2,788,801,784**	₱4,176,595,867	₱7,319,918,088
Adjustments to reconcile income before income tax to net cash flows:			
Program and other rights usage (Notes 8 and 23)	**1,372,827,195**	1,191,479,396	868,739,716
Depreciation (Notes 13, 15, 23, 24 and 28)	**873,846,575**	820,980,731	699,331,970
Pension expense (Note 27)	**658,145,194**	700,899,014	661,084,461
Interest expense (Notes 18 and 28)	**185,528,697**	131,129,984	25,132,083
Amortization of software costs (Notes 16 and 24)	**27,207,646**	40,500,154	58,263,898
Net gain on sale of property and equipment (Notes 13 and 26)	**(19,902,917)**	(40,463,669)	(31,756,356)
Interest income (Note 6)	**(16,989,407)**	(34,239,643)	(20,547,986)
Gain on cancellation of lease (Note 26)	**(5,289,045)**	–	–
Equity in net losses of a joint venture (Note 12)	**1,559,719**	10,343,259	9,031,836
Net unrealized foreign currency exchange loss (gain) - net	**97,452**	(10,204,127)	(39,930,883)
Operating income before working capital changes	**5,865,832,893**	6,987,020,966	9,549,266,827
Decreases (increases) in:			
Trade and other receivables	**(510,077,678)**	(403,988,367)	1,949,235,727
Program and other rights (Notes 8 and 33)	**(1,251,189,319)**	(1,798,982,336)	(1,356,825,197)
Inventories	**228,345,077**	304,924,444	(331,768,311)
Prepaid expenses and other current assets	**69,844,047**	274,788,952	(248,639,619)
Increases (decreases) in:			
Trade payables and other current liabilities	**(360,977,889)**	109,958,284	321,002,342
Other long-term employee benefits	**41,535,141**	(130,863,546)	(22,133,298)
Contributions to retirement plan assets (Notes 27 and 33)	**(620,965,823)**	(282,026,879)	(261,319,043)
Benefits paid out of Group’s own funds (Note 27)	**(160,002,198)**	(397,227)	(46,856,585)
Cash flows provided by operations	**3,302,344,251**	5,060,434,291	9,551,962,843
Income taxes paid	**(760,498,033)**	(1,395,577,530)	(2,508,556,717)
Interest received	**16,507,503**	34,611,836	18,171,744
Net cash flows from operating activities	**2,558,353,721**	3,699,468,597	7,061,577,870
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 13)	**(678,535,325)**	(1,105,135,419)	(1,049,599,727)
Financial assets at FVOCI (Note 11)	**(23,846,713)**	(49,781,014)	(168,672,065)
Software costs (Note 16)	**(3,724,516)**	(12,172,728)	(17,316,702)
Investment properties (Note 15)	**(1,501,279)**	–	–
Land at revalued amount (Note 14)	**–**	–	(24,307,384)
Decreases (increases) in other noncurrent assets	**(179,361,444)**	(49,131,375)	35,980,575
Proceeds from sale of property and equipment	**21,664,111**	46,770,440	38,145,145
Advances to an associate and joint ventures (Notes 12 and 21)	**(5,857,467)**	(821,084)	(86,481)
Collection from an associate (Note 12)	**–**	54,064	140,644
Net cash flows used in investing activities	**(871,162,633)**	(1,170,217,116)	(1,185,715,995)

(Forward)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of short-term loans (Notes 18 and 33)	**₱4,020,545,000**	₱3,527,307,000	₱1,027,125,200
Payments of:			
Cash dividends (Notes 2, 20 and 33)	**(2,922,012,684)**	(5,359,850,295)	(7,100,606,298)
Short-term loans (Notes 18 and 33)	**(1,827,307,000)**	(2,027,125,200)	(1,685,850,000)
Interest expense (Note 33)	**(163,447,263)**	(118,284,047)	(12,418,277)
Principal portion of lease liabilities (Notes 28 and 33)	**(22,719,557)**	(29,827,243)	(28,506,823)
Net cash flows used in financing activities	**(914,941,504)**	(4,007,779,785)	(7,800,256,198)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(922,184)**	(1,955,503)	(13,704,617)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**771,327,400**	(1,480,483,807)	(1,938,098,940)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,374,983,407**	2,855,467,214	4,793,566,154
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱2,146,310,807**	₱1,374,983,407	₱2,855,467,214

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

GMA Network, Inc. (GNI or the Parent Company) and its subsidiaries (collectively referred to as "the Group") are incorporated in the Philippines. The Group is primarily involved in the business of radio and television broadcasting. The Group is also involved in film production and other information and entertainment-related businesses. The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on June 14, 1950. On July 20, 1995, the Board of Directors (BOD) approved the extension of the corporate term of the Parent Company for another 50 years from June 14, 2000. In 1997, the SEC approved the said extension.

The Parent Company's shares of stock are publicly listed and traded in the Philippine Stock Exchange.

The registered office address of the Parent Company is GMA Network Center, Timog Avenue corner EDSA, Quezon City.

The accompanying consolidated financial statements of the Group were approved and authorized for issuance by the BOD on March 31, 2025.

2. Basis of Preparation and Consolidation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation
The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and land at revalued amounts, which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance
The Group's consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Philippine Financial and Sustainability Reporting Standards Council.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

NCI represents the equity interest in RGMA Network, Inc. (RGMA Network), a subsidiary incorporated in the Philippines with principal place of business at GMA Network Center, Timog Avenue corner EDSA Quezon City.

The consolidated financial statements include additional information about subsidiary that have NCI that are material to the Parent Company. Management determined material partly-owned subsidiary as those with greater than 5% of non-controlling interests and/or subsidiaries whose activities are important to the Group as at end of the year.

Financial information of RGMA Network, a subsidiary that has material NCI, are summarized below:

	2024	2023
Proportion of equity interest held by NCI	**51%**	51%
Accumulated balances of material NCI	**₱50,804,397**	₱56,107,321
Net loss allocated to material NCI	**(4,454,157)**	(8,329,819)

The summarized financial information of RGMA Network are provided below.

Summarized Statements of Comprehensive Income

	2024	2023	2022
Revenues	**₱–**	₱–	₱249,729,986
Expenses	**(8,733,641)**	(16,332,978)	(207,229,922)
Provision for income tax	**–**	–	(14,717,710)
Net income (loss)	**(8,733,641)**	(16,332,978)	27,782,354
Other comprehensive gain (loss)		9,876,728	(510,386)
Total comprehensive income (loss)	**(₱8,733,641)**	(₱6,456,250)	₱27,271,968
Net income (loss) attributable to:			
NCI	**(₱4,454,157)**	(₱8,329,819)	₱14,169,001
Parent Company	**(4,279,484)**	(8,003,159)	13,613,353
Total comprehensive income (loss) attributable to:			
NCI	**(₱4,454,157)**	(₱3,292,688)	₱13,908,704
Parent Company	**(4,279,484)**	(3,163,562)	13,363,264

Summarized Statements of Financial Position

	2024	2023
Total current assets	**₱73,276,647**	₱99,661,767
Total noncurrent assets	**9,505,080**	6,546,138
Total current liabilities	**(2,284,115)**	(7,263,151)
Total noncurrent liabilities	–	(1,954,973)
Total equity	**₱80,497,612**	₱96,989,781
Equity attributable to:		
NCI	**₱50,804,397**	₱56,107,321
Equity holders of the Parent Company	**29,693,215**	40,882,460

Summarized Cash Flows Information

	2024	2023	2022
Operating	**(₱12,820,458)**	(₱33,479,186)	₱9,972,362
Investing	**974,717**	222,000	(226,354)
Financing	–	(35,000,000)	(75,006,950)
Net decrease in cash and cash equivalents	**(₱11,845,741)**	(₱68,257,186)	(₱65,260,942)

In 2023 and 2022, RGMA declared and paid dividends to NCI amounting to ₱17.85 million and ₱37.74 million, respectively.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries as at December 31, 2024 and 2023:

	Principal Activities	Percentage of Ownership Direct	Indirect
Entertainment Business:			
Alta Productions Group, Inc. (Alta)	Pre and post-production services	100	–
Citynet Network Marketing and Productions, Inc. (Citynet)	Television entertainment production	100	–
GMA Network Films, Inc.	Film production	100	–
GMA New Media, Inc. (GNMI)	Converging technology	100	–
GMA Worldwide (Philippines), Inc.[a]	International marketing, handling foreign program acquisitions and international syndication of the Parent Company's programs	100	–
Scenarios, Inc.[a]	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services	100	–
GMA Productions, Inc. (formerly RGMA Marketing and Productions, Inc.)	Music recording, publishing and video distribution	100	–
RGMA Network, Inc.[c]	Radio broadcasting and management	49	–
Script2010, Inc.[b]	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services	–	100
Holding Company:			
GMA Ventures, Inc. (GVI)	Identifying, investing in, and/or building strong and sustainable businesses	100	–

	Principal Activities	Percentage of Ownership Direct	Indirect
Advertising Business:			
GMA Marketing & Productions, Inc. (GMPI)[a]	Exclusive marketing and sales arm of Parent Company's airtime, events management, sales implementation, traffic services and monitoring	100	–
Digify, Inc.[d]	Crafting, planning and handling advertising and other forms of promotion including multi-media productions	–	100
Others:			
Media Merge Corporation[e]	Business development and operations for the Parent Company's online publishing and advertising initiatives	–	100
Ninja Graphics, Inc.[f]	Ceased commercial operations in 2004.	–	51

[a] *Under liquidation*
[b] *Indirectly owned through Citynet*
[c] *Ceased operations in 2023*
[d] *Indirectly owned through GNMI, ceased commercial operations in 2022*
[e] *Indirectly owned through GNMI; ceased commercial operations in 2020*
[f] *Indirectly owned through Alta; ceased commercial operations in 2004*

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21*, Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

The Group is currently assessing the impact of the adoption of this amendment.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, Hedge Accounting by a First-time Adopter

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

  The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

  a) Lessee Derecognition of Lease Liabilities

     The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

  b) Transaction Price

     The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

  The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

  The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The new standard will have an impact on the presentation of accounts in the consolidated statements of income but will not have an impact on the recognition and measurement of financial statement accounts.

- PFRS 19, *Subsidiaries without Public Accountability*

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*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Material Accounting Policy Information

Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for significant estimates and assumptions, see Note 4
- Quantitative disclosures of fair value measurement hierarchy, see Note 32
- Land, see Note 14
- Investment properties, see Note 15
- Financial instruments (including those carried at amortized cost), see Note 32

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:

- in the principal market for the asset or liability; or
- 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 by the Group.

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.

The Group uses 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 the 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 the consolidated financial statements on a recurring basis, the Group determines 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.

For the purpose of fair value disclosures, the Group has determined 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.

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

Financial Assets
Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

- financial assets at amortized cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVPL

The Group does not have debt instruments at FVOCI and financial assets at FVPL as at December 31, 2024 and 2023.

Financial Assets at Amortized Cost (Debt Instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

The Group's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and refundable deposits (included under "Other noncurrent assets" account in the consolidated statement of financial position) as at December 31, 2024 and 2023 (see Notes 6, 7, 16 and 31).

Financial Assets Designated at FVOCI (Equity Instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as "Dividend income" included under "Others - Net" account in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably under this category its listed and non-listed equity instruments and investment in quoted club shares as at December 31, 2024 and 2023 (see Notes 11 and 31).

Derecognition of Financial Assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has 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) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets
The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as due from related parties and certain advances to joint venture, the Group applies a general approach which measures ECL on either a 12-month or lifetime basis depending on whether a significant increase in credit risks has occurred since initial recognition or whether an asset is considered to be credit-impaired, adjusted for the effects of collateral, forward-looking factors and time value of money.

For cash and cash equivalents, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit rating of the debt instrument or comparable instruments.

The Group, in general, considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off, in whole or in part, when the asset is considered uncollectible, the Group has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

<u>Financial Liabilities</u>
Initial Recognition and Measurement. 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.

The Group has not designated any financial liability as at FVPL as at December 31, 2024 and 2023.

Subsequent Measurement - The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings. After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as “Interest expense” in the consolidated statement of comprehensive income.

This category generally applies to trade payables and other current liabilities (excluding payable to government agencies, customers’ deposits and contract liabilities), short-term loans, obligations for program and other rights, dividends payable and lease liabilities (see Notes 17, 18, 19, 20, 28 and 31).

Derecognition of Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Program and Other Rights
Program and other rights are stated at cost less amortization and impairment in value. The estimated useful lives and the amortization method used depend on the manner and pattern of usage of the acquired rights. The cost of program and other rights with multiple number of runs within a specified term is amortized using straight line method up to the date of expiry or upon full airing of the acquired rights, whichever is earlier. The cost of program and other rights with indefinite lives are amortized using straight line method over 10 years.

For series of rights acquired, the cost is charged to profit or loss as each series is aired on a per episode basis.

For rights intended for airing over the international channels, the cost is amortized on a straight-line basis over the number of years indicated in the contract.

Amortization expense is shown as “Program and other rights usage” included under “Production costs” account in the consolidated statement of comprehensive income.

Prepaid Production Costs
Prepaid production costs, included under “Prepaid expenses and other current assets” account in the consolidated statement of financial position, represent costs paid in advance prior to the airing of the programs or episodes. These costs include talent fees of artists and production staff and other costs directly attributable to production of programs. These are charged to expense under “Production costs” account in the consolidated statement of comprehensive income upon airing of the related program or episodes. Costs related to previously taped episodes determined not to be aired are charged to expense.

Inventories
Merchandise inventory and materials and supplies inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value of inventories that are for sale is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Net realizable value of inventories not held for sale is the current replacement cost.

Tax Credits
Tax credits, measured at cost less any impairment in value, represent claims from the government arising from airing of government commercials and advertisements availed under Presidential Decree (PD) No. 1362. Pursuant to PD No. 1362, these will be collected in the form of tax credits which the Group can use in paying for import duties and taxes on imported broadcasting related equipment. The tax credits cannot be used to pay for any other tax obligation to the government.

As at December 31, 2024 and 2023, the Group’s tax credits are classified as current under “Prepaid expenses and other current assets” account in the consolidated statement of financial position.

Advances to Suppliers
Advances to suppliers, included under “Prepaid expenses and other current assets” account in the consolidated statement of financial position, are measured at cost and are noninterest-bearing and are generally applied to acquisition of inventories, programs and other rights, availments of services and others.

Property and Equipment
Property and equipment, except for land, are stated at cost, net of accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit or loss as incurred.

Land is initially measured at cost. After initial recognition, land is carried at revalued amounts, being its fair value at the date of the revaluation, less any subsequent impairment losses. Valuations are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the “Revaluation increment on land - net of tax” account under equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the “Revaluation increment on land - net of tax” account.

Depreciation and amortization are computed on a straight-line basis over the following estimated useful lives of the assets:

Buildings, towers and improvements	11-20 years
Antenna and transmitter systems and broadcast equipment	5-10 years
Communication and mechanical equipment	3-5 years
Transportation equipment	4-5 years
Furniture, fixtures and equipment	5 years

An item of property and equipment and any significant part initially recognized is 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 profit or loss when the asset is derecognized.

The assets’ residual values, useful lives and methods of depreciation and amortization are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is credited or charged to current operations.

Construction in progress is stated at cost. This includes cost of construction, equipment under installation and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Investment Properties
Investment properties consist of real estate held for capital appreciation and rental.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are measured at cost less accumulated depreciation and amortization and impairment in value. Land is stated at cost less any impairment in value.

Depreciation and amortization are computed using the straight-line method over 11-20 years.

The remaining useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end.

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

Investment in Artworks
Investment in artworks, included under "Other noncurrent assets" account in the consolidated statement of financial position, is stated at cost less any impairment in value.

Software Costs
Costs incurred in the acquisition and customization of new software, included under "Other noncurrent assets" account in the consolidated statement of financial position, are capitalized and amortized on a straight-line basis over three to ten years.

Impairment of Nonfinancial Assets
The carrying values of land at revalued amounts, program and other rights, prepaid production costs, deferred production costs, tax credits, investments and advances, property and equipment, right-of-use assets, investment properties, software costs and investment in artworks are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets are considered impaired and are written down to their recoverable amount. The recoverable amount of these nonfinancial assets is the greater of an asset's or cash-generating unit's fair value less cost to sell or value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. Impairment losses, if any, are recognized in profit or loss in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss, except for land at revalued amount where the revaluation is taken to OCI, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That 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 profit or loss. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. For land at revalued amounts, the reversal of impairment is also recognized in OCI up to the amount of any previous revaluation.

In the case of investments in associate and interests in joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's investments in associate and interests in joint ventures. The Group determines at each reporting period whether there is any objective evidence that the investments in associate and interests in joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of investments in associate and interests in joint ventures, and the acquisition cost and recognizes the amount in the consolidated statement of comprehensive income.

Investments in an Associate and Joint Ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint ventures are accounted for using the equity method.

Equity
Capital stock is 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 additional paid-in capital.

Retained earnings include all current and prior period results of operations as reported in the consolidated statement of comprehensive income, net of any dividend declaration, adjusted for the effects of changes in accounting policies as may be required by PFRS Accounting Standards' transitional provisions.

Revenue Recognition

a. PFRS 15, *Revenue from Contracts with Customers*

   Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

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

Advertising Revenue. Revenue is recognized in the period the advertisements are aired.

Payments received for advertisements before broadcast (pay before broadcast) are recognized as income on the dates the advertisements are aired. Prior to liquidation, these are classified as unearned revenue under "Contract liabilities" under "Trade payables and other current liabilities" account, in the consolidated statement of financial position.

Goods received in exchange for airtime usage pursuant to exchange deal contracts executed between the Group and its customers are recorded at fair market values of assets received. Fair market value is the current market price.

Tax credits on aggregate airtime credits from government sales availed of under PD No. 1362 are recognized as revenue when there is reasonable certainty that these can be used to pay duties and taxes on imported broadcasting related equipment.

Subscription Revenue. Subscription fees are recognized over the subscription period in accordance with the terms of the subscription agreements.

Sale of goods. Sale of goods pertain to sale of set-top boxes, digital TV mobile receivers and other merchandises. Revenue is recognized at a point in time when delivery has taken place and transfer of control has been completed. These are stated net of sales discounts.

Revenue from Distribution and Content Provisioning. Revenue is recognized upon the license start date or delivery of the licensed content, whichever comes later.

Production Revenue. Production revenue is recognized at a point in time when project-related services are rendered.

Commission from Artists. Revenue is recognized as revenue at a point in time on an accrual basis in accordance with the terms of the related marketing agreements.

b. Revenue Recognition Outside the Scope of PFRS 15

Rental Income. Revenue from lease of property and equipment and investment properties is accounted for on a straight-line basis over the lease term.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Equity in Net Earnings (Losses) of Joint Ventures. The Group recognizes its share in the net income or loss of joint ventures proportionate to the equity in the economic shares of such joint ventures, in accordance with the equity method.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Contract Balances

Trade Receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies of Financial Instruments section.

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Group performs under the contract.

Incremental Costs to Obtain a Contract
The Group pays sales commissions to its account executives for each contract that they obtain for advertising agreements with customers. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (presented as part of "Marketing expense" under "General and administrative expenses" account in the consolidated statement of comprehensive income) because the amortization period of the asset that the Group otherwise would have used is less than one year.

Pension and Other Long-Term Employee Benefits
The Parent Company has a funded, noncontributory defined benefit retirement plan covering permanent employees. Other entities are covered by Republic Act (R.A.) 7641, otherwise known as "The Philippine Retirement Law", which provides for qualified employees to receive an amount equivalent to a certain percentage of monthly salary at normal retirement age. In addition, the Group has agreed to pay the cash equivalent of the accumulated unused vacation leave of the employees upon separation from the Group.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.

Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under "Production costs" and "General and administrative expenses" accounts in consolidated statements of comprehensive income (by function):

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

<u>Leases</u>

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

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

- *Right-of-use Assets.* The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use 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 and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follow:

Land	2 to 25 years
Buildings, studio and office spaces	2 to 15 years

Right-of-use assets are subject to impairment.

- *Lease Liabilities.* At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, 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 reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group 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, the Group uses 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.

- *Short-term Leases.* The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date or initial application of PFRS 16 and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as Lessor. Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating leases are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Foreign Currency-denominated Transactions

Transactions in foreign currencies are initially recorded in the functional currency exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing exchange rate at financial reporting period. All differences are taken to profit or loss in the consolidated statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expenses when realized.

Taxes

Current Income Tax. Current income tax assets and liabilities for the current period 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 substantially enacted at reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. 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 Tax. Deferred tax is provided using the liability method on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting period.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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 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 to be enacted or substantially enacted at the reporting period.

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

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

Creditable Withholding Taxes. Creditable withholding taxes represent amounts withheld by the Group's customers and is deducted from the Group's income tax payable.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, if applicable.

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

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Trade payables and other current liabilities" accounts in the consolidated statement of financial position.

Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the year attributable to the equity holders of the Parent Company, net of income attributable to preferred shares, by the weighted average number of common shares outstanding during the year, after considering the retroactive adjustments for any stock dividends declared, if any.

Diluted EPS is calculated by dividing the net income for the year attributable to the equity holders of the Parent Company (inclusive of income attributable to preferred shares) by the weighted average number of common shares outstanding during the year, plus the weighted average number of common shares that would be issued upon conversion of all dilutive potential common shares.

Segment Reporting

For management purposes, the Group's operating businesses are organized and managed separately into television and radio airtime, international subscriptions and other business activities. Such business segments are the basis upon which the Group reports its primary segment information. The Group considers television and radio operations as the major business segment. The Group operates in two geographical areas where it derives its revenue. Financial information on business segments is presented in Note 5 to the consolidated financial statements.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Contingencies

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

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

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

Consolidation of Entities in which the Group holds less than Majority of Voting Rights. The Group considers that it controls RGMA Network even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of RGMA Network with a 49% equity interest. The remaining 51% of the equity shares in RGMA Network are owned by several parties. Since September 27, 1995, which is the date of incorporation of RGMA Network, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group. The carrying amount of NCI as at December 31, 2024 and 2023 are ₱50.80 million and ₱56.11 million, respectively.

Assessment of Significant Influence over the Investee. The Parent Company holds 25% ownership interest in Optima Digital, Inc. as at December 31, 2024 and 2023. Even with more than 20% voting rights, management assessed that the Parent Company does not have the power to participate in the policy-making processes, including decisions to affect its returns in the form of dividends. Further, the Parent Company does not have the ability to participate in the financial and operational policies decision-making of the investee to affect its relevant activities as the Group has only one (1) board seat out of the total five (5) board seats. The investment is presented as a financial asset at FVOCI amounting to ₱0.56 million as at December 31, 2024 and 2023.

Operating Leases - Group as Lessor. The Group has entered into various lease agreements as lessor. The Group had determined that the risks and rewards of ownership of the underlying property were retained by the Group. Accordingly, the leases are classified as an operating lease.

Total rental income amounted to ₱7.15 million, ₱7.73 million, and ₱5.65 million in 2024, 2023 and 2022, respectively (see Note 26).

Allowance for ECL. The following information explains the inputs, assumptions and techniques used by the Group in estimating ECL for trade receivables:

- Definition of default for trade receivables

  The Group defines a trade receivable as in default, when it meets one or more of the following criteria:

  - The counterparty is experiencing financial difficulty or is insolvent
  - The receivable is more than 360 days past due. The determination of the period is based on the Group's practice and agreement with their customers within the industry.

- Grouping of instruments for losses measured on collective basis

  For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a segmentation are homogeneous. The Group segmentized its receivables based on the type of customer (e.g., corporate and individuals).

- Incorporation of forward-looking information

  The Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments that support the calculation of ECLs. A broad range of forward-looking information are considered as economic inputs such as the gross domestic product, inflation rate, unemployment rates and other economic indicators.

  The macroeconomic factors are aligned with information used by the Group for other purposes such as strategic planning and budgeting.

  The Group identifies and documents 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 macro-economic variables and credit risk and credit losses.

  Predicted relationship between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimating the Incremental Borrowing Rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the counterparty's stand-alone credit rating).

The Group's lease liabilities amounted to ₱115.62 million and ₱156.64 million as at December 31, 2024 and 2023, respectively (see Note 28).

Estimating Allowance for ECL. The Group uses a simplified approach for calculating ECL on trade receivables through the use of provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group then calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g., gross domestic product, inflation rate, unemployment rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the Group's operating segments, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking factors specific to the debtors and the economic environment are updated to consider the impact of the coronavirus pandemic.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Provision for ECL amounted to ₱6.28 million, ₱4.74 million and ₱1.46 million in 2024, 2023 and 2022, respectively (see Notes 7 and 24). The allowance for ECL amounted to ₱919.58 million and ₱913.40 million as at December 31, 2024 and 2023, respectively. The carrying amounts of trade and other receivables amounted to ₱6,796.66 million and ₱6,275.60 million as at December 31, 2024 and 2023, respectively (see Note 7).

Classification and Amortization of Program and Other Rights. Portions of program and other rights are classified as current and noncurrent assets. Current portion represents those expected to be aired any time within its normal operating cycle, whereas the noncurrent portion represents those without definite expiration.

The Group estimates the amortization of program and other rights with finite lives using straight line method up to the date of expiry and those with no definite expiration date of up to ten years, which is the manner and pattern of usage of the acquired rights. In addition, estimation of the amortization of program and other rights is based on the Group's experience with such rights. It is possible, however, that future results of operations could be materially affected by changes in 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.

Program and other rights usage amounted to ₱1,372.83 million, ₱1,191.48 million and ₱868.74 million in 2024, 2023 and 2022, respectively (see Note 23). Program and other rights, net of accumulated impairment in value of ₱2.70 million, amounted to ₱2,336.37 million and ₱2,219.28 million as at December 31, 2024 and 2023, respectively (see Note 8).

Estimating Allowance for Inventory Losses. The Group provides allowance for inventory losses whenever the net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The allowance account is reviewed periodically to reflect the accurate valuation of the inventories.

The carrying value of merchandise inventory and materials and supplies inventory in the consolidated statement of financial position amounted to ₱935.92 million and ₱1,164.27 million as at December 31, 2024 and 2023, respectively (see Note 9). There were no provisions for inventory losses in 2024, 2023 and 2022.

Estimating Useful Lives of Property and Equipment, Software Costs and Investment Properties. The Group estimates the useful lives of property and equipment, software costs and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, software costs and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment, software costs and investment properties are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in 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 property and equipment, software costs and investment properties would increase the recorded general and administrative expenses and decrease noncurrent assets.

There has been no change in the Group's estimate of useful lives of its property and equipment, software costs and investment properties in 2024 and 2023.

Total depreciation and amortization expense for the years ended December 31, 2024, 2023 and 2022, amounted to ₱901.05 million, ₱861.48 million and ₱757.60 million, respectively (see Notes 13, 15, 16, 23, 24, and 28).

Revaluation of Land. The Group engages an accredited appraiser to determine the fair value of the land used in operations. Fair value is determined by reference to market-based evidence adjusted based on certain elements of comparison. The fair value amount would differ if the Group made different judgments and estimates or utilized a different basis for determining fair value.

Valuations from an accredited appraiser are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

In 2024, there was no additional revaluation increment on land due to insignificant movements in the fair value of the land. The revalued amount of land, which is classified under "Property and equipment" account in the statements of financial position, amounted to ₱8,813.28 as at December 31, 2024 and 2023, respectively (see Notes 14 and 32).

In 2024 and 2023, the Group assessed those certain parcels of land at revalued amounts, comprising majority of the balance of the account, have significant movements in its current carrying values and obtained updated appraisals as at December 31, 2024 and 2023. For the land that were not appraised, the Group referred to the published comparable prices for the fair values. Total additional revaluation increment, net of tax, recognized in 2024 and 2023 amounted to nil and ₱1,645.04 million, respectively.

Impairment of Nonfinancial Assets. For prepaid production costs, tax credits, investments and advances, property and equipment, right-of-use assets, investment properties, program and other rights, investment in artworks, deferred production costs and software costs, impairment testing is performed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- significant negative industry or economic trends; and
- obsolescence or physical damage of an asset.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of fair value less costs to sell or asset's value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

As at December 31, 2024 and 2023, the Group did not identify any indicator of impairment on its nonfinancial assets, hence, no impairment tests were carried out.

The carrying values of nonfinancial assets as at December 31 follow:

	2024	2023
Property and equipment - at cost (see Note 13)	**₱3,502,202,674**	₱3,669,998,218
Land at revalued amounts (Note 14)	**8,813,281,439**	8,813,281,439
Program and other rights (see Note 8)	**2,336,373,202**	2,219,284,496
Prepaid production costs (see Note 10)	**643,256,742**	653,974,022
Investments and advances (see Note 12)	**170,426,515**	166,128,767
Tax credits (see Note 10)	**131,853,616**	6,162,083
Right-of-use assets (see Note 28)	**91,284,052**	140,666,823
Investment properties (see Note 15)	**30,841,564**	30,722,673
Software costs (see Note 16)	**21,981,313**	45,464,443
Investment in artworks (see Note 16)	**10,186,136**	10,186,136
Deferred production costs (see Note 16)	**1,586,384**	1,502,800

Estimating Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary difference and carryforward benefits of NOLCO and excess MCIT over RCIT is based on the projected taxable income in the following periods.

Recognized deferred tax assets amounted to ₱1,593.18 million and ₱1,756.13 million as at December 31, 2024 and 2023, respectively, while unrecognized deferred tax assets amounted to ₱11.81 million and ₱12.86 million as at December 31, 2024 and 2023, respectively (see Note 29).

Pension Benefits. The determination of the Group's obligation and cost of pension benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 27 and include, among others, discount rate and salary increase rate. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability amounted to ₱4,680.28 million and ₱5,154.80 million as at December 31, 2024 and 2023, respectively (see Note 27).

Determination of Fair Value of Financial Assets at FVOCI. Financial assets at FVOCI are carried and disclosed at fair value. When the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques, which include net asset value method for equity instruments whose net assets substantially consists of financial instruments measured at fair value or approximates their fair values. The inputs to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The fair value of financial assets at FVOCI are enumerated in Note 32.

Determination of Fair Value of Investment Properties. PFRS Accounting Standards requires disclosure of fair value of investment properties when measured at cost.

The Group used the services of an independent professional appraiser in estimating the fair value of properties. The appraisers conducted an actual inspection of the property and considered the following in the study and analyses in arriving at the estimate of fair value: (a) extent, character and utility of the property; (b) sales and holding prices of similar properties; and (c) highest and best use of the property. The description of valuation techniques used and key inputs to fair valuation of investment properties are enumerated in Note 15 of the consolidated financial statements.

Contingencies. The Group is currently involved in various claims and legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with legal counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the Group's financial position.

5. Segment Information

Business Segments

For management purposes, the Group is organized into business units based on its products and services and has three reportable segments, as follows:

- The television and radio segment, which engages in television and radio broadcasting activities and which generates revenue from sale of national and regional advertising time.
- The international subscription segment which engages in subscription arrangements with international cable companies.
- Other businesses which include movie production, consumer products and other services.

The Executive Committee, the chief operating decision maker, and Management monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with the net income or loss in the consolidated financial statements. On a consolidated basis, the Group's performance is evaluated based on consolidated net income for the year.

Geographical Segments
The Group operates in two major geographical segments - local and international. Local refers to revenues earned in the Philippines, the home country. Significant portion of the revenues earned locally pertain to television and radio airtime. International refers to revenues earned in United States and in other locations (which include Middle East, Europe, Australia, Canada, Guam, Singapore, Hongkong and Japan). The Group ties up with cable providers to bring local television programming outside the Philippines.

The Group's revenues are mostly generated in the Philippines, which is the Group's country of domicile.

Noncurrent assets consist of property and equipment, land at revalued amounts, investment properties and intangible assets which are all located in the Philippines.

The Group does not have a single external customer whose revenue accounts for 10% or more of the Group's revenues.

Inter-segment Transactions
Segment revenues, segment expenses and segment results include transfers among business segments and among geographical segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.

Measurement Basis
The amount 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 the consolidated financial statements, which is in accordance with PFRS Accounting Standards.

Geographical	Local						International								
Business Segment	Television and radio airtime			Other businesses			International subscription			Eliminations			Consolidated		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
REVENUES															
External sales	₱14,642,205,009	₱15,803,495,602	₱19,309,108,174	₱2,193,015,535	₱2,022,925,862	₱1,392,840,024	₱729,423,220	₱810,792,383	₱ 862,062,872	₱–	₱–	₱–	₱17,564,643,764	₱18,637,213,847	₱21,564,011,070
Inter-segment sales	–	–	–	444,000,357	427,121,728	582,457,448	–	–	–	(444,000,357)	(427,121,728)	(582,457,448)	–	–	–
	₱14,642,205,009	₱15,803,495,602	₱19,309,108,174	₱2,637,015,892	₱2,450,047,590	₱1,975,297,472	₱729,423,220	₱810,792,383	₱862,062,872	(₱444,000,357)	(₱427,121,728)	(₱582,457,448)	₱17,564,643,764	₱18,637,213,847	₱21,564,011,070
NET INCOME															
Segment results	₱2,007,280,491	₱3,147,396,688	₱6,262,878,251	₱191,769,790	₱176,473,591	₱238,114,662	₱501,974,587	₱571,772,890	₱622,613,478	₱27,746,092	₱149,924,765	₱15,000,000	₱2,728,770,960	₱4,045,567,934	₱7,138,606,391
Interest expense	(184,859,212)	(130,386,910)	(24,054,826)	(669,485)	(743,074)	(1,077,257)	–	–	–	–	–	–	(185,528,697)	(131,129,984)	(25,132,083)
Foreign exchange gain (loss)	1,066,153	(11,999,511)	13,102,473	2,128,269	3,719,088	6,981,647	148,049	7,077,123	19,846,763	–	–	–	3,342,471	(1,203,300)	39,930,883
Interest income	14,439,449	32,143,283	19,832,994	2,549,958	2,096,360	714,992	–	–	–	–	–	–	16,989,407	34,239,643	20,547,986
Equity in net earnings of joint ventures	–	–	–	(1,559,719)	(10,343,259)	(9,031,836)	–	–	–	–	–	–	(1,559,719)	(10,343,259)	(9,031,836)
Other income (expenses)	365,845,932	378,869,230	313,088,387	5,587,522	5,847,043	6,218,360	–	–	–	(144,646,092)	(145,251,440)	(164,310,000)	226,787,362	239,464,833	154,996,747
Income tax	(537,550,257)	(814,155,011)	(1,628,947,703)	(59,417,387)	(51,378,890)	(69,347,010)	(122,367,327)	(144,712,503)	(160,615,060)	(4,500,000)	(4,500,000)	(4,500,000)	(723,834,971)	(1,014,746,404)	(1,863,409,773)
	₱1,666,222,556	₱2,601,867,769	₱4,955,899,576	₱140,388,948	₱125,670,859	₱172,573,558	₱379,755,309	₱434,137,510	₱481,845,181	(121,400,000)	₱173,325	(₱153,810,000)	₱2,064,966,813	₱3,161,849,463	₱5,456,508,315
ASSETS AND LIABILITIES															
Assets															
Segment assets	₱25,847,063,390	₱24,574,713,358	₱22,927,245,909	₱2,068,265,477	₱2,058,264,598	₱2,566,414,364	₱259,018,020	₱302,571,804	₱271,775,751	(₱906,484,554)	(₱744,599,244)	(₱1,238,569,487)	₱27,267,862,333	₱26,190,950,516	₱24,526,866,537
Investment in associates - at equity	38,350,619	38,350,619	38,350,619	23,651,187	25,210,906	35,554,165	–	–	–	–	–	–	62,001,806	63,561,525	73,904,784
Deferred tax assets	–	–	5,659,347	–	–	57,309,719	–	–	–	–	–	65,387,507	–	–	128,356,573
	₱25,885,414,009	₱24,613,063,977	₱22,971,255,875	₱2,091,916,664	₱2,083,475,504	₱2,659,278,248	₱259,018,020	₱302,571,804	₱ 271,775,751	(₱906,484,554)	(₱744,599,244)	(c1,173,181,980)	₱27,329,864,139	₱26,254,512,041	₱24,729,127,894
Liabilities															
Segment liabilities	₱12,089,951,984	₱10,692,855,402	₱8,889,880,540	₱728,016,401	₱498,342,047	₱801,391,541	₱147,396,247	₱244,308,227	₱226,584,317	(₱488,825,949)	(₱471,068,430)	(₱654,751,051)	₱12,476,538,683	₱10,964,437,246	₱9,263,105,347
Deferred tax liabilities	511,813,753	352,227,764	–	–	–	–	–	–	–	–	–	–	511,813,753	352,227,764	–
	₱12,601,765,737	₱11,045,083,166	₱8,889,880,540	₱728,016,401	₱498,342,047	₱801,391,541	₱147,396,247	₱244,308,227	₱226,584,317	(₱488,825,949)	(₱471,068,430)	(₱654,751,051)	₱12,988,352,436	₱11,316,665,010	₱9,263,105,347
Other Segment Information															
Capital expenditures:															
Program and other rights and software cost	₱1,493,202,073	₱1,943,494,842	₱1,359,490,334	₱438,344	₱423,355	₱6,967	₱–	₱–	₱–	₱–	₱–	₱–	1,493,640,417	₱1,943,918,197	₱1,359,497,301
Property and equipment	643,681,068	1,071,570,155	1,018,937,377	31,491,485	31,491,485	30,272,172	3,362,772	2,073,779	390,178	–	–	–	678,535,325	1,105,135,419	1,049,599,727
Land	–	–	24,307,384	–	–	–	–	–	–	–	–	–	–	–	24,307,384
Depreciation and amortization	2,259,300,726	2,043,156,774	1,609,520,230	29,297,488	24,030,969	27,194,721	283,202	772,538	4,620,634	(15,000,000)	(15,000,000)	(15,000,000)	2,273,881,416	2,052,960,281	1,626,335,585

6. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	**₱1,870,840,835**	₱1,097,748,954
Short-term deposits	**275,469,972**	277,234,453
	₱2,146,310,807	₱1,374,983,407

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Interest rates of peso placements ranged from 0.90% to 6.25% in 2024, 0.20% to 6.25% in 2023, and 0.08% to 5.75% in 2022, while interest rates of foreign placements, ranged from 3.10% to 4.70% in 2024, 2.90% to 4.70% in 2023, and nil in 2022.

Interest income earned from bank deposits and short-term deposits amounted to ₱16.99 million ₱34.24 million and ₱20.55 million in 2024, 2023 and 2022, respectively.

7. Trade and Other Receivables

	2024	2023
Trade:		
Television and radio airtime	**₱7,109,468,587**	₱6,769,343,955
Subscriptions	**207,359,180**	186,254,985
Others	**346,605,767**	175,154,046
Nontrade:		
Advances to officers and employees	**15,280,198**	7,367,183
Others (see Note 21)	**37,620,429**	50,887,375
	7,716,334,161	7,189,007,544
Less allowance for ECL	**919,677,815**	913,402,578
	₱6,796,656,346	₱6,275,604,966

<u>Trade Receivables</u>

Television and Radio Airtime. Television and radio airtime receivables are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers. The receivables are normally collected within the next reporting period.

Television and radio airtime receivables include unbilled airtime receivables, arising when advertisements have been aired but billing or acceptance by the customer has been delayed due to time lag in completing all required documents. As of December 31, 2024 and 2023, the total unbilled airtime receivables, assessed as contract assets, amounted to ₱45.30 million and ₱103.05 million, respectively.

Subscriptions Receivable. Subscriptions receivable pertain to receivables from international channel subscriptions and advertisements. These are unsecured, noninterest-bearing and normally collected within the next reporting period

Other Trade Receivables. Other trade receivables mainly consist of receivables from customers relating to advertising placements on other platforms other than TV and radio, sale of merchandise and content provisioning services. These are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers.

Nontrade Receivables

Advances to Officers and Employees and Other Nontrade Receivables. Other nontrade receivables pertain to loans of regular and project employees and advances given to talents and project employees. These are noninterest-bearing and are normally collected within the next financial year.

Allowance for ECL on Trade Receivables
The movements in the allowance for ECLs are as follows:

	2024		
	Corporate	**Individual**	**Total**
Balance at beginning of year	**₱903,093,040**	**₱10,309,538**	**₱913,402,578**
Provision for the year (see Note 24)	**6,275,237**	**–**	**6,275,237**
Balance at end of year	**₱909,368,277**	**₱10,309,538**	**₱919,677,815**

	2023		
	Corporate	Individual	Total
Balance at beginning of year	₱898,757,935	₱9,908,350	₱908,666,285
Provision for the year (see Note 24)	4,335,105	401,188	4,736,293
Balance at end of year	₱903,093,040	₱10,309,538	₱913,402,578

8. Program and Other Rights

Details and movement in this account are as follows:

	2024			
	Program Rights	**Story/Format Rights**	**Program Rights-Incidentals**	**Total**
Cost:				
Balance at beginning of year	**₱1,941,867,036**	**₱238,918,717**	**₱41,201,003**	**₱2,221,986,756**
Additions	**1,361,871,064**	**30,605,244**	**97,439,593**	**1,489,915,901**
Program and other rights usage (see Note 23)	**(1,107,729,636)**	**(179,433,611)**	**(85,663,948)**	**(1,372,827,195)**
Balance at end of year	**2,196,008,464**	**90,090,350**	**52,976,648**	**2,339,075,462**
Accumulated impairment in value	**(2,702,260)**	**–**	**–**	**(2,702,260)**
	2,193,306,204	**90,090,350**	**52,976,648**	**2,336,373,202**
Less noncurrent portion	**454,116,395**	**–**	**8,843,238**	**462,959,633**
Current portion	**₱1,739,189,809**	**₱90,090,350**	**₱44,133,410**	**₱1,873,413,569**

	2023			
	Program Rights	Story/Format Rights	Program Rights - Incidentals	Total
Cost:				
Balance at beginning of year	₱1,425,742,313	₱41,070,810	₱14,907,560	₱1,481,720,683
Additions	1,534,438,788	270,543,708	126,762,973	1,931,745,469
Program and other rights usage (see Note 23)	(1,018,314,065)	(72,695,801)	(100,469,530)	(1,191,479,396)
Balance at end of year	1,941,867,036	238,918,717	41,201,003	2,221,986,756
Accumulated impairment in value	(2,702,260)	–	–	(2,702,260)
	1,939,164,776	238,918,717	41,201,003	2,219,284,496
Less noncurrent portion	429,707,160	–	–	429,707,160
Current portion	₱1,509,457,616	₱238,918,717	₱41,201,003	₱1,789,577,336

9. Inventories

This account consists of the following:

	2024	2023
Merchandise inventory	**₱919,134,424**	₱1,147,396,384
Materials and supplies inventory	**16,789,939**	16,873,056
	₱935,924,363	₱1,164,269,440

The following are the details of merchandise inventory account:

	2024	2023
Set-top box	**₱742,183,598**	₱936,412,136
ITE chipset dongle	**176,950,826**	210,984,248
	₱919,134,424	₱1,147,396,384

Merchandise inventory consists mainly of set-top boxes, digital TV mobile receiver and other merchandises for sale by the Group. In 2020, the Group launched the GMA Affordabox, a digital box which allows users to receive clear pictures and sounds in their television sets through digital transmission. Cost of sales related to digital boxes amounted to ₱218.28 million, ₱297.86 million and ₱302.14 million in 2024, 2023 and 2022, respectively.

Materials and supplies inventory includes the Group's office supplies, spare parts and production materials.

10. Prepaid Expenses and Other Current Assets

	2024	2023
Prepaid production costs	**₱643,256,742**	₱653,974,022
Input VAT	**402,051,920**	278,970,842
Advances to suppliers	**352,867,642**	688,865,538
Prepaid expenses	**168,520,539**	128,792,012
Tax credits	**131,853,616**	6,162,083
Creditable withholding taxes	**62,074,356**	73,156,929
Others	**1,121,050**	1,668,486
	₱1,761,745,865	₱1,831,589,912

Advances to suppliers are noninterest-bearing and are generally applied to acquisition of program and other rights, inventories, availment of services and others within the next financial year.

Prepaid production costs represent costs paid in advance prior to the airing of the programs or episodes. The Group expects to air the related programs or episodes within the next financial year.

Input VAT pertains to VAT on purchase or importation of goods and services which are to be claimed and credited in the succeeding period's filing of VAT return.

Prepaid expenses include prepayments for rentals, insurance and other expenses.

Creditable withholding taxes represent amounts withheld by the Group's customers and is deducted from the Group's income tax payable.

Tax credits represent claims of the Parent Company from the government arising from airing of government commercials and advertisements. The Parent Company expects to utilize these tax credits within the next financial year.

11. Financial Assets at Fair Value Through Other Comprehensive Income

This account consists of the following:

	2024	2023
Non-listed equity instruments	**₱369,694,754**	₱331,273,951
Listed equity instruments	**1,162,236**	18,625,941
	₱370,856,990	₱349,899,892

Investment in equity instruments pertains to shares of stock and club shares which are not held for trading. The Group assessed the equity instruments to be strategic in nature.

The movement of financial assets at FVOCI are as follows:

	2024	2023
Balance at beginning of year	**₱349,899,892**	₱282,614,107
Additions during the year	**23,846,713**	49,781,014
Unrealized gain (loss) on fair value changes during the year	**(2,889,615)**	17,504,771
Balance at end of year	**₱370,856,990**	₱349,899,892

In 2024, the Group purchased additional investments in TNB Aura Fund 2 Ltd, Wavemaker Three-Sixty Health II-A,LP., and Hofer Development Corporation totaling ₱23.8 million.

In 2023, the Group purchased additional investments in TNB Aura Fund 2 Ltd, Wavemaker Three-Sixty Health II-A,LP., PX Ventures PTE Ltd and Cloudeats PTE Ltd totaling ₱49.78 million.

Dividend income earned from financial assets at FVOCI amounted to nil in 2024, 2023 and 2022.

The movements in "Unrealized loss on financial assets at FVOCI - net of tax" account are as follows:

	2024	2023
Balance at beginning of year - net of tax	**(₱105,567,325)**	(₱120,299,381)
Net unrealized gain (loss) on fair value changes during the year	**(2,889,615)**	17,504,771
Tax effect of the changes in fair market values	**1,248,467**	(2,772,715)
Balance at end of year	**(₱107,208,473)**	(₱105,567,325)

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IP E-Games Ventures, Inc.
In 2015, IP E-Games Ventures, Inc. (IPE) issued 13,000.00 million of its own common shares to the Group in exchange of the Group's investment in X-Play Online Games Incorporated (X-Play) and in settlement of ₱30.00 million advances and ₱50.00 million airtime credits granted by the Group to X-Play. At initial recognition, the Group recognized at fair value the IPE shares amounting to ₱130.00 million. The carrying values of investment in IPE amounted to ₱1.16 million and ₱18.65 million as at December 31, 2024 and 2023, respectively.

Of the ₱50.00 million airtime credits, ₱30.00 million has not been implemented at the date of exchange and therefore was recognized by the Group as unearned revenue presented as "Contract liabilities", included as part of "Trade payables and other current liabilities" in 2024 and 2023 (see Note 17).

12. Investments and Advances

The following are the details of this account:

	2024	2023
Investment in an associate and interests in joint ventures	**₱62,001,806**	₱63,561,525
Advances to an associate and joint ventures (see Note 21)	**108,424,709**	102,567,242
	₱170,426,515	₱166,128,767

The movements in investment in an associate and interests in joint ventures follow:

	2024	2023
Acquisition cost -		
Balance at beginning and end of year	**₱131,722,056**	₱131,722,056
Accumulated equity in net losses:		
Balance at beginning of year	**(68,160,531)**	(57,817,272)
Equity in net losses during the year	**(1,559,719)**	(10,343,259)
Balance at end of year	**(69,720,250)**	(68,160,531)
	₱62,001,806	₱63,561,525

The movements in advances to an associate and joint ventures follow:

	2024	2023
Advances to an associate:		
Balance at beginning of year	**₱100,439,293**	₱99,618,209
Advances during the year (see Note 21)	**5,727,679**	821,084
Balance at end of year	**106,166,972**	100,439,293
Advances to joint ventures:		
Balance at beginning of year	**2,127,949**	2,182,013
Advances (payments) during the year	**129,788**	(54,064)
Balance at end of year	**2,257,737**	2,127,949
	₱108,424,709	₱102,567,242

The ownership interests in joint ventures and an associate, which were all incorporated in the Philippines, and are accounted for under the equity method, as at December 31, 2024 and 2023 follows:

	Principal Activities	Percentage of Ownership	
		Direct	Indirect
Associate -			
Mont-Aire Realty and Development Corporation (Mont-Aire)	Real Estate	49	–
Joint Ventures:			
INQ7 Interactive, Inc. (INQ7)*	Internet Publishing	50	–
Philippine Entertainment Portal (PEP)**	Internet Publishing	–	50
Gamespan, Inc. (Gamespan)**	Betting Games	–	50

**Not operational.*
***Indirect investment through GNMI.*

The carrying values of investments and the related advances are as follows:

	2024		
	Investments	**Advances** (Note 21)	**Total**
Associate -			
Mont-Aire	**₱38,350,619**	**₱106,166,972**	**₱144,517,591**
Joint ventures:			
Gamespan	**8,947,966**	**1,959,670**	**10,907,636**
PEP	**14,703,221**	**298,067**	**15,001,288**
	23,651,187	**2,257,737**	**25,908,924**
	₱62,001,806	**₱108,424,709**	**₱170,426,515**

	2023		
	Investments	Advances (Note 21)	Total
Associate -			
Mont-Aire	₱38,350,619	₱100,439,293	₱138,789,912
Joint ventures:			
Gamespan	8,947,966	1,959,670	10,907,636
PEP	16,262,940	168,279	16,431,219
	25,210,906	2,127,949	27,338,855
	₱63,561,525	₱102,567,242	₱166,128,767

The associate and joint ventures are not listed in any public stock exchanges.

<u>Mont-Aire</u>
Mont-Aire ceased its commercial operations in 2009 and began its rental operations in 2024. Assets include real estate and parcels of land located at Tagaytay City, Cavite with an aggregate cost of ₱105.08 million and fair market value of ₱158.64 million, as determined by an accredited appraiser as at June 3, 2019. Management believes that there are no events or changes in circumstances indicating a significant unfavorable change in the fair value of the abovementioned properties from the last appraisal made.

PEP
On April 16, 2007, the Group and Summit Publishing, Co. entered into a shareholder's agreement for the establishment of PEP. The joint venture was organized to design, conceptualize, operate and maintain websites that make available all kinds of show business, entertainment and celebrity information, video or pictures in the internet worldwide web or other forms of seamless communication.

The Group recognized its share in net losses of PEP amounting to ₱1.49 million, ₱10.34 million and ₱9.03 million in 2024, 2023 and 2022, respectively.

Gamespan
On March 22, 2012, the Group, through GNMI, executed a Shareholder's Agreement with Manila Jockey Club (MJC) for the establishment of Gamespan, a joint venture corporation. The joint venture was organized to operate and manage the hardware and software owned by MJC, set-up new media infrastructure for offering and taking bets in horse racing and other sports.

Gamespan has not started its commercial operations since its establishment. In 2014, the Group and MJC agreed to terminate its shareholder's agreement and to close Gamespan. As at December 31, 2024 and 2023, the joint venture is not yet operating since they have a pending registration with the Bureau of Internal Revenue (BIR). However, Gamespan is taking actions to amend their GIS and reactivate their doormant bank accounts. Since Gamespan has yet to start its operations, the Group did not recognize any share in net earnings in 2024, 2023 and 2022.

INQ7
Losses of INQ7 recognized under the equity method in excess of the Group's carrying value of investment were applied against its advances to the Parent Company thereby reducing both advances and investments to zero as at December 31, 2024 and 2023. INQ7 ceased operations in 2007. In 2013, INQ7 submitted a request to liquidate its assets to SEC. The liquidation is still ongoing as at December 31, 2024.

The Group believes that its investments in an associate and interests in joint ventures are not individually material.

13. **Property and Equipment**

This account consists of the following:

	2024						
	Buildings, towers and improvements	**Antenna and transmitter systems and broadcast equipment**	**Communication and mechanical equipment**	**Transportation equipment**	**Furniture, fixtures and equipment**	**Construction in progress and equipment for installation**	**Total**
Cost							
At January 1, 2024	**₱3,502,230,888**	**₱9,063,916,339**	**₱1,954,797,514**	**₱710,654,395**	**₱177,488,125**	**₱382,167,010**	**₱15,791,254,271**
Additions	**21,629,860**	**148,265,572**	**166,350,094**	**94,958,499**	**1,576,725**	**245,754,575**	**678,535,325**
Disposals	**–**	**(8,535,937)**	**(4,134,687)**	**(68,306,167)**	**(2,849,648)**	**–**	**(83,826,439)**
Reclassifications	**77,463,104**	**135,909,875**	**14,734,687**	**–**	**3,857,171**	**(231,964,837)**	**–**
At December 31, 2024	**3,601,323,852**	**9,339,555,849**	**2,131,747,608**	**737,306,727**	**180,072,373**	**395,956,748**	**16,385,963,157**
Accumulated Depreciation							
At January 1, 2024	**2,689,685,330**	**7,130,498,711**	**1,629,416,015**	**503,895,661**	**167,760,336**	**–**	**12,121,256,053**
Depreciation (see Notes 23 and 24)	**116,925,764**	**473,241,811**	**155,661,324**	**92,070,681**	**6,670,095**	**–**	**844,569,675**
Disposals	**–**	**(8,535,937)**	**(4,130,687)**	**(66,551,433)**	**(2,847,188)**	**–**	**(82,065,245)**
At December 31, 2024	**2,806,611,094**	**7,595,204,585**	**1,780,946,652**	**529,414,909**	**171,583,243**	**–**	**12,883,760,483**
Net Book Value	**₱794,712,758**	**₱1,744,351,264**	**₱350,800,956**	**₱207,891,818**	**₱8,489,130**	**₱395,956,748**	**₱3,502,202,674**

	2023						
	Buildings, towers and improvements	Antenna and transmitter systems and broadcast equipment	Communication and mechanical equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in progress and equipment for installation	Total
Cost							
At January 1, 2023	₱3,312,804,796	₱8,467,903,140	₱1,784,881,226	₱700,540,378	₱174,582,642	₱478,613,994	₱14,919,326,176
Additions	21,616,827	391,683,510	161,231,509	99,267,742	4,214,044	427,121,787	1,105,135,419
Disposals	–	(120,586,695)	(17,355,359)	(93,007,207)	(2,258,063)	–	(233,207,324)
Reclassifications	167,809,265	324,916,384	26,040,138	3,853,482	949,502	(523,568,771)	–
At December 31, 2023	3,502,230,888	9,063,916,339	1,954,797,514	710,654,395	177,488,125	382,167,010	15,791,254,271
Accumulated Depreciation							
At January 1, 2023	2,585,774,642	6,800,282,345	1,493,816,100	512,588,653	165,715,157	–	11,558,176,897
Depreciation (see Notes 23 and 24)	103,910,688	450,803,061	152,917,944	78,044,774	4,303,242	–	789,979,709
Disposals	–	(120,586,695)	(17,318,029)	(86,737,766)	(2,258,063)	–	(226,900,553)
At December 31, 2023	2,689,685,330	7,130,498,711	1,629,416,015	503,895,661	167,760,336	–	12,121,256,053
Net Book Value	₱812,545,558	₱1,933,417,628	₱325,381,499	₱206,758,734	₱9,727,789	₱382,167,010	₱3,669,998,218

Construction in progress pertains to costs incurred for installation of equipment, signal strengthening of transmitters nationwide and construction/improvement of studios and stations in the regions.

The Group leases out a portion of its property and equipment at cost. Total rental income recognized for the leased portion amounted to ₱1.95 million, ₱2.86 million and ₱3.62 million in 2024, 2023 and 2022, respectively (see Note 26).

The Group disposed various property and equipment in 2024, 2023 and 2022 resulting to the recognition of gain on sale amounting to ₱19.90 million, ₱40.46 million and ₱31.76 million, respectively (see Note 26).

As at December 31, 2024 and 2023, no property and equipment have been pledged as collateral or security for any of the Group's liabilities.

14. Land at Revalued Amounts

The movement of the land at revalued amount is shown below:

	2024			2023		
	Cost	**Revaluation Increment**	**Total**	Cost	Revaluation Increment	Total
At beginning of year	**₱526,025,559**	**₱8,287,255,880**	**₱8,813,281,439**	₱526,025,559	₱6,093,869,589	₱6,619,895,148
Additions during the year	**–**	**–**	**–**	–	2,193,386,291	2,193,386,291
At end of year	**₱526,025,559**	**₱8,287,255,880**	**₱8,813,281,439**	₱526,025,559	₱8,287,255,880	₱8,813,281,439

Revaluation increment recognized in 2024 and 2023 based on appraisal reports and management estimates amounted to nil and ₱2,193.39 million, respectively.

The fair value from the 2024 and 2023 appraisals were determined using the "Market Data Approach" as determined by independent professionally qualified appraisers and based on its highest and best use. The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation in accordance with International Valuation Standards. The fair value is categorized under Level 3 of the fair value hierarchy.

As of December 31, 2024 and 2023, the fair value of land is directly proportional to the asking price of the comparable land and adjusted according to the following considerations:

Significant unobservable input	
Asking price per square meter	₱270 to ₱350,000
Sales price adjustment	5% to 10%
Lot size adjustment	5% to 20%

Significant increase (decrease) in asking price per square meter would result to significantly higher (lower) fair value of the properties. Significant increase (decrease) in the sales price adjustment and lot size adjustment would result in a significantly lower (higher) fair value.

Management believes that the carrying value of land as of December 31, 2024 and 2023 approximates the fair values as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, no land has been pledged as collateral or security for any of the Group's liabilities and the Group has no restrictions on the realizability of its land and no contractual obligation to purchase, construct or develop land or for repairs, maintenance and enhancements.

15. **Investment Properties**

	2024		
	Land and Improvements	**Buildings and Improvements**	**Total**
Cost:			
Balance at beginning of year	**₱23,761,823**	**₱72,276,684**	**₱96,038,507**
Additions during the year	**–**	**1,501,279**	**1,501,279**
Balance at end of year	**23,761,823**	**73,777,963**	**97,539,786**
Accumulated depreciation:			
Balance at beginning of year	**–**	**61,463,193**	**61,463,193**
Depreciation during the year (see Note 24)	**–**	**1,382,388**	**1,382,388**
Balance at end of year	**–**	**62,845,581**	**62,845,581**
Accumulated impairment:			
Balance at beginning and end of year	**–**	**3,852,641**	**3,852,641**
	₱23,761,823	**₱7,079,741**	**₱30,841,564**

	2023		
	Land and Improvements	Buildings and Improvements	Total
Cost –			
Balance at beginning and end of year	₱23,761,823	₱72,276,684	₱96,038,507
Accumulated depreciation:			
Balance at beginning of year	–	60,080,806	60,080,806
Depreciation during the year (see Note 24)	–	1,382,387	1,382,387
Balance at end of year	–	61,463,193	61,463,193
Accumulated impairment:			
Balance at beginning and end of year	–	3,852,641	3,852,641
	₱23,761,823	₱6,960,850	₱30,722,673

The fair value of investment properties amounted to ₱305.18 million at December 31, 2024 and 2023. The land used in operations was last appraised on December 31, 2023 by an accredited firm of appraisers and is valued in terms of its highest and best use.

The fair value was determined using the “Market Data Approach”. The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation and is categorized under Level 3 of the fair value hierarchy.

The description of the valuation techniques used and key inputs to fair valuation as of December 31, 2023 is as follows:

	Significant Unobservable Inputs	Range
Land	Price per square metre	₱1,400-₱11,700
Buildings for lease	Price per square metre	₱22,000-₱117,000

Rental income and the directly related expense arising from these investment properties follow:

	2024	2023	2022
Rental income (see Note 26)	**₱5,205,367**	₱4,870,327	₱2,033,713
Depreciation expense (see Note 24)	**(1,382,388)**	(1,382,387)	(1,382,387)
	₱3,822,979	₱3,487,940	₱651,326

As at December 31, 2024 and 2023, no investment properties have been pledged as collateral or security for any of the Group's liabilities and the Group has no restriction on the realizability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

16. **Other Noncurrent Assets**

	2024	2023
Restricted cash	**₱284,450,077**	₱51,393,686
Refundable deposits	**43,650,400**	89,657,828
Software costs	**21,981,313**	45,464,443
Investment in artworks	**10,186,136**	10,186,136
Facilities	**6,605,461**	7,270,113
Deferred input VAT	**3,338,131**	10,444,582
Guarantee deposits	**2,162,420**	2,162,420
Deferred production costs	**1,586,384**	1,502,800
	₱373,960,322	₱218,082,008

Restricted cash pertains to time deposits under the custody of the courts and other regulators such as national labor relations commission as a bond or surety for the Group's Court appearance or commitment on pending labor cases and litigation.

Refundable deposits pertain to the deposits made to various electric companies across the country.

Software costs relate to software applications and website development costs which provide an edge on the Group's online presence and other software issues. The movements in software costs follows:

	2024	2023
Cost:		
Balance at beginning of year	**₱565,571,720**	₱553,398,992
Additions during the year	**3,724,516**	12,172,728
Balance at end of year	**569,296,236**	565,571,720
Accumulated amortization:		
Balance at beginning of year	**520,107,277**	479,607,123
Amortization during the year (see Note 24)	**27,207,646**	40,500,154
Balance at end of year	**547,314,923**	520,107,277
	₱21,981,313	₱45,464,443

Deferred input VAT pertains to the VAT on the Group's acquisitions of capital goods exceeding ₱1.00 million in any given month which are to be amortized over the 60 months or the life of the asset, whichever is shorter.

Investment in artworks are paintings and other works of art usually displayed in the Parent Company's hallways.

Guarantee deposits pertain to deposits to telephone companies as well as building/office rental deposits to be used for the Group's programs. Also included are deposits to the satellite providers.

Facilities relate to the deposit for facilities paid in advance and used for productions by the Group.

Deferred production costs pertain to the costs incurred in relation to the production of music compact discs and are measured at cost upon recognition. Deferred production costs are being amortized as the related compact discs are sold.

17. Trade Payables and Other Current Liabilities

	2024	2023
Trade payables	**₱405,044,808**	₱606,140,618
Payable to government agencies	**1,146,854,562**	1,169,139,598
Contract liabilities (see Note 11)	**215,570,992**	179,893,494
Accrued expenses:		
Utilities and other expenses	**431,157,635**	586,041,832
Production costs	**199,615,881**	224,144,048
Payroll and talent fees (see Note 27)	**197,722,670**	219,878,105
Commission	**74,107,428**	67,314,295
Customers' deposits	**79,309,129**	61,439,738
Others	**108,763,992**	88,688,052
	₱2,858,147,097	₱3,202,679,780

Trade payables to suppliers are noninterest-bearing and are normally settled on terms ranging from seven to 60 days.

Payable to government agencies is composed of the Group's statutory compensation-related contributions to government agencies and net VAT and withholding taxes payable to the Bureau of Internal Revenue (BIR). The difference between the accrual accounting under the accounting standards and cash-basis accounting as prescribed by the BIR for service-related companies caused the Group to normally incur deferred output VAT which forms a substantial part of the Group's payable to government agencies. These payables are remitted within 30 days after reporting period.

Contract liabilities pertain to payments received before broadcast and before delivery of goods and services amounting to ₱215.57 million and ₱179.89 million as at December 31, 2024 and 2023, respectively. This account includes contract liabilities of ₱30.00 million from airtime credits that have not been implemented resulting from the exchange of the Group's interests in X-Play in 2015 (see Note 11). Contract liabilities are recognized as revenue when the Group performs the obligation under the contract. Out of the contract liabilities outstanding as of December 31, 2023, ₱149.89 million was recognized as revenue for the year ended December 31, 2024.

Accrued expenses and other payables are noninterest-bearing and are generally settled within the next financial year.

Customers' deposits include guaranty deposits from advertising agencies to secure payment of bills by advertisers. These deposits are noninterest-bearing and normally refunded once the related broadcasts are paid by the advertisers. It also includes deposits from the Group's lessees upon inception of the lease agreements.

Others include unpaid subscriptions and retention payables. These are noninterest-bearing and are normally settled within one year.

18. Short-term Loans

The Group obtained unsecured short-term peso and US dollar-denominated loans from local banks in 2024 and 2023. Details and movements of the short-term loans are as follows:

	2024	2023
Balance at beginning of year	**₱1,527,307,000**	₱27,125,200
Availments	**4,020,545,000**	3,527,307,000
Payments	**(1,827,307,000)**	(2,027,125,200)
Balance at end of year	**₱3,720,545,000**	₱1,527,307,000

The outstanding peso denominated loans as at December 31, 2024 consist of fixed rate notes with the following details:

Lender	Annual interest rate	Terms	December 31, 2024
Metropolitan Bank	5.87%	Availed in 2024, payable in 180 to 355 days	₱2,000,000,000
Banco de Oro	6.05% to 6.15%	Availed in 2024, payable in 179 to 182 days	1,700,000,000
Security Bank	2.75%	Availed in 2024, payable in 360 days	20,545,000
			₱3,720,545,000

The outstanding peso-denominated loan as at December 31, 2023 consist of fixed rate notes with the following details:

Lender	Annual interest rate	Terms	December 31, 2023
Bank of the Philippine Islands (BPI)	6.30%	Availed in 2023 payable in 330 days	₱500,000,000
	6.30%	Availed in 2023, payable in 300 days	500,000,000
Banco de Oro	6.30%	Availed in 2023, payable in 273 days	500,000,000
Security Bank	2.75%	Availed in 2023, payable in 270 to 360 days	27,307,000
			₱1,527,307,000

Interest expense on peso denominated loans amounted to ₱175.36 million, ₱120.30 million and ₱10.15 million in 2024, 2023 and 2022, respectively. Interest expense on US dollar denominated loans amounted to nil in 2024 and 2023 and ₱2.78 million in 2022.

19. **Obligations for Program and Other Rights**

Obligations for program and other rights represent liabilities to foreign and local film suppliers for program and other rights purchased by the Group. Outstanding unpaid balance as at December 31, 2024 and 2023 are as follows:

	2024	2023
Obligations for program and other rights	**₱583,054,563**	₱334,660,915
Less: Current portion	**583,054,563**	325,503,020
Noncurrent portion of obligations for program and other rights	**₱–**	₱9,157,895

Obligations for program and other rights are generally payable in equal monthly or quarterly installments.

20. **Equity**

a. Capital Stock

Details of capital stock as at December 31, 2024 and 2023:

	No. of Shares	Amount
Common - ₱1.00 par value		
Authorized	5,000,000,000	₱5,000,000,000
Subscribed and issued	3,364,692,000	₱3,364,692,000
Preferred - ₱0.20 par value		
Authorized	7,500,000,000	₱1,500,000,000
Subscribed and issued	7,500,000,000	₱1,500,000,000

The cumulative preferred shares are of equal rank, preference and priority and are identical in all respect regardless of series. Preferred shares are participating at the rate of one fifth (1/5) of the dividends paid to common shares, the rate of which is adjusted proportionately by the Parent Company's BOD consequent to any stock split or stock dividend declaration affecting the common shares and preferred shares. Preferred shares are convertible at the option of the shareholders at the ratio of five preferred shares to one common share, based on par value.

Preferred shares enjoy priority over common shares in the distribution of assets of the Parent Company in the event of dissolution and liquidation, at such rates, terms and conditions as the BOD may determine. Each preferred share is entitled to one vote and shall have the same voting rights as the common shares.

The Parent Company's BOD may specify other terms and conditions, qualifications, restrictions and privileges of the preferred shares or series/classes thereof, insofar as such terms, conditions, qualifications, restrictions and privileges are not inconsistent with the articles of incorporation and any applicable law or regulation.

The following summarizes the information on the Parent Company's registration of securities with the SEC which was approved on June 20, 2007, as required by Revised Securities Regulation Code (SRC) Rule 68:

Securities	Authorized and issued shares	Issue/Offer Price
Initial public offering	91,346,000	₱8.50
Underlying common shares of PDRs	945,432,000	8.50
Over-allotment common shares	13,701,000	8.50
Common shares covering employee stock option plan	57,000,000	8.50

In prior years, the Parent Company has acquired 750,000 PDRs issued by GMA Holdings, Inc. at acquisition cost of ₱5.79 million. In as much as each PDR share grants the holder, upon payment of the exercise price and subject to certain other conditions, the delivery of one (1) Parent Company share or the sale and delivery of the proceeds of such sale of Parent Company share, such PDRs held by the Parent Company was being treated similar to a treasury share.

On October 4, 2022, the Parent Company's BOD approved to contribute its treasury common and preferred shares and PDRs to the Group's retirement plan. The contribution of the 3,645,000 treasury common shares and 492,816 treasury preferred shares was executed on December 31, 2022 at a transaction price of ₱13.90 per share and ₱2.77 per share, respectively. As the preferred shares are unlisted, the transaction price was based on the market price of the Parent Company's listed common shares on the transaction date, with the value of the treasury preferred shares computed based on the ratio of 1:5 preferred shares to common shares. The contribution of the 750,000 PDRs was executed on December 20, 2022 at a transaction price of ₱13.02 per share, which resulted to additional paid-in capital amounted to ₱27.52 million.

The total number of shareholders is 1,622 and 1,632 as at December 31, 2024 and 2023, respectively.

b. Retained Earnings

The Parent Company's BOD approved the declaration of the following cash dividends:

Year	Declaration Date	Record Date	Cash Dividend Per Share	Total Cash Dividend Declared
2024	**April 3, 2024**	**April 24, 2024**	**₱0.60**	**₱2,918,815,200**
2023	March 31, 2023	April 21, 2023	₱1.10	₱5,351,161,200
2022	March 25, 2022	April 25, 2022	₱1.45	₱7,053,803,400

The Parent Company's outstanding dividends payable amounted to ₱36.49 million and ₱39.69 million as at December 31, 2024 and 2023, respectively.

The balance of retained earnings includes Parent Company's accumulated equity in net earnings of subsidiaries and associates which are not currently available for dividend declaration until declared by the respective subsidiaries and associates. The retained earnings available for dividend declaration amounted to ₱2,492.8 million and ₱3,329.7 million as at December 31, 2024 and 2023, respectively.

On March 31, 2025, the Parent Company's BOD approved the declaration and distribution of cash dividends amounting to ₱0.50 per share totaling ₱2,432.35 million to all stockholders of record as at April 29, 2025 and will be paid starting May 20, 2025.

21. Related Party Disclosures

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. Related parties may be individual or corporate entities.

The Parent Company has an approval requirement such that material related party transactions (RPTs) shall be reviewed by the Audit and Risk Management Committee (the Committee) and submitted to the BOD for approval. Material RPTs are those transactions that meet the threshold value amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited financial statements either individually, or in aggregate over a twelve (12)-month period with the same related party.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For years ended December 31, 2024 and 2023, the Group has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Group transacts with associate, affiliates, joint venture and other related parties on advances, reimbursement of expenses, and future stock subscriptions.

The transactions and balances of accounts as at and for the years ended December 31, 2024 and 2023 with related parties are as follows:

Account Name and Category	Related Party	Year	Amount/ Volume of Transactions	Receivables (Payables)	Terms	Conditions
Advances (see Note 12)	**Associate:**					
	Mont-Aire	**2024**	**₱5,727,679**	**₱106,166,972**	Noninterest-	Unsecured;
		2023	₱821,084	₱100,439,293	bearing	not impaired
	Joint ventures:					
	Gamespan	**2024**	**–**	**1,959,670**	Noninterest-	Unsecured;
		2023	–	1,959,670	bearing	not impaired
	PEP	**2024**	**129,788**	**298,067**	Noninterest-	Unsecured;
		2023	–	168,279	bearing	not impaired
	INQ7	**2024**	**–**	**11,544,000**	Noninterest-	Unsecured;
		2023	–	11,544,000	bearing	fully impaired
	Total	**2024**	**₱5,857,467**	**₱119,968,709**		
		2023	₱821,084	₱114,111,242		
Nontrade Receivables	**Common stockholders:**					
Reimbursable charges (see Note 7)	GMA Kapuso Foundation Inc.	**2024**	**₱4,789,545**	**₱1,427,856**	On demand, noninterest-	Unsecured; not impaired
		2023	1,305,176	1,305,176	bearing	
Nontrade Payables						
Legal, consulting and retainers' fees	Belo, Gozon, Elma Law	**2024**	**11,774,318**	**–**	On demand,	Unsecured
		2023	15,252,469	(414,000)	noninterest- bearing	

The advances made by the Parent Company to Mont-Aire and PEP are intended for future capital subscription. On the other hand, the advances to INQ7 was reduced to zero as a result of the application of the Group's share in the losses of INQ7 recognized under the equity method in excess of the Group's carrying value of investment.

Compensation of Key Management Personnel
The compensation of key management personnel of the Group, by benefit type, are as follows:

	2024	2023	2022
Salaries and other long-term benefits (see Notes 24 and 25)	**₱769,507,672**	₱946,135,340	₱1,050,276,512
Pension benefits (see Notes 24 and 25)	**205,595,011**	197,152,902	199,610,705
	₱975,102,683	₱1,143,288,242	₱1,249,887,217

Equity Investments of the Retirement Fund
The Group's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱517.67 million and ₱6.23 million in 2024, respectively, and ₱555.39 million and ₱6.23 million in 2023, respectively (see Note 27).

22. Revenues

Set out below is the disaggregation of the Group's revenues from contract with customers for the year ended December 31:

	2024	2023	2022
Revenue source			
Sale of service			
Advertising revenue	**₱16,241,341,968**	₱17,181,696,192	₱20,230,371,980
Subscription revenue (see Note 28)	**677,243,995**	728,396,019	774,865,805
Revenue from distribution and content provisioning	**115,215,831**	177,200,082	34,219,872
Production revenue	**331,572,849**	238,301,851	183,681,549
Sale of goods	**199,269,121**	311,619,703	340,871,864
Total revenue from contracts with customers	**₱17,564,643,764**	₱18,637,213,847	₱21,564,011,070
Geographical markets			
Local	**₱16,835,220,544**	₱17,826,421,464	₱20,701,948,198
International	**729,423,220**	810,792,383	862,062,872
Total revenue from contracts with customers	**₱17,564,643,764**	₱18,637,213,847	₱21,564,011,070
Timing of revenue recognition			
Goods/services transferred at a point in time	**₱16,887,399,769**	₱17,908,817,828	₱20,789,145,265
Services transferred over time	**677,243,995**	728,396,019	774,865,805
Total revenue from contracts with customers	**₱17,564,643,764**	₱18,637,213,847	₱21,564,011,070

23. Production Costs

	2024	2023	2022
Talent fees and production personnel costs (see Note 25)	**₱4,553,065,575**	₱4,196,390,868	₱3,921,185,771
Program and other rights usage (see Note 8)	**1,372,827,195**	1,191,479,396	868,739,716
Rental (see Note 28)	**661,079,341**	792,873,832	523,820,404
Depreciation (see Notes 13 and 24)	**601,916,381**	564,756,002	492,742,400
Facilities and amortization of production services	**422,195,849**	822,671,115	995,623,800
Tapes, sets and production supplies	**398,092,836**	439,903,608	355,710,226
Transportation and communication	**139,049,727**	165,359,229	325,075,476
	₱8,148,226,904	₱8,173,434,050	₱7,482,897,793

24. General and Administrative Expenses

	2024	2023	2022
Personnel costs (see Note 25)	**₱3,777,544,770**	₱3,743,148,825	₱4,010,852,711
Professional fees	**391,624,399**	281,659,305	346,641,093
Communication, light and water	**379,756,369**	391,477,195	392,858,757
Taxes and licenses	**312,097,154**	235,743,768	395,259,589
Depreciation (see Notes 13, 15 and 28)	**271,930,194**	256,224,729	206,589,570
Repairs and maintenance	**225,980,924**	193,344,362	214,307,761
Software maintenance	**170,938,622**	149,121,985	123,440,211
Advertising	**162,939,492**	187,554,983	170,046,892
Research and surveys	**118,603,031**	113,900,352	99,517,216
Security services	**88,303,002**	75,869,177	71,307,924
Facilities related expenses	**57,866,804**	58,600,492	65,892,695
Transportation and travel	**43,343,244**	52,301,342	50,808,779
Marketing expense	**49,197,144**	47,569,163	74,719,805
Insurance	**38,207,188**	36,905,577	30,550,826
Dues and subscriptions	**32,677,157**	36,934,016	35,975,809
Amortization of software costs (see Note 16)	**27,207,646**	40,500,154	58,263,898
Janitorial services	**23,671,718**	23,763,382	24,897,108
Rental (see Note 28)	**15,085,565**	20,324,032	23,378,607
Materials and supplies	**11,128,516**	13,887,863	12,800,794
Freight and handling	**11,013,021**	13,153,749	12,268,400
Entertainment, amusement and recreation	**10,018,565**	8,273,134	7,877,088
Provision for ECL (see Note 7)	**6,275,237**	4,736,293	1,457,228
Others	**243,957,156**	135,354,352	210,656,421
	₱6,469,366,918	₱6,120,348,230	₱6,640,369,182

Others include expenses incurred for other manpower, messengerial services, donations and other miscellaneous expenses.

Depreciation

	2024	2023	2022
Property and equipment (see Note 13)			
Production costs (see Note 23)	**₱583,364,449**	₱544,466,613	₱474,023,367
General and administrative expenses	**261,205,226**	245,513,096	192,011,641
	844,569,675	789,979,709	666,035,008
Right-of-use assets (see Note 28)			
Production costs (see Note 23)	**18,551,932**	20,289,389	18,719,033
General and administrative expenses	**9,342,580**	9,329,246	13,195,542
	27,894,512	29,618,635	31,914,575
Investment properties (see Note 15)			
General and administrative expenses	**1,382,388**	1,382,387	1,382,387
	₱873,846,575	₱820,980,731	₱699,331,970

25. Personnel Costs

	2024	2023	2022
Talent fees	**₱4,279,476,037**	₱3,966,406,028	₱2,569,748,693
Salaries and wages	**2,142,258,243**	2,187,495,014	3,040,086,317
Employee benefits and allowances	**1,044,842,578**	1,037,530,959	1,513,608,040
Pension expense (see Note 27)	**658,145,194**	700,899,014	661,084,461
Sick and vacation leaves expense	**205,888,293**	47,208,678	147,510,971
	₱8,330,610,345	₱7,939,539,693	₱7,932,038,482

The above amounts were distributed as follows:

	2024	2023	2022
Production costs (see Note 23)	**₱4,553,065,575**	₱4,196,390,868	₱3,921,185,771
General and administrative expenses (see Note 24)	**3,777,544,770**	3,743,148,825	4,010,852,711
	₱8,330,610,345	₱7,939,539,693	₱7,932,038,482

26. Others - Net

	2024	2023	2022
Commission from Artists	**₱187,052,396**	₱176,350,038	₱104,475,309
Net gain on sale of property and equipment (see Note 13)	**19,902,917**	40,463,669	31,756,356
Rental income (see Notes 13, 15 and 28)	**7,153,302**	7,734,695	5,650,270
Royalty income	**5,973,476**	7,948,128	6,499,544
Gain on cancellation of lease (see Note 28)	**5,289,045**	–	–
Merchandising license fees and others	**3,089,075**	3,981,319	2,043,246
Bank charges	**(1,611,468)**	(1,751,862)	(1,793,419)
Others – net	**(61,381)**	4,738,846	6,365,441
	₱226,787,362	₱239,464,833	₱154,996,747

Merchandising license fees and others include income from mall shows, sale of DVDs and integrated receiver decoders.

27. Pension and Other Employee Benefits

As at December 31, pension and other employee benefits consist of:

	2024	2023
Pension liability	**₱4,680,281,181**	₱5,154,803,946
Vacation and sick leave accrual	**298,500,672**	253,514,641
	4,978,781,853	5,408,318,587
Less current portion of vacation and sick leave accrual*	**15,822,604**	12,762,255
Pension and other long-term employee benefits	**₱4,962,959,249**	₱5,395,556,332

**Included in "Accrued expenses" under Trade payables and other current liabilities (see Note 17).*

Pension Benefits
The Group operates non-contributory defined benefit retirement plans.

Under the existing regulatory framework, R.A. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Pension benefits recognized in the statements of comprehensive income are as follows (see Note 25):

	2024	2023	2022
Current service cost	**₱378,786,232**	₱357,469,890	₱455,919,306
Net interest cost	**279,358,962**	343,429,124	205,165,155
	₱658,145,194	₱700,899,014	₱661,084,461

Net pension liability recognized in the consolidated statements of financial position is as follows:

	2024	2023	2022
Present value of defined benefit obligation	**₱5,899,133,964**	₱6,422,704,401	₱6,653,224,090
Fair value of plan assets	**1,218,852,783**	1,267,900,455	1,885,974,881
Pension liability	**₱4,680,281,181**	₱5,154,803,946	₱4,767,249,209

The changes in the present value of the defined benefit obligation are as follows:

	2024	2023	2022
Balance at beginning of year	**₱6,422,704,401**	₱6,653,224,090	₱6,348,352,226
Current service cost	**378,786,232**	357,469,890	455,919,306
Interest cost	**386,026,848**	477,657,949	310,240,240
Benefits paid:			
From plan assets	**(1,128,381,318)**	(315,409,730)	(455,534,216)
From Group's own funds	**(160,002,198)**	(397,227)	(46,856,585)
Remeasurement losses (gains):			
Changes in financial assumptions	–	481,284,738	41,103,119
Changes in demographic assumptions	–	(182,570,873)	–
Experience adjustment	–	(1,048,554,436)	–
Balance at end of year	**₱5,899,133,965**	₱6,422,704,401	₱6,653,224,090

The changes in the fair value of plan assets are as follows:

	2024	2023	2022
Balance at beginning of year	**₱1,267,900,455**	₱1,885,974,881	₱2,178,665,475
Contribution during the year	**620,965,823**	282,026,879	261,319,043
Interest income	**107,058,426**	134,228,825	105,075,085
Benefits paid	**(1,128,381,318)**	(315,409,730)	(455,534,216)
Remeasurement gain (loss) - return on plan assets	**351,309,397**	(718,920,400)	(203,550,506)
Balance at end of year	**₱1,218,852,783**	₱1,267,900,455	₱1,885,974,881

Remeasurement gain (loss) on retirement plans amounting to ₱259.15 million, ₱19.21 million, and (₱205.31 million) in 2024, 2023 and 2022, respectively, is reported under the consolidated statements of comprehensive income, net of deferred tax.

At each reporting period, the Group determines its contribution based on the performance of its retirement fund.

The Group expects to contribute ₱838.61 million to the fund in 2025.

The funds are managed and supervised by trustee banks for the benefits of the members. However, the general administration of the funds is vested in a Retirement Committee.

The following table presents the carrying amounts and estimated fair values of the plan assets:

	2024	2023
	Carrying Value/Fair Value	Carrying Value/Fair Value
Cash and cash equivalents	**₱50,373,320**	₱11,445,292
Equity instruments (see Note 21):		
GMA Network, Inc.	**517,671,188**	555,386,035
GMA PDRs	**6,225,000**	6,225,000
Debt instruments -		
Government securities	**98,009,721**	180,075,276
Unit Investment Trust Funds (UITFs)	**251,862,681**	342,062,985
Corporate bonds and others	**294,710,873**	172,705,867
	₱1,218,852,783	₱1,267,900,455

The plan assets consist of the following:

- Cash and cash equivalents consist of regular savings and time deposits.
- Investments in equity instruments consist of listed shares of GMA Network, Inc. and GMA PDRs (see Note 21).
- Investments in debt instruments bear interest ranging from 3.02% to 6.80% and have maturities from May 2024 to April 2032. Equity and debt instruments held have quoted prices in active market.
- Investment in UITFs are measured at their net asset value per unit.
- Others consist of loans and receivables which are collectible within the next twelve months.

The person who exercises voting rights over shares is within the powers of the Trustee, who do not have any relationship with the directors or officers of the Group.

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 treasury notes, treasury bills, and savings and time deposits with commercial banks.

The Group performs an Asset-Liability Matching Study (ALM) annually. The principal technique of the Group's ALM in order to minimize the portfolio liquidation risk is to ensure that the expected return on assets will be sufficient to support the desired level of funding arising from the defined benefit plans.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the Philippine Stock Exchange. 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.

However, in the event a benefit claim arises under the retirement plan and the retirement fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable to the retirement fund from the Group.

The principal assumptions used in determining pension liability for the Group's plans are shown below:

	2024	2023	2022
Discount rate	**6.07-6.08%**	6.05-6.12%	2.80-7.22%
Expected rate of salary increase	**4.00%**	4.00%	3.00-5.00%

The sensitivity analysis below has been determined by remeasuring the defined benefit obligation at the reporting period after first adjusting one of the current assumptions that were reasonably possible at the valuation date while all other assumptions remained unchanged. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation		
		2024	2023	2022
Discount rate	50	**(₱216,876,350)**	(₱241,706,870)	(₱290,017,330)
	(50)	**243,768,727**	225,871,746	315,566,169
Future salary increases	50	**227,887,783**	245,461,957	333,460,419
	(50)	**(273,336,455)**	(231,767,894)	(303,626,386)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2024 and 2023:

	2024	2023
Less than one year	**₱517,456,383**	₱1,321,599,735
More than 1 but less than 5 years	**2,145,525,122**	1,852,913,199
More than 5 years but less than 10 years	**3,248,915,237**	4,067,586,456

Other Long-Term Employee Benefits
Other long-term employee benefits consist of accumulated and unexpired employee sick and vacation leave entitlements. Noncurrent portion of other employee benefits amounted to ₱240.75 million and ₱371.62 million as at December 31, 2024 and 2023, respectively, while current portion of other employee benefits recorded in “Accrued payroll and talent fees” included under “Trade and other current liabilities” account amounted to ₱12.76 million and ₱5.73 million as at December 31, 2024 and 2023, respectively (see Note 17).

28. **Agreements**

Lease Agreements

Group as a Lessee

The Group entered into various lease agreements for land, building, studio and office spaces that it presently occupies and uses for periods ranging from two to 25 years. The lease agreements can be renewed subject to mutual agreement. Most of the lease agreements can be terminated at the option of the Group.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the “short-term lease” recognition exemptions for these leases.

The rollforward analysis of right-of-use assets follows:

	2024		
	Right-of-use: Land	**Right-of-use: Buildings, studio and office spaces**	**Right-of-use: Total**
Cost			
Balance at beginning of year	**₱193,021,244**	**₱87,457,441**	**₱280,478,685**
Additions	**–**	**8,246,968**	**8,246,968**
Cancellation	**(46,939,738)**	**–**	**(46,939,738)**
Balance at the end of year	**146,081,506**	**95,704,409**	**241,785,915**
Accumulated Depreciation			
Balance at beginning of year	**74,471,581**	**65,340,281**	**139,811,862**
Depreciation (see Note 24)	**12,518,445**	**15,376,067**	**27,894,512**
Cancellation	**(17,204,511)**	**–**	**(17,204,511)**
Balance at the end of year	**69,785,515**	**80,716,348**	**150,501,863**
Net Book Value	**₱76,295,991**	**₱14,988,061**	**₱91,284,052**

	2023		
	Right-of-use: Land	Right-of-use: Buildings, studio and office spaces	Right-of-use: Total
Cost			
Balance at beginning of year	₱188,940,714	₱81,152,898	₱270,093,612
Additions	4,080,530	6,304,543	10,385,073
Balance at the end of year	193,021,244	87,457,441	280,478,685
Accumulated Depreciation			
Balance at beginning of year	60,688,849	49,504,378	110,193,227
Depreciation (see Note 24)	13,782,732	15,835,903	29,618,635
Balance at the end of year	74,471,581	65,340,281	139,811,862
Net Book Value	₱118,549,663	₱22,117,160	₱140,666,823

The rollforward analysis of lease liabilities follows:

	2024	2023
Balance at beginning of year	**₱156,638,801**	₱167,111,004
Additions	**8,246,968**	10,385,073
Accretion of interest	**8,479,737**	8,969,967
Payments	**(22,719,557)**	(29,827,243)
Cancellation	**(35,024,272)**	–
Balance at end of year	**₱115,621,677**	₱156,638,801

	2024	2023
Current portion	**₱21,199,972**	₱43,848,796
Noncurrent portion	**94,421,705**	112,790,005
Balance at end of year	**₱115,621,677**	₱156,638,801

The rollforward analysis of dismantling provision follows:

	2024	2023
Balance at beginning of year	**₱50,872,484**	₱49,009,014
Accretion of interest	**1,685,170**	1,863,470
Balance at end of year	**₱52,557,654**	₱50,872,484

The following are the amounts recognized in the consolidated statement of comprehensive income:

	2024	2023
Expense relating to short-term leases (included in "Production costs") (see Note 23)	**₱661,079,341**	₱792,873,832
Depreciation expense of right-of-use assets (see Note 24)	**27,894,512**	29,618,635
Expense relating to short-term leases (included in "General and Administrative expenses") (see Note 24)	**15,085,565**	20,324,032
Interest expense on lease liabilities	**8,479,737**	8,969,967
Gain on Cancellation (see Note 26)	**(5,289,045)**	–
Interest expense on dismantling provision	**1,685,170**	1,863,470

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
1 year	**₱31,3491,57**	₱25,939,131
More than 1 year to 2 years	**59,392,807**	24,027,163
More than 2 years to 3 years	**21,214,438**	18,435,311
More than 3 years to 4 years	**19,897,082**	16,151,332
More than 5 years	**96,836,889**	122,403,595

Total rental expense on short-term leases amounted to ₱676.16 million, ₱813.19 million and ₱547.20 million in 2024, 2023 and 2022, respectively (see Notes 23 and 24).

Group as Lessor. The Group leases out certain properties for a period of one year, renewable annually. The leased-out properties include investment properties, and broadcasting equipment. Total rental income amounted to ₱4.35 million, ₱7.73 million and ₱5.65 million in 2024, 2023 and 2022, respectively (see Note 26).

Subscription Agreements
The Parent Company entered into various subscription agreements with international cable providers for the airing of its programs and shows abroad. The agreements generally have terms of three to five years and are based on certain agreed service package rates.

Total subscription revenue amounted to ₱677.24 million, ₱728.40 million and ₱774.87 million in 2024, 2023 and 2022, respectively (see Note 22).

29. Income Taxes

Current Income Tax
The current income tax consists of the following:

	2024	2023	2022
RCIT	**₱649,839,983**	₱1,096,163,757	₱1,989,216,474
MCIT	**787,043**	–	38,147
	₱650,627,026	₱1,096,163,757	₱1,989,254,621

The reconciliation between the statutory income tax rates and effective income tax rates are shown below:

	2024	2023	2022
Statutory income tax	**25.00%**	25.00%	25.00%
Additions (deductions) in income tax resulting from:			
Interest income already subjected to final tax	**(0.27)**	(0.18)	(0.04)
Nondeductible interest expense	**0.03**	0.03	0.01
Nondeductible expenses	**1.92**	0.06	0.48
Others	**(0.72)**	(0.61)	0.01
Effective income tax	**25.96%**	24.30%	25.46%

Deferred Taxes
The components of the Group's net deferred tax assets and liabilities are as follows:

	2024	2023
Deferred tax assets:		
Pension liability	**₱1,192,817,099**	₱1,311,595,685
Allowance for ECL	**219,238,504**	220,283,819
Other long-term employee benefits	**68,137,775**	56,134,564
Allowance for probable losses in advances	**44,599,202**	44,599,202
Lease liabilities	**28,809,381**	38,989,084
Dismantling provision	**13,139,414**	12,718,121
Unrealized loss on financial assets at FVOCI	**12,343,041**	12,327,098
Unrealized foreign exchange loss	**10,459,366**	4,681,418
Unamortized past service cost	**7,373,240**	3,735,345
NOLCO	**895,150**	1,508,785
Excess MCIT over RCIT	**787,043**	–
Contract liabilities	–	44,961,769
Others	–	4,597,437
	1,598,599,215	1,756,132,327

(Forward)

	2024	2023
Deferred tax liabilities:		
Revaluation increment on land	**(₱2,071,813,970)**	(₱2,071,813,970)
Right-of-use assets	**(22,751,940)**	(35,028,064)
Unrealized foreign exchange gain	**(11,472,749)**	(175,557)
Unrealized gain on financial assets at FVOCI	**(2,951,764)**	(1,342,500)
Others	**(1,422,545)**	–
	(2,110,412,968)	(2,108,360,091)
	(₱511,813,753)	(₱352,227,764)

Net movement in deferred tax assets (liabilities) – net charged to the consolidated statement of income and comprehensive income are as follows:

	2024	2023
Net provisions (benefit) recognized in:		
Profit or loss	**₱73,207,945**	(₱81,417,353)
Other comprehensive income	**86,378,044**	562,001,690
	₱159,585,989	₱480,584,337

The components of the subsidiaries' deductible temporary differences and carryforward benefits of NOLCO and MCIT, for which no deferred tax assets have been recognized in the Group's consolidated statements of financial position, are as follows:

	2024	2023
Allowance for ECL	**₱19,729,593**	₱21,250,431
NOLCO	**14,297,353**	26,630,414
Excess MCIT over RCIT	**2,973,325**	12,760
Pension liability	**498,421**	1,465,738
Unamortized past service cost	**384,304**	1,092,468
Allowance for inventory stock	**237,806**	951,224
Accrued vacation and sick leaves	**201,683**	–
Lease liability	**14,486**	–
	₱38,636,971	₱51,403,035

The unrecognized deferred tax assets from the above deductible temporary differences amounted to ₱11.81 million and ₱12.86 million as at December 31, 2024 and 2023, respectively.

The deferred tax assets were not recognized as management believes that future taxable income against which the deferred tax assets can be used for these entities may not be available.

As at December 31, 2024, the Group's MCIT is as follows:

Years Paid/Incurred	Carryforward Benefit Up To	MCIT
2024	2027	₱3,747,608
2022	2025	12,760
		₱3,760,368

The movements of MCIT is as follows:

	2024	2023
Balance at beginning of year	**₱12,760**	₱445,738
Additions	**3,747,608**	–
Expirations	**–**	(50,577)
Applications	**–**	(382,401)
	₱3,760,368	₱12,760

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As at December 31, 2024, the Group has incurred NOLCO after taxable year 2021 and 2020, which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	Applications in Previous Year/s	Expirations	Applications in the Current Year	Unapplied NOLCO
2022	2023 to 2025	₱10,126,026	(₱6,829,192)	₱–	₱–	₱3,296,834
2023	2024 to 2026	14,581,119	–	–	–	14,581,119
		₱24,707,145	(₱6,829,192)	₱–	₱–	₱17,877,953

As at December 31, 2024, the Group has incurred NOLCO in 2021 and 2020, which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year Incurred	Availment Period	Amount	Applications in Previous Year/s	Expirations	Applications in the Current Year	Unapplied NOLCO
2020	2021 to 2025	₱5,174,877	₱–	₱–	(₱5,174,877)	₱–
2021	2022 to 2026	3,094,716	–	–	(3,094,716)	–
		₱8,269,593	₱–	₱–	(₱8,269,593)	₱–

<u>Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act</u>
On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the CREATE Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

30. **EPS Computation**

The computation of basic and diluted EPS follows:

	2024	2023	2022
Net income attributable to equity holders of the Parent Company (a)	**₱2,069,420,969**	₱3,170,179,282	₱5,442,339,314
Less attributable to preferred shareholders	**638,094,139**	977,506,679	1,678,114,251
Net income attributable to common equity holders of the Parent Company (b)	**₱1,431,326,830**	₱2,192,672,603	₱3,764,225,063
Weighted average number of common shares for basic EPS (c)	**3,364,692,000**	3,364,692,000	3,364,692,000
Weighted average number of common shares	**3,364,692,000**	3,364,692,000	3,364,692,000
Effect of dilution - assumed conversion of preferred shares	**1,500,000,000**	1,500,000,000	1,500,000,000
Weighted average number of common shares adjusted for the effect of dilution (d)	**4,864,692,000**	4,864,692,000	4,864,692,000
Basic EPS (b/c)	**₱0.425**	₱0.652	₱1.119
Diluted EPS (a/d)	**₱0.425**	₱0.652	₱1.119

31. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments include cash and cash equivalents. The main purpose of these financial instruments includes raising financing for the Group's operations and managing identified financial risks. The Group has other financial assets and liabilities such as trade and other receivables, refundable deposits, trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and contract liabilities), short-term loans, obligations for program and other rights, dividends payable, other long-term employee benefits and lease liabilities, which arise directly from its operations, and financial assets at FVOCI. The main risks arising from the use of financial instruments are liquidity risk, foreign currency exchange risk and credit risk. The Group is not exposed to interest rate risk as most of its financial assets and financial liabilities have fixed rates.

The BOD reviews and approves the Group's objectives and policies.

Liquidity Risk. The Group is exposed to the possibility that adverse changes in the business environment and/or its operations would result in substantially higher working capital requirements and subsequently pose difficulty in financing the additional working capital.

The Group manages liquidity risk by using its cash and cash equivalents from operations to meet its short-term liquidity needs. The Group likewise regularly evaluates other financing instruments and arrangements to broaden the Group's range of financing sources.

The tables below summarize the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted payments as at December 31:

	2024				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**More than 1 year**	**Total**
Financial assets at amortized cost:					
Cash and cash equivalents	**₱1,870,840,835**	**₱275,469,972**	**₱–**	**₱–**	**₱2,146,310,807**
Trade receivables:					
Television and radio airtime	**1,634,596,837**	**5,474,871,750**	–	–	**7,109,468,587**
Subscriptions	**154,066,831**	**53,292,349**	–	–	**207,359,180**
Others	**285,707,888**	**60,897,879**	–	–	**346,605,767**
Nontrade receivables:					
Advances to officers and employees	**5,950,299**	**9,329,899**	–	–	**15,280,198**
Others	**39,576,911**	**13,043,517**	–	–	**52,620,428**
Refundable deposits*	–	–	–	**43,650,400**	**43,650,400**
Financial assets at FVOCI	–	–	–	**370,856,990**	**370,856,990**
	3,990,739,601	**5,886,905,366**	–	**414,507,390**	**10,292,152,357**
Loans and borrowings:					
Trade payables and other current liabilities**	**433,079,887**	**734,371,308**	**248,961,219**	–	**1,416,412,414**
Short-term loans***	–	**1,503,400,000**	**2,217,145,000**	–	**3,720,545,000**
Obligations for program and other rights	–	**541,234,325**	**41,820,238**	–	**583,054,563**
Lease liabilities***	–	**5,299,993**	**15,899,979**	**94,421,705**	**115,621,677**
Dividends payable	**51,489,727**	–	–	–	**51,489,727**
	484,569,614	**2,784,305,626**	**2,523,826,436**	**94,421,705**	**5,887,123,381**
Liquidity Portion (Gap)	**₱3,506,169,987**	**₱3,102,599,740**	**(₱2,523,826,436)**	**₱320,085,685**	**₱4,405,028,976**

**Included under "Other noncurrent assets" account in the consolidated statement of financial position (see Note 16).*
***Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,146.85 million, ₱215.57 million and ₱79.31 million, respectively (see Note 17).*
****Gross contractual payments.*

	2023				
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	Total
Financial assets at amortized cost:					
Cash and cash equivalents	₱1,097,748,954	₱277,234,453	₱–	₱–	₱1,374,983,407
Trade receivables:					
Television and radio airtime	2,008,873,144	3,949,444,897	–	–	5,958,318,041
Subscriptions	99,816,850	64,123,178	–	–	163,940,028
Others	20,832,683	74,259,656	–	–	95,092,339
Nontrade receivables:					
Advances to officers and employees	2,422,132	4,945,051	–	–	7,367,183
Others	49,646,637	1,240,738	–	–	50,887,375
Refundable deposits*	–	–	–	89,657,828	89,657,828
Financial assets at FVOCI	–	–	–	349,899,892	349,899,892
	3,279,340,400	4,371,247,973	–	439,557,720	8,090,146,093
Loans and borrowings:					
Trade payables and other current liabilities**	609,583,647	879,934,754	302,688,549	–	1,792,206,950
Short-term loans***	–	1,003,260,000	524,047,000	–	1,527,307,000
Obligations for program and other rights	–	44,993,033	280,509,987	9,157,895	334,660,915
Lease liabilities***	–	6,439,411	37,409,385	112,790,005	156,638,801
Dividends payable	39,687,211	–	–	–	39,687,211
	649,270,858	1,934,627,198	1,144,654,921	121,947,900	3,850,500,877
Liquidity Portion (Gap)	₱2,630,069,542	₱2,436,620,775	(₱1,144,654,921)	₱317,609,820	₱4,239,645,216

**Included under "Other noncurrent assets" account in the consolidated statement of financial position (see Note 16).*
***Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,169.14 million, ₱179.89 million and ₱61.44 million, respectively (see Note 17).*
****Gross contractual payments.*

Foreign Currency Exchange Risk. Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to foreign currency exchange risk results from certain business transactions denominated in foreign currencies. It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign currency exchange risk.

The Group's foreign currency-denominated monetary assets and liabilities are as follows:

	2024		2023	
Assets				
Cash and cash equivalents	**$9,114,274**	**₱527,260,751**	$4,742,936	₱262,616,370
	C$1,010,803	**42,726,643**	C$102,357	4,298,986
Trade receivables	**$3,011,355**	**174,206,887**	$2,517,087	139,371,098
	C$473,529	**20,016,071**	C$791,162	33,228,820
	S$241,806	**10,322,698**	S$289,532	12,186,337
	A$**21,797**	**786,436**	A$20,727	786,533
	DH43,188	**682,370**	DH45,083	682,162
Short-term investments	$**637,399**	**36,873,532**	$746,464	41,331,694
		₱812,875,388		₱494,502,000
Liabilities				
Trade payables	**($220,546)**	**(₱12,758,586)**	$1,461,137	₱80,903,156
	(€1,475)	**(89,193)**	€1,141,705	70,184,945
	S$–	–	S$–	–
	C$–	–	C$2,000	84,000
	£–	–	£2,470	174,775
Obligations for program and other rights	**($9,057,001)**	**(523,947,508)**	$5,686,614	314,867,817
		(₱536,795,287)		₱466,214,693
		₱276,080,101		₱28,287,307

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rates used were ₱57.85 to US$1.00 and ₱55.37 to US$1.00, the Philippine peso to U.S. dollar exchange rate, as at December 31, 2024 and 2023, respectively. The exchange rate for Philippine peso to Canadian dollar were ₱42.27 to CAD$1.00 and ₱42.00 to CAD$1.00, as at December 31, 2024 and 2023. The peso equivalents for the Singaporean Dollar, Australian Dollar, Dirham, Euro and Pound were ₱42.69, ₱36.08, ₱15.80, ₱60.47, and 72.68 and ₱42.09, ₱37.95, ₱15.13, ₱61.47, and ₱70.76 at December 31, 2024 and 2023, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of the Group's income before income tax from reporting period up to next reporting period (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Group's equity other than those already affecting profit or loss.

	Appreciation/ (Depreciation) of Peso	**USD**	**CAD**	**SGD**	**AUD**	**AED**	**EUR**	**GBP**	**Total**
2024	**0.50**	**(₱1,742,741)**	**(₱742,166)**	**(₱120,903)**	**(₱10,899)**	**(₱21,594)**	**₱738**	**₱-**	**(₱2,637,565)**
	(0.50)	**1,742,741**	**742,166**	**120,903**	**10,899**	**21,594**	**(738)**	**-**	**2,637,565**
2023	0.50	₱7,577,119	₱447,760	₱144,766	₱10,364	₱22,541	₱570,853	₱1,235	₱8,774,638
	(0.50)	(7,577,119)	(447,760)	(144,766)	(10,364)	(22,541)	(570,853)	(1,235)	(₱8,774,638)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk.

The Group ensures that sales of products and services are made to customers with appropriate credit history. The Group has an internal mechanism to monitor the granting of credit and management of credit exposures. The Group has made provisions, where necessary, for potential losses on credits extended. The Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Group does not require any collateral for its financial assets, thus, maximum exposure to credit risk is equal to the carrying value of the financial instruments.

The table below shows the maximum exposure to credit risk for the components of the consolidated financial position as at December 31:

	2024	2023
Financial assets at amortized cost:		
Cash and cash equivalents*	**₱1,825,111,096**	₱1,155,407,252
Trade receivables:		
Television and radio airtime	**7,109,468,587**	5,958,318,041
Subscriptions	**207,359,180**	163,940,028
Others	**346,605,767**	95,092,339
Nontrade receivables:		
Advances to officers and employees	**15,280,198**	7,367,183
Others	**37,620,429**	50,887,375
Refundable deposits**	**43,650,400**	89,657,828
	9,585,095,657	7,520,670,046
Financial assets at FVOCI	**372,368,942**	349,899,892
	₱9,957,464,599	₱7,870,569,938

**Excluding cash on hand amounting to ₱321.20 million and ₱202.22 million as at December 31, 2024 and 2023, respectively.*
***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 16).*

The maximum exposure for cash and cash equivalents (excluding cash on hand) is the carrying amount less insured amount by the Philippine Deposit Insurance Corporation equivalent to the actual cash balance to a maximum of ₱0.50 million per depositor per bank. The maximum exposure of trade and non-trade receivables and refundable deposits is equal to its carrying amount.

<u>Credit quality of Financial Assets, Other than Trade Receivables</u>
The financial assets of the Group are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 120 past due and based on change in rating delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 120 to 360 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Group's financial assets are as follows:

	2024			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Financial assets at amortized cost				
Cash and cash equivalents*	**₱1,825,111,096**	**₱–**	**₱–**	**₱1,825,111,096**
Nontrade receivables:				
Advances to officers and employees	**15,280,198**	**–**	**–**	**15,280,198**
Others	**37,620,429**	**–**	**–**	**37,620,429**
Refundable deposits**	**43,650,400**	**–**	**–**	**43,650,400**
	₱1,921,662,123	**₱–**	**₱–**	**₱1,921,662,123**

**Excluding cash on hand amounting to ₱321.40 million as at December 31, 2024.*
*** Included under "Other noncurrent assets" account in the consolidated company statement of financial position.*

	2023			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial assets at amortized cost				
Cash and cash equivalents*	₱1,155,407,252	₱–	₱–	₱1,155,407,252
Nontrade receivables:				
Advances to officers and employees	2,422,132	–	–	2,422,132
Others	49,646,637	–	–	49,646,637
Refundable deposits**	89,657,828	–	–	89,657,828
	₱1,297,133,849	₱–	₱–	₱1,297,133,849

**Excluding cash on hand amounting to ₱202.22 million as at December 31, 2023.*
*** Included under "Other noncurrent assets" account in the consolidated company statement of financial position.*

Credit Quality of Trade Receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segment with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure of the Group's trade receivables using provision matrix:

	2024						
		Days past due					
	Current	**0-30 days**	**31-60 days**	**61-90 days**	**91-360 days**	**Over 360 days**	**Total**
Expected credit loss rate	**0.48%**	**1.79%**	**7.44%**	**7.52%**	**10.87%**	**67.19%**	
Total gross carrying amount	**₱4,284,861,015**	**₱678,133,599**	**₱290,135,212**	**₱208,608,093**	**₱1,181,035,528**	**₱1,073,560,714**	**₱7,716,334,161**
Expected credit loss	**20,552,979**	**12,161,707**	**21,584,158**	**15,692,947**	**128,356,534**	**721,329,490**	**919,677,815**

	2023						
		Days past due					
	Current	0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	Total
Expected credit loss rate	0.50%	2.89%	4.89%	7.91%	20.51%	50.72%	
Total gross carrying amount	₱4,092,816,385	₱421,100,491	₱441,146,467	₱198,449,231	₱625,675,551	₱1,409,819,419	₱7,189,007,544
Expected credit loss	20,552,979	12,161,707	21,584,158	15,692,947	128,356,534	715,054,253	913,402,578

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay off existing debts, return capital to shareholders or issue new shares.

The Parent Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for each of the three years ended December 31, 2024, 2023 and 2021.

The Group monitors its capital gearing by measuring the ratio of interest-bearing loan to total equity. The Group's interest-bearing loans, which are the short-term loans, amounted to ₱3,720.5 million and ₱1,527.31 million as at December 31, 2024 and 2023, respectively. The Group's total equity attributable to equity holders of the Parent Company as at December 31, 2024 and 2023 amounted to ₱14,290.71 million and ₱14,881.74 million, respectively.

32. Fair Value Measurement

The table below presents the carrying values and fair values of the Group's assets, by category and by class, as at December 31:

	2024			
		Fair Value		
	Carrying Value	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Input (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Assets Measured at Fair Value				
Land at revalued amount	**₱8,813,281,439**	**₱–**	**₱–**	**₱8,813,281,439**
Financial assets at FVOCI	**370,856,990**	–	**22,006,842**	**348,850,148**
Assets for which Fair Values are Disclosed				
Investment properties	**30,841,564**	–	–	**30,841,564**
	₱9,214,979,993	**₱–**	**₱22,006,842**	**₱9,192,973,151**

	2023			
		Fair Value		
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Assets Measured at Fair Value				
Land at revalued amount	₱8,813,281,439	₱–	₱–	₱8,813,281,439
Financial assets at FVOCI	349,899,892	–	23,775,258	326,124,634
Assets for which Fair Values are Disclosed				
Investment properties	30,722,673	–	–	305,177,948
	₱9,193,904,004	₱–	₱23,775,258	₱9,444,584,021
Liabilities				
Liabilities for which Fair Values are Disclosed				
Obligations for program and other rights – net of current portion	₱9,157,895	₱–	₱–	₱9,157,895

As at December 31, 2024 and 2023, the fair value of equity instruments in a listed entity is classified under Level 3 due to the investee Company's suspension of trading in the market.

The fair values of equity instruments in listed and non-listed companies classified under Level 3 were determined through net-asset value based approach. Net-asset based approach is based on the value of all the tangible and intangible assets and liabilities of the investee Company.

Presented below are the significant unobservable inputs used in the net asset valuations of the Group's financial assets in 2024 and 2023:

		Range	
Description	Unobservable Inputs	**2024**	2023
Listed equity instrument:			
Casinos and gaming industry	Discount for lack of marketability	**10%-30%**	10%-30%
	Discount for lack of control	**10%-30%**	10%-30%
Non-listed equity instruments:			
Media and entertainment industry	Discount for lack of marketability	**10%-30%**	10%-30%
	Discount for lack of control	**10%-30%**	10%-30%

An increase (decrease) in the significant unobservable inputs used in the valuation of the equity investments will decrease (increase) the fair value of the equity investments.

Fair Value Determination

The following methods and assumptions are used to estimate the fair value of each asset and liability for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Refundable Deposits, Trade Payables and Other Current Liabilities (excluding Payable to Government Agencies, Contract Liabilities and Customer Deposits), Short-term Loans, Obligations for Program and Other Rights and Dividends Payable

The carrying values of cash and cash equivalents and trade and other receivables, trade payables and other current liabilities, short-term loans, current portion of obligations for program and other rights and dividends payable approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

The carrying value of refundable deposits (included under "Other noncurrent assets" account in the consolidated statements of financial position) approximates fair value due to unavailability of information as to the repayment date that would provide a reasonable basis for the fair value measurement.

Financial assets at FVOCI

The Group's investments in club shares were based on prices readily available from brokers and other regulatory agencies as at reporting date (Level 2). The fair values of equity investments in listed and non-listed companies have been estimated using the net asset value model. The valuation using adjusted net asset approach requires the management to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date.

Investment Properties and Land at Revalued Amount

The valuation for the disclosure of the fair value of investment properties and for the recognition of land at revalued amount was derived through market data approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property adjusted based on certain elements of comparison (e.g. market conditions, location, physical condition and amenities). Significant unobservable valuation input in determining the fair value of investment properties includes adjusted price per square meter and lot size adjustments (see Notes 14 and 15).

33. **Supplemental Cash Flow Information**

Changes in liabilities arising from financing activities

The table below shows significant changes in arising from financing activities, including changes arising from cash flows and non-cash changes:

	January 1, 2024	**Additions**	**Payments**	**Others***	**December 31, 2024**
Short-term loans	**₱1,527,307,000**	**₱4,020,545,000**	**(₱1,827,307,000)**	**₱–**	**₱3,720,545,000**
Lease liabilities	**156,638,801**	**–**	**(22,719,557)**	**(18,575,844)**	**115,343,400**
Dividends payable	**39,687,211**	**–**	**(2,922,012,684)**	**2,918,815,200**	**36,489,727**
Accrued interest expense**	**2,012,500**	**–**	**(163,447,261)**	**175,363,789**	**13,929,028**
Total liabilities from financing activities	**₱1,725,645,512**	**₱4,020,545,000**	**(₱4,935,486,502)**	**₱3,075,603,145**	**₱3,886,307,155**

**Others pertain to dividends declared, accrual of interest on loans and accretion of interest of lease liabilities.*
***Included under "Accounts payable and other current liabilities" account in the consolidated statement of financial position (see Note 17).*

	January 1, 2023	Additions	Payments	Others*	December 31, 2023
Short-term loans	₱27,125,200	₱3,527,307,000	(₱2,027,125,200)	₱–	₱1,527,307,000
Lease liabilities	167,111,004	–	(29,827,243)	19,355,040	156,638,801
Dividends payable	30,526,306	–	(5,359,850,295)	5,369,011,200	39,687,211
Accrued interest expense**	–		(118,284,047)	120,296,547	2,012,500
Total liabilities from financing activities	₱224,762,510	₱3,527,307,000	(₱7,535,086,785)	₱5,508,662,787	₱1,725,645,512

**Others pertain to dividends declared, accrual of interest on loans and accretion of interest of lease liabilities.*
***Included under "Accounts payable and other current liabilities" account in the consolidated statement of financial position (see Note 17).*

Non-cash activities

Significant non-cash activities in 2024 and 2023 pertain to the following:

- Additional revaluation increment of land at revalued amounts totaling nil and ₱2,193.39 million and, respectively.

- Additions to program rights on account. The outstanding balance of additions to program rights on account that was considered in the cashflows from operating activities amounted to ₱248.39 million and ₱334.66 million as at December 31, 2024 and 2023, respectively.

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
GMA Network, Inc. and Subsidiaries
GMA Network Center
Timog Avenue corner EDSA
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 31, 2025. 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 Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]

Julie Christine O. Mateo
Partner
CPA Certificate No. 93542
Tax Identification No. 198-819-116
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465357, January 2, 2025, Makati City

March 31, 2025

GMA NETWORK, INC. AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024

GMA NETWORK, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
DECEMBER 31, 2024

Schedule A. Financial Assets

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotation at end of Reporting Period	Income Received and Accrued
Cash and cash equivalents				
Cash on hand	₱–	₱321,398,121	₱–	₱–
Cash in banks	–	1,549,442,714	–	1,236,254
Cash Placements:				
Abacus Capital & Investment Corporation	–	158,985,993	–	6,614,819
Amalgamated Investment Bancorporation	–	8,867,469	–	509,430
Banco De Oro	–		–	517,721
Bank of Commerce	–	5,766,194	–	7,013
CTBC Bank	–	6,096,888	–	887,232
Land Bank of the Philippines	–	17,962,725	–	1,857,783
Malayan Bank	–	28,269,338	–	2,398,787
Metrobank	–	37,384,645	–	2,488,970
Union Bank of the Philippines	–	12,136,720	–	471,398
Total Placements	–	275,469,972	–	15,753,153
Restricted Cash	–	284,450,077	–	–
	₱–	₱2,430,760,884	₱–	₱16,989,407
Financial Assets at Fair Value Through Other Comprehensive Income				
Px Ventures PTE LTD	1,443,468	₱120,605,500	₱–	₱–
Wavemaker Three-Sixty Health	–	30,441,394		
Cloudeats PTE LTD	12,550,000	14,461,250	–	–
Pcx Singapore PTE LTD	13,711,750	14,461,250	–	–
Hofer Development Corporation	16,129	13,973,000	–	–
IP E Games Ventures, Inc.	13,000,000,000	1,162,236	–	–
Clubshares	–	16,300,000	–	–
Unicap Inc.	778,504	61,837,125	–	–
Mabuhay Philippine Satellite	405,666	235,338	–	–
Optima Digital Inc.	7,499	558,606	–	–
TNB Aura	900,000	83,296,524	–	–
Manila Southwoods	1	5,500,000	–	–
Royale Tagaytay	3	820,000	–	–
Metro Club - A	7	1,000,000	–	–
Baguio Country Club - A	1	6,000,000	–	–
Others	–	204,767	–	–
	13,029,813,028	₱370,856,990	₱–	₱–

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amount Collected	Deductions: Amount Written Off	Current	Noncurrent	Balance at End of Period

Not Applicable: The Group has no amounts receivable from directors, officers, employees, related parties and principal stockholders as at December 31, 2024 other than those for purchases subject to usual terms, for ordinary travel and expense advances, and for other such items arising in the ordinary course of business.

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2024

Alta Productions Company, Inc. (Alta)

Account	January 1, 2024	Additions	Deductions: Amount Collected	Deductions: Amount written off/ Reclassified	Current	Noncurrent	December 31, 2024
Receivables – Non-Trade	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Payables – Trade	(3,319,487)	(87,025,237)	71,361,260	–	(18,983,464)	–	(18,983,464)
Payables – Non-Trade	(21,536)	–	21,536	–	–	–	–
Total	**(₱3,341,023)**	**(₱87,025,237)**	**₱71,382,796**	**₱–**	**(₱18,983,464)**	**₱–**	**(₱18,983,464)**

Citynet Network Marketing and Productions, Inc. (Citynet)

Account	January 1, 2024	Additions	Deductions: Amount Collected	Deductions: Amount written off/ Reclassified	Current	Noncurrent	December 31, 2024
Advances to Citynet	**₱188,934,402**	**₱–**	**₱–**	**₱–**	**₱–**	**₱188,934,402**	**₱188,934,402**

GMA Marketing and Productions, Inc. (GMPI)

Account	January 1, 2024	Additions	Deductions: Amount Collected	Deductions: Amount written off/ Reclassified	Current	Noncurrent	December 31, 2024
Receivables - Non-Trade	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Payables - Trade	–	–	–	–	–	–	–
Payables - Nontrade	34,361	–	–	(34,361)	–	–	–
Total	**₱34,361**	**₱–**	**₱–**	**(₱34,361)**	**₱–**	**₱–**	**₱–**

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2024

GMA New Media, Inc. (GNMI)

Account	January 1, 2024	Additions	Deductions: Amount Collected	Deductions: Amount written off/ Reclassified	Current	Noncurrent	December 31, 2024
Receivables - NonTrade	₱2,501,200	₱3,634	₱–	₱–	₱3,634	₱2,501,200	₱2,504,834
Receivables – Trade	109,292,886	405,511,375	(339,839,054)	(34,275,481)	140,689,726	–	140,689,726
Payables – Trade	(63,799,364)	(199,398,045)	173,995,858	–	(89,201,551)	–	(89,201,551)
Payables - Nontrade	–	(274,793)	–	–	(274,793)	–	(274,793)
Total	**₱47,994,722**	**₱205,842,171**	**(₱165,843,196)**	**(₱34,275,481)**	**₱51,217,016**	**₱2,501,200**	**₱53,718,216**

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2024

GMA Worldwide (Philippines), Inc. (GWI)

Account	January 1, 2024	Additions	Deductions		Current	Noncurrent	December 31, 2024
			Amount Collected	Amount written off/ Reclassified			
Receivables - Non-Trade	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Payables – Trade	(3,925,824)	–	–	–	–	(3,925,824)	(3,925,824)
Total	**(₱3,925,824)**	**₱–**	**₱–**	**₱–**	**₱–**	**(₱3,925,824)**	**(₱3,925,824)**

RGMA Marketing & Productions, Inc. (GMA Records)

Account	January 1, 2024	Additions	Deductions		Current	Noncurrent	December 31, 2024
			Amount Collected	Amount written off/ Reclassified			
Advances to GMA Records	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Receivables - Nontrade	143,409	305,908	–	–	305,908	143,409	449,317
Receivables - Trade	2,690,446	13,474,945	(10,380,877)	–	5,784,514	–	5,784,514
Payables - Nontrade	–	–	–	–	–	–	–
Payables – Trade	(1,013,793)	(6,984,845)	7,125,876	(52,728)	(925,490)	–	(925,490)
Total	**₱1,820,062**	**₱6,796,008**	**(₱3,255,001)**	**(₱52,728)**	**₱5,164,932**	**₱143,409**	**₱5,308,341**

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2024

Scenarios, Inc. (Scenarios)

Account	January 1, 2024	Additions	Deductions: Amount Collected	Deductions: Amount written off/ Reclassified	Current	Noncurrent	December 31, 2024
Advances to Scenarios	₱1,014,090	₱–	₱–	₱–	₱–	₱1,014,090	₱1,014,090
Receivables - Nontrade	5,507,145	–	–	(5,507,145)	–	–	–
Receivables – Trade	–	–	–	–	–	–	–
Payables - Nontrade	(435,000)	–	–	435,000	–	–	–
Total	**₱6,086,235**	**₱–**	**₱–**	**(₱5,072,145)**	**₱–**	**₱1,014,090**	**₱1,014,090**

Script2010, Inc. (Script2010)

Account	January 1, 2024	Additions	Deductions: Amount Collected	Deductions: Amount written off/ Reclassified	Current	Noncurrent	December 31, 2024
Receivables - Nontrade	₱28,872,193	₱2,527,535	₱–	₱–	₱2,527,535	₱28,872,193	₱31,399,728
Payables - Trade	(33,692,858)	(130,777,423)	132,892,527	14,974,474	(16,603,280)	–	(16,603,280)
Payables - Nontrade	(1,878,486)	(601,732)	–	–	(601,732)	(1,878,486)	(2,480,218)
Total	**(₱6,699,151)**	**(₱128,851,620)**	**₱132,892,527**	**₱14,974,474**	**(₱14,677,477)**	**₱26,993,707**	**₱12,316,230**

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2024

Media Merge Corporation (MM)

			Deductions				
Account	January 1, 2024	Additions	Amount Collected	Amount written off/ Reclassified	Current	Noncurrent	December 31, 2024
Receivables - Trade	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Payables – Trade	–	–	–	–	–	–	–
Total	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**

RGMA Network, Inc. (RGMA Network)

			Deductions				
Account	January 1, 2024	Additions	Amount Collected	Amount written off/ Reclassified	Current	Noncurrent	December 31, 2024
Receivables – Nontrade	₱468,088	₱–	₱–	₱–	₱167,603	₱300,485	₱468,088
Receivables - Trade	–	–	–	–	–	–	–
Payables – Trade	–	–	–	–	–	–	–
Total	**₱468,088**	**₱–**	**₱–**	**₱–**	**₱167,603**	**₱300,485**	**₱468,088**

Schedule D. Long-Term Debt
December 31, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet

Not Applicable: The Group has no long-term debt as at December 31, 2024.

Schedule E. Indebtedness to Related Parties (Long-Terms from Related Companies)
December 31, 2024

Name	Balance, January 1, 2024	Balance, December 31, 2024

Not Applicable: The Group has no noncurrent indebtedness to a related party as at December 31, 2024.

Schedule F. Guarantees of Securities of Other Issuers
December 31, 2024

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee

Not Applicable: The Group has no guarantees of securities of other issuers as at December 31, 2024.

Schedule G. Capital Stock
December 31, 2024

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statements of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common	5,000,000,000	3,364,692,000	N/A	2,450,409,923	8,645,663	905,636,414
Preferred	7,500,000,000	7,500,000,000	N/A	7,489,630,392	27,294	10,342,314

GMA NETWORK, INC.

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE YEAR ENDED DECEMBER 31, 2024

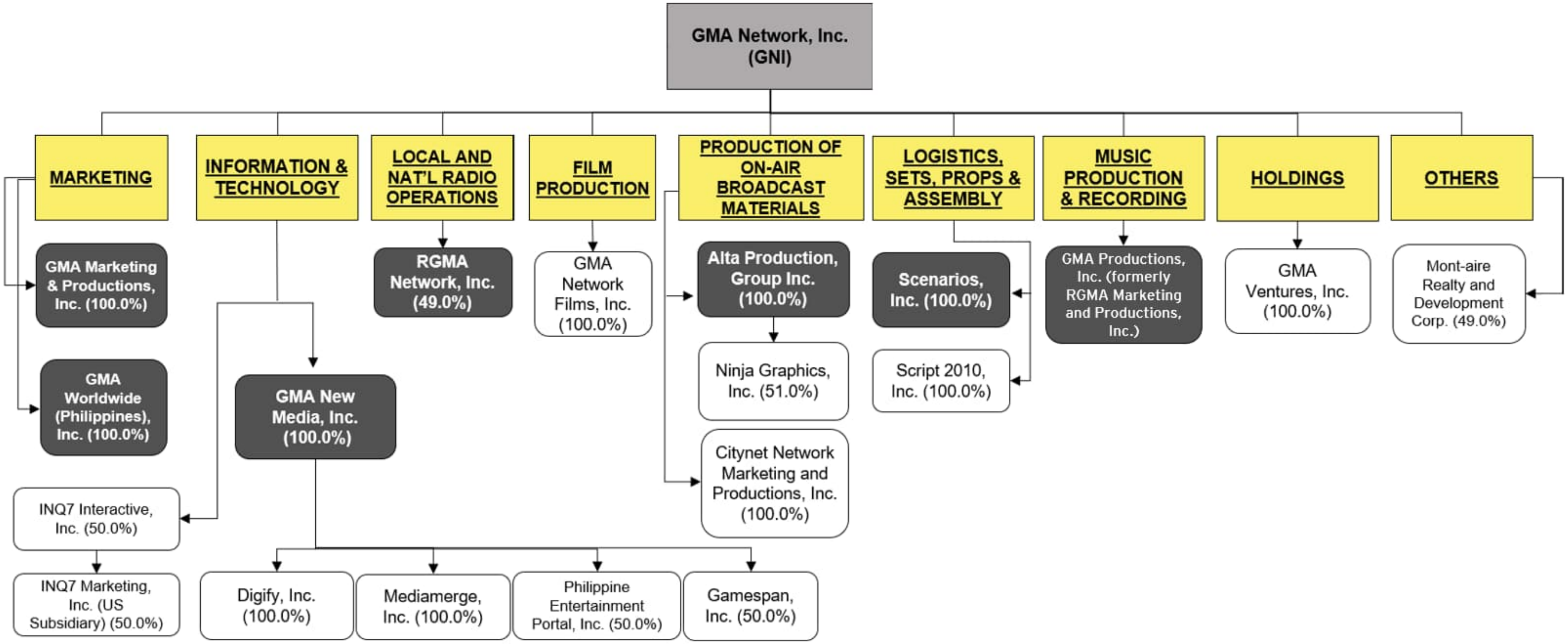
The table below presents the retained earnings available for dividend declaration as at December 31, 2024:

Unappropriated retained earnings, as at December 31, 2023, as adjusted	₱3,325,729,963
Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	(2,918,815,200)
Add: adjusted net income	
Net income during the year closed to retained earnings	2,028,423,743
Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement in deferred tax asset, including deferred tax liabilities related to same transaction, i.e., set up of right of use of asset and lease liability	66,025,876
Unappropriated retained earnings as at December 31, 2024 available for dividend declaration	**₱**2,501,364,382

GMA NETWORK, INC. AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

December 31, 2024



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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
GMA Network, Inc. and Subsidiaries
GMA Network Center
Timog Avenue corner EDSA
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated March 31, 2025. 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 Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

[redacted]

Julie Christine O. Mateo
Partner
CPA Certificate No. 93542
Tax Identification No. 198-819-116
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465357, January 2, 2025, Makati City

March 31, 2025

GMA NETWORK, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Financial Ratios	Formula		2024	2023
Current/liquidity ratio	**Current assets over current liabilities**		**1.83:1**	2.30:1
	Total current assets	₱13,514,050,950		
	Divided by:			
	Total current liabilities	7,366,600,075		
	Current ratio	1.83		
Acid Test Ratio	**Quick assets over current liabilities**		**1.21:1**	2.09:1
	Total current assets	₱13,514,050,950		
	Less:			
	Inventory	935,924,363		
	Other current assets	3,635,159,434		
		8,942,967,153		
	Divided by:			
	Total current liabilities	7,366,600,075		
	Acid test ratio	1.21		
Solvency ratio	**Net income plus non-cash expenses over total liabilities**		**0.33:1**	0.46:1
	Net income	₱2,064,966,814		
	Add:			
	Non-cash expenses	2,280,156,653		
	Total	4,345,123,467		
	Divided by:			
	Total liabilities	12,988,352,435		
	Solvency ratio	0.33		
Asset-to-equity ratio	**Total asset over total equity**		**1.91:1**	1.76:1
	Total assets	₱27,329,864,139		
	Divided by:			
	Total equity	14,341,511,704		
	Asset-to-equity ratio	1.91		
Debt-to-equity ratio	**Short-term loans over total equity**		**0.26:1**	0.10:1
	Total short-term loans	₱3,720,545,000		
	Divided by:			
	Total equity	14,341,511,704		
	Asset-to-equity ratio	0.26		

Financial Ratios	Formula		2024	2023
Net debt to equity ratio	**Interest-bearing loans and borrowings less cash and cash equivalents over total equity**		**0.11:1**	0.01:1
	Total short-term loans	₱3,720,545,000		
	Less:			
	Cash and cash equivalents	2,146,310,807		
		1,574,234,193		
	Divided by:			
	Total equity	14,341,511,704		
	Net debt-to-equity ratio	0.11		
Interest rate coverage ratio	**Earnings before interest, tax over interest expense**		**15.94:1**	32.59:1
	Net income	₱2,064,966,814		
	Add:			
	Interest	185,528,697		
	Tax	723,834,971		
	Less:			
	Interest income	16,989,407		
		2,957,341,075		
	Divided by:			
	Interest	185,528,697		
	Interest rate coverage ratio	15.94		
Gross profit margin	**Gross profit over net revenues**		**52.37%**	54.55%
	Gross profit	₱9,198,137,879		
	Divided by:			
	Net revenue	17,564,643,765		
	Gross profit margin	52.37%		
Net income margin	**Net income over net revenues**		**15.88%**	16.97%
	Net income	2,788,801,785		
	Divided by:			
	Net revenue	17,564,643,765		
	Net income margin	15.88%		
Return on equity	**Net income over average total stockholder's equity**		**14.11%**	20.80%
	Net income	₱2,064,966,814		
	Divided by:			
	Average equity	14,639,679,368		
	Return on equity	14.11%		

Financial Ratios	**Formula**		**2024**	2023
Return on assets	**Net income over average total assets**		**7.71%**	12.40%
	Net income	₱2,064,966,814		
	Divided by:			
	Average asset	26,792,188,090		
	Return on asset	7.71%		

GMA Network, Inc.

GMA Network Center
Timog Avenue corner EDSA
Quezon City

Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2024

	2024	2023
Total Audit Fees	**₱6,850,000**	₱6,850,000
Non-audit service fees		
Advisory services	**150,000**	150,000
Total Audit and Non-audit Fees	**₱7,000,000**	₱7,000,000

GMA

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

March 31, 2025

Securities and Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Metro Manila Philippines

The management of **GMA Network, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

[redacted]

FELIPE L. GOZON
Chairman of the Board

[redacted]

GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer

[redacted]

FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this ____ day of APR 10 2025 at QUEZON CITY affiants exhibited to me their (Felipe L. Gozon) [redacted] (Gilberto R. Duavit, Jr.) [redacted] and (Felipe S. Yalong) [redacted]

Doc. No. 245
Page No. 86
Book No. 05
Series of 2025

ATTY. MARIBER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 488541 Dec. 27, 2024
MCLE Compliance No. VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 6989737 Jan. 2, 2025/ Quezon City
Quezon City Roll No. 73209
28 Baker St., Fairmont Subd. Brgy.
North Fairview, Quezon City

C O V E R S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

							5	2	1	3

C O M P A N Y N A M E

GMA NETWORK, INC.

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

GMA Network Center, Timog Avenue corner EDSA, Quezon City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CMD	Not applicable

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
Not applicable	8982-7777	Not Applicable

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,622	3rd Wednesday of May	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Felipe S. Yalong	FSY@gmanetwork.com	8928-5133	Not applicable

CONTACT PERSON's ADDRESS

GMA Network Center, Timog Avenue corner EDSA, Quezon City

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

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

SGV
Building a better working world

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
GMA Network, Inc.
GMA Network Center
Timog Avenue corner EDSA
Quezon City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of GMA Network, Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2024 and 2023, and parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements 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.

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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company 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 Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the parent company financial statements. We are responsible for the direction, supervision and performance of the 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.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 34 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of GMA Network, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Julie Christine O. Mateo.

[redacted]

Julie Christine O. Mateo
Partner
CPA Certificate No. 93542
Tax Identification No. 198-819-116
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465357, January 2, 2025, Makati City

March 31, 2025

GMA NETWORK, INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 30 and 31)	**₱1,891,820,112**	₱1,119,752,053
Trade and other receivables (Notes 7, 21, 30 and 31)	**6,893,905,222**	6,343,678,625
Program and other rights (Note 8)	**1,873,413,569**	1,789,577,336
Inventories (Note 9)	**925,837,914**	1,154,327,193
Prepaid expenses and other current assets (Note 10)	**1,475,835,602**	1,632,165,571
Total Current Assets	**13,060,812,419**	12,039,500,778
Noncurrent Assets		
Property and equipment:		
At cost (Note 13)	**3,437,457,814**	3,599,333,426
At revalued amounts (Notes 14 and 31)	**8,813,321,240**	8,813,283,135
Investments and advances (Notes 12 and 21)	**649,953,838**	640,634,864
Program and other rights - net of current portion (Note 8)	**462,959,633**	429,707,160
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 30 and 31)	**163,160,740**	156,509,189
Right-of-use assets (Note 28)	**91,007,759**	140,112,255
Investment properties (Notes 15 and 31)	**19,689,167**	19,570,276
Other noncurrent assets (Notes 16, 30 and 31)	**362,552,019**	221,259,931
Total Noncurrent Assets	**14,000,102,210**	14,020,410,236
TOTAL ASSETS	**₱27,060,914,629**	₱26,059,911,014
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 17, 21, 30 and 31)	**₱2,765,032,474**	₱3,130,436,517
Short-term loans (Notes 18, 30 and 31)	**3,700,000,000**	1,500,000,000
Income tax payable	**112,470,242**	229,415,888
Dividends payable (Notes 20, 30 and 31)	**36,489,372**	34,686,856
Current portion of lease liabilities (Note 28)	**20,863,633**	43,580,639
Current portion of obligations for program and other rights (Notes 19, 30 and 31)	**583,054,562**	347,903,020
Total Current Liabilities	**7,217,910,283**	5,286,022,920
Noncurrent Liabilities		
Pension liability (Note 26)	**4,654,463,106**	5,130,296,483
Other long-term employee benefits (Note 26)	**277,460,684**	235,460,684
Lease liabilities - net of current portion (Notes 28, 30 and 31)	**94,373,891**	112,375,697
Dismantling provision (Note 28)	**52,557,654**	50,872,484
Obligations for program rights - net of current portion (Notes 19, 30, and 31)	**–**	9,157,895
Deferred tax liabilities - net (Note 29)	**621,956,511**	466,054,000
Total Noncurrent Liabilities	**5,700,811,846**	6,004,217,243
Total Liabilities	**12,918,722,129**	11,290,240,163

(Forward)

	December 31	
	2024	2023
Equity		
Capital stock (Note 20)	**₱4,864,692,000**	₱4,864,692,000
Additional paid-in capital	**1,686,556,624**	1,686,556,624
Revaluation increment on land - net of tax (Note 14)	**6,215,441,910**	6,215,441,910
Remeasurement loss on retirement plan - net of tax (Note 26)	**(1,879,489,989)**	(2,141,643,446)
Net unrealized loss on financial assets at FVOCI - net of tax (Note 11)	**(72,795,845)**	(73,555,494)
Retained earnings (Note 20)	**3,327,787,800**	4,218,179,257
Total Equity	**14,142,192,500**	14,769,670,851
TOTAL LIABILITIES AND EQUITY	**₱27,060,914,629**	₱26,059,911,014

See accompanying Notes to Parent Company Financial Statements.

GMA NETWORK, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2024	2023
REVENUES (Note 22)	**₱17,177,463,792**	₱18,299,115,788
PRODUCTION COSTS (Note 23)	**8,035,919,181**	8,048,949,631
COST OF SALES (Note 9)	**217,894,056**	297,239,767
GROSS PROFIT	**8,923,650,555**	9,952,926,390
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	**6,437,800,974**	6,225,258,864
OTHER INCOME (EXPENSE) - NET		
Dividend income (Note 21)	**131,900,000**	136,650,000
Interest income (Note 6)	**14,439,450**	32,143,283
Net foreign currency exchange gain (loss) (Note 18)	**1,214,202**	(4,922,388)
Interest expense (Notes 18 and 28)	**(184,884,598)**	(130,380,675)
Others - net (Note 27)	**233,971,316**	242,212,996
	196,640,370	275,703,216
INCOME BEFORE INCOME TAX	**2,682,489,951**	4,003,370,742
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)		
Current	**585,682,239**	1,045,014,876
Deferred	**68,383,969**	(84,022,875)
	654,066,208	960,992,001
NET INCOME	**2,028,423,743**	3,042,378,741
OTHER COMPREHENSIVE INCOME - net of tax		
Items not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gain on retirement plan (Note 26)	**262,153,457**	15,234,738
Net changes in the fair market value of financial assets at FVOCI (Note 11)	**759,649**	13,097,948
Revaluation increment on land (Note 29)	–	1,645,039,718
	262,913,106	1,673,372,404
TOTAL COMPREHENSIVE INCOME	**₱2,291,336,849**	₱4,715,751,145
Basic / Diluted Earnings Per Share (Note 32)	**₱0.417**	₱0.625

See accompanying Notes to Parent Company Financial Statements.

GMA NETWORK, INC.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plan - net of tax (Note 26)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Total Equity
Balances at January 1, 2024	**₱4,864,692,000**	**₱1,686,556,624**	**₱6,215,441,910**	**(₱2,141,643,446)**	**(₱73,555,494)**	**₱4,218,179,257**	**₱14,769,670,851**
Net income	–	–	–	–	–	**2,028,423,743**	**2,028,423,743**
Other comprehensive income	–	–	–	**262,153,457**	**759,649**	–	**262,913,106**
Total comprehensive income for the year	**4,864,692,000**	**1,686,556,624**	**6,215,441,910**	**(1,879,489,989)**	**(72,795,845)**	**6,246,603,000**	**17,061,007,700**
Cash dividends - ₱0.60 a share (Note 20)	–	–	–	–	–	**(2,918,815,200)**	**(2,918,815,200)**
Balances at December 31, 2024	**₱4,864,692,000**	**₱1,686,556,624**	**₱6,215,441,910**	**(₱1,879,489,989)**	**(₱72,795,845)**	**₱3,327,787,800**	**₱14,142,192,500**
Balances at January 1, 2023	₱4,864,692,000	₱1,686,556,624	₱4,570,402,192	(₱2,156,878,184)	(₱86,653,442)	₱6,526,961,716	₱15,405,080,906
Net income	–	–	–	–	–	3,042,378,741	3,042,378,741
Other comprehensive income	–	–	1,645,039,718	15,234,738	13,097,948	–	1,673,372,404
Total comprehensive income for the year	4,864,692,000	1,686,556,624	6,215,441,910	(2,141,643,446)	(73,555,494)	9,569,340,457	20,120,832,051
Cash dividends - ₱1.10 a share (Note 20)	–	–	–	–	–	(5,351,161,200)	(5,351,161,200)
Balances at December 31, 2023	₱4,864,692,000	₱1,686,556,624	₱6,215,441,910	(₱2,141,643,446)	(₱73,555,494)	₱4,218,179,257	₱14,769,670,851

See accompanying Notes to Parent Company Financial Statements.

GMA NETWORK, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱2,682,489,951**	₱4,003,370,742
Adjustments to reconcile income before income tax to net cash flows		
Program and other rights usage (Notes 8 and 23)	**1,372,827,196**	1,191,479,396
Depreciation (Notes 13, 15, 23, 24 and 28)	**844,706,024**	797,101,534
Pension expense (Notes 25 and 26)	**651,492,481**	679,722,616
Interest expense (Notes 18 and 28)	**184,884,598**	130,380,675
Amortization of software costs (Notes 16 and 24)	**42,050,710**	55,299,467
Provision for impairment of investment in subsidiary (Note 24)	**–**	126,323,324
Contributions to retirement plan assets (Note 26)	**(670,421,297)**	(259,000,000)
Dividend income (Note 21)	**(131,900,000)**	(136,650,000)
Net gain on sale of property and equipment (Notes 13 and 27)	**(13,935,229)**	(38,766,322)
Interest income (Note 6)	**(14,439,450)**	(32,143,283)
Gain on cancellation of lease (Notes 27 and 28)	**(5,289,043)**	–
Net unrealized foreign currency exchange gain - net	**(4,337,705)**	(10,204,126)
Operating income before working capital changes	**4,938,128,236**	6,506,914,023
Working capital changes:		
Decreases (increases) in:		
Program and other rights	**(1,272,252,098)**	(1,776,582,336)
Trade and other receivables	**(494,912,059)**	(372,259,108)
Prepaid expenses and other current assets	**156,329,969**	309,267,569
Inventories	**228,489,279**	304,970,346
Increases (decreases) in:		
Other long-term employee benefits	**42,000,000**	(112,028,488)
Trade payables and other current liabilities	**(377,320,573)**	(94,054,941)
Net cash generated from operations	**3,220,462,754**	4,766,227,065
Interest received	**14,098,379**	32,543,391
Income taxes paid	**(702,627,884)**	(1,341,514,884)
Benefit paid out of Company's own funds (Note 26)	**(107,366,618)**	(397,227)
Net cash flows from operating activities	**2,424,566,631**	3,456,858,345
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 13)	**(654,038,018)**	(1,071,570,155)
Software costs (Note 16)	**(3,286,173)**	(10,811,872)
Investment properties (Note 15)	**(1,501,278)**	–
Land at revalued amounts (Note 14)	**(38,105)**	(1,696)
Cash dividends received (Note 21)	**72,900,000**	193,650,000
Proceeds from sale of property and equipment (Note 13)	**14,419,734**	44,324,133
Investments in:		
Subsidiary (Notes 12 and 21)	**(19,808,400)**	(35,647,742)
Financial assets at FVOCI (Note 11)	**(5,757,846)**	(11,340,854)

(Forward)

	Years Ended December 31	
	2024	2023
Return of investment (Note 12)	**₱16,217,105**	₱100,000,000
Increase in other noncurrent assets	**(180,056,625)**	(₱51,092,667)
Advances to associate and joint venture (Notes 12 and 21)	**(5,727,679)**	(821,086)
Collection of advances from subsidiaries (Notes 12 and 21)	**–**	1,268,033
Net cash flows used in investing activities	**(766,677,285)**	(842,043,906)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availments of short-term loans (Notes 18 and 33)	**4,000,000,000**	3,500,000,000
Payments of:		
Cash dividends (Notes 20 and 33)	**(2,917,012,683)**	(5,347,000,296)
Short-term loans (Notes 18 and 33)	**(1,800,000,000)**	(2,000,000,000)
Interest expense (Note 33)	**(162,803,164)**	(117,534,738)
Principal portion of lease liabilities (Notes 28 and 33)	**(22,699,522)**	(29,827,245)
Net cash flows used in financing activities	**(902,515,369)**	(3,994,362,279)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**755,373,977**	(1,379,547,840)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**16,694,082**	(6,992,634)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,119,752,053**	2,506,292,527
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱1,891,820,112**	₱1,119,752,053

See accompanying Notes to Parent Company Financial Statements.

GMA NETWORK, INC.
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

GMA Network, Inc. (the Company) is incorporated in the Philippines. The Company is primarily involved in the business of radio and television broadcasting. The registered office address of the Company is GMA Network Center, Timog Avenue corner EDSA, Quezon City. The Company was registered with the Philippine Securities and Exchange Commission (SEC) on June 14, 1950.

On July 20, 1995, the Board of Directors (BOD) approved the extension of the corporate term of the Company for another 50 years from June 14, 2000. In 1997, the SEC approved the said extension.

The Company's shares of stock are publicly listed and traded in the Philippine Stock Exchange.

The Company is a holder of a legislative franchise to construct, install, operate and maintain, for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines. The Company is required to make closed captioning available for its programs to assist in the functions of public information and education.

On December 7, 2016, House Bill No. 4631, which seeks to renew GMA's franchise, was filed. The key provisions of the franchise renewal under House Bill No. 4631 are as follows:

1. Allows continued broadcast operations of GMA, maintenance of its radio and TV stations in the Philippines and its expansion, including digital television system;
2. Provides another franchise term of twenty-five (25) years;
3. Requires the grantee to provide government adequate public service time to enable it to reach the population on important public issues and assist in the functions of public information and education;
4. Prohibits the grantee from leasing, transferring, selling nor assigning the franchise or controlling interest thereof without the prior approval of the Congress of the Philippines; and
5. Requires the grantee to submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year during the term of the franchise.

On March 23, 2017, House Bill 4631 became an Enrolled Bill (the "Enrolled Bill") and was endorsed to the Office of the President for his approval. On April 21, 2017, President Rodrigo Duterte signed Republic Act No. 10925 which grants the renewal of the legislative franchise of GMA for another 25 years.

The accompanying parent company financial statements were approved and authorized for issuance by the BOD on March 31, 2025.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI), and land at revalued amounts, which are measured at fair value. The parent company financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance
The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Philippine Financial and Sustainability Reporting Standards Council.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the parent company financial statements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  a) That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.

  b) That classification is unaffected by the likelihood that an entity will exercise its deferral right.

  c) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. The Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

- Amendments to PAS 21, *Lack of Exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Annual Improvements to PFRS Accounting Standards - Volume 11

- Amendments to PFRS 7, *Gain or Loss on Derecognition*
  The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9
  a) Lessee Derecognition of Lease Liabilities
     The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

  b) Transaction Price
     The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  a) Required totals, subtotals and new categories in the statement of profit or loss
  b) Disclosure of management-defined performance measures
  c) Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

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*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Summary of Material Accounting Policy Information

Current versus Noncurrent Classification
The Company presents assets and liabilities in parent company statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

The Company also modifies classification of prior year amounts to conform to current year's presentation.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from acquisition date and that are subject to an insignificant risk of change in value.

Fair Value Measurement

The Company measures financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for significant estimates and assumptions, see Note 4
- Quantitative disclosures of fair value measurement hierarchy, see Note 31
- Land, see Note 14
- Investment properties, see Note 15
- Financial instruments (including those carried at amortized cost), see Note 31

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:

- in the principal market for the asset or liability; or
- 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 by the Company.

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.

The Company uses 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 the parent company 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 the parent company financial statements on a recurring basis, the Company determines 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.

For the purpose of fair value disclosures, the Company has determined 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.

<u>Financial Instruments</u>
A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>Financial Assets</u>
Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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

- financial assets at amortized cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVPL

The Company does not have debt instruments at FVOCI and financial assets at FVPL as at December 31, 2024 and 2023.

Financial Assets at Amortized Cost (Debt Instruments). The Company measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the parent company statement of comprehensive income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and refundable deposits (included under "Other noncurrent assets" account in the parent company statement of financial position) as at December 31, 2024 and 2023 (see Notes 6, 7, 16 and 30).

Financial Assets Designated at FVOCI (Equity Instruments). Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as "Dividend income" included under "Others - Net" account in the parent company statement of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably under this category its listed and non-listed equity instruments and investment in quoted club shares as at December 31, 2024 and 2023 (see Notes 11 and 30).

<u>Derecognition of Financial Assets</u>
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has 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) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

<u>Impairment of Financial Assets</u>
The Company recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as due from related parties and certain advances to joint venture, the Company applies a general approach which measures ECL on either a 12-month or lifetime basis depending on whether a significant increase in credit risks has occurred since initial recognition or whether an asset is considered to be credit-impaired, adjusted for the effects of collateral, forward-looking factors and time value of money.

For cash and cash equivalents, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the external credit rating of the debt instrument or comparable instruments.

The Company, in general, considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off, in whole or in part, when the asset is considered uncollectible, the Company has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

<u>Financial Liabilities</u>
Initial Recognition and Measurement. 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.

The Company has not designated any financial liability as at FVPL as at December 31, 2024 and 2023.

Subsequent Measurement - Loans and Borrowings. After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as "Interest expense" in the parent company statement of comprehensive income.

This category generally applies to trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and contract liabilities), short-term loans, obligations for program and other rights, dividends payable and lease liabilities (see Notes 17, 18, 19, 20, 28 and 30).

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the parent company statement of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Company assesses 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 Company and all of the counterparties.

Program and Other Rights

Program and other rights are stated at cost less amortization and impairment in value. The estimated useful lives and the amortization method used depend on the manner and pattern of usage of the acquired rights. The cost of program and other rights with multiple number of runs within a specified term is amortized using straight line method up to the date of expiry or upon full airing of the acquired rights, whichever is earlier. The cost of program and other rights with indefinite lives are amortized using straight line method over 10 years.

For series of rights acquired, the cost is charged to profit or loss as each series is aired on a per episode basis.

For rights intended for airing over the international channels, the cost is amortized on a straight-line basis over the number of years indicated in the contract.

Amortization expense is shown as "Program and other rights usage" included under "Production costs" account in the parent company statement of comprehensive income.

Prepaid Production Costs

Prepaid production costs, included under "Prepaid expenses and other current assets" account in the parent company statement of financial position, represent costs paid in advance prior to the airing of the programs or episodes. These costs include talent fees of artists and production staff and other costs directly attributable to production of programs. These are charged to expense under "Production costs" account in the parent company statement of comprehensive income upon airing of the related program or episodes. Costs related to previously taped episodes determined not to be aired are charged to expense.

Inventories

Merchandise inventory and materials and supplies inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value of inventories that are for sale is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Net realizable value of inventories not held for sale is the current replacement cost.

Tax Credits

Tax credits, measured at cost less any impairment in value, represent claims from the government arising from airing of government commercials and advertisements availed under Presidential Decree (PD) No. 1362. Pursuant to PD No. 1362, these will be collected in the form of tax credits which the Company can use in paying for import duties and taxes on imported broadcasting related equipment. The tax credits cannot be used to pay for any other tax obligation to the government.

As at December 31, 2024 and 2023, the Company's tax credits are classified as current under "Prepaid expenses and other current assets" account in the parent company statement of financial position.

Advances to Suppliers

Advances to suppliers, included under "Prepaid expenses and other current assets" account in the parent company statement of financial position, are measured at cost and are noninterest-bearing and are generally applied to acquisition of inventories, programs and other rights, availments of services and others.

Investments and Advances

This account consists of investments in and advances to subsidiaries, joint venture and an associate. The Company's investments in and advances to subsidiaries, joint venture and associate are carried in the parent company statement of financial position at cost less any impairment value.

A subsidiary is an entity in which the Company has control. Control is achieved when the Company is composed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the Company. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The ownership interests in subsidiaries, associate and joint venture, which are all incorporated in the Philippines, consist of the following in 2024 and 2023:

	Principal Activities	Percentage of Ownership Direct	Percentage of Ownership Indirect
Entertainment Business:			
Alta Productions Group, Inc. (Alta)	Pre- and post-production services	100	–
Citynet Network Marketing and Productions, Inc. (Citynet)	Television entertainment production	100	–
GMA Network Films, Inc. (GNFI)	Film production	100	–
GMA New Media, Inc. (GNMI)	Converging technology	100	–
GMA Worldwide (Philippines), Inc. (GWI)[a]	International marketing, handling foreign program acquisitions and international syndication of the Parent Company's programs	100	–
Scenarios, Inc. [a]	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services	100	–
GMA Productions, Inc. (formerly RGMA Marketing and Productions, Inc.)	Music recording, publishing and video distribution	100	–
RGMA Network, Inc.[c]	Radio broadcasting and management	49	–
Script2010, Inc.[b]	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services	–	100
Holding Company:			
GMA Ventures, Inc. (GVI)	Identifying, investing in, and/or building strong and sustainable businesses	100	–
Advertising Business:			
GMA Marketing & Productions, Inc. (GMPI) [a]	Exclusive marketing and sales arm of Parent Company's airtime, events management, sales implementation, traffic services and monitoring	100	–
Digify, Inc.[d]	Crafting, planning and handling advertising and other forms of promotion including multi-media productions	–	100
Others:			
Media Merge Corporation[e]	Business development and operations for the Parent Company's online publishing and advertising initiatives	–	100
Ninja Graphics, Inc.[f]	Ceased commercial operations in 2004.	–	51

[a] Under liquidation
[b] Indirectly owned through Citynet
[c] Ceased operations in 2023
[d] Indirectly owned through GNMI
[e] Indirectly owned through GNMI; ceased commercial operations in 2020
[f] Indirectly owned through Alta; ceased commercial operations in 2004

Property and Equipment

Property and equipment, except for land, are stated at cost, net of accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit or loss as incurred.

Land is initially measured at cost. After initial recognition, land is carried at revalued amounts, being its fair value at the date of the revaluation, less any subsequent impairment losses. Valuations are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the "Revaluation increment on land - net of tax" account under equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the "Revaluation increment on land - net of tax" account.

Depreciation and amortization are computed on a straight-line basis over the following estimated useful lives of the assets:

Buildings, towers and improvements	11-20 years
Antenna and transmitter systems and broadcast equipment	5-10 years
Communication and mechanical equipment	3-5 years
Transportation equipment	4-5 years
Furniture, fixtures and equipment	5 years

An item of property and equipment and any significant part initially recognized is 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 profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation and amortization are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is credited or charged to current operations.

Construction in progress is stated at cost. This includes cost of construction, equipment under installation and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Investment Properties

Investment properties consist of real estate held for capital appreciation and rental.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are measured at cost less accumulated depreciation and amortization and impairment in value. Land is stated at cost less any impairment in value.

Depreciation and amortization are computed using the straight-line method over 11-20 years.

The remaining useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end.

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

Investment in Artworks

Investment in artworks, included under "Other noncurrent assets" account in the parent company statement of financial position, is stated at cost less any impairment in value.

Software Costs
Costs incurred in the acquisition and customization of new software, included under “Other noncurrent assets” account in the parent company statement of financial position, are capitalized and amortized on a straight-line basis over three to ten years.

Impairment of Nonfinancial Assets
The carrying values of land at revalued amounts, program and other rights, prepaid production costs, tax credits, investments and advances, property and equipment, right-of-use assets, investment properties, software costs and investment in artworks are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets are considered impaired and are written down to their recoverable amount. The recoverable amount of these nonfinancial assets is the greater of an asset’s or cash-generating unit’s fair value less cost to sell or value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm’s length transaction less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. Impairment losses, if any, are recognized in profit or loss in the parent company statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss, except for land at revalued amount where the revaluation is taken to OCI, is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That 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 profit or loss. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. For land at revalued amounts, the reversal of impairment is also recognized in OCI up to the amount of any previous revaluation.

In the case of investments in associate and interests in joint ventures, after application of the equity method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the Company’s investments in associate and interests in joint ventures. The Company determines at each reporting period whether there is any objective evidence that the investments in associate and interests in joint ventures are impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the recoverable amount of investments in associate and interests in joint ventures and the acquisition cost, and recognizes the amount in the parent company statement of comprehensive income.

Equity
Capital stock is 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 additional paid-in capital.

Retained earnings include all current and prior period results of operations as reported in the parent company statement of comprehensive income, net of any dividend declaration, adjusted for the effects of changes in accounting policies as may be required by PFRS' transitional provisions.

Revenue Recognition

a. PFRS 15, *Revenue from Contracts with Customers*

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

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

Advertising Revenue. Revenue is recognized in the period the advertisements are aired.

Payments received for advertisements before broadcast (pay before broadcast) are recognized as income on the dates the advertisements are aired. Prior to liquidation, these are classified as unearned revenue under "Contract liabilities" under "Trade payables and other current liabilities" account in the parent company statement of financial position.

Goods received in exchange for airtime usage pursuant to exchange deal contracts executed between the Company and its customers are recorded at fair market values of assets received. Fair market value is the current market price.

Tax credits on aggregate airtime credits from government sales availed of under PD No. 1362 are recognized as revenue when there is reasonable certainty that these can be used to pay duties and taxes on imported broadcasting related equipment.

Subscription Revenue. Subscription fees are recognized over the subscription period in accordance with the terms of the subscription agreements.

Sale of Goods. Sale of goods pertain to sale of set-top boxes, digital TV mobile receivers and other merchandises. Revenue is recognized at a point in time when delivery has taken place and transfer of control has been completed. These are stated net of sales discounts.

Revenue from Distribution and Content Provisioning. Revenue is recognized upon the license start date or delivery of the licensed content, whichever comes later.

Production Revenue. Production revenue is recognized at a point in time when project-related services are rendered.

Commission from Artists. Revenue is recognized as revenue at a point in time on an accrual basis in accordance with the terms of the related marketing agreements.

b. Revenue Recognition Outside the Scope of PFRS 15

Rental Income. Revenue from lease of property and equipment and investment properties is accounted for on a straight-line basis over the lease term.

Dividend Income. Revenue is recognized when the Company's right to receive payment is established.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Company through an increase in asset or reduction in liability that can be measured reliably.

Contract Balances

Trade Receivables. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies of Financial Instruments section.

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Company performs under the contract.

Incremental Costs to Obtain a Contract
The Company pays sales commissions to its account executives for each contract that they obtain for advertising agreements with customers. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (presented as part of "Marketing expense" under "General and administrative expenses" account in the parent company statement of comprehensive income) because the amortization period of the asset that the Company otherwise would have used is less than one year.

Pension and Other Long-Term Employee Benefits
The Company has a funded, noncontributory defined benefit retirement plan covering permanent employees. The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.

Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the parent company statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under "Production costs" and "General and administrative expenses" accounts in the parent company statements of comprehensive income (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

<u>Leases</u>

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

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

- *Right-of-use Assets.* The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use 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 and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follow:

Land	2 to 25 years
Buildings, studio and office spaces	2 to 15 years

Right-of-use assets are subject to impairment.

- *Lease Liabilities.* At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, 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 reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company 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, the Company uses 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.

- *Short-term Leases.* The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date or initial application of PFRS 16 and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Company as Lessor. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating leases are recognized as income in the parent company statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

<u>Foreign Currency-denominated Transactions</u>
Transactions in foreign currencies are initially recorded in the functional currency exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing exchange rate at financial reporting period. All differences are taken to profit or loss in the parent company statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated

using the exchange rates at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expenses when realized.

Taxes

Current Income Tax. Current income tax assets and liabilities for the current period 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 substantially enacted at reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. 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 Tax. Deferred tax is provided using the liability method on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting period.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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 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 to be enacted or substantially enacted at the reporting period.

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

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

Creditable Withholding Taxes. Creditable withholding taxes represent amounts withheld by the Company's customers and is deducted from the Company's income tax payable.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, if applicable.

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

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Trade payables and other current liabilities" accounts in the parent company statement of financial position.

Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the year attributable to the equity holders of the parent company, net of income attributable to preferred shares, by the weighted average number of common shares outstanding during the year, after considering the retroactive adjustments for any stock dividends declared, if any.

Diluted EPS is calculated by dividing the net income for the year of the Company (inclusive of income attributable to preferred shares) by the weighted average number of common shares outstanding during the year, plus the weighted average number of common shares that would be issued upon conversion of all dilutive potential common shares.

Segment Reporting

For management purposes, the Company's operating businesses are organized and managed separately into television and radio airtime, international subscriptions and other business activities. Such business segments are the basis upon which the Company reports its primary segment information. The Company considers television and radio operations as the major business segment. The Company operates in two geographical areas where it derives its revenue. Financial information on business segments is presented in Note 5 to the parent company financial statements.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the parent company statement of comprehensive income net of any reimbursement.

Contingencies

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

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the parent company financial statements requires management to make judgments, estimates and assumptions that affect amounts reported in the parent company financial statements and related notes at the end of the reporting period. However, uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the parent company financial statements.

Investment in RGMA. The Company considers that it controls RGMA Network even though it owns less than 50% of the voting rights. This is because the Company is the single largest shareholder of RGMA Network with a 49% equity interest. The remaining 51% of the equity shares in RGMA Network are owned by several parties. Since September 27, 1995, which is the date of incorporation of RGMA Network, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Company.

Investment in RGMA amounted to ₱41.68 million as at December 31, 2024 and 2023 (see Note 12).

Assessment of Significant Influence over the Investee. The Company holds 25% ownership interest in Optima Digital, Inc. as at December 31, 2024 and 2023. Even with more than 20% voting rights, management assessed that the Company does not have the power to participate in the policy-making processes, including decisions to affect its returns in the form of dividends. Further, the Company does not have the ability to participate in the financial and operational policies decision-making of the investee to affect its relevant activities as the Company has only one (1) board seat out of the total five (5) board seats. The investment is presented as a financial asset at FVOCI amounting to ₱0.56 million as at December 31, 2024 and 2023.

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

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

The Company did not include the renewal period as part of the lease term for its leases as these are subject to mutual agreement and are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term because they are reasonably certain not to be exercised.

Operating Leases - Company as Lessor. The Company has entered into various lease agreements as lessor. The Company had determined that the risks and rewards of ownership of the underlying property were retained by the Company. Accordingly, the leases are classified as an operating lease.

Total rental income amounted to ₱7.15 million and ₱7.07 million in 2024 and 2023, respectively (see Note 27).

Estimating Allowance for ECL. The following information explains the inputs, assumptions and techniques used by the Company in estimating ECL for trade receivables:

- Simplified approach for trade receivables

  The Company uses a simplified approach for calculating ECL on trade receivables through the use of provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of customer segments that have similar loss patterns (i.e., by customer type).

  The provision matrix is initially based on the Company's historical observed default rates. The Company then calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g., gross domestic product, inflation rate, unemployment rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the Company's operating segments, the historical default rates are adjusted. At every reporting date, the historical observed default rates are and changes in the forward-looking factors specific to the debtors and the economic environment are updated.

- Definition of default for trade receivables

  The Company defines a trade receivable as in default, when it meets one or more of the following criteria:

  - The counterparty is experiencing financial difficulty or is insolvent
  - The receivable is more than 360 days past due. The determination of the period is based on the Company's practice and agreement with their customers within the industry.

- Grouping of instruments for losses measured on collective basis

  For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a segmentation are homogeneous. The Company segmentized its receivables based on the type of customer (e.g., corporate and individuals).

- Incorporation of forward-looking information

  The Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments that support the calculation of ECLs. A broad range of forward-looking information are considered as economic inputs such as the gross domestic product, inflation rate, unemployment rates and other economic indicators.

  The macroeconomic factors are aligned with information used by the Company for other purposes such as strategic planning and budgeting.

  The Company identifies and documents 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 macro-economic variables and credit risk and credit losses.

  Predicted relationship between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

  The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions, the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

  Provision for ECL amounted to nil in 2024 and 2023. The allowance for ECL amounted to ₱833.34 million as at December 31, 2024 and 2023. The carrying amounts of trade and other receivables amounted to ₱6,893.91 million and ₱6,343.68 million as at December 31, 2024 and 2023, respectively (see Note 7).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the parent company financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimating the Incremental Borrowing Rate. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the counterparty's stand-alone credit rating).

The Company's lease liabilities amounted to ₱115.24 million and ₱155.96 million as at December 31, 2024 and 2023, respectively (see Note 28).

Classification and Amortization of Program and Other Rights. Portions of program and other rights are classified as current and noncurrent assets. Current portion represents those expected to be aired any time within its normal operating cycle, whereas the noncurrent portion represents those without definite expiration.

The Company estimates the amortization of program and other rights with finite lives using straight line method up to the date of expiry and those with no definite expiration of up to ten years, which is the manner and pattern of usage of the acquired rights.

In addition, estimation of the amortization of program and other rights is based on the Company's experience with such rights. It is possible, however, that future results of operations could be materially affected by changes in 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.

Program and other rights usage amounted to ₱1,372.83 million and ₱1,191.48 million in 2024 and 2023, respectively (see Notes 8 and 23). Program and other rights, net of accumulated impairment in value of ₱2.70 million, amounted to ₱2,336.37 million and ₱2,219.28 million as at December 31, 2024 and 2023, respectively (see Note 8).

Estimating Allowance for Inventory Losses. The Company provides allowance for inventory losses whenever the net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The allowance account is reviewed periodically to reflect the accurate valuation of the inventories.

The carrying value of merchandise inventory and materials and supplies inventory in the parent company statement of financial position amounted to ₱925.84 million and ₱1,154.33 million as at December 31, 2024 and 2023, respectively (see Note 9). There were no provisions for inventory losses in 2024 and 2023.

Estimating Useful Lives of Property and Equipment, Software Costs and Investment Properties. The Company estimates the useful lives of property and equipment, software costs and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, software costs and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment, software costs and investment properties are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in 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 property and equipment, software costs and investment properties would increase the recorded general and administrative expenses and decrease noncurrent assets.

There has been no change in the Company's estimate of useful lives of its property and equipment, software costs and investment properties in 2024 and 2023.

Revaluation of Land. The Company engages an accredited appraiser to determine the fair value of the land used in operations. Fair value is determined by reference to market-based evidence adjusted based on certain elements of comparison. The fair value amount would differ if the Company made different judgments and estimates or utilized a different basis for determining fair value.

Valuations from an accredited appraiser are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

In 2024 and 2023, the Company assessed those certain parcels of land at revalued amounts, comprising majority of the balance of the account, have significant movements in its current carrying values and obtained updated appraisals as at December 31, 2024 and 2023. For the land that were not appraised, the Company referred to the published comparable prices for the fair values. Total additional revaluation increment, net of tax recognized in 2024 and 2023 amounted to nil and ₱1,645.04 million, respectively.

The revalued amount of land, which is classified under "Property and equipment" account in the parent company statements of financial position, amounted to ₱8,813.32 million and ₱8,813.28 million as at December 31, 2024 and 2023, respectively (see Notes 14 and 31).

Impairment of Nonfinancial Assets. For prepaid production costs, tax credits, investments and advances, property and equipment, land at revalued amounts, right-of-use assets, investment properties, program and other rights, software costs, and investment in artworks and software costs, impairment testing is performed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- significant negative industry or economic trends; and
- obsolescence or physical damage of an asset.

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of fair value less costs to sell or asset's value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

As at December 31, 2024 and 2023, the Company did not identify any indicator of impairment on its nonfinancial assets, hence, no impairment tests were carried out.

The carrying values of nonfinancial assets as at December 31 follows:

	2024	2023
Land at revalued amounts (see Note 14)	**₱8,813,321,240**	₱8,813,283,135
Property and equipment - at cost (see Note 13)	**3,437,457,814**	3,599,333,426
Program and other rights (see Note 8)	**2,336,373,202**	2,219,284,496
Investments and advances (see Note 12)	**649,953,838**	640,634,864
Prepaid production costs (see Note 10)	**565,870,889**	650,402,531
Tax credits (see Note 10)	**131,853,616**	6,162,083
Right-of-use assets (see Note 28)	**91,007,759**	140,112,255
Software costs (see Note 16)	**20,608,554**	59,373,091
Investment properties (see Note 15)	**19,689,167**	19,570,276
Investments in artworks (see Note 16)	**9,454,000**	9,454,000

Estimating Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Recognized deferred tax assets amounted to ₱1,473.69 million and ₱1,640.79 million as at December 31, 2024 and 2023, respectively (see Note 29).

Pension and Other Employee Benefits. The determination of the Company's obligation and cost of pension benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 26 and include, among others, discount rate and salary increase rate. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability amounted to ₱4,654.46 million and ₱5,130.30 million as at December 31, 2024 and 2023, respectively (see Note 26).

Determination of Fair Value of Financial Assets at FVOCI. Financial assets at FVOCI are carried and disclosed at fair value. When the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques, which include net asset value method for equity instruments whose net assets substantially consists of financial instruments measured at fair value or approximates their fair values. 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 fair value of financial assets at FVOCI are enumerated in Note 31.

Determination of Fair Value of Investment Properties. PFRS requires disclosure of fair value of investment properties when measured at cost.

The Company used the services of an independent professional appraiser in estimating the fair value of properties. The appraisers conducted an actual inspection of the property and considered the following in the study and analyses in arriving at the estimate of fair value: (a) extent, character and utility of the property; (b) sales and holding prices of similar properties; and (c) highest and best use of the property.

The description of valuation techniques used and key inputs to fair valuation of investment properties are enumerated in Note 15 of the parent company financial statements.

Contingencies. The Company is currently involved in various claims and legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with legal counsel handling the defense in these matters and is based upon an analysis of potential results. The Company currently does not believe that these proceedings will have a material adverse effect on the Company's financial position.

5. Segment Information

Business Segments

For management purposes, the Company is organized into business units based on its products and services and has three reportable segments, as follows:

- The television and radio segment, which engages in television and radio broadcasting activities and which generates revenue from sale of national and regional advertising time.
- The international subscription segment, which engages in subscription arrangements with international cable companies.

- The Company's other businesses which include movie production, consumer products and other services.

The Executive Committee, the chief operating decision maker, and Management monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with the net income or loss in the parent company financial statements. The Company's performance is evaluated based on net income for the year.

Geographical Segments
The Company operates in two major geographical segments - local and international. Local refers to revenues earned in the Philippines, the home country. Significant portion of the revenues earned locally pertain to television and radio airtime. International refers to revenues earned in United States and in other locations (which include Middle East, Europe, Australia, Canada, Guam, Singapore, Hongkong and Japan). The Company ties up with cable providers to bring local television programming outside the Philippines.

The Company's revenues are mostly generated in the Philippines, which is the Company's country of domicile. Revenues from external customers attributed to foreign countries from which the Company derives revenue are individually and in aggregate immaterial to the parent company financial statements.

Noncurrent assets consisting of property and equipment, land at revalued amounts and investment properties are all located in the Philippines.

The Company does not have a single external customer whose revenue accounts for 10% or more of the Company's revenues.

Inter-segment Transactions
Segment revenues, segment expenses and segment results include transfers among business segments and among geographical segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services.

Measurement Basis
The amount 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 the parent company financial statements, which is in accordance with PFRS.

Geographical Segment	Local		International			
Business Segment	**Advertising and Others**		**International Subscriptions**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
Revenues	**₱16,448,040,572**	₱17,488,323,405	**₱729,423,220**	₱810,792,383	**₱17,177,463,792**	₱18,299,115,788
Results						
Segment results	**1,983,874,994**	3,155,894,636	**501,974,587**	571,772,890	**2,485,849,581**	3,727,667,526
Dividend income from investments	**131,900,000**	136,650,000	**–**	–	**131,900,000**	136,650,000
Interest expense	**(184,884,598)**	(130,380,675)	**–**	–	**(184,884,598)**	(130,380,675)
Net foreign currency exchange gain (loss)	**1,066,153**	(11,999,511)	**148,049**	7,077,123	**1,214,202**	(4,922,388)
Interest income	**14,439,450**	32,143,283	**–**	–	**14,439,450**	32,143,283
Others - net	**233,971,316**	242,212,996	**–**	–	**233,971,316**	242,212,996
Provision for income tax	**(531,698,881)**	(816,279,498)	**(122,367,327)**	(144,712,503)	**(654,066,208)**	(960,992,001)
Net income	**₱1,648,668,434**	₱2,608,241,231	**₱379,755,309**	₱434,137,510	**₱2,028,423,743**	₱3,042,378,741
Assets and Liability						
Segment assets	**₱26,258,109,744**	₱25,217,143,640	**₱259,018,020**	₱302,571,804	**₱26,517,127,764**	₱25,519,715,444
Investments in subsidiaries	**505,498,522**	501,907,227	**–**	–	**505,498,522**	501,907,227
Investments in associates and interest in joint venture - at cost	**38,288,343**	38,288,343	**–**	–	**38,288,343**	38,288,343
Total assets	**₱26,801,896,609**	₱25,757,339,210	**₱259,018,020**	₱302,571,804	**₱27,060,914,629**	₱26,059,911,014
Segment Liabilities	**₱12,149,369,371**	₱10,579,877,934	**₱147,396,247**	₱244,308,229	**₱12,296,765,618**	₱10,824,186,163
Deferred tax liabilities - net	**621,956,511**	466,054,000	**–**	–	**621,956,511**	466,054,000
Total liabilities	**₱12,771,325,882**	₱11,045,931,934	**₱147,396,247**	₱244,308,229	**₱12,918,722,129**	₱11,290,240,163
Other Segment Information						
Capital expenditures:						
Property and equipment	**₱650,675,246**	₱1,069,496,376	**₱3,362,772**	₱2,073,779	**₱654,038,018**	₱1,071,570,155
Land	**38,105**	1,696	**–**	–	**38,105**	1,696
Program and other rights and software costs	**1,493,202,075**	1,942,557,341	**–**	–	**1,493,202,075**	1,942,557,341
Depreciation and amortization	**2,259,300,728**	2,043,107,859	**283,202**	772,538	**2,259,583,930**	2,043,880,397

6. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	**₱1,689,341,983**	₱868,420,493
Short-term deposits	**202,478,129**	251,331,560
	₱1,891,820,112	₱1,119,752,053

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Interest rates of peso placements ranged from 0.90% to 6.25% in 2024 and 0.20% to 6.25% in 2023, while interest rates of foreign placements ranged from 0.10% to 4.70% in 2024 and 2.90% to 4.70% in 2023.

Interest income earned from bank deposits and short-term deposits amounted to ₱14.44 million and ₱32.14 million in 2024 and 2023, respectively.

7. Trade and Other Receivables

	2024	2023
Trade:		
Television and radio airtime	**₱7,107,462,809**	₱6,768,425,725
Subscriptions	**207,359,180**	186,254,984
Others (see Note 21)	**147,220,761**	111,983,332
Nontrade:		
Related parties (see Note 21)	**180,021,628**	79,796,980
Others (see Note 21)	**85,181,714**	30,558,474
	7,727,246,092	7,177,019,495
Less allowance for ECL	**833,340,870**	833,340,870
	₱6,893,905,222	₱6,343,678,625

Trade Receivables

Television and Radio Airtime. Television and radio airtime receivables are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers. The receivables are normally collected within the next reporting period.

Television and radio airtime receivables include unbilled airtime receivables, arising when advertisements have been aired but billing or acceptance by the customer has been delayed due to time lag in completing all required documents. As of December 31, 2024 and 2023, the total unbilled airtime receivables, assessed as contract assets, amounted to ₱45.30 million and ₱103.05 million, respectively.

Subscriptions Receivable. Subscriptions receivable pertain to receivables from international channel subscriptions and advertisements. These are unsecured, noninterest-bearing and normally collected within the next reporting period.

Other Trade Receivables. These are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers.

Nontrade Receivables

Related Parties. Terms and conditions of receivables from related parties are discussed in Note 21.

Other Nontrade Receivables. Other nontrade receivables include dividends receivable and receivables from insurance. These are noninterest-bearing and are normally collected within the next financial year (see Note 21).

Allowance for ECL on Trade Receivables

The allowance for ECL as at December 31, 2024 and 2023 are as follows:

	Corporate	Individual	Total
Balance at beginning and end of year	₱823,031,332	₱10,309,538	₱833,340,870

8. **Program and Other Rights**

Details and movement in this account are as follows:

	2024			
	Program Rights	**Story/Format Rights**	**Program Rights - Incidentals**	**Total**
Cost:				
Balance at beginning of year	**₱1,941,867,036**	**₱238,918,717**	**₱41,201,003**	**₱2,221,986,756**
Additions	**1,361,871,065**	**30,605,244**	**97,439,593**	**1,489,915,902**
Program and other rights usage (see Note 23)	**(1,107,729,631)**	**(179,433,611)**	**(85,663,954)**	**(1,372,827,196)**
Balance at end of year	**2,196,008,470**	**90,090,350**	**52,976,642**	**2,339,075,462**
Accumulated impairment in value	**(2,702,260)**	**–**	**–**	**(2,702,260)**
	2,193,306,210	**90,090,350**	**52,976,642**	**2,336,373,202**
Less noncurrent portion	**454,116,395**	**–**	**8,843,238**	**462,959,633**
Current portion	**₱1,739,189,815**	**₱90,090,350**	**₱44,133,404**	**₱1,873,413,569**

	2023			
	Program Rights	Story/Format Rights	Program Rights - Incidentals	Total
Cost:				
Balance at beginning of year	₱1,425,742,313	₱41,070,810	₱14,907,560	₱1,481,720,683
Additions	1,534,438,788	270,543,708	126,762,973	1,931,745,469
Program and other rights usage (see Note 23)	(1,018,314,065)	(72,695,801)	(100,469,530)	(1,191,479,396)
Balance at end of year	1,941,867,036	238,918,717	41,201,003	2,221,986,756
Accumulated impairment in value	(2,702,260)	–	–	(2,702,260)
	1,939,164,776	238,918,717	41,201,003	2,219,284,496
Less noncurrent portion	429,707,160	–	–	429,707,160
Current portion	₱1,509,457,616	₱238,918,717	₱41,201,003	₱1,789,577,336

9. Inventories

This account consists of the following:

	2024	2023
Merchandise inventory	**₱916,482,600**	₱1,144,275,233
Materials and supplies inventory	**9,355,314**	10,051,960
	₱925,837,914	₱1,154,327,193

The following are the details of merchandise inventory account:

	2024	2023
Set-top box	**₱741,324,942**	₱935,765,522
ITE chipset dongle	**175,157,658**	208,509,711
	₱916,482,600	₱1,144,275,233

Merchandise inventory consists mainly of set-top boxes and digital TV mobile receiver for sale by the Company. In 2020, the Company launched the GMA Affordabox, a digital box, which allows users to receive clear pictures and sounds in their television sets through digital transmission. Cost of sales related to digital boxes amounted to ₱217.89 million and ₱297.24 million in 2024 and 2023, respectively.

Materials and supplies inventory includes the Company's office supplies, spare parts and production materials.

10. Prepaid Expenses and Other Current Assets

	2024	2023
Prepaid production costs	**₱565,870,889**	₱650,402,531
Advances to suppliers	**352,390,199**	688,450,592
Input VAT	**265,297,386**	157,631,519
Prepaid expenses	**160,423,512**	129,518,846
Tax credits	**131,853,616**	6,162,083
	₱1,475,835,602	₱1,632,165,571

Prepaid production costs represent costs paid in advance prior to the airing of the programs or episodes. The Company expects to air the related programs or episodes within the next financial year.

Advances to suppliers are noninterest-bearing and are generally applied to acquisition of program and other rights, inventories, availment of services and others within the next financial year.

Input VAT pertains to VAT on purchase or importation of goods and services which are to be claimed and credited in the succeeding month's filing of VAT return.

Prepaid expenses include prepayments for rental, interest, insurance and subscriptions.

Tax credits represent claims of the Company from the government arising from airing of government commercials and advertisements. The Company expects to utilize these tax credits within the next financial year.

11. **Financial Assets at Fair Value Through Other Comprehensive Income**

This account consists of the following:

	2024	2023
Non-listed equity instruments	**₱162,445,518**	₱145,047,071
Listed equity instruments	**715,222**	11,462,118
	₱163,160,740	₱156,509,189

Investment in equity instruments pertains to shares of stock and club shares which are not held for trading. The Company assessed the equity instruments to be strategic in nature.

The movement of financial assets at FVOCI are as follows:

	2024	2023
Balance at beginning of year	**₱156,509,189**	₱129,758,984
Additions during the year	**5,757,846**	11,340,854
Net unrealized gain on fair value changes during the year	**893,705**	15,409,351
Balance at end of year	**₱163,160,740**	₱156,509,189

In 2024 and 2023, the Company made additional investments in TNB Aura fund 2 Ltd., totaling ₱5.76 million and ₱11.34 million, respectively. Dividend income from financial assets at FVOCI amounted to nil in 2024 and 2023.

The movements in net unrealized loss on financial assets at FVOCI are as follows:

	2024	2023
Balance at beginning of year - net of tax	**(₱73,555,494)**	(₱86,653,442)
Net unrealized gain on fair value changes during the year	**893,705**	15,409,351
Tax effect of the changes in fair market values	**(134,056)**	(2,311,403)
Balance at end of year	**(₱72,795,845)**	(₱73,555,494)

<u>IP E-Games Ventures, Inc.</u>
In 2015, IP E-Games Ventures, Inc. (IPE) issued 13,000.00 million of its own common shares, 8,000.00 million to the Company and 5,000.00 million to GNMI, in exchange of GNMI's investment in X-Play Online Games Incorporated (X-Play), ₱50.00 million airtime credits granted by the Company and in settlement of ₱30.00 million advances to X-Play. At initial recognition, the Company recognized the IPE share at their fair value amounting to ₱80.00 million. The carrying values of investment in IPE amounted to ₱0.72 million and ₱11.46 million as at December 31, 2024 and 2023, respectively.

Of the ₱50.00 million airtime credits, ₱30.00 million has not been implemented at the date of exchange and therefore was recognized by the Company as unearned revenue presented as "Contract liabilities" included as part of "Trade payables and other current liabilities" in 2024 and 2023 (see Note 17).

12. **Investments and Advances**

As at December 31, the carrying value of the Company's investments and advances are as follows:

	2024		
	Investments	**Advances (see Note 21)**	**Total**
Subsidiaries:			
GVI	**₱205,456,142**	**₱–**	**₱205,456,142**
RGMA	**168,000,000**	**–**	**168,000,000**
GMPI	**148,924,241**	**–**	**148,924,241**
Citynet	**937,500**	**118,934,402**	**119,871,902**
GNMI	**76,500,000**	**–**	**76,500,000**
GNFI	**1,250,000**	**44,511,314**	**45,761,314**
Scenarios	**20,000,000**	**1,014,090**	**21,014,090**
Alta	**10,855,176**	**–**	**10,855,176**
GWI	**2,500,000**	**–**	**2,500,000**
GMA Music	**1,875,000**	**–**	**1,875,000**
	636,298,059	**164,459,806**	**800,757,865**
Allowance for impairment of investments and advances	**(130,799,537)**	**(164,459,806)**	**(295,259,343)**
	505,498,522	**–**	**505,498,522**
Associate - Mont-Aire	**38,288,343**	**106,166,973**	**144,455,316**
Joint Venture - INQ7			
Cost	**50,000,000**	**11,544,000**	**61,544,000**
Allowance for impairment of investments and advances	**(50,000,000)**	**(11,544,000)**	**(61,544,000)**
	–	**–**	**–**
	₱543,786,865	**₱106,166,973**	**₱649,953,838**

	2023		
	Investments	Advances (see Note 21)	Total
Subsidiaries:			
GVI	₱185,647,742	₱–	₱185,647,742
RGMA	168,000,000	–	168,000,000
GMPI	165,141,346	–	165,141,346
Citynet	937,500	118,934,402	119,871,902
GNMI	76,500,000	–	76,500,000
GNFI	1,250,000	44,511,314	45,761,314
Scenarios	20,000,000	1,014,090	21,014,090
Alta	10,855,176	–	10,855,176
GWI	2,500,000	–	2,500,000
GMA Music	1,875,000	–	1,875,000
	632,706,764	164,459,806	797,166,570
Allowance for impairment of investments and advances	(130,799,537)	(164,459,806)	(295,259,343)
	501,907,227	–	501,907,227
Associate - Mont-Aire	38,288,343	100,439,294	138,727,637
Joint Venture - INQ7			
Cost	50,000,000	11,544,000	61,544,000
Allowance for impairment of investments and advances	(50,000,000)	(11,544,000)	(61,544,000)
	–	–	–
	₱540,195,570	₱100,439,294	₱640,634,864

The movements in the account are as follows:

	2024	2023
Investments in subsidiaries:		
Acquisition costs		
Balance at beginning of year	**₱632,706,764**	₱697,059,022
Return of investment	**(16,217,105)**	(100,000,000)
Additional investments during the year	**19,808,400**	35,647,742
Balance at end of year	**636,298,059**	632,706,764
Allowance for impairment in value		
Balance at beginning of year	**(130,799,537)**	(4,476,213)
Impairment loss on investment in subsidiary (see Note 24)	**–**	(126,323,324)
Balance at end of the year	**(130,799,537)**	(130,799,537)
	505,498,522	501,907,227
Investments in associate and joint venture:		
Acquisition costs		
Balance at beginning and end of year	**88,288,343**	88,288,343
Allowance for impairment in value		
Balance at beginning and end of year	**(50,000,000)**	(50,000,000)
	38,288,343	38,288,343
Advances to subsidiaries:		
Balance at beginning of year	**164,459,806**	165,727,839
Collection of advances	**–**	(1,268,033)
Balance at end of year	**164,459,806**	164,459,806
Allowance for ECL		
Balance at beginning and end of year	**(164,459,806)**	(164,459,806)
	–	–
Advances to associate and joint venture:		
Balance at beginning of year	**111,983,294**	111,162,208
Additional advances during the year (see Note 21)	**5,727,679**	821,086
Balance at end of year	**117,710,973**	111,983,294
Allowance for impairment loss		
Balance at beginning and end of year	**(11,544,000)**	(11,544,000)
	106,166,973	100,439,294
Total investments and advances	**₱649,953,838**	₱640,634,864

On January 1, 2016, GMPI's operations was integrated into the Company's operations. The Company absorbed all of GMPI's employees and assumed the obligation to settle the post-employment benefits of these employees upon their retirement. The post-employment benefit obligation assumed by the Company amounting to ₱259.14 million was recognized as an addition to the investment in GMPI.

In 2024 and 2023, GMPI returned investment amounting to ₱16.22 million and ₱100.00 million, respectively to the Company after partial payment of post-employment obligation on February 29, 2024 and March 27, 2023, respectively. As at December 31, 2024 and 2023, the Company's remaining investment in GMPI amounted to ₱148.92 million and ₱165.14 million, respectively.

On January 1, 2023, RGMA ceased operations. As a result, the Company recognized impairment loss for its investment in RGMA amounting to ₱126.32 million in 2023. As at December 31, 2024 and 2023, investment in RGMA amounted to ₱41.68 million.

13. **Property and Equipment at Cost**

2024

	Buildings, towers and improvements	**Antenna and transmitter systems and broadcast equipment**	**Communication and mechanical equipment**	**Transportation equipment**	**Furniture, fixtures and equipment**	**Construction in progress and equipment for installation**	**Total**
Cost							
At January 1, 2024	**₱3,478,205,415**	**₱9,034,137,333**	**₱1,900,849,245**	**₱597,595,084**	**₱150,991,454**	**₱382,156,708**	**₱15,543,935,239**
Additions	**18,545,463**	**145,976,756**	**163,977,983**	**78,763,766**	**1,019,473**	**245,754,577**	**654,038,018**
Disposals	**–**	**(8,802,243)**	**(6,710,467)**	**(51,228,819)**	**(4,509)**	**–**	**(66,746,038)**
Reclassifications	**77,463,103**	**136,176,181**	**17,310,468**	**–**	**1,015,086**	**(231,964,838)**	**–**
At December 31, 2024	**3,574,213,981**	**9,307,488,027**	**2,075,427,229**	**625,130,031**	**153,021,504**	**395,946,447**	**16,131,227,219**
Accumulated Depreciation							
At January 1, 2024	**2,678,302,656**	**7,106,743,076**	**1,581,211,114**	**435,926,472**	**142,418,495**	**–**	**11,944,601,813**
Depreciation (see Notes 23 and 24)	**115,367,334**	**470,156,536**	**155,135,089**	**71,666,282**	**3,103,884**	**–**	**815,429,125**
Disposals	**–**	**(8,802,244)**	**(6,706,466)**	**(50,748,314)**	**(4,509)**	**–**	**(66,261,533)**
At December 31, 2024	**2,793,669,990**	**7,568,097,368**	**1,729,639,737**	**456,844,440**	**145,517,870**	**–**	**12,693,769,405**
Net Book Value	**₱780,543,991**	**₱1,739,390,659**	**₱345,787,492**	**₱168,285,591**	**₱7,503,634**	**₱395,946,447**	**₱3,437,457,814**

2023

	Buildings, towers and improvements	Antenna and transmitter systems and broadcast equipment	Communication and mechanical equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in progress and equipment for installation	Total
Cost							
At January 1, 2023	₱3,295,105,394	₱8,441,865,161	₱1,733,711,058	₱597,358,222	₱148,331,805	₱478,603,692	₱14,694,975,332
Additions	15,290,756	387,956,782	158,453,410	78,796,001	3,965,719	427,107,487	1,071,570,155
Disposals	–	(120,586,694)	(17,355,361)	(82,412,621)	(2,255,572)	–	(222,610,248)
Reclassifications (see Note 16)	167,809,265	324,902,084	26,040,138	3,853,482	949,502	(523,554,471)	–
At December 31, 2023	3,478,205,415	9,034,137,333	1,900,849,245	597,595,084	150,991,454	382,156,708	15,543,935,239
Accumulated Depreciation							
At January 1, 2023	2,575,671,624	6,778,949,996	1,448,333,608	451,400,502	141,198,010	–	11,395,553,740
Depreciation (see Notes 23 and 24)	102,631,032	448,379,777	150,195,536	61,418,109	3,476,056	–	766,100,510
Disposals	–	(120,586,697)	(17,318,030)	(76,892,139)	(2,255,571)	–	(217,052,437)
At December 31, 2023	2,678,302,656	7,106,743,076	1,581,211,114	435,926,472	142,418,495	–	11,944,601,813
Net Book Value	₱799,902,759	₱1,927,394,257	₱319,638,131	₱161,668,612	₱8,572,959	₱382,156,708	₱3,599,333,426

Construction in progress pertains to costs incurred for installation of equipment, signal strengthening of transmitters nationwide and construction/improvement of studios and stations in the regions.

The Company leases out a portion of its property and equipment at cost. Total rental income recognized for the leased portion amounted to ₱2.06 million and ₱2.20 million in 2024 and 2023, respectively (see Note 27).

The Company disposed various property and equipment in 2024 and 2023 resulting to the recognition of gain on sale amounting to ₱13.94 million and ₱38.77 million, respectively (see Note 27).

As at December 31, 2024 and 2023, no property and equipment have been pledged as collateral or security for any of the Company's liabilities.

14. Land at Revalued Amounts

The movement of the land at revalued amount is shown below:

	2024			2023		
	Cost	**Revaluation Increment**	**Total**	Cost	Revaluation Increment	Total
At beginning of year	**₱526,027,255**	**₱8,287,255,880**	**₱8,813,283,135**	₱526,025,559	₱6,093,869,589	₱6,619,895,148
Additions during the year	**38,105**	**–**	**38,105**	1,696	2,193,386,291	2,193,387,987
At end of year	**₱526,065,360**	**₱8,287,255,880**	**₱8,813,321,240**	₱526,027,255	₱8,287,255,880	₱8,813,283,135

Revaluation increment recognized in 2024 and 2023 based on appraisal reports and management estimates amounted to nil and ₱2,193.39 million, respectively.

The fair value from the 2024 and 2023 appraisals were determined using the "Market Data Approach" as determined by independent professionally qualified appraisers and based on its highest and best use. The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation in accordance with International Valuation Standards. The fair value is categorized under Level 3 of the fair value hierarchy.

As of December 31, 2024 and 2023, the fair value of land is directly proportional to the asking price of the comparable land and adjusted according to the following appraisal considerations:

Significant unobservable input	Range
Asking price per square meter	₱270 to ₱350,000
Sales price adjustment	5% to 10%
Lot size adjustment	5% to 20%

Significant increases (decreases) in asking price per square meter would result to significantly higher (lower) fair value of the properties. Significant increases (decreases) in the sales price adjustment and lot size adjustment would result in a significantly lower (higher) fair value.

Management believes that the carrying value of land as of December 31, 2024 and 2023 approximates the fair values as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, no land has been pledged as collateral or security for any of the Company's liabilities and the Company has no restrictions on the realizability of its land and no contractual obligation to purchase, construct or develop land or for repairs, maintenance and enhancements.

15. **Investment Properties**

	2024		
	Land and Improvements	**Buildings and Improvements**	**Total**
Cost			
Balance at the beginning of year	**₱12,388,088**	**₱52,357,238**	**₱64,745,326**
Additions	**–**	**1,501,278**	**1,501,278**
Balance at end of year	**12,388,088**	**53,858,516**	**66,246,604**
Accumulated depreciation			
Balance at beginning of year	**–**	**43,791,674**	**43,791,674**
Depreciation during the year (see Note 24)	**–**	**1,382,387**	**1,382,387**
Balance at end of year	**–**	**45,174,061**	**45,174,061**
Accumulated impairment			
Balance at beginning and end of year	**–**	**1,383,376**	**1,383,376**
	₱12,388,088	**₱7,301,079**	**₱19,689,167**

	2023		
	Land and Improvements	Buildings and Improvements	Total
Cost			
Balance at beginning and end of year	₱12,388,088	₱52,357,238	₱64,745,326
Accumulated depreciation			
Balance at beginning of year	–	42,409,287	42,409,287
Depreciation during the year (see Note 24)	–	1,382,387	1,382,387
Balance at end of year	–	43,791,674	43,791,674
Accumulated impairment			
Balance at beginning and end of year	–	1,383,376	1,383,376
	₱12,388,088	₱7,182,188	₱19,570,276

The fair value of investment properties amounted to ₱205.31 million as at December 31, 2024 and 2023. As at December 31, 2024 and 2023, the land used in operations was last appraised on December 31, 2023, by an accredited firm of appraisers and is valued in terms of its highest and best use.

The fair value was determined using the "Market Data Approach". The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation and is categorized under Level 3 of the fair value hierarchy.

The description of the valuation techniques used and key inputs to fair valuation as of December 31, 2024 and 2023 is as follows:

	Significant Unobservable Inputs	Range
Land	Price per square meter	₱1,400-₱11,700
Buildings for lease	Price per square meter	₱22,000-₱117,000

Rental income and the directly related expense arising from these investment properties follow:

	2024	2023
Rental income (see Note 27)	**₱5,095,367**	₱4,870,327
Depreciation expense (see Note 24)	**(1,382,387)**	(1,382,387)
	₱3,712,980	₱3,487,940

As at December 31, 2024 and 2023, no investment properties have been pledged as collateral or security for any of the Company's liabilities and the Company has no restriction on the realizability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

16. **Other Noncurrent Assets**

	2024	2023
Restricted cash	**₱284,450,077**	₱51,393,686
Refundable deposits	**42,924,440**	89,476,868
Software costs	**20,608,554**	59,373,091
Investments in artworks	**9,454,000**	9,454,000
Deferred input VAT	**2,876,013**	9,323,351
Guarantee deposits	**2,162,420**	2,162,420
Others	**76,515**	76,515
	₱362,552,019	₱221,259,931

Restricted cash pertains to time deposits held under the custody of the courts and other regulatory bodies, such as the National Labor Relations Commission, serving as bonds or sureties for the Company's court appearances or commitments related to pending labor cases and litigation.

Refundable deposits pertain to the deposits made to various electric companies across the country.

Software costs relate to software applications and website development costs, which provide an edge on the Company's online presence and other software issues.

The movements in software costs follows:

	2024	2023
Cost:		
Balance at beginning of year	**₱689,195,980**	₱678,384,108
Additions during the year	**3,286,173**	10,811,872
Balance at end of year	**692,482,153**	689,195,980
Accumulated amortization:		
Balance at beginning of year	**629,822,889**	574,523,422
Amortization during the year (see Note 24)	**42,050,710**	55,299,467
Balance at end of year	**671,873,599**	629,822,889
	₱20,608,554	₱59,373,091

Investment in artworks are paintings and other works of art usually displayed in the Company's hallways.

Deferred input VAT pertains to the VAT on the Company's acquisitions of capital goods exceeding ₱1.00 million in any given month which are to be amortized over the 60 months or the life of the asset whichever is shorter.

Guarantee deposits pertain to deposits to telephone companies as well as building/office rental deposits to be used for the Company's programs. Also included are deposits to the satellite providers.

17. Trade Payables and Other Current Liabilities

	2024	2023
Payable to government agencies	**₱1,103,113,860**	₱1,127,098,307
Accrued expenses:		
Utilities and other accrued expenses	**331,810,202**	397,712,231
Production costs	**198,131,378**	222,531,535
Payroll and talent fees	**197,121,467**	219,160,229
Ploughback	**92,459,988**	155,292,745
Commissions	**72,896,422**	66,103,288
Trade:		
Suppliers	**315,721,903**	544,576,573
Related parties (see Note 21)	**129,639,610**	121,431,832
Contract liabilities	**215,524,575**	179,847,077
Customers' deposits	**79,309,129**	61,439,738
Due to related parties (see Note 21)	**3,002,128**	2,560,602
Others	**26,301,812**	32,682,360
	₱2,765,032,474	₱3,130,436,517

Payable to government agencies is composed of the Company's statutory compensation-related contributions to government agencies and net VAT and withholding taxes payable to the Bureau of Internal Revenue (BIR). The difference between the accrual accounting under the accounting standards and cash-basis accounting as prescribed by the BIR for service-related companies caused the Company to normally incur deferred output VAT which forms a substantial part of the Company's payable to government agencies. These payables are remitted within 30 days after reporting period.

Accrued expenses and other payables are noninterest-bearing and are generally settled within the next financial year.

Trade payables to suppliers are noninterest-bearing and are normally settled on terms ranging from seven to 60 days. The terms and conditions of trade payables to related parties are discussed in Note 21.

Contract liabilities pertain to payments received before broadcast and before delivery of goods and services amounting to ₱215.52 million and ₱179.85 million as at December 31, 2024 and 2023, respectively. This account includes contract liabilities of ₱30.00 million resulting from airtime credits that have not been implemented resulting from the exchange of the Company's interests in X-Play in 2015 (see Note 11). Contract liabilities are recognized as revenue when the Company performs the obligation under the contract. Out of the contract liabilities outstanding as of December 31, 2023, ₱148.85 million was recognized as revenue for the year ended December 31, 2024.

Customers' deposits include guaranty deposits from advertising agencies to secure payment of bills by advertisers. These deposits are noninterest-bearing and normally refunded once the related broadcasts are paid by the advertisers. It also includes deposits from the Company's lessees upon inception of the lease agreements.

Others include unpaid subscriptions and retention payables. These are noninterest-bearing and are normally settled within one year.

18. Short-term Loans

The Company obtained unsecured short-term peso and United States Dollar (USD) denominated loans from local banks in 2024 and 2023. Details and movements of the short-term loans are as follows:

	2024	2023
Balance at beginning of year	**₱1,500,000,000**	₱–
Availments	**4,000,000,000**	3,500,000,000
Payments	**(1,800,000,000)**	(2,000,000,000)
Balance at end of year	**₱3,700,000,000**	₱1,500,000,000

The outstanding loans as at December 31, 2024 consist of fixed rate notes with the following details:

Lender	Currency	Interest Rate (per annum)	Terms	Amount
MBTC	Php	5.87%	Availed in 2024; payable in 280 days	₱500,000,000
MBTC	Php	5.87%	Availed in 2024; payable in 313 days	500,000,000
MBTC	Php	5.87%	Availed in 2024; payable in 355 days	500,000,000
MBTC	Php	5.87%	Availed in 2024; payable in 180 days	500,000,000
BDO	Php	6.10%	Availed in 2024; payable in 359 days	200,000,000
BDO	Php	6.15%	Availed in 2024; payable in 334 days	500,000,000
BDO	Php	6.15%	Availed in 2024; payable in 300 days	500,000,000
BDO	Php	6.05%	Availed in 2024; payable in 358 days	500,000,000

The outstanding loans as at December 31, 2023 consist of fixed rate notes with the following details:

Lender	Currency	Interest Rate (per annum)	Terms	Amount
BPI	Php	6.30%	Availed in 2023; payable in 330 days	₱500,000,000
BPI	Php	6.30%	Availed in 2023; payable in 300 days	500,000,000
BDO	Php	6.30%	Availed in 2023; payable in 273 days	500,000,000

Interest expense amounted to ₱174.69 million and ₱119.55 million for peso denominated loans in 2024 and 2023, respectively.

19. Obligations for Program and Other Rights

Obligations for program and other rights represent liabilities to foreign and local film suppliers for program and other rights purchased by the Company. Outstanding unpaid balance as at December 31, 2024 and 2023 are as follows:

	2024	2023
Obligations for program and other rights	**₱583,054,562**	₱357,060,915
Less: Current portion	**583,054,562**	347,903,020
Noncurrent portion of obligations for program and other rights	**₱–**	₱9,157,895

Obligations for program and other rights are generally payable in equal monthly or quarterly installments.

20. Equity

a. Capital Stock

Details of capital stock as at December 31, 2024 and 2023:

	No. of Shares	Amount
Common - ₱1.00 par value		
Authorized	5,000,000,000	₱5,000,000,000
Subscribed and issued	3,364,692,000	₱3,364,692,000
Preferred - ₱0.20 par value		
Authorized	7,500,000,000	₱1,500,000,000
Subscribed and issued	7,500,000,000	₱1,500,000,000

The cumulative preferred shares are of equal rank, preference and priority and are identical in all respect regardless of series. Preferred shares are participating at the rate of one fifth (1/5) of the dividends paid to common shares, the rate of which is adjusted proportionately by the Company's BOD consequent to any stock split or stock dividend declaration affecting the common shares and preferred shares. Preferred shares are convertible at the option of the shareholders at the ratio of five preferred shares to one common share, based on par value.

Preferred shares enjoy priority over common shares in the distribution of assets of the Company in the event of dissolution and liquidation, at such rates, terms and conditions as the BOD may determine. Each preferred share is entitled to one vote and shall have the same voting rights as the common shares.

The Company's BOD may specify other terms and conditions, qualifications, restrictions and privileges of the preferred shares or series/classes thereof, insofar as such terms, conditions, qualifications, restrictions and privileges are not inconsistent with the articles of incorporation and any applicable law or regulation.

The following summarizes the information on the Company's registration of securities with the SEC, which was approved on June 20, 2007, as required by Revised Securities Regulation Code (SRC) Rule 68:

Securities	Authorized and issued shares	Issue/Offer Price
Initial public offering	91,346,000	₱8.50
Underlying common shares of PDRs	945,432,000	8.50
Over-allotment common shares	13,701,000	8.50
Common shares covering employee stock option plan	57,000,000	8.50

In prior years, the Company has acquired 750,000 PDRs issued by GMA Holdings, Inc. at acquisition cost of ₱5.79 million. In as much as each PDR share grants the holder, upon payment of the exercise price and subject to certain other conditions, the delivery of one (1) Company share or the sale and delivery of the proceeds of such sale of Company share, such PDRs held by the Company is being treated similar to a treasury shares.

On October 4, 2021, the Company's BOD approved to contribute its treasury common and preferred shares and PDRs to the Company's retirement plan. The contribution of the 3,645,000 treasury common shares and 492,816 treasury preferred shares was executed on December 31, 2021 at a transaction price of ₱13.90 per share and ₱2.77 per share, respectively. As the preferred shares are unlisted, the transaction price was based on the market price of the Company's listed common shares on the transaction date, with the value of the treasury preferred shares computed based on the ratio of 1:5 preferred shares to common shares. The contribution of the 750,000 PDRs was executed on December 20, 2021 at a transaction price of ₱13.02 per share, which resulted to additional paid-in capital amounted to ₱27.52 million.

The total number of shareholders is 1,622 and 1,632 as at December 31, 2024 and 2023, respectively.

b. Retained Earnings

The BOD of the Company approved the declaration of the following cash dividends:

Year	Declaration Date	Record Date	Cash Dividend Per Share	Total Cash Dividend Declared
2024	**April 3, 2024**	**April 24, 2024**	**₱0.60**	**₱2,918,815,200**
2023	March 31, 2023	April 21, 2023	₱1.10	₱5,351,161,200

The Company's outstanding dividends payable amounts to ₱36.49 million and ₱34.69 million as at December 31, 2024 and 2023, respectively.

On March 31, 2025, the Parent Company's BOD approved the declaration and distribution of cash dividends amounting to ₱0.50 per share totaling ₱2,432.35 million to all stockholders of record as at April 29, 2025 and will be paid starting May 20, 2025.

21. Related Party Disclosures

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. Related parties may be individual or corporate entities.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables.

For years ended December 31, 2024 and 2023, the Company has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Company transacts with subsidiaries, affiliate, joint venture and other related parties on advances, reimbursement of expenses, and future stock subscriptions.

The transactions and balances of accounts as at and for the years ended December 31, 2024 and 2023 with related parties are as follows:

Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
Trade payables and other current liabilities (see Note 17)					
Subsidiaries					
GNMI	Technical support and website administration	**2024**	**₱199,398,045**	**(₱89,201,551)**	30-60 day noninterest-bearing; unsecured
		2023	157,105,410	(63,799,364)	
Script2010	Production cost/service fees	**2024**	**130,777,423**	**(16,603,280)**	On demand, noninterest-bearing; unsecured
		2023	132,153,651	(33,692,858)	
Alta	Production cost/service fees	**2024**	**87,025,238**	**(18,983,465)**	Noninterest-bearing; unsecured
		2023	105,410,352	(18,999,993)	
GWI	Management fee and distribution expenses	**2024**	**–**	**(3,925,824)**	30-day noninterest-bearing; unsecured
		2023	–	(3,925,824)	
GMA Music	Production cost/service fees	**2024**	**6,984,844**	**(925,490)**	30-60 day noninterest-bearing unsecured
		2023	1,899,296	(1,013,793)	
		2024	**₱424,185,550**	**(₱129,639,610)**	
		2023	₱396,568,709	(₱121,431,832)	
Nontrade payables (see Note 17)					
Subsidiaries					
Script2010	Reimbursable charges	**2024**	**(₱601,732)**	**(₱2,480,219)**	Noninterest-bearing; unsecured
		2023	–	(1,878,486)	
RGMA	Reimbursable charges	**2024**	**–**	**(247,116)**	Noninterest-bearing; unsecured
		2023	–	(247,116)	
Scenarios	Reimbursable charges	**2024**	**–**	**–**	Noninterest-bearing; unsecured
		2023	–	(435,000)	
GNMI	Reimbursable charges	**2024**	**(274,793)**	**(274,793)**	Noninterest-bearing; unsecured
		2023	–	–	
GMPI	Reimbursable charges	**2024**	**–**	**–**	Noninterest-bearing; unsecured
		2023	33,200	–	
		2024	**(₱876,525)**	**(₱3,002,128)**	
		2023	₱33,200	(₱2,560,602)	

(Forward)

Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
Other related parties					
Belo, Gozon, Elma Law	Legal, Consulting fee and others	**2024**	**₱11,774,318**	**₱–**	On demand, noninterest-bearing; unsecured
		2023	15,252,469	(414,000)	
GMA Kapuso Foundation	Donations	**2024**	**1,769,617**	**–**	On demand, noninterest-bearing; unsecured
		2023	2,984,581	–	
		2024	**₱13,543,935**	**₱–**	
		2023	₱18,237,050	(₱414,000)	
Other trade receivables (see Note 7)					
Subsidiaries					
GNMI	Online advertising	**2024**	**₱405,511,375**	**₱140,689,725**	30-60 day; noninterest-bearing; unsecured; not impaired
		2023	413,949,877	109,292,886	
GMA Music	Sale of Affordabox and Now	**2024**	**13,474,945**	**5,784,514**	30-60 day; noninterest-bearing; unsecured; not impaired
		2023	14,820,400	2,690,446	
GNFI	Commission of Artist Center from Movies	**2024**	**746,522**	**746,522**	30-60 day; noninterest-bearing; unsecured; not impaired
		2023	–	–	
		2024	**₱419,732,842**	**₱147,220,761**	
		2023	₱428,770,277	₱111,983,332	
Nontrade receivables (see Note 7)					
Subsidiaries					
Script2010	Reimbursable charges	**2024**	**₱2,527,535**	**₱31,399,728**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	2,681,488	28,872,192	
GNFI	Reimbursable charges	**2024**	**102,806,398**	**144,158,380**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	12,182,205	41,351,983	
GMA Music	Reimbursable charges	**2024**	**305,908**	**449,317**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	312,523	143,409	
Scenarios	Reimbursable charges	**2024**	**–**	**–**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	–	5,507,145	
RGMA	Reimbursable charges	**2024**	**–**	**81,513**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	–	81,513	
GMPI	Reimbursable charges	**2024**	**–**	**–**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	–	34,362	
GNMI	Reimbursable charges	**2024**	**3,634**	**2,504,834**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	2,436,048	2,501,200	
Other related parties					
GMA Kapuso Foundation	Reimbursable charges	**2024**	**1,427,856**	**1,427,856**	On demand, noninterest-bearing; unsecured; not impaired
		2023	1,305,176	1,305,176	
		2024	**₱107,071,331**	**₱180,021,628**	
		2023	₱18,917,440	₱79,796,980	
Other nontrade receivables (see Note 7)					
Subsidiaries					
GNMI	Dividend income	**2024**	**₱114,000,000**	**₱51,700,000**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	110,000,000	1,700,000	
Alta	Dividend income	**2024**	**11,000,000**	**11,000,000**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	6,500,000	–	

(Forward)

Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
RGMA	Dividend income	**2024**	**₱–**	**₱–**	–
		2023	17,150,000	–	
GMA Music	Dividend income	**2024**	**6,900,000**	–	–
		2023	3,000,000	–	
Citynet	Dividend income	**2024**	**–**	**4,000,000**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	–	6,000,000	
		2024	**₱131,900,000**	**₱66,700,000**	
		2023	₱136,650,000	₱7,700,000	
Advances to investees (see Note 12)					
Subsidiaries					
Citynet	Advances	**2024**	**₱–**	**₱118,934,402**	60-day noninterest-bearing; fully impaired
		2023	–	118,934,402	
GNFI	Advances	**2024**	**–**	**44,511,314**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	–	44,511,314	
Scenarios	Advances	**2024**	**–**	**1,014,090**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	–	1,014,090	
Associate					
Mont-aire	Advances	**2024**	**5,727,679**	**106,166,972**	On-demand, noninterest-bearing; unsecured; not impaired
		2023	821,086	100,439,294	
Joint venture					
INQ7	Advances	**2024**	**–**	**11,544,000**	On-demand, noninterest-bearing; unsecured; fully impaired
		2023	–	11,544,000	
			₱5,727,679	**₱282,170,779**	
	Allowance for impairment	**2024**	**–**	**(176,003,806)**	
			₱5,727,679	**₱106,166,973**	
			₱821,086	₱276,443,100	
	Allowance for impairment	2023	–	(176,003,806)	
			₱821,086	₱100,439,294	

The following table provides the summary of outstanding balances, before any allowance for impairment, for the years ended December 31, 2024 and 2023 in relation with the table above for the transactions that have been entered into with related parties:

	2024	2023
Advances to investees (see Note 12)	**₱282,170,779**	₱276,443,100
Nontrade receivables (see Note 7)	**180,021,628**	79,796,980
Other trade receivables (see Note 7)	**147,220,761**	111,983,332
Trade payables and other current liabilities (see Note 17)	**129,639,610**	121,431,832
Other nontrade receivables (see Note 7)	**66,700,000**	7,700,000
Nontrade payables (see Note 17)	**3,002,128**	2,560,602

The advances made by the Company to Mont-Aire in previous years are intended for future capital subscription.

Accumulated impairment loss on advances amounted to ₱176.00 million as at December 31, 2024 and 2023.

Compensation of Key Management Personnel
The compensation of key management personnel of the Company, by benefit type, are as follows:

	2024	2023
Salaries and other long-term benefits (see Note 24)	**₱686,602,322**	₱859,577,375
Pension benefits (see Notes 23 and 24)	**202,409,512**	188,852,247
	₱889,011,834	₱1,048,429,622

Pension costs under OCI amounted to ₱5.77 million as at December 31, 2024 and 2023, respectively.

Equity Investments of the Retirement Fund
The Company's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱517.67 million and ₱6.23 million in 2024, respectively, and ₱551.63 million and ₱6.23 million in 2023, respectively (see Note 26).

22. Revenues

Set out below is the disaggregation of the Company's revenues from contract with customers for the year ended December 31:

	2024	2023
Revenue source:		
Sale of service		
Advertising revenue	**₱14,542,061,935**	₱15,690,735,602
Digital revenue	**1,475,570,111**	1,259,259,129
Subscription revenue (see Note 28)	**677,243,995**	728,396,019
Production revenue	**173,409,509**	137,864,499
Revenue from distribution and content provisioning	**114,689,684**	177,122,824
Sale of goods	**194,488,558**	305,737,714
Total revenue from contracts with customers	**₱17,177,463,792**	₱18,299,115,788
Geographical markets		
Local	**₱16,448,040,572**	₱17,488,323,405
International	**729,423,220**	810,792,383
Total revenue from contracts with customers	**₱17,177,463,792**	₱18,299,115,788
Timing of revenue recognition		
Goods/services transferred at a point in time	**₱16,500,219,797**	₱17,570,719,769
Services transferred over time	**677,243,995**	728,396,019
Total revenue from contracts with customers	**₱17,177,463,792**	₱18,299,115,788

23. **Production Costs**

	2024	2023
Talent fees and production personnel costs (see Note 25)	**₱4,329,585,566**	₱4,013,489,058
Program and other rights usage (see Note 8)	**1,372,827,196**	1,191,479,396
Rental (see Note 28)	**639,127,197**	788,464,890
Facilities and production services	**606,135,967**	923,866,640
Depreciation (see Notes 13 and 24)	**601,916,382**	564,756,003
Tapes, sets and production supplies	**364,575,461**	417,349,242
Transportation and communication	**121,751,412**	149,544,402
	₱8,035,919,181	₱8,048,949,631

24. **General and Administrative Expenses**

	2024	2023
Personnel costs (see Note 25)	**₱3,662,279,186**	₱3,625,417,913
Professional fees	**385,561,490**	278,591,020
Communication, light and water	**376,325,069**	387,600,551
Repairs and maintenance	**287,375,429**	272,103,703
Taxes and licenses	**280,194,535**	218,861,583
Depreciation (see Notes 13, 15 and 28)	**242,789,642**	232,345,531
Software maintenance	**170,938,622**	149,121,985
Advertising	**161,234,829**	185,497,062
Research and surveys	**118,603,031**	113,900,352
Security services	**88,303,002**	75,869,177
Facilities related expenses	**57,866,804**	58,600,492
Dues and subscription	**54,877,424**	53,336,397
Marketing expense	**46,965,465**	45,097,087
Transportation and travel	**42,628,321**	51,513,103
Amortization of software costs (see Note 16)	**42,050,710**	55,299,467
Insurance	**37,835,882**	36,422,124
Rental (see Note 28)	**15,033,107**	19,699,158
Materials and supplies	**10,389,909**	11,901,799
Entertainment, amusement and recreation	**9,890,602**	8,137,955
Provision for impairment of investment (see Note 12)	**–**	126,323,324
Others	**346,657,915**	219,619,081
	₱6,437,800,974	₱6,225,258,864

Others include expenses incurred for other manpower, janitorial and messengerial services, freight charges, donations and other miscellaneous expenses.

Depreciation

	2024	2023
Property and equipment (see Notes 13 and 23)		
Production costs	**₱583,364,450**	₱544,466,614
General and administrative expenses	**232,064,675**	221,633,896
	815,429,125	766,100,510
Right-of-use assets (see Notes 23 and 28)		
Production costs	**18,551,932**	20,289,389
General and administrative expenses	**9,342,580**	9,329,248
Investment properties (see Note 15)		
General and administrative expenses	**1,382,387**	1,382,387
	₱844,706,024	₱797,101,534

25. Personnel Costs

	2024	2023
Talent fees	**₱4,081,103,983**	₱3,805,292,637
Salaries and wages	**2,057,480,209**	2,117,045,918
Employee benefits and allowances	**1,002,754,696**	997,211,657
Pension expense (see Note 26)	**651,492,481**	679,722,616
Sick and vacation leaves expense (see Note 26)	**199,033,383**	39,634,143
	₱7,991,864,752	₱7,638,906,971

The above amounts were distributed as follows:

	2024	2023
Production costs (see Note 23)	**₱4,329,585,566**	₱4,013,489,058
General and administrative expenses (see Note 24)	**3,662,279,186**	3,625,417,913
	₱7,991,864,752	₱7,638,906,971

26. Pension and Other Long-term Employee Benefits

As at December 31, pension and other employee benefits consist of:

	2024	2023
Pension liability	**₱4,654,463,106**	₱5,130,296,483
Vacation and sick leave accrual	**277,460,684**	235,460,684
	₱4,931,923,790	₱5,365,757,167

Pension Benefits
The Company has non-contributory defined benefit retirement plan. The Company's latest actuarial valuation report is as at December 31, 2023.

Pension benefits recognized in the parent company statements of comprehensive income are as follows (see Notes 23 and 25):

	2024	2023
Current service cost	**₱373,441,047**	₱337,111,657
Net interest cost	**278,051,434**	342,610,959
	₱651,492,481	₱679,722,616

Net pension liability recognized in the parent company statements of financial position is as follows:

	2024	2023
Present value of defined benefit obligation	**₱5,860,457,246**	₱6,338,044,815
Fair value of plan assets	**1,205,994,140**	1,207,748,332
	₱4,654,463,106	₱5,130,296,483

The changes in the present value of the defined benefit obligation are as follows:

	2024	2023
Balance at beginning of year	**₱6,338,044,815**	₱6,568,114,469
Interest cost	**384,719,320**	474,217,865
Current service cost	**373,441,047**	337,111,657
Benefits paid:		
from plan assets	**(1,128,381,318)**	(289,193,513)
from Company's own funds	**(107,366,618)**	(397,227)
Remeasurement loss (gain):		
Changes in financial assumptions	**–**	493,857,635
Changes in demographic assumptions	**–**	(184,682,078)
Experience adjustment	**–**	(1,060,983,993)
Balance at end of year	**₱5,860,457,246**	₱6,338,044,815

The changes in the fair value of plan assets are as follows:

	2024	2023
Balance at beginning of year	**₱1,207,748,332**	₱1,837,830,390
Contribution during the year	**670,421,297**	259,000,000
Remeasurement loss (gain) - return on plan assets	**349,537,943**	(731,495,451)
Interest income	**106,667,886**	131,606,906
Benefits paid	**(1,128,381,318)**	(289,193,513)
Balance at end of year	**₱1,205,994,140**	₱1,207,748,332

Remeasurement gain on retirement plans amounting to ₱262.15 million and ₱15.23 million in 2024 and 2023 respectively, is reported under the statement of comprehensive income, net of deferred tax.

At each reporting period, the Company determines its contribution based on the performance of its retirement fund. The Company expects to contribute ₱838.61 million to the fund in 2025.

The funds are managed and supervised by Trustee banks for the benefits of the plan members. However, the general administration of the funds is vested in a Retirement Committee.

The following table presents the carrying amounts and estimated fair values of the plan assets:

	2024	2023
	Carrying Value/ Fair Value	Carrying Value/ Fair Value
Cash and cash equivalents	**₱50,373,320**	₱10,507,410
Equity instruments (see Note 21):		
GMA Network, Inc.	**517,671,188**	551,633,955
GMA PDRs	**6,225,000**	6,225,000
Debt instruments:		
Government securities	**98,007,432**	180,075,276
Investment in Unit Investment Trust Funds (UITFs)	**241,406,587**	286,598,679
Others	**292,310,613**	172,708,012
	₱1,205,994,140	₱1,207,748,332

The plan assets consist of the following:

- Cash and cash equivalents consist of regular savings and time deposits.
- Investments in equity instruments consist of listed shares of GMA Network, Inc. and GMA PDRs (see Note 21). Changes in the fair market value of these investments resulted to a loss of ₱517.67 million and ₱372.65 million in 2024 and 2023, respectively.
- Investments in debt instruments bear interest ranging from 4.05% to 6.80% and have maturities from May 2024 to April 2032. Equity and debt instruments held have quoted prices in active market.
- Investment in UITFs are measured at their net asset value per unit.
- Others consist of loans and receivables which are collectible within the next twelve months.

The person who exercises voting rights over shares is within the powers of the Trustee, who do not have any relationship with the directors or officers of the Company.

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 treasury notes, treasury bills, and savings and time deposits with commercial banks.

The Company performs an Asset-Liability Matching Study (ALM) annually. The principal technique of the Company's ALM in order to minimize the portfolio liquidation risk is to ensure the expected return on assets will be sufficient to support the desired level of funding arising from the defined benefit plans.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the Philippine Stock Exchange. 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.

However, in the event a benefit claim arises under the retirement plan and the retirement fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable to the retirement fund from the Company.

The principal assumptions used in determining pension liability for the Company's plans are shown below:

	2024	2023
Discount rate	**6.07%**	6.07%
Expected rate of salary increase	**4.00%**	4.00%
Turn-over rates		
19-24 years old	**16.84%**	16.20%
25-29 years old	**15.96%**	13.78%
30-34 years old	**10.62%**	8.82%
35-39 years old	**8.02%**	5.84%
40-44 years old	**4.66%**	3.57%
≥45 years old	**6.16%**	4.24%

The sensitivity analysis below has been determined by remeasuring the defined benefit obligation at the reporting period after first adjusting one of the current assumption that were reasonably possible at the valuation date while all other assumptions remained unchanged. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation	
		2024	2023
Discount rate	50	**(₱217,786,115)**	(₱223,760,509)
	(50)	**236,761,345**	238,975,534
Expected rate of salary increase	50	**231,323,432**	242,688,422
	(50)	**(263,635,997)**	(229,133,546)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2024 and 2023:

	2024	2023
Less than one year	**₱510,190,684**	₱1,309,810,611
More than 1 year to 3 years	**774,974,962**	887,958,699
More than 3 years to 5 years	**924,157,092**	924,157,092
More than 5 years to 10 years	**4,010,178,525**	4,010,178,525

Other Long-Term Employee Benefits

Other long-term employee benefits consist of accumulated and unexpired employee sick and vacation leave entitlements amounting to ₱277.46 million and ₱235.46 million as at December 31, 2024 and 2023, respectively. Expense related to cash conversion of leaves, included under personnel cost in the statements of comprehensive income, amounted to ₱163.00 million and ₱7.75 million in 2024 and 2023, respectively (see Note 25).

27. **Others - Net**

	2024	2023
Commission from Artists	**₱187,052,396**	₱176,350,038
Net gain on sale of property and equipment (see Note 13)	**13,935,229**	38,766,322
Rental income (see Notes 13, 15 and 28)	**7,153,302**	7,073,647
Gain on cancellation of lease (Note 28)	**5,289,043**	–
Music royalty	**4,500,000**	7,948,128
Bank charges	**(1,307,073)**	(1,489,373)
Merchandising license fees and others	**17,348,419**	13,564,234
	₱233,971,316	₱242,212,996

Merchandising license fees and others include income from mall shows, sale of DVDs and integrated receiver-decoders and income from events. Music royalty represents the remittance received from Filipino Society of Composers, Authors and Publishers (FILSCAP) for the use of the Company's music rights.

28. **Agreements**

Lease Agreements

Company as a Lessee. The Company entered into various lease agreements for land, building and studio spaces that it presently occupies and uses for periods ranging from two to 25 years. The lease agreements can be renewed subject to mutual agreement. Most of the lease agreements can be terminated at the option of the Company.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the "short-term lease" recognition exemptions for these leases.

The rollforward analysis of right-of-use assets follows:

		2024	
	Right-of-use: Land	**Right-of-use: Office Space**	**Right-of-use: Total**
Cost			
Balance at beginning of year	**₱193,021,244**	**₱85,568,107**	**₱278,589,351**
Additions	**–**	**8,525,245**	**8,525,245**
Cancellation of lease	**(46,939,740)**	**–**	**(46,939,740)**
Balance at end of year	**146,081,504**	**94,093,352**	**240,174,856**
Accumulated Depreciation			
Balance at beginning of year	**74,471,583**	**64,005,513**	**138,477,096**
Depreciation (see Notes 23 and 24)	**12,913,891**	**14,980,621**	**27,894,512**
Cancellation of lease	**(17,204,511)**	**–**	**(17,204,511)**
Balance at end of year	**70,180,963**	**78,986,134**	**149,167,097**
Net Book Value	**₱75,900,541**	**₱15,107,218**	**₱91,007,759**

	2023		
	Right-of-use: Land	Right-of-use: Office Space	Right-of-use: Total
Cost			
Balance at beginning of year	₱188,940,713	₱79,263,564	₱268,204,277
Additions	4,080,531	6,304,543	10,385,074
Balance at end of year	193,021,244	85,568,107	278,589,351
Accumulated Depreciation			
Balance at beginning of year	60,688,848	48,169,611	108,858,459
Depreciation (see Notes 23 and 24)	13,782,735	15,835,902	29,618,637
Balance at end of year	74,471,583	64,005,513	138,477,096
Net Book Value	₱118,549,661	₱21,562,594	₱140,112,255

The rollforward analysis of lease liabilities follows:

	2024	2023
Balance at beginning of year	**₱155,956,336**	₱166,428,540
Additions	**8,525,245**	10,385,074
Accretion of interest	**8,479,737**	8,969,967
Cancellation of lease	**(22,699,522)**	–
Payments	**(35,024,272)**	(29,827,245)
Balance at end of year	**₱115,237,524**	₱155,956,336

The rollforward analysis of dismantling provision follows:

	2024	2023
Balance at beginning of year	**₱50,872,484**	₱49,009,014
Accretion of interest	**1,685,170**	1,863,470
Balance at end of year	**₱52,557,654**	₱50,872,484

The following are the amounts recognized in the parent company statement of comprehensive income:

	2024	2023
Expense relating to short-term leases (included in "Production costs") (see Note 23)	**₱639,127,197**	₱788,464,890
Depreciation expense of right-of-use assets (see Notes 23 and 24)	**27,894,512**	29,618,637
Expense relating to short-term leases (included in "General and administrative expenses") (see Note 24)	**15,033,107**	19,699,158
Interest expense on lease liabilities	**8,479,737**	8,969,967
Interest expense on dismantling provision	**1,685,170**	1,863,470
Gain on cancellation of lease (Note 27)	**(5,289,043)**	–

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023
1 year	**₱31,349,157**	₱25,608,023
more than 1 year to 2 years	**59,392,807**	23,679,499
more than 2 years to 3 years	**21,214,438**	18,377,136
more than 3 years to 4 years	**19,897,082**	16,151,332
More than 5 years	**96,836,889**	122,403,595

Total rental expense on short-term leases amounted ₱654.16 million and ₱808.16 million in 2024 and 2023, respectively (see Notes 23 and 24).

Company as Lessor. The Company leases out certain properties for a period of one year, renewable annually. The leased-out properties include investment properties and broadcasting equipment.

Total rental income amounted to ₱7.15 million and ₱7.07 million in 2024 and 2023, respectively (see Note 27).

Subscription Agreements

The Company entered into various subscription agreements with international cable providers for the airing of its programs and shows abroad. The agreements generally have terms of three to five years and are based on certain agreed service package rates.

Total subscription income amounted to ₱677.24 million and ₱728.40 million in 2024 and 2023, respectively (see Note 22).

29. **Income Taxes**

Current Income Tax

The current income tax consists of the following:

	2024	2023
Current - RCIT	**₱585,682,239**	₱1,045,014,876
Deferred	**68,383,969**	(84,022,875)
	₱654,066,208	₱960,992,001

The reconciliation between the statutory income tax rate and effective income tax rates on income before income tax is shown below:

	2024	2023
Statutory income tax	**25.00%**	25.00%
Additions (deductions) in income tax resulting from:		
Dividend income from investments	**(1.23%)**	(0.85%)
Nondeductible tax deficiency payments	**0.71%**	–
Interest income already subjected to final tax	**(0.07%)**	(0.14%)
Nondeductible interest expense	**0.02%**	0.04%
Others - net	**(0.04%)**	(0.04%)
Effective income tax	**24.39%**	24.01%

Deferred Taxes
The components of the Company's net deferred tax assets are as follows:

	2024	2023
Deferred tax assets:		
Pension liability	**₱1,105,483,394**	₱1,224,441,738
Allowance for ECL	**208,335,218**	208,335,218
Other long-term employee benefits	**62,712,217**	52,212,217
Allowance for impairment of investments and advances	**43,021,160**	43,021,160
Lease liabilities	**28,809,381**	38,989,084
Dismantling provision	**13,139,414**	12,718,121
Unrealized loss on financial assets at FVOCI	**12,193,041**	12,327,098
Contract liabilities	**–**	44,961,769
Unrealized foreign exchange loss	**–**	3,781,629
	1,473,693,825	1,640,788,034
Deferred tax liabilities:		
Revaluation increment in land	**(2,071,813,970)**	(2,071,813,970)
Unrealized foreign exchange gain	**(1,084,426)**	–
Right-of-use assets	**(22,751,940)**	(35,028,064)
	(2,095,650,336)	(2,106,842,034)
Deferred tax liabilities - net	**(₱621,956,511)**	(₱466,054,000)

The components of net deferred tax liabilities pertaining to accounts presented under equity in the parent company statements of financial position are as follows:

	2024	2023
Deferred tax assets:		
Remeasurement loss on retirement plan	**₱626,496,663**	₱713,881,149
Unrealized loss on financial assets at FVOCI	**12,193,041**	12,327,098
	638,689,704	726,208,247
Deferred tax liability -		
Revaluation increment in land	**(2,071,813,970)**	(2,071,813,970)
	(₱1,433,124,266)	(₱1,345,605,723)

30. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents. The main purpose of these financial instruments includes raising financing for the Company's operations and managing identified financial risks. The Company has other financial assets and liabilities such as trade and other receivables, refundable deposits, trade payables and other current liabilities (excluding payable to government agencies, customers' deposits, contract liabilities, and advances from customers), short-term loans, obligations for program and other rights, dividends payable, other long-term employee benefits and lease liabilities which arise directly from its operations, and financial assets at FVOCI. The main risks arising from the use of financial instruments are liquidity risk, foreign currency exchange risk and credit risk. The Company is not exposed to interest rate risk as most of its financial assets and financial liabilities have fixed rates.

The BOD reviews and approves the Company's objectives and policies.

Liquidity Risk. The Company is exposed to the possibility that adverse changes in the business environment and/or its operations would result in substantially higher working capital requirements and subsequently pose difficulty in financing the additional working capital.

The Company manages liquidity risk by using its cash and cash equivalents from operations to meet its short-term liquidity needs. The Company likewise regularly evaluates other financing instruments and arrangements to broaden the Company's range of financing sources.

The tables below summarize the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments as at December 31:

	2024				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**More than 1 year**	**Total**
Financial assets at amortized cost:					
Cash and cash equivalents	**₱1,689,341,983**	**₱202,478,129**	**₱–**	**₱–**	**₱1,891,820,112**
Trade receivables:					
Television and radio airtime	**2,774,718,153**	**3,523,027,174**	**–**	**–**	**6,297,745,327**
Subscriptions	**–**	**183,735,792**	**–**	**–**	**183,735,792**
Others	**–**	**147,220,761**	**–**	**–**	**147,220,761**
Nontrade receivables:					
Due from related parties	**–**	**180,021,628**	**–**	**–**	**180,021,628**
Others	**–**	**85,181,714**	**–**	**–**	**85,181,714**
Refundable deposits*	**–**	**–**	**–**	**42,924,440**	**42,924,440**
	4,464,060,136	**4,321,665,198**	**–**	**42,924,440**	**8,828,649,774**
Financial assets at FVOCI	**–**	**–**	**–**	**163,160,740**	**163,160,740**
	₱4,464,060,136	**₱4,321,665,198**	**₱–**	**₱206,085,180**	**₱8,991,810,514**
Loans and borrowings:					
Trade payables and other current liabilities**	**₱317,117,126**	**₱998,565,375**	**₱51,402,408**	**₱–**	**₱1,367,084,909**
Short-term loans	**–**	**3,700,000,000**	**–**	**–**	**3,700,000,000**
Obligations for program and other rights	**–**	**583,054,562**	**–**	**–**	**583,054,562**
Lease liabilities***	**–**	**7,647,761**	**23,701,396**	**197,341,216**	**228,690,373**
Dividends payable	**36,489,373**	**–**	**–**	**–**	**36,489,373**
	353,606,499	**5,289,267,698**	**75,103,804**	**197,341,216**	**5,915,319,217**
Liquidity portion (Gap)	**₱4,110,453,637**	**(₱967,602,500)**	**(₱75,103,804)**	**₱8,743,964**	**₱3,076,491,297**

**Included under "Other noncurrent assets" account in the parent company statements of financial position (see Note 16).*
***Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,397.95 million which are not considered as financial liabilities. (see Note 17)*
****Gross contractual payments.*

	2023				
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	Total
Financial assets at amortized cost:					
Cash and cash equivalents	₱868,420,493	₱251,331,560	₱–	₱–	₱1,119,752,053
Trade receivables:					
Television and radio airtime	1,807,187,980	4,150,214,778	–	–	5,957,402,758
Subscriptions	–	163,937,081	–	–	163,937,081
Others	–	111,983,332	–	–	111,983,332
Nontrade receivables:					
Due from related parties	–	79,796,980	–	–	79,796,980
Others	–	30,558,474	–	–	30,558,474
Refundable deposits*	–	–	–	89,476,868	89,476,868
	2,675,608,473	4,787,822,205	–	89,476,868	7,522,907,546
Financial assets at FVOCI	–	–	–	156,509,189	156,509,189
	₱2,675,608,473	₱4,787,822,205	₱–	₱245,986,057	₱7,709,416,735

(Forward)

	2023				
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	Total
Loans and borrowings:					
Trade payables and other current liabilities**	₱529,045,725	₱1,190,937,557	₱42,068,113	₱–	₱1,762,051,395
Short-term loans	–	1,500,000,000	–	–	1,500,000,000
Obligations for program and other rights	–	347,903,020	–	–	347,903,020
Lease liabilities***	–	19,624,120	5,983,903	180,611,563	206,219,586
Dividends payable	34,686,856	–	–	–	34,686,856
	563,732,581	3,058,464,697	48,052,016	180,611,563	3,850,860,857
Liquidity portion (Gap)	₱2,111,875,892	₱1,729,357,508	(₱48,052,016)	₱65,374,494	₱3,858,555,878

**Included under "Other noncurrent assets" account in the parent company statements of financial position (see Note 16).*
***Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,368.39 million which are not considered as financial liabilities. (see Note 17)*
****Gross contractual payments.*

Foreign Currency Exchange Risk. Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company's exposure to foreign currency exchange risk results from certain business transactions denominated in foreign currencies. It is the Company's policy to ensure that capabilities exist for active but conservative management of its foreign currency exchange risk.

The Company's foreign currency-denominated monetary assets and liabilities are as follows:

	2024		2023	
Assets	**Foreign Currency**	**Local Currency**	Foreign Currency	Local Currency
Cash and cash equivalents	**$7,275,042**	**₱420,824,784**	$4,298,720	₱238,020,153
	C$1,010,803	**40,702,933**	C$102,347	4,298,986
Trade receivables	**$3,628,902**	**178,072,719**	$2,517,087	139,368,048
	C$478,316	**19,260,771**	C$791,162	33,231,905
	S$198,925	**8,492,483**	S$289,532	12,186,337
	A$22,947	**828,049**	A$20,727	786,533
	DH44,644	**705,158**	DH45,083	682,162
Short-term investments	**$625,747**	**36,196,333**	$746,464	41,331,694
		₱705,083,230		₱469,905,818
Liabilities				
Trade payables	**$817,852**	**₱45,284,478**	$1,461,137	₱80,903,156
	€81,586	**5,015,411**	€1,141,705	70,184,945
	S$2,055	**86,495**	S$–	–
	C$–	**–**	C$2,000	84,008
	G£–	**–**	G£2,470	174,775
Obligations for program and other rights	**$9,057,001**	**523,902,246**	$5,686,614	314,867,836
		₱574,288,630		₱466,214,720
		₱130,794,600		₱3,691,098

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rates used were ₱57.85 to $1.00 and ₱55.37 to $1.00, the Philippine peso to U.S. dollar exchange rate as at December 31, 2024 and 2023, respectively. The exchange rates for Philippine peso to Canadian dollar were ₱40.27 to CAD$1.00 and ₱42.00 to CAD$1.00 as at December 31, 2024 and 2023, respectively. The peso equivalents for the Singaporean Dollar, Australian Dollar, Dirham, Euro and British Pound were ₱42.69, ₱36.08, ₱15.80, ₱60.47, and ₱72.68 and ₱42.09, ₱37.95, ₱15.13, ₱61.47, and ₱70.76, at December 31, 2024 and 2023, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of the Company's income before income tax from reporting period up to next reporting period (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Company's equity other than those already affecting profit or loss.

	Appreciation/ Deprecation of Peso	Effect on Income before Income Tax EUR	USD	CAD	SGD	AUD	AED	GBP	Total
2024	**0.50**	**₱40,793**	**₱10,702,272**	**₱744,560**	**₱100,490**	**₱11,474**	**₱22,322**	**₱–**	**₱11,621,911**
	(0.50)	**(40,793)**	**(10,702,272)**	**(744,560)**	**(100,490)**	**(11,474)**	**(22,322)**	**–**	**(11,621,911)**
2023	0.50	₱570,853	₱1,668,397	₱447,755	₱144,766	₱10,364	₱22,541	₱1,235	₱2,865,911
	(0.50)	(570,853)	(1,668,397)	(447,755)	(144,766)	(10,364)	(22,541)	(1,235)	(2,865,911)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk.

The Company ensures that sales of products and services are made to customers with appropriate credit history. The Company has an internal mechanism to monitor the granting of credit and management of credit exposures. The Company has made provisions, where necessary, for potential losses on credits extended. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Company does not require any collateral for its financial assets, thus, maximum exposure to credit risk is equal to the carrying value of the financial instruments.

The table below shows the maximum exposure to credit risk for the components of the parent company financial position as at December 31:

	2024	2023
Financial assets at amortized cost:		
Cash and cash equivalents*	**₱1,563,769,458**	₱910,226,765
Trade receivables:		
Television and radio airtime	**6,297,745,327**	5,957,402,756
Subscriptions	**183,735,792**	163,937,082
Others	**147,220,761**	111,983,332
Nontrade receivables:		
Due from related parties	**180,021,628**	79,796,980
Others	**85,181,714**	30,558,474
Refundable deposits**	**42,924,440**	89,476,868
	8,500,599,120	7,343,382,257
Financial assets at FVOCI	**163,160,740**	156,509,189
	₱8,663,759,860	₱7,499,891,446

**Excluding cash on hand amounting to ₱321.20 million and ₱202.03 million as at December 31, 2024 and 2023, respectively.*
***Included under "Other noncurrent assets" account in the parent company statements of financial position (see Note 16).*

The maximum exposure for cash and cash equivalents (excluding cash on hand) is the carrying amount less insured amount by the Philippine Deposit Insurance Corporation equivalent to the actual cash balance to a maximum of ₱0.50 million per depositor per bank. The maximum exposure of trade and non-trade receivables and refundable deposits is equal to its carrying amount.

Credit quality of Financial Assets, Other than Trade Receivables

The financial assets of the Company are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 120 past due and based on change in rating delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 120 to 360 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Company's financial assets are as follows:

	2024			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Financial assets at amortized cost				
Cash and cash equivalents*	**₱1,563,769,458**	**₱–**	**₱–**	**₱1,563,769,458**
Nontrade receivables:				
Due from related parties	**180,021,628**	**–**	**–**	**180,021,628**
Others	**85,181,714**	**–**	**–**	**85,181,714**
Refundable deposits**	**42,924,440**	**–**	**–**	**42,924,440**
	1,871,897,240	**–**	**–**	**1,871,897,240**
Financial assets at FVOCI	**163,160,740**	**–**	**–**	**163,160,740**
	₱2,035,057,980	**₱–**	**₱–**	**₱2,035,057,980**

**Excluding cash on hand amounting to ₱321.20 million as at December 31, 2024.*

***Included under "Other noncurrent assets" account in the parent company statements of financial position.*

	2023			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial assets at amortized cost				
Cash and cash equivalents*	₱910,226,765	₱–	₱–	₱910,226,765
Nontrade receivables:				
Due from related parties	79,796,980	–	–	79,796,980
Others	30,558,474	–	–	30,558,474
Refundable deposits**	89,476,868	–	–	89,476,868
	1,110,059,087	–	–	1,110,059,087
Financial assets at FVOCI	156,509,189	–	–	156,509,189
	₱1,266,568,276	₱–	₱–	₱1,266,568,276

**Excluding cash on hand amounting to ₱202.03 million as at December 31, 2023.*

***Included under "Other noncurrent assets" account in the parent company statements of financial position.*

Credit Quality of Trade Receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segment with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure of the Company's trade receivables using provision matrix:

	2024						
		Days past due					
	Current	**0-30 days**	**31-60 days**	**61-90 days**	**91-360 days**	**Over 360 days**	**Total**
Expected credit loss rate	**0.52%**	**1.79%**	**7.44%**	**7.52%**	**10.87%**	**44.94%**	
Total gross carrying amount	**₱3,956,412,306**	**₱678,133,599**	**₱290,135,212**	**₱208,608,093**	**₱1,181,035,528**	**₱1,412,921,354**	**₱7,727,246,092**
Expected credit loss	**20,552,979**	**12,161,707**	**21,584,158**	**15,692,947**	**128,356,534**	**634,992,545**	**833,340,870**

	2023						
		Days past due					
	Current	0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	Total
Expected credit loss rate	0.46%	1.41%	5.72%	8.04%	19.61%	96.89%	
Total gross carrying amount	₱4,430,235,797	₱864,232,758	₱377,615,285	₱195,069,715	₱654,479,365	₱655,386,575	₱7,177,019,495
Expected credit loss	20,552,979	12,161,707	21,584,158	15,692,947	128,356,534	634,992,544	833,340,870

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay off existing debts, return capital to shareholders or issue new shares.

The Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for the years ended December 31, 2024 and 2023.

The Company monitors its capital gearing by measuring the ratio of interest-bearing loan to total equity. The Company's interest-bearing loans, which are the short-term loans, amounted to ₱3,700.00 million and ₱1,500.00 million as at December 31, 2024 and 2023, respectively. The Company's total equity as at December 31, 2024 and 2023 amounted to ₱14,142.19 million and ₱14,769.67 million, respectively.

31. Fair Value Measurement

The table below presents the carrying values and fair values of the Company's assets and liabilities, by category and by class, as at December 31:

	2024			
		Fair Value		
	Carrying Value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets				
Assets Measured at Fair Value				
Land at revalued amount	**₱8,813,321,240**	**₱–**	**₱–**	**₱8,813,321,240**
Financial assets at FVOCI	**163,160,740**	**–**	**16,300,000**	**146,860,740**
Assets for which Fair Values are Disclosed				
Investment properties	**19,689,167**	**–**	**–**	**205,305,748**
Financial asset at amortized cost - Refundable deposits*	**42,924,440**	**–**	**–**	**42,924,440**
	₱9,039,095,587	**₱–**	**₱16,300,000**	**₱9,208,412,168**

**Included under "Other noncurrent assets" account in the parent company statement of financial position (see Note 16).*

		2023		
		Fair Value		
	Carrying Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Assets Measured at Fair Value				
Land at revalued amount	₱8,813,283,135	₱–	₱–	₱8,813,283,135
Financial assets at FVOCI	156,509,189	–	13,350,000	143,159,189
Assets for which Fair Values are Disclosed				
Investment properties	19,570,276	–	–	205,305,748
Financial asset at amortized cost - Refundable deposits*	89,476,868	–	–	89,476,868
	₱9,078,839,468	₱–	₱13,350,000	₱9,251,224,940

**Included under "Other noncurrent assets" account in the parent company statement of financial position (see Note 16).*

As at December 31, 2024 and 2023, the fair value of equity instruments in a listed entity is classified under Level 3 due to the investee Company's suspension of trading in the market.

The fair values of equity instruments in listed and non-listed companies classified under Level 3 were determined through asset-based approach. Asset-based approach is based on the value of all the tangible and intangible assets and liabilities of the company. Presented below are the significant unobservable inputs used in the net asset valuation of the Company's financial assets in 2024 and 2023:

		Range	
Description	**Unobservable Inputs**	**2024**	2023
Listed equity instrument:			
Casinos and gaming industry	Discount for lack of marketability	**10%-30%**	10%-30%
	Discount for lack of control	**10%-30%**	10%-30%
Non-listed equity instruments:			
Media and entertainment industry	Discount for lack of marketability	**10%-30%**	10%-30%
	Discount for lack of control	**10%-30%**	10%-30%

An increase (decrease) in the significant unobservable inputs used in the valuation of the equity investments will decrease (increase) the fair value of the equity investments.

Movements in the fair value of equity investments classified under Level 3 are as follows:

	2024	2023
Balance at beginning of year	**₱143,159,189**	₱122,758,984
Additions during the year	**5,757,846**	11,340,854
Fair value adjustment recognized under "Net unrealized gain (loss) on financial assets at FVOCI"	**(2,056,295)**	9,059,351
Balance at end of year	**₱146,860,740**	₱143,159,189

Fair Value Determination

The following methods and assumptions are used to estimate the fair value of each asset and liability for which it is practicable to estimate such value:

Cash and Cash Equivalents and Trade and Other Receivables
The carrying values of cash and cash equivalents and trade and nontrade receivables approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Refundable Deposits
The fair value of refundable deposits is based on the present value of the future discounted cash flows. Discount rates used range from 3.26% to 4.44% in 2024 and 2023.

Financial assets at FVOCI
The Company's investments in club shares were based on prices readily available from brokers and other regulatory agencies as at reporting date (Level 2). The fair values of equity investments in listed and non-listed companies have been estimated using the net asset value model. The valuation using adjusted net asset approach requires the management to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date.

Investment Properties and Land at Revalued Amounts
The valuation for the disclosure of the fair value of investment properties and for the recognition land at revalued amounts were derived through market data approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property adjusted based on certain elements of comparison (e.g. market conditions, location, physical condition and amenities). Significant unobservable valuation input in determining the fair value of investment properties includes adjusted price per square meter that ranges from ₱1,400 to ₱117,000. On the other hand, significant unobservable valuation input in determining the fair value of land at revalued amount includes adjusted price per square meter that ranges from ₱270 to ₱350,000.

Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value of the properties.

Trade Payables and Other Current Liabilities (excluding Payable to Government Agencies and Advances from Customers), Short-term Loans, Obligations for Program and Other Rights and Dividends Payable
The carrying values of trade payables and other current liabilities, short-term loans, current portion of obligations for program and other rights and dividends payable approximate their fair values due to the relatively short-term maturity of these financial instruments.

Lease liabilities
The fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans plus the applicable credit spread. Discount rates used ranged from 4.26% to 8.87% in 2024 and 3.39% to 6.78% in 2023.

Obligations for program and other rights
Estimated fair value is based on the discounted value of future cash flows using the applicable risk-free rates for similar types of loans adjusted for credit risk.

32. **EPS**

The computation of basic and diluted EPS follows:

	2024	2023
Net income of the Company (a)	**₱2,028,423,743**	₱3,042,378,741
Less attributable to preferred shareholders	**625,452,879**	938,100,112
Net income attributable to common equity holders of the Company (b)	**₱1,402,970,864**	₱2,104,278,629
Common shares issued at the beginning of year (Note 20)	**3,364,692,000**	3,364,692,000
Weighted average number of common shares for basic EPS (c)	**3,364,692,000**	3,364,692,000
Weighted average number of common shares	**3,364,692,000**	3,364,692,000
Effect of dilution - assumed conversion of preferred shares	**1,500,000,000**	1,500,000,000
Weighted average number of common shares adjusted for the effect of dilution (d)	**4,864,692,000**	4,864,692,000
Basic EPS (b/c)	**₱0.417**	₱0.625
Diluted EPS (a/d)	**₱0.417**	₱0.625

33. **Supplemental Cash Flow Information**

	January 1, 2024	**Additions**	**Cash flows**	**Others**	**December 31, 2024**
Short-term loans	**₱1,500,000,000**	**₱4,000,000,000**	**(₱1,800,000,000)**	**₱–**	**₱3,700,000,000**
Dividends payable	**34,686,856**	**2,918,815,199**	**(2,917,012,683)**	**–**	**36,489,372**
Lease liabilities	**155,956,336**	**17,004,982**	**(57,723,794)**	**–**	**115,237,524**
Accrued interest expense*	**2,012,500**	**174,719,691**	**(162,803,164)**	**–**	**13,929,027**
Total liabilities from financing activities	**₱1,692,655,692**	**₱7,110,539,872**	**(₱4,937,539,641)**	**₱–**	**₱3,865,655,923**

**Included under "Trade payables and other current liabilities" account in the statement of financial position (see Note 17).*

	January 1, 2023	Additions	Cash flows	Others*	December 31, 2023
Short-term loans	₱–	₱3,500,000,000	(₱2,000,000,000)	₱–	₱1,500,000,000
Dividends payable	30,525,952	5,351,161,200	(5,347,000,296)	–	34,686,856
Lease liabilities	166,428,540	19,355,041	(29,827,245)	–	155,956,336
Accrued interest expense**	–	119,547,238	(117,534,738)	–	2,012,500
Total liabilities from financing activities	₱196,954,492	₱8,990,063,479	(₱7,494,362,279)	₱–	₱1,692,655,692

**Others pertain to revaluation of foreign currency denominated loans, accretion of interest and cancellation of lease liabilities*
***Included under "Trade payables and other current liabilities" account in the statement of financial position (see Note 17).*

<u>Non-cash activities</u>
Significant non-cash investing activity in 2024 and 2023 pertains to the following:
- Additional revaluation increment of land at revalued amounts totaling to nil and ₱2,193.39 million, respectively.
- Additions to program rights on account. The outstanding balance of additions to program rights on account that was considered in the cashflows from operating activities amounted to ₱583.05 million and ₱357.06 million as at December 31, 2024 and 2023, respectively.

34. Supplementary Information Required by Revenue Regulations No. 15-2010

The Company reported and/or paid the following types of taxes in 2024:

a. Value-added Tax (VAT)

The Company's sales are subject to output VAT while its purchases from VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

Net receipts and Output VAT declared in the Company's VAT returns for 2024:

	Gross Amount of Revenues	Output VAT
Subject to 12% VAT -		
Sale of Goods and Services	₱19,206,881,723	₱2,304,825,807
Zero-rated -		
Sale of Services	1,688,107,941	–
Sale to Government Sale of Services	338,754,911	40,650,589
Exempt Sales	–	–
	₱21,233,744,575	₱2,345,476,396

The Company's sale of services as reported in the VAT returns is based on actual collections received. Hence, these may not be the same with the amount accrued in the statement of comprehensive income.

Zero-rated sales are sales made to enterprises accredited by the Philippine Economic Zone Authority and non-resident foreign companies in accordance with Section 108 B (2) and (3) of the National Internal Revenue Code.

- Input VAT

Beginning balance	₱9,323,351
Add current year's domestic purchases/payments for:	
Services	466,756,946
Goods other than capital goods	45,115,052
Capital goods subject to amortization	1,574,786
Capital goods not subject to amortization	9,869,299
Services rendered by non-residents	73,902,882
Importation of goods other than capital goods	161,377,031
Total input VAT	767,919,347
Application against output VAT	765,043,333
Balance at end of year	₱2,876,014

a. Importations

The Company has incurred a total of ₱1,506,185,623 import duties and taxes in which ₱182,601 were paid in cash and applied ₱19,727,335 as tax credit for the year ended December 31, 2024.

b. Documentary stamp tax

The Company has paid ₱21.66 million of documentary stamp tax on short-term rentals and various loan transactions with financial institutions for the year ended December 31, 2024.

c. Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2024 consist of:

Business tax	₱122,217,915
Licenses and permits	35,489,931
Real property tax	19,158,080
Others	103,328,608
	₱280,194,534

d. Withholding Taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2024 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	₱617,127,223	₱80,616,455	₱697,743,678
Expanded withholding tax	88,252,530	35,186,596	123,439,126
Final withholding tax	28,572,554	23,370,360	51,942,914
Withholding VAT/Percentage Tax	80,836,693	19,483,968	100,320,661
Fringe benefit tax	2,139,780	713,260	2,853,040
	₱816,928,780	₱159,370,639	₱976,299,419

e. Tax Assessments and Cases

As at December 31, 2024, the Company have open LOAs for year 2021 (Audit of all taxes except VAT) and 2022 (Audit of all taxes except VAT).

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

March 31, 2025

Bureau of Internal Revenue
Large Taxpayers Service (RDO 126)
Quezon City

The Management of **GMA Network, Inc.**, is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2024. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value-added tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, Management affirms that the attached audited financial statements for the year ended December 31, 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of GMA Network, Inc., complete and correct in all material respects. Management likewise affirms that:

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

[redacted]
FELIPE L. GOZON
Chairman of the Board

[redacted]
GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer

[redacted]
FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 10 2025 day of ______ at QUEZON CITY, affiants exhibited to me their (Felipe L. Gozon) [redacted], (Gilberto R. Duavit, Jr.) [redacted] and (Felipe S. Yalong) [redacted].

Doc. No. 244
Page No. 56
Book No. 05
Series of 2025

ATTY. MARPER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 488541 Dec. 27, 2024
MCLE Compliance No. VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 6989737 Jan. 2, 2025/ Quezon City
Quezon City Roll No. 73209
28 Baker St., Fairmont Subd. Brgy.
North Fairview, Quezon City

For BIR Use Only BCS/ Item:

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

BIR Form No. **1702-RT** January 2018(ENCS) Page 1

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two copies MUST be filled with the BIR and one held by the taxpayers.

1702-RT 01/18ENCS P1

1 For: (●) Calendar ( ) Fiscal 2 Year Ended (MM/20YY): 12 - December 20 24	3 Amended Return? ( ) Yes (●) No	4 Short Period Return ( ) Yes (●) No	5 Alphanumeric Tax Code (ATC) IC 055–Minimum Corporate Income Tax(MCIT) (●) IC010 - CORPORATION IN GENERAL - JAN 1, 2009 (●)

Part I - Background Information

6 Tax Identification Number (TIN): 000 - 917 - 916 - 00000 7 RDO Code: 126

8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*

GMA NETWORK INC

9 Registered Address *(Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905)*

GMA NETWORK CENTER TIMOG AVENUE CORNER EDSA QUEZON CITY

9A ZIP Code: 1103

10 Date of Incorporation/Organization *(MM/DD/YYYY)*: 06/14/1950 11 Contact Number: 9271968

12 Email Address: msgatmaitan@gmanetwork.com

13 Method of Deductions: (●) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended]

Part II - Total Tax Payable

(Do NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

14 Tax Due	585,682,238
15 Less: Total Tax Credits/Payments	473,211,997
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15)*	112,470,241
Add: Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties *(Sum of Items 17 to 19)*	0
21 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Items 16 and 20)*	112,470,241

If Overpayment, mark one(1) box only *(Once the choice is made, the same is irrevocable)*

( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) ( ) To be carried over as a tax credit for next year/quarter

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If signed by an Authorized Representative, indicate TIN and attach authorization letter)*

[redacted]

GILBERTO R. DUAVIT, JR
Signature over Printed Name of President/Principal Officer/Authorized Representative

Title of Signatory: PRESIDENT AND CEO TIN:

[redacted]

FELIPE S. YALONG
Signature over Printed Name of Treasurer/Assistant Treasurer

[redacted]

Title of Signatory: EVP AND CFO TIN:

22 Number of Attachments: 000

Part III - Details of Payment

Particulars	Drawee Bank/ Agency	Number	Date(MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others*(Specify Below)*				0

Machine Validation/Revenue Official Receipt Details *[if not filed with an Authorized Agent Bank(AAB)]*

Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P2

Taxpayer Identification Number(TIN): 000 917 916 00000

Registered Name: GMA NETWORK INC

Part IV - Computation of Tax *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

27 Sales/Revenues/Receipts/Fees	16,997,616,714
28 Less:Sales Returns, Allowances and Discounts	0
29 Net Sales/Revenues/Receipts/Fees *(Item 27 Less Item 28)*	16,997,616,714
30 Less: Cost of Sales/Services	8,235,261,305
31 Gross Income from Operation *(Item 29 less Item 30)*	8,762,355,409
32 Add: Other Taxable Income Not Subjected to Final tax	240,768,394
33 Total Taxable Income *(Sum of Items 31 and 32)*	9,003,123,803
Less: Deductions Allowable under Existing Law	
34 Ordinary Allowable Itemized Deductions	6,660,394,850
35 Special Allowable Itemized Deductions	0
36 NOLCO *(Only for those taxable under Sec. 27(A to C); Sec. 28(A)(1)(A)(6)(b) of Tax code, as amended)*	0
37 Total Deductions *(Sums of Items 34 to 36)*	6,660,394,850
OR *[in case taxable under Sec 27(A) & 28(A)(1)]*	
38 Optional Standard Deduction (OSD) *(40% of Item 33)*	0
39 Net Taxable Income/(Loss) *(If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*	2,342,728,953
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Mininum Corporate Income Tax(MCIT) *(Item 39 x Item 40)*	585,682,238
42 MCIT Due *(2% of Item 33)*	90,031,238
43 Tax Due *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher)*	585,682,238
Less: Tax Credits/Payments(attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	0
45 Income Tax Payment under MCIT from Previous Quarter/s	0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	68,426,292
47 Excess MCIT Applied this Current Taxable Year	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	157,355,039
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	247,430,666
50 Foreign Tax Credits, if applicable	0
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0
52 Special Tax Credits	0
Other Credits/Payments *(Specify)*	
53	0
54	0
55 Total Tax Credits/Payments *(Sum of Items 44 to 54)*	473,211,997
56 Net Tax Payable (Overpayment) *(Item 43 Less Item 55)*	112,470,241

Part V - Tax Relief Availment

57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add:Special Tax Credits	0
59 Total Tax Relief Availment *(Sum of Items 57 & 58)*	0

BIR Form No.
1702-RT
January 2018(ENCS)
Page 3

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P3

Taxpayer Identification Number(TIN) 000 917 916 00000

Registered Name GMA NETWORK INC

Part VI - Schedules *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s if necessary)*

1	Amortization	42,050,709
2	Bad Debts	0
3	Charitable and Other Contributions	1,230,524
4	Depletion	0
5	Depreciation	233,447,064
6	Entertainment, Amusement and Recreation	9,890,602
7	Fringe Benefits	0
8	Interest	174,156,068
9	Losses	0
10	Pension Trusts	0
11	Rental	46,229,850
12	Research and Development	118,603,031
13	Salaries, Wages and Allowances	3,647,499,773
14	SSS, GSIS, Philhealth, HDMF and Other Contributions	99,074,847
15	Taxes and Licenses	204,232,729
16	Transportation and Travel	42,628,321
17	Others(Deductions Subject to Withholding Tax and Other Expenses) *(Specify below; Add additional sheet(s), if necessary)*	
a	Janitorial and Messengerial Services	25,151,380
b	Professional Fees	385,561,490
c	Security Services	88,303,002
d	ADVERTISING AND PROMOTIONS	161,234,829
e	COMMISSIONS	46,965,465
f	COMMUNICATION LIGHT AND WATER	376,325,069
g	INSURANCE	37,835,882
h	REALIZED FX LOSS(GAIN)	18,250,017
i	OTHERS	901,724,198
18	**Total Ordinary Allowable Itemized Deductions** *(Sum of Items 1 to 17i)*	6,660,394,850

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5	**Total Special Allowable Itemized Deductions** *(Sum of Items 1 to 4)*		0

BIR Form No.
1702-RT
January 2018(ENCS)
Page 4

Annual Income Tax Return
Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P4

Taxpayer Identification Number(TIN): 000 917 916 00000
Registered Name: GMA NETWORK INC

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1	Gross Income	0
2	Less: Ordinary Allowable Itemized Deductions	0
3	Net Operating Loss *(Item 1 Less Item 2) (To Schedule IIIA,Item 7A)*	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

	Year Incurred	Net Operating Loss A) Amount	B) NOLCO Applied Previous Year/s
4		0	0
5		0	0
6		0	0
7		0	0

Continuation of Schedule IIIA *(Item numbers continue from table above)*

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
8	**Total NOLCO** *(Sum of Items 4D to 7D)*	0	

Schedule IV -Computation of Minimum corporate Income Tax(MCIT)

	Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1		0	0	0
2		0	0	0
3		0	0	0

Continuation of Schedule IV *(Item numbers continue from table above)*

	D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4	**Total Excess MCIT Applied** *(Sum of Items 1F to 3F)*		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(Attach additional sheet/s, if necessary)*

1	Net Income/(Loss) per Books	2,028,423,742
	Add: Non-deductible Expenses/Taxable Other Income	
2	NON-DEDUCTIBLE INTEREST EXPENSE	12,035,603
3	OTHERS	423,885,503
4	Total *(Sum of Items 1 to 3)*	2,464,344,848
	Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	INCOME ALREADY SUBJECTED TO FINAL TAX	7,657,621
6	OTHERS	113,958,274
	B) Special Deductions	
7		0
8		0
9	Total *(Sum of Items 5 to 8)*	121,615,895
10	**Net taxable Income (Loss)** *(Item 4 Less Item 9)*	2,342,728,953

Gatmaitan, Maria Cristina S.

From:	BancNet Tax Payment <tpg@bancnetonline.com>
Sent:	Monday, 14 April 2025 9:42 am
To:	Gatmaitan, Maria Cristina S.
Subject:	BIR-BancNet Tax Payment Notification

Hello BIR_GMA7,

This is to notify you that BIRFDA_7, your Company's assigned Final Authorizer transacted with BancNet Online Tax Payment Gateway.

The transaction has just been proccessed with a status of Approved and with the following details:

TIN	:	000-917-916-000
RDO Code	:	126
Tax Payer's Name	:	GMA NETWORK, INC.
Tax Type	:	IT
Tax Period	:	12/31/2024
Quarter	:	0
Bank	:	Bank of Commerce
Filing Reference Number	:	462500065300905
Payment Transaction Number	:	258224741
BancNet Confirmation Number	:	275465
Payment Transaction Date	:	04/11/2025
Tax Due	:	112,470,241.00
Actual Amount Paid	:	112,470,241.00
Transaction Date	:	04/14/2025 09:42:26 AM
Transaction Status	:	Approved

This is an auto-email from BancNet Online.

DO NOT REPLY TO THIS MESSAGE. For further help or to contact support, please see https://www.bancnetonline.com/apps/servlet/ServletFront?trxcode=137.

If you have questions check the BancNet Online Site FAQ please see http://www.bancnet.net/faq/corporate/faq/FAQBOL.html.

Thank you very much.

Visit us at http://www.bancnetonline.com.

Perucho, Jannette G.

From:	eafs@bir.gov.ph
Sent:	Monday, 14 April 2025 6:55 pm
To:	Gatmaitan, Maria Cristina S.
Cc:	Gatmaitan, Maria Cristina S.
Subject:	Your BIR AFS eSubmission uploads were received

Hi GMA NETWORK, INC.,

Valid file

- EAFS000917916AFSTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-MPZ1WQVM0NN1VYWWP14XVSPS0N4YQQ2X3**
Submission Date/Time: **Apr 14, 2025 06:55 PM**
Company TIN: **000-917-916**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

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

This is a system-generated e-mail. Please do not reply.