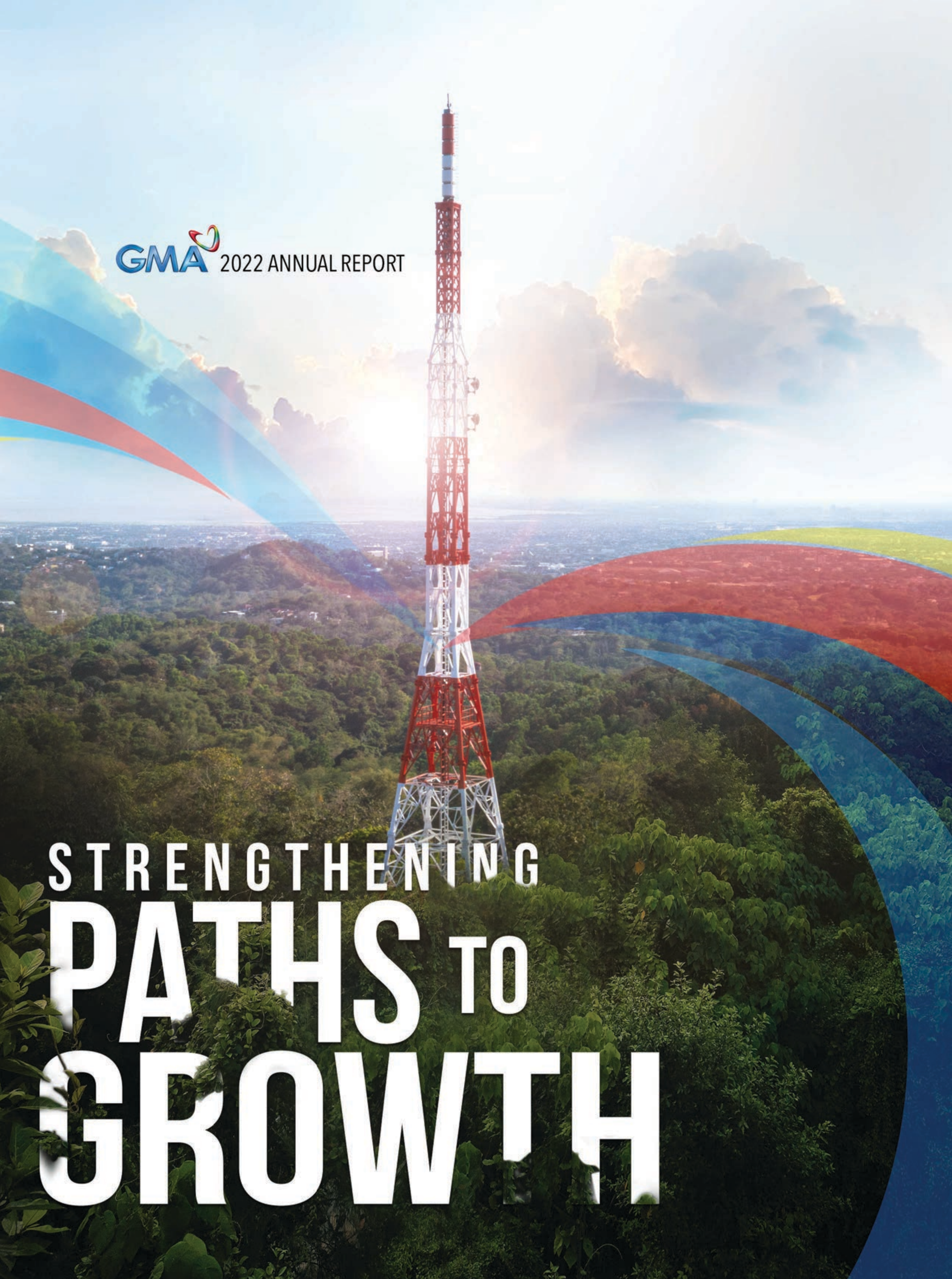


GMA 2022 ANNUAL REPORT

# STRENGTHENING PATHS TO GROWTH

# ABOUT THE COVER

In 2022, GMA continued to deliver superior entertainment and responsible news across its platforms. It was a period of incredible growth—marking the synergy of its online, on-air, and on-ground assets. The Kapuso Network fortified its broadcasting capabilities by ramping up digital television transmission, investing in sunrise industries, collaborating with leading local and global companies, and bolstering its content like no other.

**GMA Network, Inc. is the Philippines' leading broadcast company which produces the most innovative, most trusted, and top-rating TV programs.**

Also known as the Kapuso Network, GMA brings superior entertainment and responsible, unbiased, and timely delivery of comprehensive and accurate news and information to Filipinos anywhere in the world—through its TV, radio, online platforms and wide array of other media-related ventures: program syndication, film production, music publishing and distribution, set design, audio-visual production, and new media.

Based on Nielsen TV Audience Measurement data from January to December 2022, GMA Network's combined people net reach including GTV and its other digital channels was at 96 percent or 78 million viewers in Total Philippines. It operates a network of 98 TV stations and 21 radio stations throughout the country.

Officially listed on the Philippine Stock Exchange in 2007, GMA Network, Inc. is regarded as one of the most notable organizations that promote sustainability in the country, being the first media and broadcasting company in the Philippines to sign with the United Nations (UN) Global Compact.

# ABOUT GMA

# TABLE OF CONTENTS

## CORPORATE PURPOSE

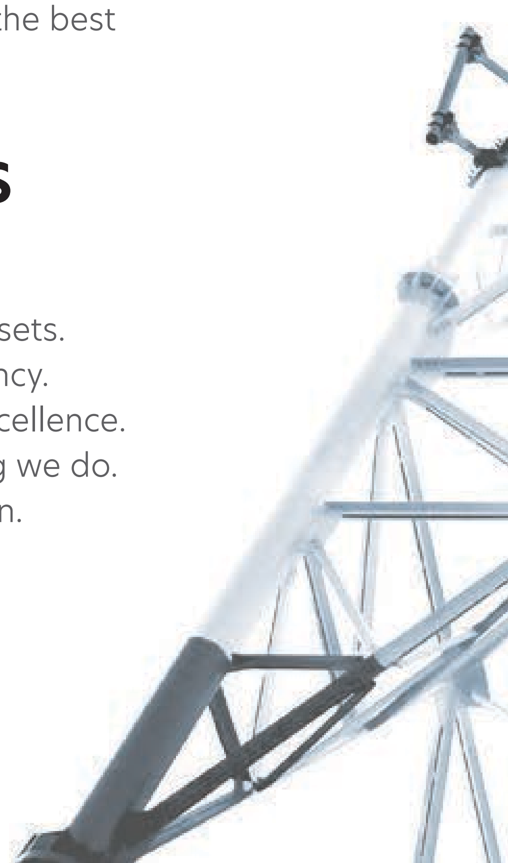
We enrich the lives of Filipinos everywhere
with superior Entertainment and the responsible,
unbiased, and timely delivery
of accurate News and Information.

## CORPORATE VISION

We are the most respected, undisputed leader
in the Philippine broadcast industry
and the recognized media innovator
and pacesetter in Asia.
We are the Filipinos' favorite network.
We are the advertisers' preferred partner.
We are the employer of choice in our industry.
We provide the best returns to our shareholders.
We are a key partner in promoting the best
in the Filipino.

## CORPORATE VALUES

We place God above all.
We believe that the Viewer is Boss.
We value our People as our best assets.
We uphold Integrity and Transparency.
We are driven by our Passion for Excellence.
We strive for Efficiency in everything we do.
We pursue Creativity and Innovation.



# GMA
## CONGLOMERATE MAP

### FREE TV
- GMA
- GTV

### DIGITAL CHANNELS
- Heart of Asia
- I Heart Movies
- hallypop
- PINOY HITS

### RADIO
- GMA RADIO
- DZBB 594 KHZ SUPER RADYO
- Barangay LS 97.1 #Forever

### WEBSITES
- GMA NEWS ONLINE
- GMANetwork.com

## SUBSIDIARIES
100% OWNERSHIP

- GMA MUSIC
- ALTA PRODUCTIONS GROUP, INC. A GMA NETWORK SUBSIDIARY
- GMA NEW MEDIA, INC.
- GMA NETWORK FILMS, INC.
- Citynet TELEVISION
- GMA VENTURES
- SCRIPT2010 INC.* A GMA NETWORK SUBSIDIARY

*Indirectly owned through Citynet Network Marketing and Productions, Inc.


**JOINT VENTURES**
50% OWNERSHIP

PEP**

**AFFILIATES**
49% OWNERSHIP

RGMA NETWORK, INC.

MONT-AIRE

***Indirectly owned through GMA New Media, Inc.*

# CHAIRMAN'S MESSAGE

## Dear Shareholders,

## There are many ways to describe the year 2022.

Some call it a year of the perfect storm—arising from a challenging macroeconomic climate, global food shortage, and soaring electricity prices—compounded by the problems caused by the war between Russia and Ukraine. Others call it a year of restoration—reflected in the re-opening of spaces, increased mobility, and the rebound of economic and business activity.

Closer to home, our journey has not been without its share of challenges. But for GMA, I like to call it a year of *Strengthening Our Paths To Growth*. This theme precisely captures how we are assiduously fortifying our core business while incessantly creating foundational breakthroughs.

It was a strong year in finance, as our revenues once again surpassed the P20-billion mark in 2022. This growth was buoyed by political advocacies and advertisements which reached close to P3 billion. However, our topline dipped by 4% following the slowdown in recurring sales due to advertising industry cutbacks. In spite of lower financial indicators, we continued to deliver strong returns to our shareholders. We recently announced payout of dividends amounting to P5.35 billion. Since our listing at the Philippine Stock Exchange in 2007, we have declared total dividends amounting to P45.99 billion—equivalent to an average of 96 percent of the Network's net income after tax year-on-year.

We continued to dominate media platforms in 2022. GMA-7 was the most watched channel in Total Philippines while our second free-to-air channel, GTV, sustained its lead over competition. Our flagship AM station Super Radyo DZBB and FM station Barangay LS, remain unrivaled in Mega Manila. We also led in video viewership on Facebook and YouTube and continue to see victory in emerging digital platforms.

The need for journalism has never been greater in 2022. We delivered the biggest, the most comprehensive, and the most trusted election coverage powered by more than 1,000 men and women of News and Public Affairs together with our 51 organizational partners. I am immensely proud of how our people balanced rigor with creativity through the use of data visualization, interactive graphics, and augmented reality. As a result, our digital advocacy, *Dapat Totoo*, won "Best in Audience Engagement" at the World Association of News Publishers' Digital Media Worldwide Awards. We are the first Filipino network to achieve this feat.

**Synchronous to our objective of producing excellent content is sustaining our technical superiority. We continue to invest heavily in ensuring that our broadcast reach—both via analog and digital terrestrial television—remains unparalleled.**

The last quarter marked the synergy of GMA News, GMA Regional TV, GMA News Online, and Radio into a multimedia mega-newsroom we now call GMA Integrated News. Witnessing how our country is one of the most vulnerable to extreme weather events, we took it upon ourselves to create the series, "Banta ng Nagbabagong Klima" on our flagship newscast, *24 Oras*. Our reporters tell climate stories that are not only deep and wide but also replete with voices from science, regulatory, and social perspectives.

We had a magnificent content slate in 2022. GMA Public Affairs continues to produce world-class TV documentaries, programs for the digital space, and soon, on cinema. Two of its iconic programs, multi-platform leader *Kapuso Mo, Jessica Soho* and *The Atom Araullo Specials* won the World Gold medals at the prestigious 2023 New York Festivals TV & Film Awards.

Our Entertainment Group produced the stellar masterpiece, *Maria Clara at Ibarra*, which reaped critical acclaim and rekindled interest in our national hero's literary masterpieces. We also changed the pre-primetime habit of Filipino TV viewers with *Family Feud Philippines*, the country's most popular game show. The first season of *Running Man Philippines*, co-produced with SBS Korea, was well-accepted by the Filipino audience. Just a week ago, we launched the much-awaited mega series *Voltes V: Legacy*.

This era of partnerships and co-creation led our expansion to new genres and diversified our revenue streams. A few examples: Through Program Management, we have exciting collaborations with various content producers in the country. Our Worldwide Division is spearheading content licensing deals with international streaming leaders Netflix and Viu and is laying the groundwork for collaboration with Amazon.

Online is one of our fastest-growing platforms. GMANetwork.com, our official website and entertainment portal managed by the Program Support Department, ranked as the highest local News & Entertainment website in the country according to Similarweb. Our official news website, GMA News Online, emerged as the most trusted online brand in the Digital News Report 2022 released by the Reuters Institute for the Study of Journalism. We also started the simultaneous streaming of GMA programs on YouTube through GMA New Media, Inc., as part of our initiatives to strengthen our digital ecosystem.

Regional TV flourished in the past year, with its newscasts becoming the source of the latest national and regional news among households in the provinces. It also launched three originating stations in 2022: GMA Batangas, GMA General Santos, and GMA Zamboanga. In 2023, it launched GMA Ilocos Norte and is now working on GMA Palawan. These stations enable us to be attuned to the needs of our local audiences.

GMA International is also widening its distribution footprint on Over-the-Top (OTT) and mobile platforms. One of these initiatives include the landmark partnership with ABS-CBN's international platform iWantTFC. Under this agreement, GMA shows will now reach Global Pinoys in select countries in Asia Pacific, Middle East, North Africa, Europe, and South Pacific/Carribean Islands.

After only over a year of operations, GMA Ventures has made several local and international investments. Over the year, we made investments in ORA, a regional direct-to-patient telehealth startup that provides affordable access to quality healthcare and in Wavemaker Three-Sixty Health II A, L.P., a leading California-based, seed and early-stage venture capital firm.

Synchronous to our objective of producing excellent content is sustaining our technical superiority. We continue to invest heavily in ensuring that our broadcast reach—both via analog and digital terrestrial television—remains unparalleled. As of this writing, we already have 98 TV stations across the archipelago enabling us to reach more than 78 million Filipinos.  In addition to this, we are enhancing our post production infrastructure to create programs with cinematic visuals and deliver content suitable for today's premium streaming platforms.

On the cover of this annual report is one of our newly commissioned TV transmitters—a white and red structure standing on the majestic Antipolo greenery. We chose this image to reflect the way we operate as a business—that as we seek growth, we also seek to be nature positive. And as our transmitters illuminate our signals across the archipelago, we also do the same—illuminating the country with trusted information and superior entertainment.

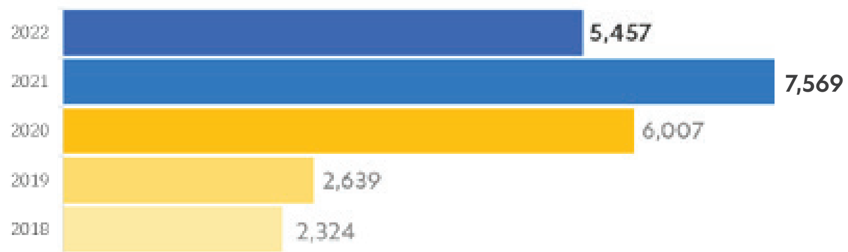
As we move towards a new chapter in the year ahead, we would like to thank you, our employees, viewers, partners, investors, and stakeholders, for your trust and faith. Most of all, I thank the Lord for His continued blessings and guidance upon us all.

*Maraming salamat, mga Kapuso.*

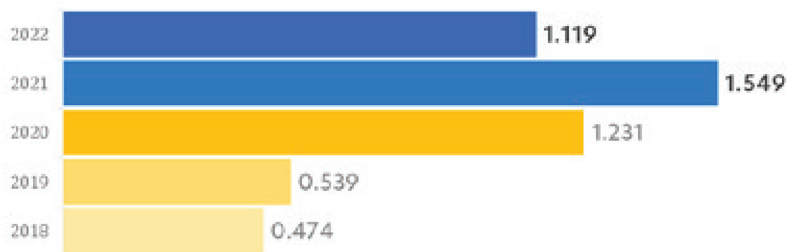
**Atty. Felipe L. Gozon**
Chairman and CEO

# FINANCIAL HIGHLIGHTS

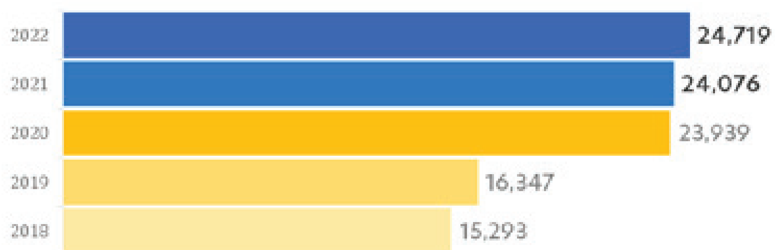
## NET INCOME*




## EARNINGS PER SHARE**




## TOTAL ASSETS*

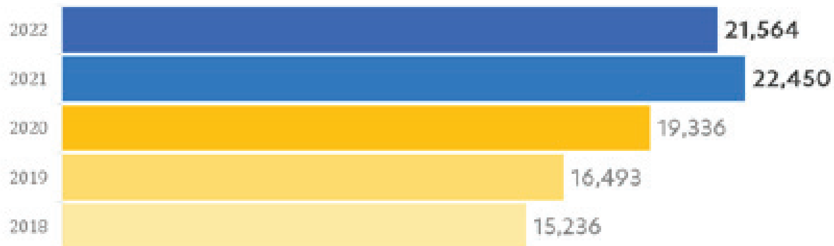



* Amounts in Million Pesos
** Amounts in Pesos

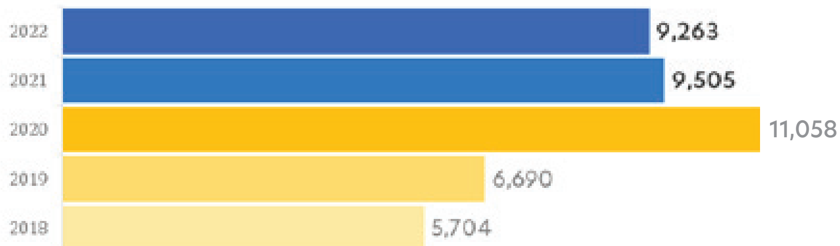
**GMA sealed the year 2022 with consolidated revenues of P21.56 billion, once again breaching the P20-billion mark—a back-to-back feat from last year.**

However, compared to 2021, a decline of 4% or close to P900-million was recorded in the top line. Meanwhile, operating costs have returned to pre-pandemic levels, thus hiking by 15% or P1.87 billion. Consequently, with lower revenues amidst rising cost, resulting consolidated net income after tax settled 28% less than 2021's year-to-date bottom line.

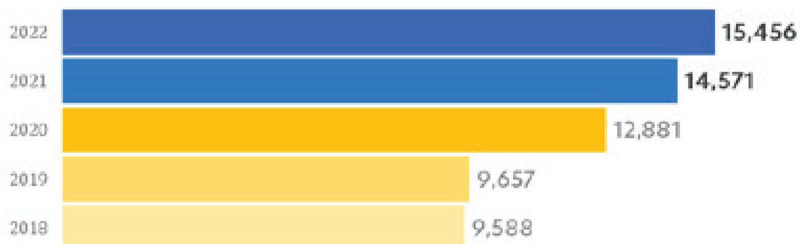
REVENUES*




TOTAL LIABILITIES*




TOTAL EQUITY*



# PRESIDENT'S MESSAGE

## The past year proved to be another challenging yet exciting one for us.

While numerous operational objectives were met, this was not the case with respect to our financial targets. While the local economy was starting to recover amidst the sporadic pandemic lockdowns in early 2022, the recovery was derailed by the Russian invasion of Ukraine at the start of the year which triggered global inflation, rising commodity prices and interest rate hikes, among other detrimental factors. These resulted in advertising budget cut-backs by many global and local advertisers which adversely affected our recurring, trade advertising revenue.

Consequently, we closed 2022 with consolidated net revenues of P21.564 billion, down 4% YOY, as our recurring, trade advertising revenue suffered a 15% decrease. On the other hand, our consolidated operating expenses increased by 15% versus the prior period, driven mainly by the restoration of fresh content production to pre-pandemic levels and the booking of a non-recurring signing and appreciation bonus relating to the Collective Bargaining Agreement (CBA) we closed within the year. As a result, we ended 2022 with a consolidated net income of P5.457 billion, down 28% YOY.

We continued to dominate TV viewing nationwide in 2022 as our channels took 4 of the top 6 slots in Overall Channel Rankings based on Nielsen Nat'l Urban Phils. (NUTAM) People Audience Shares (%). With our lead channel GMA 7's 44.2% share ranking 1st, GTV with 11.6% at 2nd and our DTT channels I Heart Movies' 4.2% share ranking 5th and Heart of Asia with 3.0% at 6th, our top TV channels delivered a combined NUTAM people audience share of 63%. In terms of Nielsen Total Phils. (PHINTAM) People Audience Shares (%), GMA 7 ranked 1st, GTV 2nd, I Heart Movies 5th and Heart of Asia 8th, commanding a combined people audience share of 59.4%. With a PHINTAM share of 10.5%, GTV closed the year as the 2nd most watched channel in both NUTAM and PHINTAM, ahead of TV5.

On the whole, our new programs were very well received by our audiences, with titles such as *Lolong, First Lady, Maria Clara at Ibarra, Running Man Philippines* (a co-production with major Korean broadcaster SBS), *The World Between Us* and *Abot Kamay na Pangarap*, among others, rating very well. It is of note that 28 of the Overall Top 30 Programs in both Nielsen NUTAM and PHINTAM People Ratings in 2022 were produced by GMA, with our flagship News/ Public Affairs programs *24 Oras* and *Kapuso Mo Jessica Soho* landing within the top three slots.

True to form, our *Eleksyon 2022* was the biggest and most comprehensive coverage of the recently concluded national elections across all platforms. A product of synergies between GMA Integrated News, Regional TV (RTV), GMA News Online, GMA Radio and our numerous multi-sectoral partners and volunteers, *Eleksyon 2022* brought live, multi-point reports and interviews to millions of Filipino TV viewers worldwide. Deploying proprietary technology developed by GMA New Media (NMI), our special coverage was the first to broadcast the progressing election results on TV, ahead of other coverages by no less than 7 minutes; while on the web, we updated digital audiences on the results via GMA News Online (GNO) at least 3.5 minutes ahead of the other websites. Driven by its *Eleksyon 2022* coverage, GMA News Online recorded 23.6 million unique users and 119.6 million pageviews in May 2022. In the same month, GMA News content recorded nearly 700 million video views across all digital platforms, ranking No. 5 worldwide among media publishers in the News and Politics category; besting all local competitors based on data from Tubular Labs.

**True to form, our Eleksyon 2022 was the biggest and most comprehensive coverage of the recently concluded national elections across all platforms.**

Our Radio stations continued to dominate the medium in 2022, with DZBB-AM and DWLS-FM once again topping the Nielsen Radio Audience Measurement (RAM) Mega Manila ratings in their respective bands. As measured in Q4 2022, our Cebu AM, Iloilo AM and Iloilo FM stations were all ranked No.1 in Nielsen Key Cities RAM in their respective areas, just as our Bacolod FM station was also No.1 in Nielsen Key Cities RAM when measured in Q3 2022. The Radio group has since broadened it content output as it continues to build audiences on major digital platforms such as YouTube, Facebook, Spotify, iTunes and Twitter. In 2022, DWLS's top rating drama program *Barangay Love Stories* was the No.1 podcast in the Philippines in Spotify Wrapped.

It was another commendable year for Regional TV (RTV) as all its main Regional newscasts, *One North & Central Luzon, Balitang*

*Bicolandia, Balitang Bisdak* (Central & Eastern Visayas), *One Western Visayas* and *One Mindanao* (Mindanao-wide) — each broadcast via clustered transmitter stations, and *Balitang Southern Tagalog* (broadcast from Batangas starting February 2022) continued to win in ratings in their respective coverage areas. Broadcast nationally on GTV, RTV produced newscast *Regional TV News* which brings the top news stories from the different regions to our nationwide audience rated commendably well, as it competed against various programs throughout the year. In February of 2023, RTV transitioned its 9 morning programs in various key regional cities to live newscasts, further cementing GMA's position as the main source of local news. With the relaxation of pandemic restrictions in the past year, RTV together with its Synergy team led the drive to bolster our promotional presence in the regions — mounting a total of 57 sponsored on-ground events in key cities and municipalities, highlighting our talents and programs while spreading goodwill for the GMA brand throughout the country.

Expectedly, our international linear channel subscriber numbers continued to drop in 2022 as the market continued to migrate from the traditional (DTH, Cable) delivery platforms to OTT, Video on Demand (VOD) and other Digital, Free to view advertising supported alternatives. In the course of the year, GMA Pinoy TV shed 9% while GMA Life TV lost 4%, with only our news channel GMA News TV posting subscriber growth of 5% versus 2021. Propped up by the favorable foreign exchange rate in the past year, this translated to a mitigated, 1% YOY decrease in our linear channel subscription revenues. Agreements reached in the latter part of the year coupled with ongoing discussions for prospective OTT, linear channel distribution are seen to potentially reduce, if not arrest the declines in our linear channel numbers.

With a keen eye on the movements in viewer content consumption, our myriad efforts to continuously grow our audience and presence in the digital space in 2022 were met with considerable success.

On YouTube, regarded by many as the primary platform to mine AVOD (Advertising Video On Demand) opportunities, our GMA Network (Entertainment) channel closed 2022 with 29.3 million subscribers, 14% higher than the previous year's 25.6 million. GMA News, on the other hand, ended the year with 12.7 million subscribers, up 20% from 10.6 million in 2021 while our GMA Public Affairs channel hit 20.2 million subscribers in 2022, gaining 14% over its 17.7 million YOY. These brought our total, main channel subscriber numbers in YouTube to 62.2 million at year end, generating over 8.011 billion views in 2022 alone. Counting our other sub-channels and cycled, program based channels, we closed the year with over 75 million subscribers, delivering an aggregate total of 8.813 billion video views on YouTube within 2022.

Similarly, the push to broaden and increase our presence and following in the major social media and other digital platforms also proved effective. In the past year, GMA's official Facebook accounts, aggregated across News, Entertainment, Public Affairs and our other operating business segments grew by 13%, logging 162.4 million followers/fans by year end, from 143.8 million in 2021. On Facebook, GMA's varied content produced 19.42 billion video views in 2022. On Twitter, we ended the year with 11.45 billion followers, a 468% increase YOY, with 31.4 million video/page views; while on Instagram we closed 2022 with 8.98 million followers at 227% growth over the prior year, landing 95.98 million video/page views within the year. On the fast growing, short video platform TikTok, we ended the year with 23.6 million followers, an astounding growth of 2826% over 2021, registering over 4.35 billion video views within 2022. On the web, our portal GMA Network.com also played its part, contributing 1.79 billion video/page views within the past year as it steadily climbed Similarweb's Top Sites Country Rank, surpassing all other Filipino media sites in both local and global ranking by December 2022. Initiatives to grow the user base of our GMA Network mobile app also bore fruit as we ended the year with 3.28 million downloads, up 32% versus December 2021, with increased viewership and average session duration as catch-up episodes of select airing programs were made available on the app; logging 25.8 million full episode views in 2022 for a 42% increase YOY.

Taken together, GMA's online properties and content delivered a whopping 34.5 billion video and page views in 2022, testament to the effectivity of the strategies and directions we implemented in the past year, which we intend to refine and build on moving forward. For the entire 4th Quarter of 2022, GMA Network's AVOD platforms bested all Filipino media companies in the Tubular Leaderboard Worldwide Rankings, ending the year at No. 17 in a list that includes global content giants such as Walt Disney, Paramount, Warner Bros., Moonbug (Cocomelon) and Sony Pictures.

**We close the year gratified in the knowledge that inroads were made towards strengthening our paths to growth**

In 2022 we further extended and reinforced our dominance in terrestrial broadcast TV reach and coverage in both Analog and DTT (Digital Terrestrial TV); as we continued with our transmitter network roll-out to serve the national Free-to-Air TV audience. Within the period we commissioned our last remaining Analog TV transmitter upgrade carrying GTV, together with 4 new DTT transmitter facilities which now broadcast GMA, GTV plus our 4 currently airing DTT channels. As of this writing, an additional 3 new DTT transmitter facilities have been commissioned as part of 22 new DTT transmitter sites nationwide, programmed for operation in 2023. Improvements to our RTV, Regional TV network were also undertaken in the past year, with the commissioning of our new, originating station in Batangas and the equipping of 3 RTV stations (in Gensan, Zamboanga and Laoag) with localized, independent program playout as well as news gathering and content contribution capabilities; enabling these stations to push live or pre-produced content to any of our main RTV hubs for broadcast regionally or nationally.

In parallel, investments were also made to further ensure our technical back-end superiority — with hardware upgrades in our Post-Production editing and automation systems as well as in our News Automation and Media Asset Management systems implemented within the year. Apart from these, technical upgrades and process flow modifications were also introduced throughout the value chain — from image capture (in program production) to broadcast that will result in improved image quality and an enhanced viewer experience for our audiences in the coming year.

The relaunch of "Sparkle", our rebranded Artist Center in early 2022 was an important event for us as we reiterate our firm and unwavering commitment to talent management, development and promotions. Reconfigured to better respond to our insatiable and growing need for good, appealing and marketable performing talents, Sparkle conducted over 3,000 auditions, expanded its training and development modules and broadened its multi-platform talent promotional efforts; launching batches of both new and regrouped talents in the course of the year. As a result, more and more of our talents are visible and followed on-air and online, are casted in both GMA and 3rd party productions, are featured in magazine covers and online articles and are engaged as product endorsers and influencers. The past year also marked our return to feature film production after several years. Driven by the growing partnership and ancillary revenue opportunities coupled with our need for feature films to program our free to air TV channels, we went into pre-production for the film *The Cheating Game* before year end. Scheduled for release in 2023, *The Cheating Game* is among 6 films currently in the pipe, no less than 3 of which will be released in the coming year.

Collaborations and co-production partnerships with other major, local content producers also played a part in our push in the past year; as these unlock the value of synergies while also leveraging on our unparalleled Free-to-Air broadcast reach and coverage. Highlighted by our co-production with ABS-CBN for the drama series *Unbreak My Heart*, we also entered into co-production agreements with Regal Entertainment, Viva Entertainment and others for TV series; with opportunities to extend the relationships to other forms of content moving forward. It's gratifying to note that the efforts to broaden content partnerships in 2022 successfully extended beyond broadcast – with our line-production agreement with YouTube for the online series *Pinoy Christmas in Our Hearts* uploaded in December, together with an evolving co-production agreement with a global partner which will be announced next year. On the content syndication and licensing side, the ground work we laid in the past year to grow our content licensing revenue going forward also started to bear fruit and gain traction, notably with the licensing agreements entered into with global streaming leader Netflix for our acclaimed drama series *Maria Clara at Ibarra* in late 2022 and major international streaming platform VIU for our series *The Write One* and *Love Before Sunrise* in early 2023, among several others.

Coming from a 32% dip in units sold in 2022, our GMA Affordabox DTT set-up box sales has started to turn around, as we increased market areas via our continuing DTT transmitter roll-out, re-calibrated unit pricing and expanded our distribution network within the year. A total of 143,000 Affordabox units have been sold in the first two months of 2023, reflecting a 63% increase versus the same period in 2022. Through our diversification vehicle GMA Ventures, Inc. (GVI) we also continued to invest in non-core growth opportunities with a US$ 1 million commitment in Wavemaker Three-Sixty (Wavemaker 360), a leading seed-stage venture fund in the US focused on early stage healthcare disruptors and an additional US$ 1 million investment in PX Ventures (ORA), a regional direct-to-patient telehealth start-up in 2022. With its mandate to identify value laden, non-core investments, GVI continues to seek, evaluate and vet opportunities in other business spaces to enhance our shareholder value.

We close the year gratified in the knowledge that inroads were made towards strengthening our paths to growth. Armed with all that has been gained, we remain focused on progressively evolving and building on these, while we continue to explore new technologies, methods and monetization opportunities as we incessantly work to both create and unlock value moving forward.

Our many thanks once again to all our valued co-workers, shareholders, partners and viewers for your unwavering trust and support. Together, we continue to fulfill our continuing commitment to best serve our audiences wherever they may be.

*Ang inyong Kapuso,*

**GILBERTO R. DUAVIT, JR.**
President and COO

# OPERATIONAL HIGHLIGHTS

## NUMBER ONE

GMA dominated media platforms in 2022. It was the most watched channel in Total Philippines with 42.7 percent people audience share; its flagship AM and FM stations remained unrivaled in Mega Manila; and it led in video viewership on Facebook and YouTube.

## 78M

GMA Network's combined people net reach, including GTV and its other digital channels, reached 96 percent or 78 million viewers in Total Philippines.

GTV, the Network's second free-to-air channel, sustained its lead over counterparts. It logged people audience share of 10.5 percent in Total Philippines against its closest rival TV5, which got 9.8 percent.


Out of the top 30 programs in Total Philippines for 2022, 28 were from GMA. The Network swept the top 12 spots with hit series *Lolong* taking the number 1 spot. Completing the top 12 shows were *24 Oras; Kapuso Mo, Jessica Soho; First Lady; Maria Clara at Ibarra; Running Man PH; Happy ToGetHer; Bolera; The World Between Us; I Left My Heart in Sorsogon; Magpakailanman;* and *Jose & Maria's Bonggang Villa.*

Nielsen TV Audience Measurement data from January to December 2022

# 98
**TV STATIONS**

GMA continued to illuminate more areas across the country with its digital transmission.

# MOST TRUSTED

In the Digital News Report 2022 released by the Reuters Institute for the Study of Journalism, GMA Network received the highest trust among Philippines' top news brands. GMA was also the top brand for both online (*GMA News Online)* and offline *(24 Oras, Saksi)* platforms.

SPARKLE
GMA ARTIST CENTER

# ALMOST 300 TALENTS

GMA's talent management arm has almost 300 talents engaged in various work assignments for series, concerts, ambassadorships, digital collaborations, movies, and continuing workshops.

2022 was the year of partnerships with local and international companies.

# ONLINE


## 34.5B

GMA's online properties and content delivered 34.5 billion video and page views in 2022.

## OVER 75M

total subscribers in GMA's various YouTube channels, delivering an aggregate total of 8.813 billion video views within 2022.

## 3.28M

GMA Network mobile app ended 2022 with 3.28 million downloads, up 32% versus December 2021.

## NO. 17 GLOBALLY

GMA Network's AVOD platforms bested all Filipino media companies in the Tubular Leaderboard Worldwide Rankings, ending the year at No. 17 in a list that includes global content giants such as Walt Disney, Paramount, Warner Bros., Moonbug (Cocomelon) and Sony Pictures.

# CORPORATE SOCIAL RESPONSIBILITY

# EDUCATION

**11**

years of support for the National Teachers' Month and World Teachers' Day, in partnership with Metrobank Foundation

**13**

legs of the GMA Masterclass Series in universities and schools across the country. GMA Regional TV and Synergy also launched the *GMA Masterclass: Icon Series* with Chief Marketing Officer Lizelle Maralag and Integrated News Broadcast Journalist Howie Severino.

**P3.16M+**

spent on trainings and seminars for GMA employees, on top of HR-initiated webinars

**370**

combined episodes of educational and magazine shows (*iBilib, Aha!, Kapuso Mo, Jessica Soho, Wish Ko Lang!, Good News, Tadhana,* and *Biyahe ni Drew*) that discuss relevant issues and teaches good values

**5**

scholarship grants sponsored by GMA


*Today, allow us to thank you for the millions of lives that you have shaped. We thought the ideal way to show our gratitude was in sharing something GMA Network and publication advisers both do best - journalism and telling stories.*

**Angela Javier Cruz**
Vice President and Head
Corporate Affairs and Communications

*Online Journalism and Storytelling webinar*

## The biggest, most comprehensive, and most trusted election coverage

**1,000+**
News and Public Affairs teams across all platforms

**POWERFUL STORYTELLING**
using state-of-the-art technology

**51** election coverage partners

**OVER 50%**
combined net reach of GMA's and GTV's election coverage*

*Based on Nielsen Philippines' overnight data for May 9 to 10 in NUTAM (National Urban TV Audience Measurement)*

**1ST**
to broadcast the partial and unofficial results tally both on-air and online through the Network's forerunner in technology, GMA New Media, Inc.

## Across the regions, abroad, over the airwaves

**11** strategically located regional TV stations

**23** radio stations nationwide

**60** GMA Regional TV news teams deployed across the Philippines

**OVER 100 COUNTRIES**
The Kapuso Network reached 1 million Filipinos in 103 countries through GMA International

*The task in front of us, those who help voters make the right choice, is daunting. But our duty to help empower voters and uphold the truth is worth every effort. As individual institutions and organizations, we each carry a tremendous responsibility. But together, we can and we will do what it takes--promote honesty, integrity, and truth in the coming elections.*

**Atty. Felipe L. Gozon**
Chairman and CEO

*Taken from the Eleksyon 2022 Partnerships Launch message*

## Digital Innovation

**291K**
On YouTube alone, the election coverage livestream peaked at more than 291,000 concurrent views - the highest among all news agencies.

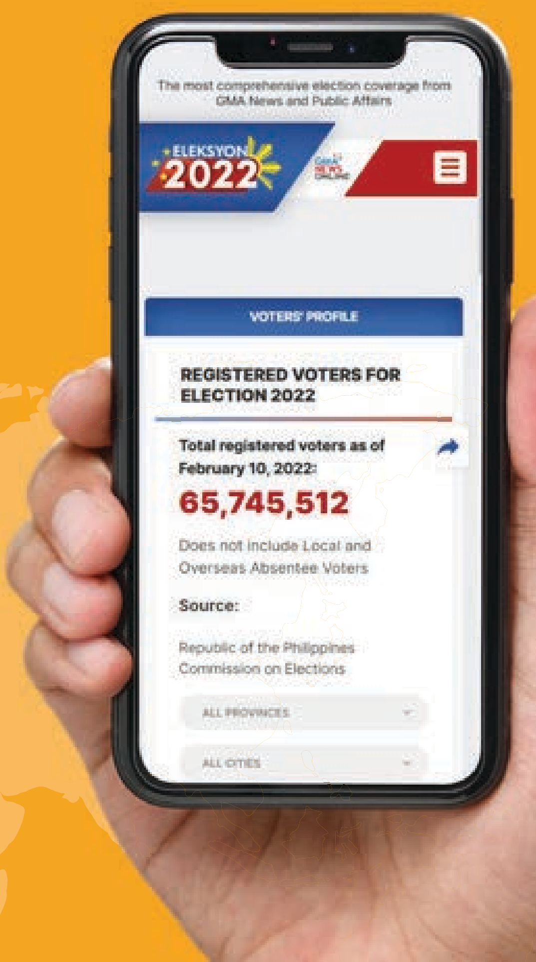
**ALMOST 80M**
The Eleksyon 2022 website had page views of 78.9 million views during May 9 and 10.

**2 GLOBAL AWARDS**
Eleksyon 2022's digital campaign *Dapat Totoo* won "Best in Audience Engagement" at the World Association of News Publishers' Digital Media Asia Awards and the same honor for the Digital Worldwide Awards. GMA is the first-ever Philippine TV network that won in the events and in both categories.

**DIGITAL JOURNALISM**
In the weeks leading up to the elections, we created special programs for voters' education.

**DAPAT TOTOO LECTURES**
Exclusive series of webinars for student volunteers on how to inspect, spot, and question misinformation.

To bring voters' education to Gen Z audiences, GMA News Online created the Eleksyon 2022 quiz filter, the first augmented reality (AR) quiz filter produced in partnership with GMA NMI.




AUGMENTED REALITY

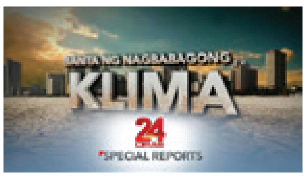
# ENVIRONMENT

## P912M

In 2022, GMA dedicated more than 1,053 minutes or P912 million worth of public service announcements on TV.

## GENERATION RESTORATION

GMA's annual employee creativity competition, Art Gap, called for entries that show green action in 60 seconds. Employees submitted entries on sustainable lifestyle practices and various ways of caring for the planet.




### Banta ng Nagbabagong Klima

GMA Integrated News introduced a series of special reports on climate change.


### Born To Be Wild

GMA Network's groundbreaking environmental and wildlife show hosted by GMA's resident veterinarians Doc Ferds Recio and Doc Nielsen Donato.


### Amazing Earth

GMA's infotainment program that showcases the unseen beauty of planet Earth. It presents extraordinary and exceptional wildlife from all over the world and brings the audience to different places in the Philippines from its natural formations and all types of terrains, to its fascinating flora and fauna.

*We should all be environmentalists at some degree, and do our share in whatever means we can... may we continue to protect and love our one and only Amazing Earth.*

**Dingdong Dantes**
Kapuso Primetime King
Host, Amazing Earth

*Taken from the message to Art Gap winners*

# 5

Partnerships that focus on saving the planet's critical resources

**World Wide Fund for Nature**
Earth Hour celebration and Urban Gardening webinar

**Department of Energy**
Fuel Efficiency and Conservation webinar

**Department of Agriculture**
Distribution and planting of seeds

**Nestlé Philippines**
Solid Waste Management and Climate Change

**United Nations Global Compact Network Philippines**
Sustainability

## VOLUNTEERISM

GMA G.I.V.E.S. (Guide, Interact, Volunteer, Educate, Serve) is powered by our employee-volunteers. Through a wide range of programs such as Coastal Clean-Ups, Tree-Growing, and Waste Management webinars, we enriched lives while connecting our employees with advocacies they care about the most.

# HEALTH

## USAPANG KALUSUGAN

Weekly dissemination of vital information about COVID-related and wellness information to all employees and talents.

We promoted the Department of Education's campaign on health and safety protocols to guide schools and communities in the expansion phase of limited face-to-face classes.

**262**

**combined episodes**
of various TV and radio programs (*Mars Pa More, Sarap Di Ba, Pinoy MD, Pinas Sarap, Farm to Table, Pinoy MD, Bahay* at *Buhay*, and *Usap Tayo*) are dedicated to health and wellness discussions.

# GIVING


**30**

**medical missions**
in partnership with SM Foundation, KKMK benefited 15,714 individuals

**45**

**children with Acute Lymphocytic Leukemia**
under the *Batang Kapwa Program* were provided medical and psychosocial support. The children also received the annual *Pamaskong Handog* with food, art and school supplies, hygiene and COVID-19 kits, and a special Christmas gift with exclusive greetings from GMA celebrities.


GMA
KAPUSO FOUNDATION, INC.

## 7th

The seventh *Kapuso Tulay Para Sa Kaunlaran* is set to rise in the town of Sogod, Leyte. This 70-meter concrete and steel hanging bridge will connect the remote community to trade and learning centers.

## OPERATION BAYANIHAN

The Foundation provided immediate disaster relief goods and assistance during natural and man-made calamities.

## 11

Under the Kapuso School Development, 11 classrooms were built in Limasawa Island, Southern Leyte; Siargao Island, Surigao del Norte; and in Liloan, Southern Leyte.

## 60,000 SCHOOL BAGS

Complete sets of school supplies were distributed to incoming Kindergarten and Grade 1 students of public elementary schools in Luzon, Visayas and Mindanao under the annual *Unang Hakbang Sa Kinabukasan* project.

# SUSTAINABILITY

*"...your Kapuso Network further strengthened its paths to growth and sustainability by keeping a close eye on our energy consumption, by spending on increased reach across the country, by supporting the local economy through sustainable procurement, by ensuring risk management and compliance, and by investing in sustainable businesses and business units to provide the best returns to our shareholders."*

**Atty. Felipe L. Gozon**
Chairman and CEO

GMA Network's 2022 sustainability report covers the year ended December 31, 2022 and was prepared using the Global Reporting Initiative (GRI) standards as guide. The report outlines disclosures about our environmental, social, and governance impacts, specific to topics deemed material to the Network. In addition, the report describes how GMA Network supports the 17 United Nations Sustainable Development Goals (UN SDGs). The report has been prepared in accordance with the GRI Standards: Core option.

**Sustainability Initiatives**

Realizing the urgency of protecting the ability of future generations to meet their needs, GMA Network adheres to and promotes sustainable measures in managing the resources we use in our day-to-day operations. Further, the Network recognizes that the social, environmental, and economic concerns of our stakeholders, both internal and external, may at times not align and we continuously seek ways to address them effectively, efficiently, and innovatively.

Our sustainability strategy is grounded on effective corporate governance for an ethical and responsible network. In the heart of our strategic approach is the management of our key economic, environmental, and social impacts. To achieve this, we establish productive and meaningful partnerships with individuals and organizations. GMA's socio-civic arm, the GMA Kapuso Foundation, allows us to extend the reach of our community service by fostering such partnerships with trusted institutions.

We ensure accurate reporting of key impacts not just for compliance purposes but for effective measurement and continuous improvement of our existing efforts.

Ultimately, we strive to create value through sustainable Network operations.

2022 Sustainability Report

# BOARD OF DIRECTORS

## FELIPE L. GOZON

**Felipe L. Gozon, Filipino, 83 years old, is the Chairman of the Board of Directors and Chief Executive Officer of GMA Network, Inc.**

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He is also the Chairman of the Board/President/CEO of various companies including GMA Holdings, Inc., GMA Ventures, Inc., Citynet Network Marketing & Productions, Inc., RGMA Network, Inc., Alta Productions Group, Inc., GMA New Media, Inc., Media Merge Corporation, Digify, Inc., RGMA Marketing & Productions, Inc., Philippine Entertainment Portal, Inc., Script 2010, Inc., FLG Management and Development Corporation, Gozon Development Corporation, Vista Montana Realty Development, Inc., Mont-Aire Realty and Development Corporation, BGE Holdings, Inc., Kenobe, Inc., Jeata Holdings and Management, Inc., Vitezon, Inc., Palawan Power Generation, Inc., Catanduanes Power Generation, Inc., Sycamore International Shipping Corp., Lex Realty, Inc., Justitia Realty & Management Corp., Gozon Foundation, Inc., GMA Kapuso Foundation, Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.

He is also a Director of GMA Network Films, Inc., Antipolo Agri-Business & Land Development Corp., and Chamber of Commerce of the Philippine Islands. He is a Trustee of the Philippine Center for Entrepreneurship Foundation, Inc., and the Akademyang Filipino.

Atty. Gozon is a recipient of many awards for his achievements in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur–Philippines (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Business Excellence Award given by BizNews Asia (2009), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City Gawad Parangal Most Outstanding Citizen given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Platinum Business Icon Award given by BizNews Asia (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015), Visionary Management Excellence Award given by BizNews Asia (2015, 2016), Management Excellence Award given by BizNews Asia (2017, 2019), and Asia's Best Broadcast CEO given by BizNews Asia (2018). He is listed among BizNews Asia's Power 100 (2003 to 2010) and is a recipient of a Doctor of Humanities degree *(Honoris Causa)* from the Angeles University Foundation (2008) and a Doctor of Laws degree *(Honoris Causa)* from the Wesleyan University Philippines (2022).

Atty. Gozon earned his Bachelor of Laws degree from the University of the Philippines (among the first 10 of his class) and his Master of Laws degree from Yale University Law School. He was admitted to the Bar in 1962, placing 13th in the Bar examinations.

## GILBERTO R. DUAVIT, JR.

**Gilberto R. Duavit, Jr., Filipino, 59 years old, is the President and Chief Operating Officer of GMA Network, Inc.**

He has been a Director of the Company since 1999 and is currently the Chairman of the Network's Executive Committee. He is also the Chairman of the Board of GMA Network Films and serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., and Chairman, President, and CEO of Group Management and Development, Inc., and Dual Management and Investments, Inc. Duavit is the Vice Chairman of GMA Ventures, Inc.

He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc., a Trustee of the Guronasyon Foundation, Inc., and a Board Advisor of the HERO Foundation. Duavit holds a Bachelor of Arts degree in Philosophy from the University of the Philippines.

## JOEL MARCELO G. JIMENEZ

**Joel Marcelo G. Jimenez, Filipino, 59 years old, has been a Director of the Company since 2002.**

He is currently the Vice-Chairman of the Executive Committee of GMA Network, Inc., President & CEO of Menarco Holdings, and the Chief Executive Officer of Alta Productions Group, Inc. He is a Director of RGMA Network, Inc., Executive Committee Chairman and Director of GMA New Media, Inc., Scenarios, Inc., GMA Worldwide, Inc., Citynet Network Marketing and Productions, Inc., Malayan Savings and Mortgage Bank, and Nuvoland Philippines. He is also a Trustee of GMA Kapuso Foundation, Inc.

Jimenez is a graduate of Loyola Marymount University in Los Angeles, California where he obtained a Bachelor's degree in Business Administration, Major in International Marketing. He earned his Masters in Management from the Asian Institute of Management.

## FELIPE S. YALONG

**Felipe S. Yalong, Filipino, 66 years old, is the Executive Vice President and Chief Financial Officer of GMA Network, Inc.**

He is also the Head of the Corporate Services Group of the Network. He has been a Director of the Company since 2002. Aside from GMA Network, Inc., he also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., and Unicapital Finance and Investments, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer and a Trustee of GMA Kapuso Foundation, Inc.

Yalong was named CFO of the Year by ING FINEX in 2013.

He obtained a Bachelor of Science degree in Business Administration Major in Accounting from the Philippine School of Business Administration and completed the Management Development Program at the Asian Institute of Management. He is a Certified Public Accountant.

## ANNA TERESA M. GOZON-VALDES

**Anna Teresa M. Gozon-Valdes, Filipino, 51 years old, has been a Director of the Company since 2000.**

She graduated valedictorian from grade school and high school at Colegio San Agustin. She graduated *cum laude*, with a Bachelor of Science degree in Management Engineering from Ateneo de Manila University. She obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian and *cum laude*. She later obtained her Master of Laws from Harvard University.

She is a junior partner in Belo Gozon Elma Parel Asuncion & Lucila (on leave) and was an Associate Professor at the University of the Philippines, College of Law where she taught Taxation and Legal History.

She is currently the Senior Vice President and Head of GMA's Talent Management and Development Dept., Program Management Dept., Human Resources Dept., Legal Dept., and GMA Worldwide. She is also the Programming Consultant to the Chairman/ CEO of GMA Network, President of GMA Films, Inc., and Board Member of RGMA. Atty. Gozon-Valdes is also the Corporate Secretary of GMA Network, GMA Ventures, Inc. and Philippine Entertainment Portal, Inc. (PEP). She is also a stockholder of GMA New Media, Inc. (NMI), Treasurer of Citynet Network Marketing & Productions, Inc, and a Trustee of the GMA Kapuso Foundation.

## LAURA J. WESTFALL

**Laura J. Westfall, Filipino, 55 years old, has been a Director of the Company since 2000.**

She held the following positions in the Company: Senior Vice President of Corporate and Strategic Planning and Senior Vice President for Finance. She has also served as Chairperson and President of GMA New Media. Before joining the Company, she worked for BDO Seidman–Los Angeles, an international audit and management consulting firm. She currently holds various positions in the Majent Menarco Group of Companies and serves as Board Member of Coffee Bean and Tea Leaf Philippines, and Museo Pambata. She is also President of the Yale Club of the Philippines.

Westfall holds a Master of Science degree in Public and Private Management from Yale University and a Bachelor of Science degree in Accounting from the University of Southern California. She is a Certified Public Accountant in the State of California.

# JUDITH R. DUAVIT-VAZQUEZ

**Judith Duavit Vazquez, Filipino, 60 years old, has been a Director of the Company since 1988.**

She is a member of the following special committees: Audit & Risk Committee and Compensation & Remuneration Committee. Moreover, she sits on the boards of the following GMA-7 subsidiaries: RGMA, Inc., GMA New Media, Inc., GMA Worldwide, Inc., and GMA Films, Inc.

Judith is an acknowledged visionary and industry mover in Philippine Information and Communication Technology space. In 1995, she laid the nation's first fiber in the Central Business District of Makati and developed the country's first ICT-ready 24x7x365 intelligent skyscraper - 45-story 'The Peak Tower' and location of many 'Internet Firsts'. In 2000, she founded PHCOLO INC. - the nation's pioneer neutral Telecommunications and Internet Service Provider interconnection site on four platforms: fiber, cable, wireless and satellite; respected for its 99.9999% historical 22-year record, PEZA and ISO certifications.

Her successful and visionary efforts in the field of Information and Communications Technology have earned her the moniker "Godmother of the Philippine Internet," a position in Computerworld's list of "Philippines' Most Powerful in ICT" and "IT Executive of the Year" by the Philippine Cyber Press.

Her philanthropic endeavors include the Asian Institute of Management's first Professorial Chair for Entrepreneurship and a lecture room at the University of the Philippines School of Economics, among others. When her schedule permits, she is Senior Lecturer for Entrepreneurship at the College of Business Administration in the University of the Philippines. She serves Harvard University as an alumnus interviewer of incoming freshman applicants within Washington DC, Maryland and Virginia USA.

Her international organization memberships include ICANN, APNIC, Pacific Telecommunications Council, IEEE, Young Presidents Organization (YPO) International and Washington DC-Baltimore, AFCEA, INSA, USGIF, Harvard HBS Alumni Association Washington DC, University Club Washington DC and the Washington National Cathedral Association. She has served on the Board of Trustees of the Management Association of the Philippines (MAP), Financial Executives Association of the Philippines (FINEX), YPO Gold Washington DC-Baltimore, among others.

Judith is a respected voice in Global Internet Governance circles. She was the first female Asian elected to an independent board seat at the Internet Corporation for Assigned Names and Numbers (ICANN), the only female Asian who has held this honor to this day, and recently invited to consider a 2023 board seat at the Asia-Pacific Internet Registry's APNIC Foundation. APNIC is composed of 56 economies with a total population of 4.7 billion people. It covers the world's largest nations China and India, and one of the smallest countries, Nauru.

She holds a Bachelor of Science degree in Business Economics (with honors) from the University of the Philippines. She is an alumna of the Harvard Business School, the University of Michigan (Ann Arbor), and the Asian Institute of Management. She is a constant student and continuously grows her skills-base, which include SAP FICO & CRM, CISCO TCP/IP networking, CheckPoint firewall security certifications.

In 2022, Judith joined the prestigious circle of Forbes Business Council USA, and significantly in the same year was cited by the internationally recognized University of the Philippines School of Economics (UPSE) as a member of its 100 Outstanding Alumni, one of only twenty-two from the Philippine Industry for her foundational contribution to our nation's Internet technology and continuing international work.

Today, Judith continues to vision aiming to weave geospatial and internet operational technologies with national policy for grass roots prosperity.

## CHIEF JUSTICE ARTEMIO V. PANGANIBAN

**Chief Justice Artemio V. Panganiban, Filipino, 86 years old, has been an Independent Director of the Company since 2007.**

In 1995, he was named a Justice of the Supreme Court and was appointed Chief Justice of the Philippines in 2005—a position he held until December 2006. At present, he is also an Independent Director of these listed firms: Metro Pacific Investments Corp., Meralco, GMA Holdings, Inc., PLDT, Inc., Petron Corporation, JG Summit Holdings, Inc., Asian Terminals, Inc., RL Commercial Reit, Inc., and a non-Executive Director of Jollibee Foods Corporation. He is also a Senior Adviser of Metropolitan Bank and Trust Company and a member of the Advisory Council of the Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of the Metrobank Foundation, Adviser of DoubleDragon Properties Corp. and MerryMart Consumer Corp., Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Metropolitan

Cathedral-Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Group of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Center. He was named a Member of the Permanent Court of Arbitration based in The Hague, The Netherlands, last August 2017 and is the designated Chairperson of the Philippine National Group. He also is a column writer of *The Philippine Daily Inquirer.*

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by all of the Associate Justices of the Supreme Court as the "Renaissance Jurist of the 21st Century;" and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur, and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements, and other non-government organizations, both local and international.

He obtained his Associate in Arts, "With Highest Honors" and later his Bachelor of Laws, *cum laude* and "Most Outstanding Student" from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

## DR. JAIME C. LAYA

**Jaime C. Laya, Filipino, 84 years old, has been an Independent Director of GMA Network, Inc. and GMA Holdings, Inc. since 2007.**

He is Vice Chairman of Philippine Trust Company (Philtrust Bank), Independent Director of Philippine AXA Life Insurance Company, Inc. and Charter Ping An Insurance Corporation. He also serves as Chairman of the Cultural Center of the Philippines; Chairman of Don Norberto Ty Foundation, Inc.; Director of BancNet, Inc.; Trustee of St. Paul University - Quezon City, Metropolitan Museum of Manila, Yuchengco Museum, Museo del Galeon, Inc., Ayala Foundation, Inc., Filipinas Opera Society Foundation, Inc., Fundación Santiago, Inc., and other organizations. He writes a weekly column for the *Manila Bulletin*.

**GILBERTO R. DUAVIT, JR.**
CHAIRMAN

**JOEL MARCELO G. JIMENEZ**
VICE CHAIRMAN

**FELIPE L. GOZON**
MEMBER

# EXECUTIVE COMMITTEE

He was Minister of the Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was a faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; and served as the firm's Chairman until his retirement in 2004.

Laya earned his Bachelor of Science in Business Administration, *magna cum laude*, University of the Philippines, 1957; M.S. in Industrial Management, Georgia Institute of Technology, 1960; and Ph.D. in Financial Management, Stanford University, 1965. He is a Certified Public Accountant.

# SENIOR EXECUTIVES

1 **FELIPE S. YALONG**
Executive Vice President
and Chief Financial Officer

2 **ANNA TERESA M. GOZON-VALDES**
Senior Vice President
Programming, Talent Management, Worldwide, Support Group

3 **LIZELLE G. MARALAG**
Chief Marketing Officer and Head
Sales and Marketing Group

4 **LILYBETH G. RASONABLE**
Senior Vice President
Entertainment Group

5 **MIGUEL C. ENRIQUEZ**
Consultant
Radio Operations

6 **ELVIS B. ANCHETA**
Senior Vice President and Head
Engineering Group
Concurrent Head
Transmission and Regional Engineering

7 **MARISSA L. FLORES***
Senior Vice President
News and Public Affairs

8 **RONALDO P. MASTRILI**
Senior Vice President
Group Head of Finance and ICT

9 **REGIE C. BAUTISTA**
Senior Vice President
Concurrent Chief Risk Officer and Head
Corporate Strategic Planning & Business Development and Program Support

**Retired*

**IANESSA S. VALDELLON**
Public Affairs

**AYAHL ARI AUGUSTO P. CHIO**
Administration and Investor Relations

**PAUL HENDRIK P. TICZON**
Post Production

**GERROME Y. APOLONA**
Human Resources Development

**MA. LUZ P. DELFIN**
Legal Affairs

**SHEILA A. TAN***
Research

**JOSE MARI R. ABACAN**
Program Management

**OLIVER VICTOR B. AMOROSO**
Regional TV and Synergy
Acting Head, GMA Integrated News

**VICTORIA T. ARRADAZA***
Supply and Asset Management

# FIRST VICE PRESIDENTS

**RIKKI ESCUDERO-CATIBOG**
Public Service and Community Relations, GMAKF EVP and COO

**MA. REGINA A. MAGNO****
Drama Productions
Entertainment Group

**GLENN F. ALLONA**
Radio Operations

**RIZALINA D. GARDUQUE***
Sales and Marketing

**JOSEPH JEROME T. FRANCIA**
GMA International

**CORAZON D. BODEGON**
Business Development III
Talk/Magazine/Musical Variety/Specials and Alternative Productions

**EDUARDO P. SANTOS***
Compliance Officer
Consultant, Internal Audit
Data Protection Officer

**JOSE SEVERINO V. FUENTES***
Content Management and On-Air Systems

* *Retired/Consultant as of 2022*
** *Retired*

# VICE PRESIDENTS

**ANGELA CARMELA J. CRUZ**
Corporate Affairs and Communications

**REYNALDO B. REYES**
Production Engineering

**JANINE P. NACAR**
Business Development II
Comedy/Infotainment/Game/Reality Productions

**RAFAEL MARTIN L. SAN AGUSTIN, JR.**
Program Support

**MICHELLE RITA S. SEVA**
News Programs and Specials

**RJ ANTONIO S. SEVA**
Sales, Sales and Marketing

**CHERYL CHING-SY**
Business Development I
Drama Productions

**ARLENE U. CARNAY**
Public Affairs

**MERCEDES MACY T. SUEÑA**
Financial Reporting & Services

**ROLANDO G. SANICO, JR.***
Group Controllership and Tax Compliance

****Retired/Consultant as of 2022***

### ADMINISTRATION DEPARTMENT

**ALFONSO C. CRUZ, JR.**
Facilities Management Division

### CORPORATE AFFAIRS AND COMMUNICATIONS DEPARTMENT

**JOSELITO F. AQUIO**
Corporate Communications Division

### CORPORATE STRATEGIC PLANNING AND BUSINESS DEVELOPMENT DEPARTMENT

**MARIS L. ROMANO**
Senior AVP
Corporate Strategic Planning

**ALFRED EMMANUEL M. AWE**
New Business Development

### ENGINEERING GROUP

**ROBERTO B. NACAR**
Senior AVP
Technical Operations System Support Division
Content Management and On-Air Systems Department (CMOSD)

**JEFFRY Q. EVANGELISTA**
Division Head
Studio & Remote Operations Production Engineering Department

**ERIC S. ORNEDO**
TV Master Control Operations, CMOSD

**JAYSON E. DELA TORRE**
Broadcast IT, CMOSD

**RENE GERARD B. GOZUM**
Head
Broadcast Engineering Services Division

### ENTERTAINMENT GROUP

**MA. EVA U. ARESPACOCHAGA**
Consultant

**GIRLY SANTIAGO-LARA**
Senior AVP
Alternative Productions

**ALI MARIE N. DEDICATORIA**
Business Development I - Drama Productions

**HELEN ROSE S. SESE**
Business Development I - Drama Productions

### INFORMATION & COMMUNICATIONS TECHNOLOGY DEPARTMENT

**NENITA E. CRUZ**
Consultant

**EDWIN P. JIMENEZ**
Senior AVP
Infrastructure Systems Division

# ASSISTANT VICE PRESIDENTS

**ANJANNETTE C. ENRIQUEZ**
Applications Development

**ADORACION S. LAPADA**
Application Support Division

**REMEDIOS D. REYES**
Central Library and Archives Management Division

### FINANCE DEPARTMENT

**MARIA LUCILLE U. DELA CRUZ**
Senior AVP
Treasury and Traffic Division

**JOSE S. TOLEDO, JR.**
Senior AVP
Budget & Payroll

**FARLEY D. AREOLA**
Controllership Division

**ANA MAY S. REMORERAS**
Account Management Division

### GMA INTERNATIONAL DEPARTMENT

**MARIA ROSARIO C. DOMINGO**
Senior AVP
Programming Division

**ELIZABETH C. DE GUZMAN**
Marketing Director

### LEGAL DEPARTMENT

**JOSE VENER C. IBARRA**
Litigation and Special Projects

### INTEGRATED NEWS

**JOHN OLIVER T. MANALASTAS**
Senior AVP and Acting Deputy Head
Digital News Operations, Digital News Division

**JAEMARK S. TORDECILLA**
Senior AVP and Deputy Head
Digital News Strategy and Business Development
Digital News Division

**JOHN REY C. ARRABE**
News Programs

**MARY GRACE D. REYES**
Consultant

**HORACIO G. SEVERINO**
Consultant

# ASSISTANT VICE PRESIDENTS

**PUBLIC AFFAIRS**

**CLYDE ROLANDO A. MERCADO**
Senior AVP

**NEIL B. GUMBAN**
Senior AVP

**JONATHAN B. TAM**
**LEE JOSEPH M. CASTEL**
**MARIE ANGELI G. ATIENZA**

**RIZA D. LAURENTE**
Systems & Budget

**PROGRAM MANAGEMENT DEPARTMENT**

**MA. CONCEPCION R. AGNES**
Operations

**MILDRED ZARAH D. GARCIA**
Program Management

**PROGRAM ANALYSIS DIVISION**

**RAFAEL P. MENDOZA**

**PROGRAM SUPPORT DEPARTMENT**

**LEO P. MATA**
Senior AVP
Media and On-Air Continuity

**EDUARDO B. GARCIA**
Creative Services

**HASMIN A. MARABLE**
Marketing Communications

**POST PRODUCTION DEPARTMENT**

**VINCENT C. GEALOGO**
Post Production Operations Division
Concurrent Head
Digital Cinematography and Standards Section

**ANTONINO MA. P. SANTOS**
Technical and Media Server Support Division

**REGIONAL TV AND SYNERGY**

**MA. VICTORIA D. ARANETA**
Senior AVP and Deputy Head
Synergy

# HEADS OF SUBSIDIARIES






**MARIA ANGELES G. PUENTEVELLA**
Senior AVP and Deputy Head
Regional TV Operations
Concurrent Station Manager
RTV Davao

**ANN MARIE O. TAN**
Senior AVP and Deputy Head
Local Sales
Concurrent Station Manager
RTV Cebu

## SALES AND MARKETING GROUP

**RAMON V. BOLISAY**
**SHERILYN ANN T. DIZON-ARCE**
**JOHANNA PATRICIA C. JACINTO**
**MARLON B. MAÑAOL**
**MARIA PAULA THERESA C. ROSALES**
**MARIA LOURDES F. REYES**
**STEPHANIE ANNE G. DOROTHEO**

**ROSARIE M. LEONARDO**
Digital Solutions

**SERAFIN P. BAUTISTA**
Consultant
Pinoy TV

**LIRIO B. ESCAÑO**
Consultant
Management Services

**SUSAN B. FOZ**
Consultant
Sales and Marketing Group

**MA. LEAH A. NUYDA**
Consultant

**VICKY R. PACIS**
Consultant
Pinoy TV

## SUPPLY AND ASSET MANAGEMENT DEPARTMENT

**JAVIER B. LAXINA**
Consultant

## TALENT AND DEVELOPMENT MANAGEMENT DEPARTMENT

**MARIA ANTONIA JOY ROMINA C. MARCELO**
Talent Management Unit 2

## VIEWER DIRECTED MARKETING DIVISION

**ROSSETTE MARIE H. ROA**
Senior AVP

1 **FELIPE L. GOZON**
Chairman and CEO of GMA New Media, Inc. and GMA Ventures, Inc.; Chairman of Alta Productions, Inc., Citynet Network Marketing and Productions, Inc., GMA Productions, Inc. (GMA Music), Script 2010, Inc., MediaMerge Corp. and RGMA Network, Inc.

2 **GILBERTO R. DUAVIT, JR.**
Chairman of GMA Network Films, Inc. President of Script2010, Inc. and MediaMerge Corp., President and CEO of GMA Productions, Inc. (GMA Music) and Citynet Network Marketing and Productions, Inc.; Vice Chairman of GMA Ventures, Inc.

3 **ANNA TERESA M. GOZON-VALDES**
President and CEO
GMA Network Films, Inc.

4 **REGIE C. BAUTISTA**
President and COO
GMA Ventures, Inc.

5 **DENNIS AUGUSTO L. CAHARIAN**
President and COO
GMA New Media, Inc.

6 **EDMUND A. ALCARAZ**
President and COO
Alta Productions, Inc.

# GMA SUBSIDIARIES & AFFILIATES

## RGMA NETWORK, INC.

**JACK DENNIS L. SERRANO**
Assistant Vice President
Events and Creative Services

**MA. LOURDES D. ALONZO**
Assistant Vice President
Finance

**EUGENE H. RAMOS**
Consultant
Finance and Administration

## SCRIPT2010, INC.

**ERNESTO R. BALLESER**
Executive Vice President

## GMA WORLDWIDE, INC.

**ROXANNE J. BARCELONA**
Vice President/Consultant

## GMA NEW MEDIA, INC.

**MA. MARTHA MICHAELA A. PERLAS**
Senior Vice President
Development & Operations

**MARILYN D. SEE**
Senior Vice President
Online Publishing and Digital Advertising

**RAYMUND SARMIENTO**
Senior Vice President
Systems Technology/CTO

**FERDINAND V. PERLAS**
Vice President
Technology R & D and
Operations Head of NMI Solutions

**LIEZYL A. GARCIA**
Vice President
General Support Services

**MARLON GAN**
Vice President
Software and Creative Development

**MA. SABRINA BELARDO**
Vice President
Communications and Customer Care

**RANDY NIVALES**
Vice President
Web and Systems Development

**RUFINO RAMIL R. ESCARDA, III**
Vice President
Creatives and Multimedia

**EDILBERTO BALANAK**
Senior Assistant Vice President
Process & Quality Assurance

**RACHEL CABUG**
Senior Assistant Vice President
Sales for NMI Solutions

**JERARD BELTRAN**
Assistant Vice President
Content R & D and Animation

**JOEL TAN**
Assistant Vice President
Systems & Network Administration

**LUCILLE U. ALADO**
Assistant Vice President
Payroll and Office Admin

**ROMMEL ROCA**
Assistant Vice President
Mobile Application Development

**RODELIO ARENAS**
Assistant Vice President
Information Security and Data Privacy Officer

## GMA PRODUCTIONS, INC. (GMA MUSIC)

**RENE A. SALTA**
Managing Director

# AWARDS & RECOGNITION


# GLOBAL AWARDS

### CANNES CORPORATE MEDIA AND TV AWARDS

**The Atom Araullo Specials: Munting Bisig**
Silver Award (Documentary - Human Concerns and Social Issues)

### DEAUVILLE GREEN AWARDS

**I-Witness (Mask Land)**
Silver Green Award

### DIGITAL MEDIA AWARDS WORLDWIDE

**Dapat Totoo, GMA News and Public Affairs Digital Media**
Best in Audience Engagement at the World Association of News Publishers

### JOURNALISM FOR AN EQUITABLE ASIA AWARD

**Atom Araullo (for his Cover Story for GMA News Online, "The Hunger Pandemic")**
First Prize

### NEW YORK FESTIVALS

**The Atom Araullo Specials - Munting Bisig**
Gold (Documentary: Social Issues)

**Limitless, A Musical Trilogy**
Silver World Medal for Entertainment Special - Variety Special

**I-Witness: Crown of Thorns**
Bronze (Documentary: Climate Change and Sustainability)

**Kapuso Mo, Jessica Soho: Bestida ni Ranelyn**
Bronze (Documentary: Health/ Medical Information)

**I-Witness - Virus Hunters**
Finalist (Documentary: Science and Technology)

### PRIX JEUNESSE INTERNATIONAL FESTIVAL 2022

**AHA! Monster World (Kuya Kim x Kuya Drew)**
Finalist (7-10 Years Non-Fiction)

### READER'S DIGEST TRUSTED BRANDS

**GMA Network**
Platinum Award for TV Network

**Jessica Soho**
Most Trusted TV Host for News and Current Affairs

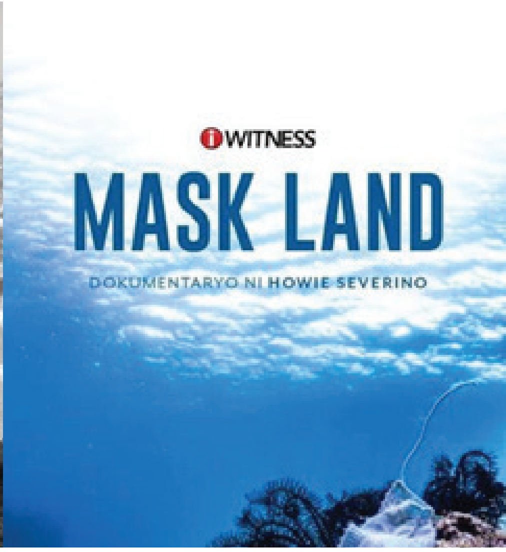
**Mike Enriquez**
Most Trusted Radio Presenter

### SCIENCE FILM FESTIVAL

**I Witness: Crown of Thorns**
Finalist

**I Witness: Virus Hunters**
Finalist






# ASIAN AWARDS

## TAG AWARDS CHICAGO

**Dingdong Dantes (I Can See You: Alternate)**
Best Actor

**Juancho Trivino (Maria Clara at Ibarra)**
Best Supporting Actor

## URTI GRAND PRIX FOR AUTHOR'S DOCUMENTARY

**I-Witness: Tatlong Dekada (Kara David)**
Finalist

## ASIAN ACADEMY CREATIVE AWARDS

**24 Oras Weekend (Coverage of Typhoon Odette)**
Best Single News Report

**The Atom Araullo Specials: Mata sa Dilim**
Best Documentary

**24 Oras Weekend**
Best News Programme

**Atom Araullo (State of the Nation)**
Best News or Current Affairs Presenter/Anchor

**Born to be Wild: Primate Planet**
Best Natural History/Wildlife Programme

**Lolong**
Best Visual/Special Effects in TV Series

**iBilib**
Best Infotainment Programme

## ASIA CONTENTS AWARDS

**The Atom Araullo Specials: Munting Bisig**
Best Asian Documentary

## ASIAN BUSINESS EXCELLENCE AWARD

**Super Radyo DZBB and Barangay LS 97.1**
Most Outstanding AM and FM Radio Station of the Year

**Songbook (Barangay LS 97.1)**
Most Outstanding FM Program

**Mama Emma**
Most Outstanding Female DJ

**Janna Chu Chu**
Most Outstanding Male DJ

## ASEAN EXCELLENCE AWARDS

**Barangay LS 97.1**
Most Outstanding Radio Station

**Papa Jepoy & Papa Carlo**
Most Phenomenal DJs of the Year

## OVERSEAS ORGANIZATIONS

### BRAND ASIA AWARDS

**Yasmien Kurdi (Start-Up PH)**
Top Actress of the Year

### GLOBAL ICONIC ACES

**Papa Carlo, Papa Jepoy**
Iconic Male Aces Of Live Radio Entertainment

**Barangay LS 97.1**
Iconic and Innovative FM Radio Station of The Year

### SOCIETY OF PUBLISHERS IN ASIA AWARDS FOR EDITORIAL EXCELLENCE

**The Hunger Pandemic by Atom Araullo**
Honorable Mention: Excellence in Photography (Regional)

**The Hunger Pandemic by Atom Araullo**
Award for Excellence: Excellence on Feature Writing (Regional)

**Boys Don't Cry by Joahna Lei Casilao and Kaela Malig**
Award for Excellence: Excellence in Explanatory Reporting (Regional)

### GAWAD AMERIKA

**Papa Marky**
Most Outstanding Host and DJ of the Year

### INTERNATIONAL FILM FESTIVAL MANHATTAN

**Global Pinoy Unlimited and EntrePinoy Abroad**
Silver Award

### THE OUTSTANDING FILIPINOS IN AMERICA (TOFA) AWARDS

**GMA Pinoy TV**

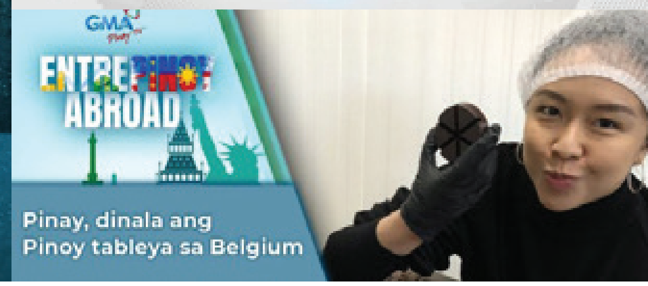
### MARKETING EXCELLENCE AWARDS

**DepEd TV on GMA**
Silver Award | Excellence in Corporate Social Responsibility category

**Makulay ang Buhay**
Finalist | Excellence in Content Marketing category

**GMAsk Campaign**
Finalist | Excellence in Content Marketing category






# LOCAL AWARDS

**CARLOS PALANCA MEMORIAL AWARDS FOR LITERATURE**
Atom Araullo
(Letter from Tawi-Tawi)
1st Prize - Essay Category

**BEST MAGAZINE AND PHILIPPINES BEST QUALITY BRAND**
Barangay LS 97.1
Outstanding FM Radio Station

Janna Chu Chu
Radio DJ/Entertainment Writer

**31ST ECONOMIC JOURNALISTS ASSOCIATION OF THE PHILIPPINES BUSINESS JOURNALISM AWARDS**
Jon Viktor Cabuenas
(GMA News Online)
Online Business Reporter of the Year

**11TH NATIONAL STATISTICS MONTH MEDIA AWARDS**
GMA News and Public Affairs
Awardee

**15TH BRIGHT LEAF AGRICULTURE JOURNALISM AWARDS**
Stand for Truth:
Amielle Alexandra Garcia Ordoñez's "In Review: Bakit Wala Pa Ring Pag-Usad sa Buhay ng Maraming Magsasaka sa Pilipinas"

**BUREAU OF FISHERIES AND AQUATIC RESOURCES**
Rowena Salvacion
Gawad Pasasalamat

**CATHOLIC MASS MEDIA AWARDS**
Love Together, Hope Together:
GMA Christmas Station ID
Best Station ID award

Saksi
Best News Program

24 Oras (Super Typhoon Odette)
Best Special Event Coverage

Wish Ko Lang
Best Drama Series/Program

GMA Synergy's Stronger Together, Buo ang Puso:
NCAA Season 97
Best Children & Youth Program


# LOCAL AWARDS

**Super Balita sa Umaga Nationwide (DZBB)**
Best News Program

**One on One, Walang Personalan (DZBB)**
Best News Commentary

**S.O.S. Serbisyo on the Spot (DZBB)**
Best Public Service Program

**Barangay Love Stories (DWLS)**
Best Entertainment Program

**Limitless: A Musical Trilogy-Breathe**
Best Digital Advertisement
Public Service category

**Bahay at Buhay Kasama si Lala Roque (DZBB)**
Special Citation Best News Feature

**Sumasapuso Kasama si Toni Aquino (DZBB)**
Special Citation
Best Entertainment Program

**Dapat Totoo**
Special Citation in Best TV Advertisement - Public Service

**The Jessica Soho Presidential Interviews & Year of the Superhero**
Special Citations for Best TV Special

**First Lady**
Special Citation Best Drama Series/Program

**I Juander**
Special Citation for Best Adult Educational/Cultural Program

**GMA Regional TV Live!**
Special Citation for Best Public Service TV Program

**Super Balita Sa Tanghali Nationwide (DZBB)**
Finalist, Best News Program

**Melo Del Prado Sa Super Radyo (DZBB)**
Finalist, Best News Commentary

**Saksi Sa Dobol B (DZBB)**
Finalist, Best News Commentary

**Pinoy M.D. Sa Dobol B (DZBB)**
Finalist, Best Counseling Program

## CEBU ARCHDIOCESAN MASS MEDIA AWARDS

**GMA Regional TV #SpreadKindness Campaign**
Best TV Public Service Announcement/Plug

**GMA Regional TV Balitang Bisdak**
Special Citation for TV News Program



Papa Marky & Papa Ace

Mike Enriquez

**COMMISSION ON HUMAN RIGHTS RECOGNITION**
Glen Juego

**DAKILANG FILIPINO AWARDS**
Papa Marky (Barangay LS 97.1)
Most Outstanding DJ Of The Year

Talk To Papa (Barangay LS 97.1)
Most Outstanding Program

Papa Marky, Papa Ace, Papa King (Barangay LS 97.1)
Best Radio DJs

**DEPARTMENT OF SCIENCE AND TECHNOLOGY - FOOD AND NUTRITION RESEARCH INSTITUTE (DOST-FNRI)**
GMA News
Plaque of Recognition

**ESQUIRE PHILIPPINES**
Atom Araullo
Journalist of the Year

**FILM AMBASSADORS' NIGHT**
Miguel's Wounds (Mga Sugat Ni Miguel) by Reporter's Notebook

24 Oras: Special Coverage of Typhoon Vamco (Ulysses) In Luzon
Honorees on TV Documentary Category

**GAWAD PILIPINO AWARDS: HERO OF THE YEAR**
Sandra Aguinaldo
Kara David
Atom Araullo
Kim Atienza
Howie Severino
Vicky Morales
Mariz Umali
Connie Sison
Allan Gatus (DZBB)
Luisito Santos (DZBB)
Rod Vega (DZBB)

**GAWAD PILIPINO ICON OF THE YEAR**
**MEDIA INDUSTRY ICON OF THE YEAR**
Lolong
Best Primetime Serye

Eat Bulaga
Best Noontime Show

Jessica Soho
Outstanding Magazine Show Host of the Year

Mel Tiangco
Outstanding Female Anchor of the Year

Mike Enriquez
Outstanding Male Anchor of the Year

Susan Enriquez
Outstanding Morning Show TV Host

# LOCAL AWARDS

**Mariz Umali**
Outstanding Field Reporter of the Year

**Emil Sumangil**
Outstanding News Magazine Host of the Year

**Cata Tibayan**
Outstanding Showbiz Correspondent of the Year

## ENTERTAINMENT ICON OF THE YEAR

**Glaiza de Castro**
Outstanding Composer of the Year

**Kyline Alcantara and Mavy Legaspi**
Best Young Love Team of the Year

**Yasmien Kurdi and Maine Mendoza**
Iconic Artist of the Year

## GAWAD DANGAL FILIPINO AWARDS

**Zig Dulay (Maria Clara at Ibarra)**
Best Director of the Year

**Janna Chu Chu**
Outstanding Radio DJ Entertainment Columnist of the Year

## GAWAD BANYUHAY

**Maria Clara at Ibarra**
Programang Pang-Edukasyon under Carl E. Balita Foundation

## GAWAD SAN JUAN FLORENTINO

**Lei Alviz**
Recipient

## NATIONAL PRESS CONGRESS

**GMA Network**
Outstanding Television Network Award

## OUTSTANDING MANILANS

**Kim Atienza**
Outstanding Manilan for Mass Media

## OUTSTANDING MEN & WOMEN OF THE PHILIPPINES

**Janna Chu Chu**
Radio Broadcaster

## PAGIBIG FUND

**Kathy San Gabriel**
Gawad Pag-ibig, Lingkod Mamahayag

## PHILIPPINES' MOST EXCEPTIONAL MEN & WOMEN

**Ivan Mayrina**
Philippines' Most Exceptional Men Award of Excellence

**Lhar Santiago**
Philippines' Most Exceptional Men Award of Excellence

**Sandra Aguinaldo**
Philippines' Most Exceptional Women Award of Excellence





Marissa L. Flores


Connie Sison

**Marissa L. Flores**
Philippines' Most Exceptional Women Award of Excellence

## PHILIPPINE POP AWARDS

**Songbook**
Pop Radio Musical Interactive Program of the Year

**Papa Ding & Janna Chu Chu**
Pop Radio Hosts of The Year

## PLATINUM HEART MEDIA AWARDS

**Connie Sison**
**GMA News Online**
Recipient

## PMAP MAKATAO AWARDS FOR MEDIA EXCELLENCE

**DZBB**
Radio Station of the Year

**Super Balita sa Umaga Nationwide**
Best Radio News Program

**Mike Enriquez (Super Balita sa Umaga Nationwide)**
Best Radio News Program Host

## PMPC STAR AWARDS FOR MUSIC

**Christian Bautista**
Male Recording Artist of the Year, Exemplary Milestone

**Jeremiah Tiangco**
New Male Recording Artist of the Year

**Kyryll**
People's Choice Female R&B Artist of the Year

**Hannah Precillas**
People's Choice New Female Recording Artist of the Year

**Kokoy de Santos**
People's Choice New Male Recording Artist of the Year

## SALUDO EXCELLENCE AWARD

**I-Witness**
Best Documentary Program

**Kapuso Mo, Jessica Soho**
Best Magazine Show

**24 Oras**
Best News Program

## DEPARTMENT OF HEALTH

**GMA News**
**"Paano Tayo Babangon Mula Sa Covid-19 Pandemic?" authored by Malou Mangahas, Correspondent**
Tanyag na Ulat Pangkalusugan


# LOCAL AWARDS

**VOLUNTEERS AGAINST CRIME AND CORRUPTION (VACC) APPRECIATION**
Mike Enriquez
Broadcast Journalist of the Year

**ROTARY CLUB OF MANILA PRO PATRIA JOURNALISM AWARDS**
Sandra Aguinaldo
Awardee for TV Investigative Reporting

**SAVE THE CHILDREN MEDIA PARTNER AWARD**
GMA News and Public Affairs
Awardee

**THE OUTSTANDING YOUNG MEN OF 2021**
Jaemark Tordecilla
Digital Journalism Awardee

**TIKTOK AWARDS PHILIPPINES**
Kapuso Mo, Jessica Soho
Top Media Publisher

**WORLD CLASS EXCELLENCE JAPAN AWARDS**
Janna Chu Chu
Outstanding Fm Radio DJ Of The Year

**2021 WIND VANE AWARD (DOST-PAGASA)**
IM READY (GMA News)

**YOUTUBE BUTTONS**
YouLOL
Gold button (1M subscribers)

Family Feud Philippines
Silver button (100K subscribers)

GMA Public Affairs
Special Mention (20M subscribers)

GMA Regional TV
Special Mention (500K subscribers)

**GLOBAL TRENDS BUSINESS LEADERS AWARDS 2022**

Glaiza de Castro
Remarkable TV Actress of the Year

Heart Evangelista
World-Class Fashion Icon and Exceptional Woman of Influence

Derrick Monasterio
Outstanding TV Actor of the Year

Angelika Santiago
Most Promising Female TV Star of the Year

Rabiya Mateo
Exemplary Woman of Dedication and Inspiring Beauty Queen



# ACADEME AWARDS

**LASALLIAN SCHOLARUM AWARDS OUTSTANDING VIDEO FEATURE ON YOUTH AND EDUCATION**

**Pandemic Teachers (I-Witness: Kara David)**
Special Commendation

**Munting Bisig (The Atom Araullo Specials)**
Winner

**Nuwebe, Trese, Katorse (I-Witness: Kara David Team)**
Finalist

**"Too young to marry?" Mga kwento ng ilang child bride sa Pilipinas (Stand for Truth: by Ria Garcia)**
Finalist

**The Doctor is Online (I-Witness: Mariz Umali Team)**
Finalist

**GMA News Online: Learning the hard way (Anna Felicia Bajo, Dona Magsino & Joviland Rita)**
Finalist

**GANDINGAN AWARDS**

**The Atom Araullo Specials: Habol Hininga**
Most Development-Oriented Documentary Program

**I-Witness: The GMA Documentaries (Di Paiiwan Episode, Sandra Aguinaldo Team)**
Most Development-Oriented Educational Program

**I-Witness: The GMA Documentaries (Nueve, Trese, Katorse Episode, Kara David Team)**
Most Development-Oriented Youth Program

**I-Witness: The GMA Documentaries (Mask Land Episode, Howie Severino Team)**
Most Development-Oriented Environmental Program

**Drew Arellano (AHA)**
Gandingan ng Edukasyon (Special Citation)

**Susan Enriquez (Pera Paraan)**
Gandingan ng Kabuhayan (Special Citation)

**Brigada (Millennial Vote)**
Most Development-Oriented Magazine Program



# ACADEME AWARDS

**Balitanghali (Bantay Kalikasan: Used Face Masks in Batangas Coral Reefs)**
Most Development-Oriented Feature Story

**Nakikita Kita (Pagpupugay Plug of GMA Regional TV)**
Most Development-Oriented TV Plug

**Reporter's Notebook (Lilibeth, Sonya, Frank at Fabel)**
Most Development-Oriented Investigative Story

**Kara David (Brigada)**
Best TV Program Host

**Raffy Tima (Balitanghali)**
Best News Anchor

**Barangay Love Stories "Bagong Bayani"**
Best Drama

**Papa Dudut**
Best FM Host

**Mark Makalalad**
Best Reporter

**Arnold Clavio and Connie Sison**
Best Anchor

**Kurtesiya Na, Disiplina Pa**
Best Plug

## GAWAD LASALLIANETA AWARDS

**Jessica Soho (State of the Nation with Jessica Soho)**
Most Outstanding Female News Anchor

**Jessica Soho (KMJS)**
Most Outstanding Magazine Show Host

**Kapuso Mo, Jessica Soho**
Most Outstanding Magazine Show

**Mike Enriquez**
Most Outstanding Male News Anchor

**24 Oras**
Most Outstanding News Program

**I-Witness**
Most Outstanding Documentary Show

**Kara David (I-Witness)**
Most Outstanding Female Documentarist

**Atom Araullo (I-Witness)**
Most Outstanding Male Documentarist

**Tunay na Buhay**
Most Outstanding News/Current Affairs Talk Show

**Mariz Umali**
Most Outstanding Female Correspondent

**Pepito Manaloto**
Most Outstanding Comedy Show

**Papa Dudut**
Most Outstanding Male FM DJ


Alden Richards


Atom Araullo


Dingdong Dantes

## GAWAD TANGLAW

**Kara David**
Jury Award for Mass Communications

**Mel Tiangco**
**Vicky Morales**
**Jessica Soho**
**Atom Araullo**
Gawad MLQU Pro Patria ET Jure (For Country and Justice) Awardees

## GEMS AWARDS

**GMA Network**
TV Station of the Year

**24 Oras**
Best News Program

**Michael V. (Aktor, Direktor, Manunulat)**
Natatanging Hiyas ng Sining sa Telebisyon (Highest Honors for TV)

**Mel Tiangco (24 Oras)**
Best Newscaster (Male or Female)

**Alden Richards (The World Between Us)**
Best Performance in a Lead Role (TV Series)

**Jaclyn Jose (The Housemaid)**
Best Performance in a Supporting Role

**The Atom Araullo Specials**
Best TV Program (Opinion/Documentary)

**Atom Araullo (The Atom Araullo Specials)**
Best TV Program Host (Male or Female - Opinion/Documentary)

**The Clash**
Best TV Program (Reality/Talent Search)

**Aiko Melendez (Tadhana)**
Best Performance in a Lead Role (Male or Female - TV Series)

**Dingdong Dantes (A Hard Day)**
Best Performance in a Lead Role (Male)

## PAGDASIG AWARDS (LEYTE NORMAL UNIVERSITY)

**GMA Network**
Best TV Station

**GMA News Online**
Best Online News Site

**Dapat Totoo: The GMA news and Public Affairs Election Advocacy**
Best Election Advocacy

**24 Oras**
Best TV News Program

**Kapuso Mo, Jessica Soho**
Best TV Magazine Program

**I-Witness**
Best Documentary Program

**Mel Tiangco**
Best TV Female News Anchor

**Mike Enriquez**
Best TV Male News Anchor

## GOLDEN LAUREL: THE BATANGAS PROVINCE MEDIA AWARDS

**GMA Network, Inc.**
TV Station of the Year

**Atom Araullo (State of the Nation)**
Male News Anchor of the Year

**I-Witness**
Best Documentary Show

**Born to be Wild**
Best Educational Program

**Kapuso Mo, Jessica Soho**
Best Magazine Show

**Drew Arellano (Aha)**
Best Educational Program Host

**Jessica Soho (KMJS)**
Best Magazine Show Host

**Jessica Soho**
JPL Lifetime Achievement Award

## QUEZON NATIONAL HIGH SCHOOL

**Joseph Morong**
Dangal ng Quezon High 2022

# CORPORATE GOVERNANCE

**GMA Network, Inc. is committed to the principles of good governance and recognizes their importance in safeguarding shareholders' interests and in enhancing shareholder value.**

# GOVERNANCE FRAMEWORK

The Company has adopted a Revised Manual on Corporate Governance (Revised Manual) to institutionalize the Company's adherence to these principles. This Revised Manual clearly sets out the principles of good management and defines the specific responsibilities of the Board, the Board Committees, and management within the overall governance framework.

The Revised Manual conforms to the requirements of the Philippine Securities and Exchange Commission and covers policies, among others:

(a) independent directors, (b) key board committees (e.g. Executive Committee, Nomination Committee, Audit and Risk Management Committee, Compensation and Remuneration Committee); (c) independent auditors, (d) internal audit, (e) disclosure system of company's governance policies, (f) stockholder rights, (g) monitoring and assessment, and (h) penalties for non-compliance.

The Board of Directors, led by the Chairman, Atty. Felipe L. Gozon, strongly advocates accountability, transparency and integrity in all aspects of the business and commits themselves to the best practices of governance in the pursuit of the Company's Mission and Vision.

To ensure adherence to corporate governance, the Board designated a Compliance Officer. The Compliance Officer is responsible for monitoring compliance by the Company with the provisions and requirements of good corporate governance.

On October 4, 2021 (filed on October 8, 2021), the Company amended its Revised Manual to provide that the Company's Corporate Secretary "may or may not be a director".

Based on the Revised Manual established in accordance with the provisions of the Revised Corporation Code, the relevant Circulars of the Commission, as well as the Company's Integrated Annual Corporate Governance Report for year 2021 filed with the Securities and Exchange Commission on May 30, 2022, there have been no deviations from the Company's Manual as of date.

## BOARD OF DIRECTORS

Compliance with the principles of good governance starts with the Company's Board of Directors. The Board is responsible for oversight of the business, determination of the Company's long-term strategy and objectives, and management of the Company's risks by ensuring the Company's internal controls and procedures are observed. The Board of Directors ensures a high standard of governance, and promotes and protects the interests of the Company, its stockholders and other stakeholders.

**The Board comprises the following members:**

| Name | Position |
|---|---|
| **Felipe L. Gozon** | Chairman and Chief Executive Officer |
| **Gilberto R. Duavit, Jr.** | Director, President and Chief Operating Officer |
| **Anna Teresa Gozon-Valdes** | Director and Corporate Secretary |
| **Joel Marcelo G. Jimenez** | Director |
| **Judith R. Duavit-Vazquez** | Director |
| **Laura J. Westfall** | Director |
| **Felipe S. Yalong** | Director, Chief Financial Officer and Executive Vice-President |
| **Artemio V. Panganiban** | Independent Director |
| **Jaime C. Laya** | Independent Director |

The Board consists of nine (9) directors, two of whom are independent directors. All nine members of the Board have the expertise, professional experience and background that allow a thorough discussion and deliberation of issues and matters affecting the Company.

The two independent directors—former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya—have no relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

### Board Performance

Directors attend regular meetings of the Board, which are held every quarter and other times as necessary, and the Annual and Special Stockholders' Meetings. In its meetings, the Board reviews the performance of the Company and its subsidiaries, approves plans, budgets and financial statements, sets policies and guidelines for management, and discusses matters requiring Board attention and approval. The Board met five (5) times in 2022. The attendance of the individual directors at these meetings is duly recorded as follows:

| Director's Name | Regular and Special Meetings | |
|---|---|---|
| | Present | Absent |
| Felipe L. Gozon | 5 | 0 |
| Judith R. Duavit-Vazquez | 5 | 0 |
| Gilberto R. Duavit, Jr. | 5 | 0 |
| Joel Marcelo G. Jimenez | 5 | 0 |
| Felipe S. Yalong | 5 | 0 |
| Anna Teresa M. Gozon-Valdes | 5 | 0 |
| Laura J. Westfall | 5 | 0 |
| Artemio V. Panganiban | 5 | 0 |
| Jaime C. Laya | 5 | 0 |

All directors have individually complied with the SEC's minimum attendance requirement of 50%.

The Chairman, Felipe L. Gozon, presided over all the Board meetings for the year. He likewise presided over the Annual Stockholders' Meeting, with all the members of the Board in attendance.

### Board Remuneration

The Company amended its By-Laws on April 10, 2006 (approved by the SEC on April 20, 2007) to provide that the Board of Directors shall be entitled to an amount of not more than two and a half percent (2.5%) of the net income after income tax of the corporation during the preceding year and per diems for every board meeting attended. Of the said 2.5%, one percent (1%) shall be distributed equally among the members of the Board of Directors, while the remaining one and a half percent (1.5%) shall be distributed equally among the members of the Executive Committee.

## COMMITTEES AND MEETINGS

Four committees were established to aid in complying with the principles of good governance and address issues requiring the Board's attention:

### Executive Committee

The Executive Committee (Excom) consists of three members which includes the Chairman of the Board and CEO Felipe L. Gozon, President and COO Gilberto R. Duavit, Jr. and Director Joel G. Jimenez. Mr. Gilberto R. Duavit, Jr. serves as Chairman of the Committee. It acts on matters delegated to it by the Board of Directors. The Excom acts by a majority vote and in accordance with the authority granted by the Board. All actions of the Excom are reported to the Board for ratification at the meeting immediately following such action.

The jurisdiction of the Executive Committee has been expanded to include the functions and responsibilities of the Corporate Governance Committee, except those pertaining to the nomination and election of directors and the procedure for determining the remuneration of directors and officers which remain vested in the Nomination Committee and the Compensation and Remuneration Committee, as well as the power to evaluate the performance of the Board of Directors as it pertains to the stockholders and the duly elected Board directors themselves. The Executive Committee held thirty-nine (39) meetings in 2022 in furtherance of its foregoing functions.

| Member's Name | Meetings | |
|---|---|---|
| | Present | Absent |
| Gilberto R. Duavit, Jr. (Chairman) | 39 | 0 |
| Joel Marcelo G. Jimenez (Vice-Chairman) | 39 | 0 |
| Felipe L. Gozon | 39 | 0 |

## Nomination Committee

The Nomination Committee is chaired by Felipe L. Gozon and composed of four members that include an independent director in the person of former Chief Justice Artemio V. Panganiban as Vice Chairman, with Gilberto R. Duavit, Jr. and Joel Marcelo G. Jimenez as members. The mission of the Nomination Committee is to provide the shareholders with an independent and objective evaluation and assurance that the membership of the Board of Directors is competent and will foster the long-term success of the Company and secure its competitiveness. The Nomination Committee assists the Board of Directors in ensuring that all nominees to the Board of Directors are competent and qualified to be nominated as Director based on internal guidelines. This is to ensure that: (a) there is a proper mix of competent directors that would continuously improve shareholder's value; and, (b) Directors will ensure a high standard of best practices for the Company and its stakeholders. The Nomination Committee held one (1) meeting in 2022 wherein the Committee reviewed the qualification of the nominees for election as member of the Board of Directors (including Independent Directors) for 2022-2023 including the procedure for their nomination.

| Director's Name | Meetings | |
|---|---|---|
| | Present | Absent |
| Felipe L. Gozon (Chairman) | 1 | 0 |
| Artemio V. Panganiban (Vice-Chairman) | 1 | 0 |
| Gilberto R. Duavit, Jr. | 1 | 0 |
| Joel Marcelo G. Jimenez | 1 | 0 |

## Compensation and Remuneration Committee

The members of the Compensation and Remuneration Committee are Felipe L. Gozon (Chairman), Former Chief Justice Artemio V. Panganiban (Vice Chairman), with Gilberto R. Duavit, Jr. and Laura J. Westfall as members. The Committee recommends a formal and transparent framework of remuneration and evaluation for the members of the Board of Directors and key executives to enable them to run the Company successfully. The Committee held one (1) meeting in 2022. Upon review of existing reporting practices during the year 2022, the Committee noted that in relation to compensation/ remuneration of the Company's Directors and key executives, the Company's reporting practices are consistent with the Company's policies and Article IV Section 8 of the Corporation's By-laws as approved by the Company's Board of Directors and Stockholders in 2006. Under the Company's Related Transaction and Good Governance Policies, directors/officers of the Company are required to declare their existing business interests or shareholdings that may directly or indirectly conflict in the performance of their duties. It was further noted that for transparency, the Company's annual reports and information statements provide a clear, concise, and understandable disclosure of aggregate compensation of its executive officers and directors for the previous fiscal year and the ensuing year.

| Director's Name | Meetings | |
|---|---|---|
| | Present | Absent |
| Felipe L. Gozon (Chairman) | 1 | 0 |
| Artemio V. Panganiban (Vice-Chairman) | 1 | 0 |
| Gilberto R. Duavit, Jr. | 1 | 0 |
| Laura J. Westfall | 1 | 0 |

## Audit and Risk Management Committee

### Audit

The Audit and Risk Management Committee is currently composed of the following members: Dr. Jaime C. Laya, (Chairman), former Chief Justice Artemio V. Panganiban (Vice Chairman), Ms. Judith R. Duavit-Vazquez, Joel Marcelo G. Jimenez and Ms. Laura J. Westfall. The Audit and Risk Management Committee assists the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Company's management and stakeholders in the continuous improvement of risk management systems, business operations and proper safeguarding and use of the Corporation's resources and assets. The Audit and Risk Management Committee provides a general evaluation and gives assistance in the overall improvement of the risk management, control, and governance process of the Company as designed by Management and provides assurance that these are properly functioning.

On Jan. 26, 2023, Atty. Anna Teresa M. Gozon-Valdes resigned from the Audit and Risk Management Committee and Joel Marcelo G. Jimenez was appointed as member of the Audit and Risk Management Committee to serve the remainder of Atty. Gozon-Valdes' term.

The Committee conducts tenders for independent audit services, reviews audit fees and recommends the appointment and fees of the independent auditors to the Board. The Board, in turn, submits the appointment of the independent auditors for approval of the shareholders at the Annual Stockholders' Meeting.

The Audit and Risk Management Committee also approves the work plan of the Company's Internal Audit Group, as well as the overall scope and work plan of the independent auditors.

The jurisdiction of the Audit and Risk Management Committee has been expanded to include the functions and responsibilities of the Board and Risk Oversight Committee ("BROC") and the Related Party Transactions ("RPT") Committee.

The Audit and Risk Management Committee held six (6) meetings in 2022 wherein the Committee reviewed and approved, among others, the Company's 2022 Consolidated Audited Financial Statements as prepared by the external auditors.

| Director's Name | Regular and Special Meetings | |
|---|---|---|
| | Present | Absent |
| Jaime C. Laya (Chairman) | 5 | 0 |
| Artemio V. Panganiban (Vice-Chairman) | 5 | 0 |
| Laura J. Westfall | 5 | 0 |
| Anna Teresa M. Gozon-Valdes | 4 | 1 |
| Judith R. Duavit-Vazquez | 5 | 0 |

## Risk Management

Operating in a complex and dynamic business environment, the Company believes that effective risk management is crucial in the attainment of its operational and financial targets. To protect and enhance shareholder value, a comprehensive and integrated enterprise-wide risk management program is implemented, guided by internationally accepted standards, and closely monitored by the Company's executive management and Board of Directors. As a result of such a program, the Company's risk exposure is managed at an acceptable level—effectively reducing threats, creating opportunities for continued growth, and strategically gaining a competitive advantage.

### Our commitment to effective risk management

All risk management-related activities within the Company are based on the International Organization for Standardization (ISO) 31000:2018 risk management guidelines.

As mandated by executive management, it is the policy of the Company to:

- Integrate risk management into its culture and operations
- Incorporate risk management into strategic planning, activity planning, performance management, and resource allocation decisions
- Manage risk in accordance with the adopted standard
- Periodically revisit and re-asses its risk profile and the effectiveness of risk treatments

The Head of Corporate Strategic Planning and Business Development (CSPBD) functions as the Chief Risk Officer (CRO), and spearheads the risk management process in the Company. The CRO is part of the Audit and Risk Management Committee, which assists the Board in performing its oversight functions.

### Major risks relating to our operations

Among the risks that may impact the sustained profitability and resilience of the Company, the most crucial are:

- Evolving and intensifying industry competition, amplified by globalization and rapid technological advancements
- Changing consumer habits driven primarily by innovations in content distribution platforms
- Failure to sustain lead in audience and market shares
- Failure to sustain lead in reach and technological superiority
- Unfavorable and volatile political and economic conditions in the Philippines and in territories where the Company and its subsidiaries operate

- Decline in advertising revenues and loss of significant advertisers
- Impact of the new normal on the media and entertainment industry
- Damages and attacks to the Company brand and its representing entities
- On-air and other operational disruptions brought about by equipment failures, pandemics, natural disasters, cyberattacks, malicious parties, and other threats
- Loss of key personnel or failure to attract and retain highly qualified personnel

With the coordinated efforts of the Company's risk management champions, risk owners, assurance providers, and support team, a systematic approach is in place to proactively respond to these risks. Mitigating controls are identified and periodically evaluated to ensure that they are operating satisfactorily to address the risks.

## MANAGEMENT

The Chairman of the Board and Chief Executive Officer is Felipe L. Gozon, while Gilberto R. Duavit, Jr. holds the position of President and Chief Operating Officer.

The CEO is accountable to the Board for the development and recommendation of strategies and the execution of strategic directions set by the Board, while the COO is responsible for the day-to-day management of the Company and the implementation of the directives provided by the CEO and the Board's policies and decisions. Both the CEO and COO are guided by the Company's Mission, Vision, and Core Values.

Management regularly provides the Board with complete and accurate information on the operations and affairs of the Company.

## EMPLOYEE RELATIONS

Employees are provided an employee handbook which contains the policies and guidelines for the duties and responsibilities of an employee of GMA Network, Inc. The Handbook also details the benefits and privileges accruing to all regular employees.

The News and Public Affairs Ethics Manual, on the other hand, sets the standards and rules on how News and Public Affairs personnel should conduct themselves at work.

The employees are updated on material developments through the Network's Corporate Affairs Division. Its platforms for internal communications include online publications (intranet, monthly newsletter, e-mail announcements), multimedia (internal television), and the quarterly General Assemblies among others.

The Company also provides training programs and seminars for career advancement and development. The Company has also initiated activities centered on the safety, health and welfare of its employees.

## PROMPT DISCLOSURES AND TIMELY REPORTING

GMA Network, Inc. adheres to a high level of corporate disclosure and transparency regarding the Company's financial condition and state of corporate governance on a regular basis. Through the Investor Relations and Compliance Division (IRCD), shareholders are provided disclosures, announcements and periodic reports filed with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange. These are also available online through the Company's Investor Relations website www.gmanetwork.com/corporate/ir.

The Company, through the IRCD and Corporate Affairs and Communications Department, publishes press releases on the performance of the Company. Meetings with Fund Managers, Investment, Financial and Research Analysts are likewise handled by the IRCD.

Consolidated audited financial statements are submitted to the SEC on or before the prescribed period and are made available to the shareholders prior to the scheduled Annual Stockholders' Meeting.


# MANAGEMENT DISCUSSION & ANALYSIS

## Management Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2022 and 2021

The Management Discussion and Analysis provides a narrative of the Company's financial performance and condition that should be read in conjunction with the accompanying financial statements, which have been prepared in accordance with accounting principles generally accepted in the Philippines.

As discussed below, the Company's financial statements do not show any losses from operation and hence the Company has not taken any measures to address the same.

### KEY PERFORMANCE INDICATORS

The Company uses the following measures to assess its performance from period to period.

#### Ratings

The performance of a program and/or network as a whole with respect to household ratings is the primary consideration for an advertiser in the Philippines to determine whether to advertise on a given program and/or network. AGB Nielsen, a media research firm, provides ratings to the Company on a subscription basis.

#### Load Factor

Load factor refers to the amount of advertising minutes aired during the breaks in a program as a percentage of the total minutes available for advertisement. The load factor is an indication of a program's or a timeblock's ability to sell advertising minutes. Load factor statistics are internally generated, although certain third parties monitor such statistics.

#### Signal reach/coverage

The ability to reach a greater number of viewers is a part of the Company's strategy to provide its advertisers with more value for their advertising expenditures. The Company frequently assesses its signal strength and coverage by conducting field intensity surveys and tests.

#### Subscriber count

Subscriber count is the key performance indicator for the Company's initiatives in the international arena to diversify its revenue base beyond advertising revenues. The number of subscribers to the Company's GMA Pinoy TV, GMA Life TV and GMA News TV International forms the benchmark for measuring the success of this service. The Company makes internal assessments to determine the market potential for each new initiative and sets a subscriber count target accordingly.

#### Cost control

The Company is continuously searching for ways to control costs and to improve efficiency. The Company has established systems and procedures to monitor costs and measure efficiency and has launched various initiatives and activities in relation to these efforts.

### FINANCIAL AND OPERATIONAL RESULTS

#### For the Year Ended December 31, 2022

GMA Network and Subsidiaries (GMA/the Company) sealed the year with consolidated revenues reaching P21,564 million, once again breaching the P20.0-billion mark — a back-to-back feat from 2021. However, compared to a year ago, a decline of 4% was recorded in the top line following the slowdown in recurring sales during the second half of 2022.

| Income Data | 2022 (in millions PhP) | 2021 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Revenues | | | | |
| Advertising revenue | **20,230.37** | 21,015.17 | (784.80) | -4% |
| Consumer sales | | | | |
| Sale of services | **992.77** | 907.13 | 85.63 | 9% |
| Sale of goods | **340.87** | 528.02 | (187.15) | -35% |
| | **21,564.01** | 22,450.32 | (886.31) | -4% |
| Total operating expenses | **14,425.40** | 12,555.62 | 1,869.78 | 15% |
| EBITDA | **8,950.84** | 11,644.48 | (2,693.64) | -23% |
| Net income | **5,456.51** | 7,569.15 | (2,112.64) | -28% |
| *Attributable to Equity Holders of Parent Co.* | ***5,442.34*** | *7,530.11* | *(2,087.77)* | *-28%* |
| *Noncontrolling Interest* | ***14.17*** | *39.03* | *(24.86)* | *-64%* |

While the nation and the rest of the world have been slowly recovering and adapting to the new normal alongside the lingering presence of the Coronavirus disease, the year 2022 was beset with new challenges as Russia, one of the most powerful nations in the world, invaded Ukraine towards the end of February — the repercussions of which were felt across the globe. This conflict caused ripple effects particularly in disrupting the global supply chain and aggravating the rise in cost of commodities. Fuel prices saw unprecedented increases, with the prices of gasoline and diesel skyrocketing to P80.0+ per liter during the year. Rising inflation was yet another issue that confronted the economic landscape alongside the devaluation of the Philippine peso against the US dollar with the exchange rate nearly hitting the PhP60 to USD1 conversion in September. Towards the end of the year, some tapering in fuel prices and forex were manifested, but still at relatively higher levels than before.

The confluence of these took a toll on various industries and heavily impacted the advertising spending of the Company's major clients resulting in considerable cutbacks in their budgets. The effect was not as heavily felt in the Company's total top line due to the presence of political advocacies and advertisements aligned with this year's national and local elections which generated a windfall of about P3 billion revenues.

For this year, GMA remained resolute in maintaining its supremacy in the broadcast industry and in expanding its revenue sources. As the rest of the world witnessed Philippine history unfolding, GMA's Eleksyon 2022: The GMA News and Public Affairs Coverage was the primary source of news and information from Filipinos here and abroad. Ratings-wise, GMA's election-day coverage ranked first, with sister channel GTV's own feature of the event grabbing second place (based on Nielsen Philippines overnight data). During the same year, the 11th regional station was likewise launched in the 1st quarter via GMA Batangas which also carried Balitang Southern Tagalog, the 7th flagship newscast in the regions. The opening of GMA Batangas complemented GMA's news coverage and operations in the Philippines with a dedicated team assigned in the Southern Tagalog Mainland (Quezon, Rizal, Cavite, Laguna, Batangas). During the last quarter of the year, the biggest, the best, and the most trusted news organization in the Philippines just got stronger than ever with the synergy of GMA News Manila, GMA Regional TV, and GMA News Online into what is now known as GMA Integrated News. Moreover, as restrictions on physical distancing have eased, GMA has once again embarked on staging live productions and concerts here and abroad, led by the sold-out two-night anniversary concert Together Again: A GMA Pinoy TV at 17, held last September in the US. This was followed by another concert (this time locally) via JulieVerse, just before the year ended. Finally, it was also this year when a landmark deal between erstwhile broadcast industry rivals GMA Network and ABS-CBN was forged, with the latter's Star Cinema movies being shown on GMA's various channels, thus signaling that greater possibilities are about to happen.

Consolidated advertising revenues (airtime, online, and international) continued to grab the lion's share at 94% of the Company's total revenue pie, which was similar to last year's percentage share. Wrapping up with total revenues of P20,230 million, advertising sales posted a shortfall of P785 million or 4% versus a year ago. While political advocacies and advertisements generated by these platforms amounted to a considerable amount, it was not enough to mitigate the reduction in recurring sales which ended 15% lower in between periods. Meanwhile, sale of services, which included subscriptions revenues, subsidiaries' operations and others, closed the year settling at P993 million, 9% or P86 million ahead versus a year ago.

Finally, sale of goods—mainly of GMA Affordabox—concluded the year with a reduction amounting to P187 million, from P528 million in 2021 to P341 million by the end of 2022.

The Company's total consolidated cost and operating expenses (OPEX) have already returned to pre-pandemic levels, cumulating to P14,425 million by the close the year. Both Production and other direct costs, as well as general and administrative expenses, recorded increases versus same period in 2021. These were partially offset by the reduction in the cost of goods sold during this period, aligned with the decline in units sold of the set-top box.

Consolidated Earnings before interest, taxes, depreciation, and amortization (EBITDA) after twelve months this year settled at P8,951 million, behind by 23% compared to year ago's P11,644 million. The slight reduction in the top line aggravated by rising costs were the main drivers for the said decline. In the same manner, consolidated Net Income After Tax (NIAT) by the close of the year 2022 wrapped up at P5,457 million, 28% less versus 2021's P7,569 million, which was the highest bottom line generated by the Company by far.

### Revenues

Amidst the challenges in the economic landscape, the presence of political advocacies and advertisements played a crucial role in sustaining the Company's top line for the year 2022. Advertising revenues remained the lifeblood of the Company. On a per platform basis, mixed results were seen among the different revenue generating units.

| **Revenues** | **2022** *(in millions PhP)* | 2021 *(in millions PhP)* | Inc/(Dec) *(in millions PhP)* | % |
|---|---|---|---|---|
| Advertising revenues | **20,230.37** | 21,015.17 | (784.80) | -4% |
| Consumer sales | | | | |
| Sale of services | **992.77** | 907.13 | 85.63 | 9% |
| Sale of goods | **340.87** | 528.02 | (187.15) | -35% |
| | **21,564.01** | 22,450.32 | (886.31) | -4% |

On a per platform basis, core channel GMA 7 remained the biggest revenue provider for the Company, albeit ending short by 7% versus full year of 2021. The channel remained the most widely viewed free-to-air broadcast station with the most extensive reach nationwide. True to its commitment to the Filipino people, GMA Network delivered the biggest, most comprehensive, and most trusted election coverage via "Eleksyon 2022: The GMA News and Public Affairs Coverage". Based on Nielsen Urban TV Audience Measurement data for May 9 to 10, GMA-7's Eleksyon 2022 special and election-related shows/newscasts posted 45.7% people net reach and a people rating of 6.0%, lording it over all other Networks. For the full year of 2022, GMA continued to reign supreme with a 43.8% people audience share and a people rating of 5.7% in Total Philippines. TV series Lolong, which debuted in July was the most watched TV show in the Philippines with an estimated 13 million viewers glued to their screen every night. The show also enjoyed double-digit ratings each episode. Moreover, in the last quarter of the year, the primetime masterpiece Maria Clara at Ibarra made headlines posting a combined average people rating of 15.1% on GMA and GTV for its launch week last October 3 to 7 (based on Nielsen Philippines TAM ratings) and 14.8 % on its second week, way ahead of competition in other channels. The phenomenon brought about by the historical portal fantasy series was also manifested through its consistent inclusion in Twitter's list of top trending topics. Up until the close of the year, Maria Clara at Ibarra remained the number one program in the country (based on Nielsen NUTAM People Survey).

Meanwhile, sister channel Good TV or GTV registered remarkable advancements both in terms of revenues and ratings. GTV garnered 20.8% people net reach in the aforesaid Eleksyon 2022 special and election-related shows/newscasts. This brought GMA and GTV's combined net reach up to 50.8% which is substantially higher compared to the net reach of TV5 with 19.6%, A2Z & Kapamilya Channel combined with 14.3%, and CNN Philippines with only 2% for the said election-related shows/newscasts. In the 4th quarter of 2022, GTV held on as the second most-watched TV channel nationwide with a 10.3% people audience share and a people rating of 1.3%. Revenue-wise, GTV also displayed a strong showing this year following ratings improvement, particularly in its primetime movie offerings. This year, the rebranded channel recorded a milestone by grabbing second spot in terms of airtime contribution for the whole

Network. GTV packed sales higher by a whopping 83% compared to full year of 2021. More than the incremental sales from this year's elections, it was recurring placements which propelled the growth in the channel's top line, hiking by 86%.

Staying strong in third place was Regional TV (RTV). Amidst cutback in regular sales, RTV was able to post a net increase of 8% in its top line from combined national and local sales. On a per regional station basis, Cebu, Davao and CDO took the top three spots. RTV Batangas which was launched in Q1 of 2022 also provided fresh source of revenues.

For the Company's Radio operations, the past twelve months this 2022 resulted in sales 10% lower than a year ago. Political advocacies and advertisements buoyed the platform's top line during the first half, but the slowdown in regular advertisers' placements took its toll and wiped out the revenue build up during 1H. Barangay LS FM 97.1 managed to record a 3% climb in sales during the year but was not enough to compensate for the revenue drop in AM station Super Radyo DZBB as well as Cebu and provincial stations. Nonetheless, the Kapuso Network's flagship AM and FM radio stations remained unrivaled in Mega Manila for 2022. Data from Nielsen's Radio Audience Measurement showed that from January to December 2022, Super Radyo DZBB recorded an audience share of 37.4%, beating its closest competitor DZRH's 31.2%. DZBB likewise posted a total reach of 1.4 million listeners—way ahead of DZRH's 755,840. Meanwhile, its FM counterpart, Barangay LS 97.1, tallied a 38.5% total audience share for 2022, which was more than double the 14.8% of its nearest competitor, DZMB. It also recorded a total reach of 6.6 million listeners, ahead of DZMB's 4 million listeners.

The Company's Digital Terrestrial TV (DTT) channels was not as affected by the cutdown on recurring sales, posting a combined top-line growth of 51% in between years. Taking the top spot in this category was Heart of Asia which settled with sales higher by 11% than a year ago while Hallypop edged 2021 revenues by 2%. Meanwhile, I Heart Movies was the main source of the top-line improvement for the DTT channels coming from a 2nd quarter launch in 2021. On the other hand, the partnership with the Department of Education for the free use of GMA's digital channel to strengthen television-based instruction (TVBI) as an aid to distance learning concluded in July 2022.

Moving to the online arena, GMA Network continued to solidify its presence across various digital platforms, growing online followers, with more than 28 million subscribers on YouTube. Revenue inflows from online sources has become vital to the Company's consolidated top line. Advertising revenues from this platform sealed twelve months' sales results this 2022 at par with last year despite stiff competition in this segment.

In other revenue sources, Sale of services - comprised mainly of subscription revenues from GMA's international channels GMA Pinoy TV, Life TV, etc. as well as revenues from Subsidiaries' operations, netted an increase of 9% compared to same period last year. Subscription revenues stood flat in between years with the attrition in subscriber count being mitigated by the average increase in forex by 10% due to the depreciation of the PhP against the USD by PhP5.10 to USD1. Separately, revenues from production and others (ticket sales and on-ground sponsorships) provided incremental revenues this year. The highly successful "Together Again: A GMA Pinoy TV@17 Concert" was held in September in California, USA and was a two-day sold-out hit. There were also contributions from other subsidiaries particularly Script2010 and Alta Productions for their post-production services.

In terms of broadening its business horizon, GMA Ventures, Inc. (GVI), the wholly-owned diversification arm of the Network, signed a Simple Agreement for Future Equity (SAFE) Note with CloudEats, a cloud kitchen and restaurant business that utilizes a house of brands model. The SAFE Note worth USD250 thousand (or about P13 million) was finalized with CloudEats in October 2021. GVI has also so far invested a total of USD2M (or P107 million) in PX Ventures (ORA), a regional direct-to-patient telehealth startup that provides affordable access to quality healthcare for men and women. In March 2022, GVI committed to invest a total of USD1M in Wavemaker Three-Sixty Health II A, L.P., a leading California-based, seed and early-stage venture capital firm focused on the US healthcare industry. As of date, GVI has invested USD255 thousand (or about P14 million) out of the total commitment in the Wavemaker Fund.

Finally, Sale of merchandise which generated annual sales of P341 million this 2022 finished lower than last year's P528 million. This was due to fewer number of units sold this year for GMA Affordabox (set-top box) and GMA Now (dongle). As at end-December 2022, total quantity sold for GMA Affordabox since launch in mid-2020 already exceeded two million units.

## Expenses

Meanwhile, the Company's total consolidated costs and operating expenses (OPEX) for the past twelve months reached P14,425 million, up by 15% or P1,870 million. Both Production cost and General and administrative expenses posted increases versus last year. These were partially offset by the reduction in cost of goods sold this period, aligned with the decline in quantity sold of the set-top box and dongle.

| **Operating Expenses** | **2022** *(in millions PhP)* | 2021 *(in millions PhP)* | Inc/(Dec) *(in millions PhP)* | % |
|---|---|---|---|---|
| Production costs | **7,482.90** | 5,992.65 | 1,490.25 | 25% |
| Cost of sales | **302.14** | 418.14 | (116.00) | -28% |
| Total Direct Costs | **7,785.04** | 6,410.79 | 1,374.25 | 21% |
| General and administrative expenses | **6,640.37** | 6,144.83 | 495.54 | 8% |
| | **14,425.40** | 12,555.62 | 1,869.78 | 15% |

Consolidated Production costs composed of cash and non-cash direct costs measured at P7,483 million for the year 2022, higher by 25% from P5,993 million during the same period in 2021. Cash production costs rose by 33% or P1,513 million from P4,608 million to P6,121 million owing to 2021 which aired several replays particularly in the afternoon prime block. This was in contrast to 2022 line-up which were generally fresh episodes and with some offerings incurring higher costs to mount, particularly in the Telebabad block (e.g. Start Up PH, Lolong, My First Lady). Furthermore, this year's weekend offering also showcased programs with bigger budget/costs such as the Philippine adaptation of the hit Korean variety show Running Man PH. For GTV, there was likewise a climb in production cost mainly from the presence of two seasons of NCAA (Seasons 97 and 98) in contrast to only Season 96 last 2021. Lastly, this year also included production cost to stage the two-day concert in the US, Together Again as well as the non-recurring Eleksyon 2022-related expenses. Meanwhile, non-cash direct costs finished at about the same level as last year at P1,361 million compared to P1,384 million in 2021. This was due to the rise in Depreciation and amortization by P116 million or 31%, attuned to the Company's aggressive capital investment and expansion, particularly of its digital terrestrial TV (DTT) facilities and infrastructure nationwide, as well as additional broadcast equipment for the recent elections. This was counterbalanced by the decline in Amortization of Program Rights by P139 million or 14%, owing to the lower average cost per title featured this period, coupled with a reduction in the number of titles shown.

| **Production Costs** | **2022** *(in millions PhP)* | 2021 *(in millions PhP)* | Inc/(Dec) *(in millions PhP)* | % |
|---|---|---|---|---|
| Talent fees and production personnel costs | **3,921.19** | 3,253.11 | 668.08 | 21% |
| Rentals and outside services | **523.82** | 344.89 | 178.93 | 52% |
| Other program expenses | **1,676.41** | 1,010.43 | 665.98 | 66% |
| **Sub-total - Cash Production Costs** | **6,121.42** | 4,608.43 | 1,512.99 | 33% |
| Program and other rights amortization | **868.74** | 1,007.35 | (138.61) | -14% |
| Depreciation and amortization | **492.74** | 376.87 | 115.87 | 31% |
| **Sub-total - Non-cash Production Costs** | **1,361.48** | 1,384.22 | (22.73) | -2% |
| **Total production costs** | **7,482.90** | 5,992.65 | 1,490.25 | 25% |

The Company's consolidated general and administrative expenses (GAEX) tipped at P6,640 million, outpacing last year's P6,145 million by 8% or P496 million. Personnel cost, which comprised the biggest chunk of this category, grew by 4% or P154 million. The increase was aligned with the annual adjustments provided in the Collective Bargaining Agreement (CBA) for rank and file employees as well as merit increase for confidential employees. Additionally, this year also included the signing bonus in relation to the recently concluded Y2022-Y2024 CBA. Another source of the escalation this year came from Facilities cost, ending higher by P112 million or 23%, mainly from electricity caused by the spike in generation charges coupled with additional billings for fuel cost recovery as an adverse effect of the on-going fuel supply crisis. Taxes and Licenses for the entire year surpassed last year's P236 million by P160 million or 68% to P395 million. The substantial increase primarily resulted from the payment this year to the Bureau of Internal Revenue

(BIR) for the deficiency taxes covering Y2016 to Y2018 coupled with higher franchise taxes aligned with the growth in the revenue base used in 2022 versus 2021. Outside services also climbed by 10% or P46 million as Advertising and promotions grew by 45% versus a year ago with the presence of more promotions and on ground events during the year. There were several events held abroad such as the participation in GMA International's Stronger Together GPTV @ EXPO 2022 in Dubai, Asian Journal, Philippine Expo in Tokyo, Japan and Philippine Independence Day in New York and Canada Community events. The staging of RTV's Masterclass Series and heightened presence in the local scene across the country also influenced the growth in spending.

| General and Administrative Expenses | 2022 *(in millions PhP)* | 2021 *(in millions PhP)* | Inc/(Dec) *(in millions PhP)* | % |
|---|---|---|---|---|
| Personnel costs | **4,010.85** | 3,856.41 | 154.45 | 4% |
| Outside services | **516.69** | 470.47 | 46.21 | 10% |
| Facilities costs | **607.17** | 495.12 | 112.05 | 23% |
| Taxes and licenses | **395.26** | 235.51 | 159.75 | 68% |
| Others | **844.09** | 663.79 | 180.31 | 27% |
| **Subtotal - Cash GAEX** | **6,374.06** | 5,721.29 | 652.77 | 11% |
| Depreciation and amortization | **206.59** | 231.26 | (24.67) | -11% |
| Provision for doubtful accounts | **1.46** | 142.58 | (141.12) | -99% |
| Amortization of software costs | **58.26** | 49.71 | 8.56 | 17% |
| **Subtotal - Non-cash GAEX** | **266.31** | 423.54 | (157.23) | -37% |
| **Total GAEX** | **6,640.37** | 6,144.83 | 495.54 | 8% |

### EBITDA

Consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) wrapped up at P8,951 million, a decline of P2,694 million or 23% versus a year ago. This resulted from the drop in consolidated revenues by P886 million, aggravated by the hike in cash operating expenses by P2,049 million.

### Net Income

Meanwhile, twelve months into the year and despite the windfall from election-related placements during the first half of this year, the Company's bottom line sealed at P5,457 million, P2,113 million or 28% less than the record-high bottom line of P7,569 million recorded a year ago.

### Balance Sheet Accounts

As at end-December 2022, the Company's total consolidated assets stood at P24,729 million, up 3% from December 31, 2021's P24,076 million.

Noncurrent assets finished higher at P11,189 million as at the close of 2022 from P7,738 million a year ago due to the subsequent hike in Land at revalued amount by P3,675 million. The increase in the account balance was due to the climb in land's market value based on the latest appraisal report. This was counterbalanced by the reduction in Cash and cash equivalents by 40% or P1,938 million from the 2021 balance of P4,794 million as a result of cash dividend payments during the first half of the year. Additionally, Trade and other receivables settled 25% less, at P5,862 million versus end-2021's P7,785 million ensuing from the improved collections buoyed by the presence of pay-before-broadcast terms for election-related placements earlier during the year.

Meanwhile, total consolidated liabilities declined by 3% or P242 million as at end of 2022 to P9,263 million from P9,505 million as at end-December in 2021 as a result of the decline in short-term loans from P739 million in 2021 to only P27 million in 2022. Income tax payable dropped to P556 million vs. P1,076 million, parallel with the reduction in the Company's bottom-line. These were partly cushioned by the growth in Trade payables and other current liabilities due to normal trade transactions, as well as from the rise in Pension liability in between periods due to higher accruals.

Equity attributable to Parent Company stockholders of P15,389 million as at December 31, 2022 went up by

6% or P919 million from December 31, 2021, mainly due to already discussed increase in revaluation in land. This was offset by the decline in Retained earnings from P8,223 million in 2021 to P6,611 million as of end of reporting period due to lower net income after tax this year.

| Cash Flows | 2022 (in millions PhP) | 2021 (in millions PhP) |
|---|---|---|
| Net cash provided by operating activities | **7,061.58** | 9,362.23 |
| Net cash used in investing activities | **(1,185.72)** | (1,147.11) |
| Net cash used in financing activities | **(7,800.26)** | (6,678.61) |
| Effect of exchange rate changes on cash and cash equivalents | **(13.70)** | 42.24 |
| Net increase (decrease) in cash and cash equivalents | **(1,938.10)** | 1,578.75 |
| Cash and cash equivalents at beginning of year | **4,793.57** | 3,214.82 |
| Cash and cash equivalents at end of the period | **2,855.47** | 4,793.57 |

### Operating Activities

Net cash provided by operating activities measured at P7,062 million in 2022. This stemmed from income before income tax of P7,320 million, adjusted mainly for Program rights usage of P869 million, Depreciation expense of P699 million, Pension expense of P661 million, Contribution to retirement plan assets of P261 million, Amortization of software costs of P58 million, Gain on sale of property and equipment of P32 million, Interest expense and financing charges equivalent to P25 million, and Interest income amounting to P21 million, apart from the changes in working capital. The primary component of the changes in working capital included the P1,948 million decrease in Trade and other receivables due to significant collections made during the covering period, coupled by the P321 million increase in Trade payables and other current liabilities.

### Investing Activities

Net cash used in investing activities amounted to P1,186 million, coming primarily from the P1,050 million additions to Property and equipment and P169 million increase in Financial assets at fair value through other comprehensive income. These were partly offset by the P38 million proceeds from property sales and P36 million decline in other noncurrent assets.

### Financing Activities

Net cash used in financing activities amounted to P7,800 million basically due to payment of dividends and loans amounting to P7,101 million and P1,686 million, respectively. These were partly offset by Company's availment of short-term loan amounting to P1,027 million during the reporting year.

### For the Year Ended December 31, 2021

Notwithstanding the protracted pandemic which continued to hamper the full recovery of the economy due to the country's intermittent lockdowns, limited mobility and restricted business operations, GMA Network, Inc. and Subsidiaries (GMA/the Company) remained unwavering and once again broke all financial records for the twelve months this 2021. Consolidated revenues of the Company ramped up to an all-time high of P22,450 million posting a double-digit growth of 16% and translating into an absolute increase of P3,114 million. Apart from maintaining dominance in the free-to-air broadcasting arena, this year's exceptional top line was further boosted by the presence of political advocacies amounting to more than three quarters of a billion pesos. Minus the non-recurring election-related placements, the growth in consolidated recurring sales still stood at a commendable 12%.

GMA was determined to confront the challenge ahead, unceasingly finding ways to continue its service to the Filipino audience – more so, as the Network was regarded as the primary source of news and information across the country. During the year, additional digital terrestrial television (DTT) channels saw commercial broadcasts (DepEd TV and I Heart Movies), thus bringing the DTT channels to a total of six (6). Fortifying the DTT signal and transmission across the county has likewise been the focus of the Company with additional DTT sites already commissioned and with some others for completion in 2022. Meanwhile, the Company's DTT set-top box GMA Affordabox, continued to post steady sales this year.

This 2021 also saw the rebranding of the Company's UHF station Channel 27, from GMA News TV to Good TV or simply GTV. Lastly, as part of the Company's effort to expand its reach and service to our countrymen, a new regional TV (RTV) station, RTV Zamboanga, was launched in Q4 this year. This station functions as RTV's Western Mindanao hub and becomes the fourth regional station of GMA in Mindanao and the 10th overall in the country. Finally, during the year, the first ever partnership of the Company with the oldest collegiate athletic association in the country NCAA also came to fruition. The collaboration aired its maiden broadcast in GMA's Good TV (GTV) in mid-June via Rise Up Stronger: NCAA Season 96.

| Income Data | 2021 (in millions PhP) | 2020 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Revenues | | | | |
| Advertising revenue | **21,015.17** | 17,727.49 | 3,287.67 | 19% |
| Consumer sales | | | | |
| Sale of services | **907.13** | 1,024.61 | (117.47) | -11% |
| Sale of goods | **528.02** | 583.79 | (55.77) | -10% |
| | **22,450.32** | 19,335.90 | 3,114.43 | 16% |
| Total operating expenses | **12,555.62** | 10,779.37 | 1,776.25 | 16% |
| EBITDA | **11,644.48** | 9,887.84 | 1,756.64 | 18% |
| Net income | **7,569.15** | 6,007.33 | 1,561.81 | 26% |
| *Attributable to Equity Holders of Parent Co.* | ***7,530.11*** | *5,984.58* | *1,545.53* | *26%* |
| *Noncontrolling Interest* | ***39.03*** | *22.75* | *16.28* | *72%* |

For the twelve months ended, consolidated advertising revenues (airtime, online, international) which comprised 94% of the Company's revenue pie, sealed at an unprecedented level of P21,015 million, overshadowing prior year's P17,727 million top line by a whopping P3,288 million or 19%. It can be recalled that it was in early May of last year when closest rival ABS-CBN's free-to-air Channel 2 went off air, following the issuance of a cease and desist order to operate by the National Telecommunications Commission (NTC) upon the expiration of ABS's 25-year franchise. From then on, the Network's revenues were buoyed by the shift in advertising placements from the defunct channel. All airtime-revenue generating platforms yielded upbeat sales versus same period last year. Even without the boost from political advocacies, GMA's regular advertising revenues still grew by 14% year-on-year. Meanwhile, Sale of services which included subscription revenues, subsidiaries' operations and others wrapped up the year with a top-line of P907 million, contracting by P117 million or 11% versus last year's P1,025 million. The Company's venture into the sale of merchandise also pitched in revenues of P528 million.

Meanwhile, the Company concluded 2021 with consolidated operating expenses (OPEX) of P12,556 million, 16% or P1,776 million greater than prior year. The increase in spending was buoyed by the Network's resumption in terms of producing fresh programs during most parts of the year in contrast to airing mostly replays in 2020 due to the onset of the COVID-19 outbreak. Thus, production-related expenses propelled this year's increase by as much as 32%. In the same manner, general and administrative expenses also climbed by 7% in between periods following increased operating activities of the Company.

With the sterling performance in the top line, partly trimmed down by the rise in expenditures, consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) ended the 12-month period this 2021 pass the P10-billion mark at P11,644 million, 18% better than last year. Similarly, YTD consolidated Net Income after Tax of the Company once again broke all records at P7,569 million, a huge P1,562 million ahead of last year.

Financial indicators remained at exceptional levels this period. Consolidated net income before tax margin stood at 44% while EBITDA margin of 52% settled a notch higher than the 51% of prior period. On the other hand, net income after tax margin for this year even grew to 34% from 31% in 2020.

### Revenues

Capping the year 2021, consolidated revenues of the Company measured at P22,450 million, exhibiting a noteworthy increase of 16% from P19,336 million a year ago. Advertising revenues propelled the growth mainly from the upbeat sales coming from almost all airtime-generating platforms. Online advertising was likewise on track, picking up its pace and cementing its presence in terms of revenue contribution. Meanwhile, sale of services made up the second largest revenue source reaching P907 million. Finally, sale of goods added more than half a billion to the Company's coffers this year.

| Revenues | 2021 (in millions PhP) | 2020 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Advertising revenues | **21,015.17** | 17,727.49 | 3,287.67 | 19% |
| Consumer sales | | | | |
| Sale of services | **907.13** | 1,024.61 | (117.47) | -11% |
| Sale of goods | **528.02** | 583.79 | (55.77) | -10% |
| | **22,450.32** | 19,335.90 | 3,114.43 | 16% |

On a per channel basis, flagship channel GMA-7 remained at the top of the sales charts, posting a huge increase of 15% with the aid of more than half a billion worth of political advocacies. Nonetheless, sans this one-time inflow, the core channel of the Company still recorded a double-digit growth of 11% from recurring sales of prior year. Ch-7 continued as the undisputed leader in the broadcast industry and the most trusted source of news and information.

Grabbing second place this year, advertising revenues from online/digital was another area that displayed upbeat sales. Twelve months into the year, online sales showed improvement of 30% from full year of 2020. With the changing landscape in consumer/viewer preferences and habits, as well as the trends in technology, this platform becomes vital in establishing the presence of the Company as an equally dominant player in this field. Both direct buys and programmatic buys posted improvements in between periods.

Radio operations settled at third spot, with sales wrapping up higher by 13% versus a year ago. The hike in revenues was primarily buoyed by flagship AM station DZBB which grew sales by 36% versus prior period. Radio's Cebu and other provincial stations also pitched in higher sales by 22% in between periods. Likewise, FM station Barangay LS 97.1 likewise held the top spot in Mega Manila up to the last month of 2021, registering better sales by 23% compared to a year ago. Total audience share of the FM station of 29.1 percent was almost double its competitor Love Radio DZMB's 15.6 percent. Minus political advocacies, Radio posted a revenue increase of 8% from 2020.

Meanwhile, Regional TV operations was in a roll throughout the entire year with sales skyrocketing by 78% from last year. Both national and local sales posted improvements in their respective top lines. Furthermore, all regional stations basked in high double-digit and even triple-digit percentage increases from an already strong performance in the prior period. Biggest top-line gainers were the stations from the Mindanao region. This laudable feat was attained despite the continued lack of on-ground events due to the restrictions brought about by the pandemic. Minus the aid from political advocacies in 2021, recurring sales of RTV was still considerably ahead by 54% in between years.

Newly rebranded UHF channel – Good TV displayed a remarkable growth in its top line this year by 34%. This year's topline was supplemented by political advertisements, without which, increase in sales still translated into a 19% hike year-on-year. More so, with some changes in the programming mix, this year's revenue growth was also driven by rented programs – both canned series and movies. Likewise, this year also saw the comeback of original station-produced shows such as Farm to Table, The Lost Recipe and My Fantastic Pag-ibig. Towards the last quarter of this year, the daily news-magazine program Dapat Alam Mo! was successfully launched. Finally, this year also saw the maiden season of the landmark partnership of GMA with NCAA via Rise Up Stronger: NCAA Season `96 airing in Good TV.

As the Company continue to expand its reach and operations, the DTT channels comprised of Heart of Asia, Hallypop, I Heart Movies and the DepEd TV, likewise provided incremental sales for the Company with a combined top line in the hundreds of millions which was more than quadruple of prior year's sales. The considerable growth was mainly due to the timing in the launches of the four (4) DTT-exclusive channels. GMA has remained in service to our countrymen not just via the delivery of news and information but through collaboration with the government by making education more accessible to Filipino learners in the new normal. The Company via one of its DTT-channels provided free facility for the Department of Education's platform for multimedia classes and blended learning program. Finally, airtime advertising through the Company's GMA Pinoy TV platform was also able to surpass prior year's top line by more than 50%.

In other revenue streams, Subscription revenues was on the downtrend with a reduction of 14%. The drag in this platform's topline was mainly due to the churn in GMA Pinoy TV subscriber count. GMA Life TV also posted a contraction in subscriber count in between periods. These were slightly cushioned by the moderate climb in GMA News TV International. The reduction in this business segment's sales was further aggravated by the moderate drop in average forex in between years to P49.38 to USD1 from P49.49 to USD1.

Lastly, Merchandise sales this year reached P528 million mainly from GMA Affordabox. Entire units sold for the set-top box since it launched in May last year already reached 1.7 million units amounting to over a billion pesos.

Expenses

| Operating Expenses | 2021 (in millions PhP) | 2020 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Production costs | **5,992.65** | 4,548.23 | 1,444.41 | 32% |
| Cost of sales | **418.14** | 479.42 | (61.28) | -13% |
| Total Direct Costs | **6,410.79** | 5,027.65 | 1,383.14 | 28% |
| General and administrative expensex | **6,144.83** | 5,751.75 | 393.08 | 7% |
| | **12,555.62** | 10,779.40 | 1,776.22 | 16% |

After twelve months in 2021, consolidated total operating expenses (OPEX) of the Company measured at P12,556 million, escalating by 16% or P1,776 million versus Y2020's P10,779 million. Both cash and non-cash OPEX hiked by 18% and 10%, respectively compared with prior year.

| Production Costs | 2021 (in millions PhP) | 2020 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Talent fees and production personnel costs | **3,253.11** | 2,638.35 | 614.76 | 23% |
| Rentals and outside services | **344.89** | 210.24 | 134.65 | 64% |
| Other program expenses | **1,010.43** | 668.18 | 342.26 | 51% |
| **Sub-total - Cash Production Costs** | **4,608.43** | 3,516.76 | 1,091.67 | 31% |
| Program and other rights amortization | **1,007.35** | 703.42 | 303.93 | 43% |
| Depreciation and amortization | **376.87** | 328.05 | 48.82 | 15% |
| **Sub-total - Non-cash Production Costs** | **1,384.22** | 1,031.47 | 352.75 | 34% |
| **Total production costs** | **5,992.65** | 4,548.23 | 1,444.41 | 32% |

The increase in spending in consolidated production cost by 32% or P1,444 million was attuned to the revival of in-house produced programs which was put on hold during most part of 2020. Even with sporadic lockdowns this 2021, the Company has managed to adjust into the new normal set up. Last year, with the outbreak of the pandemic in late March, the Network ceased production of fresh and original episodes and aired mostly reruns except for some News programs. During the last quarter of 2020, fresh episodes were gradually introduced but only on a limited scale. In contrast, for this 2021 there were more original episodes in the programming grid with only few replays aired. As such, total production cost (cash and non-cash) amounting to P5,993 million grew by over a billion by the end of 2021. Cash production cost climbed by P1,092 million or 31% mainly from higher program cost and talent fees while non-cash direct cost hiked by P353 million or 34% owing to the spike in amortization of program rights following the increase in the number of rented materials shown in GTV, I Heart Movies and Heart of Asia channels. These increases were partly cushioned by the decline in cost of sales of merchandise by P61 million in between years.

| General and Administrative Expenses | 2021 (in millions PhP) | 2020 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Personnel costs | **3,856.76** | 3,592.42 | 264.34 | 7% |
| Facilities costs | **495.12** | 379.84 | 115.28 | 30% |
| Outside services | **470.47** | 390.60 | 79.87 | 20% |
| Taxes and licenses | **235.51** | 182.10 | 53.40 | 29% |
| Others | **581.46** | 601.78 | (20.32) | -3% |
| **Subtotal - Cash GAEX** | **5,639.32** | 5,146.74 | 492.57 | 10% |
| Depreciation and amortization | **313.23** | 217.52 | 95.71 | 44% |
| Provision for doubtful accounts | **142.58** | 347.20 | (204.62) | -59% |
| Amortization of software costs | **49.71** | 40.26 | 9.44 | 23% |
| **Subtotal - Non-cash GAEX** | **505.52** | 604.98 | (99.47) | -16% |
| **Total GAEX** | **6,144.83** | 5,751.73 | 393.11 | 7% |

Meanwhile, consolidated general and administrative expenses (GAEX) accumulated to P6,115 million, ahead of last year by P393 million or up by 7%. Personnel cost propelled the rise in this category, edging last year by P264 million or 7%. This was mainly due to the annual increases in salary coming from merit increases and from the collective bargaining agreement. Most overhead expenses surpassed last year's balances as operations have stabilized within the Company following a new normal set-up. Facilities cost grew by P115 million or by 30% as Repairs and Maintenance last year were put on hold when the pandemic struck and stricter government protocols were imposed. There were also major repairs done this year particularly in the GMA Network Center and in refurbishing the Company's broadcast facilities and equipment. Similarly, Utility charges last year were lower due to limited operations - apart from most studios not being utilized during the lockdown, the telecommuting work scheme also resulted in less office areas being used. While a work-from-home set up was still observed, more areas within the Network premises were now utilized. Apart from higher generation charges per kWh, there was also an increase in the utilities consumption in the GMA Network and Fleet Centers. Outside services climbed by 20% this year versus last year partly due to the engagement of additional consultants. Taxes and Licenses similarly outpaced last year's results by 29% due to higher franchise tax payments which was based on prior year's revenues.

### EBITDA

While both direct cost and general and administrative expenses registered increases, they were nonetheless much lower than the absolute improvement in the top line. Hence, after end of this year, consolidated Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) soared to P11,644 million, considerably higher than year ago's P9,888 million by P1,757 million or 18%.

### Net Income

In like manner, Net Income after Tax (NIAT) finished off this year at a record-breaking P7,569 million, soaring by P1,562 million or 26% over last year's already solid bottom line of P6,007 million. The improvement in this year's NIAT was also buoyed by the reduction in the regular corporate income tax rate from 30% to 25% following the passing into law of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act last April 15, 2021.

### Balance Sheet Accounts

GMA's total assets stood at P24,076 million as at end-2021, a tad higher than December 31, 2020's balance of P23,939 million.

Cash and cash equivalents of P4,794 million grew by more than P1.5-billion at P1,579 million or 49% from 2020 peg of P3,215 million. This resulted from a combination of higher sales from previous months which have become due for collection this period coupled with improved collection efforts. Meanwhile, despite the increase in revenues, Trade and other receivables closed the year with a balance of P7,785 million, 26% or P2,682 million less than last year, resulting from increased collections over the recent months.

Total liabilities declined by 14% or P1,553 million as at end-December this year to P9,505 million from P11,058 million in 2020 mainly due to the reduction in the following accounts: (1) Pension liability as a result of recognition of remeasurement gains using the latest actuarial valuation; and (2) Income tax payable due lower rate of 25% this year vs. 30% in 2020 due to passing of CREATE Law.

Equity attributable to Parent Company stockholders amounting to P14,470 million as at end-December 2021 increased by 13% or P1,661 million in between years, as a result of P5,975 million net income attributable to Parent Company earned in 2021, partially reduced by the dividends declared during the first quarter of 2021 amounting to P6,561 million.

| Cash Flows | 2021 (in millions PhP) | 2020 (in millions PhP) |
|---|---|---|
| Net cash provided by operating activities | 9,362.23 | 2,506.76 |
| Net cash used in investing activities | (1,147.11) | (353.62) |
| Net cash used in financing activities | (6,678.61) | (1,166.92) |
| Effect of exchange rate changes on cash and cash equivalents | 42.24 | (26.37) |
| Net increase in cash and cash equivalents | 1,578.75 | 959.85 |
| Cash and cash equivalents at beginning of year | 3,214.82 | 2,254.97 |
| Cash and cash equivalents at end of the year | 4,793.57 | 3,214.82 |

### Operating Activities

Net cash from operations registered at P9,362 million in 2021. This stemmed from income before income tax of P9,947 million, adjusted mainly by Program rights usage of P1,007 million, Pension expense of P640 million, Depreciation expense of P608 million, Provision for doubtful accounts of P143 million and Amortization of software costs of P50 million apart from the changes in working capital. The primary component of the changes in working capital included the P2,564 million decrease in Trade and other receivables partially offset by increase in Inventories by P900 million.

### Investing Activities

Net cash used in investing activities amounted to P1,147 million, coming primarily from the acquisition of P999 million, P142 million and P51 million worth of Property and equipment, Land and Software costs, respectively. These were partially offset by the P58 million proceeds from sale of property and equipment.

### Financing Activities

Net cash used in financing activities amounted to P6,679 million due to payment of cash dividends and loans amounting to P6,549 million and P4,543 million, respectively, plus some P38 million in Interest expense netted by P4,479 million remaining proceeds from short-terms loans.

## FINANCIAL AND OPERATIONAL RESULTS

### For the Year Ended December 31, 2020

The year 2020 was a year like no other. In the midst of the global crises brought about by the COVID-19 pandemic, which nearly crippled even the strongest of nations and economies, GMA Network, Inc. and Subsidiaries (GMA/the Company) broke all records in terms of financial performance for the 12-month period ended December 31, 2020. With a very strong second half showing this year, the Company sealed full year 2020 with consolidated revenues of P19,336 million, ahead of year ago's top line by 17% or P2,842 million. The aforementioned feat was notwithstanding the impact of the world-wide pandemic which was heavily felt towards the end of the first quarter of the year and the absence of three fourths of a billion worth of non-recurring political advocacies and advertisements coming from the 2019 mid-term national elections.

| Income Data | 2020 (in millions PhP) | 2019 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Revenues | | | | |
| Advertising revenues | **17,727.49** | 15,173.93 | 2,553.57 | 17% |
| Consumer sales | | | | |
| Sale of services | **1,024.61** | 1,319.53 | (294.92) | -22% |
| Sale of goods | **583.79** | - | 583.79 | - |
| | **19,335.90** | 16,493.45 | 2,842.44 | 17% |
| Total operating expenses | **10,779.37** | 12,760.61 | (1,981.24) | -16% |
| EBITDA | **9,887.84** | 5,392.33 | 4,495.50 | 83% |
| Net income | **6,007.33** | 2,639.28 | 3,368.06 | 128% |
| *Attributable to Equity Holders of Parent Co.* | ***5,984.58*** | *2,618.46* | *3,366.12* | *129%* |
| *Noncontrolling Interest* | ***22.75*** | *20.82* | *1.93* | *9%* |

For the year ended December 31, 2020, consolidated advertising revenues continued to take up the lion's share in the Company's revenue pie, measuring P17,727 million and posting a double-digit growth compared to a year ago. Advertising revenues across all platforms exhibited better-than-last year performances in their top line. The closure of biggest rival, ABS-CBN, due to the expiration of their broadcast franchise last May 5 and the subsequent denial last July 10 by the House Committee on Legislative Franchises of ABS's new application contributed to the extraordinary increase in sales from broadcast operations due to the shift in some advertising placements. This year also saw the Company's newest venture into the Digital Terrestrial Television (DTT) landscape with the launch of the DTT channels Heart of Asia (HoA) and Hallypop. Moreover, the successful distribution of the DTT set-top boxes, which was labeled GMA Affordabox, also made a noteworthy impact on the top line. Completing this year's remarkable achievement was the commercial introduction in December of GMA Now, a digital TV receiver for Android smartphones, which allowed viewers to enjoy digital free-to-air channels on-the-go. Meanwhile, consolidated top line generated by Sale of services other than advertising exhibited a reduction, tipping at P1,025 million, behind last year's P1,320 million by 22%.

In terms of operating costs, the Company sealed 12-month period this 2020 with consolidated operating expenses (OPEX) of P10,779 million, contracting by a huge P1,981 million or 16% from last year. Due to the imposition of the quarantine and related guidelines on mass gatherings, the Company had to realign programming to replays of entertainment programs and canned materials while rationalization of station-produced programs was made to ensure a safe environment for its employees and talents. Thus, Production and other direct costs were almost cut in half but was partly offset by the increase in consolidated general and administrative expenses (GAEX) by 13%. Meanwhile, the presence of inventory cost for the sale of GMA Affordabox and GMA Now also partly cushioned the abovementioned reduction.

Consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) ended the 12-month period this 2020 at an astounding P9,888 million, P4,496 million or 83% higher than last year. This resulted from the hefty increase in revenues by P2,842 million heightened by considerable reduction in cash OPEX by P2,006 million. With similar sterling performances since middle of this year, YTD Consolidated Net Income after Tax of the Company recorded a milestone, breaching the P6.0-billion mark at P6,007 million, thus, displaying a 128% or P3,368 million climb from year ago's bottom line -- a fitting achievement to cap the Network's 70 years of existence, notwithstanding the challenges that beset the country and the economy this 2020.

With this year's healthy financial performance, all financial indicators recorded improvements versus a year ago. Consolidated net income margin wrapped up at 31%, double last year's 16%. EBITDA margin stood at 51% vs. 33% in 2019 while NIAT margin settled at 31%, higher by 15 percentage points against comparable period's NIAT margin of 16%. Return on asset was at 25% from 16% while return on equity ended at 47% from 28% a year ago.

### Revenues

Consolidated revenues of the Company in 2020 nearly breached the P20.0-billion mark at P19,336 million, parading a P2,842 million or 17% hike from a year ago. Advertising revenues remained the lifeblood of the Company, taking up 92% of the total revenue pie. Airtime revenues from free-to-air platforms as well as online advertising sales primarily comprised this segment. Meanwhile, sale of services made up the second largest revenue source reaching P1,025 million. Last but not the least were fresh revenues coming from sale of goods, which boosted this year's consolidated top line of the Company.

| Revenues | 2020 (in millions PhP) | 2019 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Advertising revenues | **17,727.49** | 15,173.93 | 2,553.57 | 17% |
| Consumer sales | | | | |
| Sale of services | **1,024.61** | 1,319.53 | (294.92) | -22% |
| Sale of goods | **583.79** | - | 583.79 | - |
| | **19,335.90** | 16,493.45 | 2,842.44 | 17% |

Further segmenting consolidated advertising revenues, airtime sales from television and radio broadcast operations comprised the biggest chunk of the account. Flagship channel GMA 7 led the pack, with absolute sales climbing by 16% versus full year 2019. Carving out more than half a billion worth of non-recurring political advocacies and advertisements in the previous year, revenues from regular sales grew even higher by 23%. The Network has risen to the challenge, and has remained the leading source of much needed relevant news and information especially in the midst of the virus outbreak -- a testament to its service to the Filipino people here and abroad, despite difficult times.

Radio operations followed with the next highest airtime sales contribution, capping the year with a 15% increase in its top line. Sans the impact of election-related placements during 2019, Radio business registered a sales improvement of 20%. The growth was buoyed by higher revenues from banner AM station DZBB with its unceasing advocacy to deliver up-to-date news and public information all throughout the day. Provincial radio operations' sales also grew by an aggregate of 16% from a year ago.

GMA News TV's (GNTV), the Company's UHF channel also enjoyed hefty top-line gains by the end of the 12-month period in 2020, posting an increase in sales by 20%. Driving the revenue growth for the channel were News content, which for the greater part of the year broadcasted the teleradyo program Dobol B sa News TV from morning until early evening. This ensured that timely news and public information were made available via all forms of media, at most times of the day.

Meanwhile, Regional TV (RTV) operations finished off with the highest improvement in the top line, percentage-wise. For this year, RTV revenues soared by 46% versus year ago. National airtime sales propelled the growth which more than compensated for the lack of on-ground sponsorships due to the spread of the coronavirus and consequent quarantine measures. Minus political advocacies and advertisements in 2019, recurring sales of RTV grew even higher by 58% year-on-year. On a per station basis, Cebu emerged as the leader, followed by Davao and Dagupan. The rest of the stations nonetheless enjoyed comfortable leads from last year's top line.

During the third quarter, two DTT channels were also launched by the Network -- Heart of Asia and Hallypop. Combined incremental revenues from these channels further added to the Company's top line.

Despite the growing competition in the digital arena, especially with erstwhile TV rival ABS-CBN concentrating all its efforts to boost its online presence following the denial of their free-to-air broadcast franchise, GMA's advertising revenues from online/digital sales continued to register healthy revenues from this segment. Online advertisements from the Network's various websites and social media accounts cumulatively grew by 13% from a year ago.

In other revenue streams outside advertising, Subscription revenues from International operations accounted for the largest chunk, albeit recording a drop from a year ago. The churn in subscriber count owing to shift in consumer preference especially with the emergence of alternative media sources was the main reason for the decline in subscriptions revenues. The appreciation of the PhP against the USD this year, by an average of 4% or PhP2.09 to USD1 further aggravated the said decline. Other subsidiary operations also resulted in lower top line this year due to the general economic crunch in most industries and businesses. These were slightly mitigated by this year's improvement in syndication revenues abroad which doubled from last year.

Meanwhile, yet another significant development for the Company and in support of its DTT channels, the Network also successfully brought to the public, GMA Affordabox by middle of this year and GMA Now just before the year came-to-a-close, with combined sales reaching over half a billion pesos from more than 900,000 combined units sold.

## Expenses

For the year just ended, consolidated total operating expenses (OPEX) of the Company sealed at P10,779 million, dropping by a double-digit percentage of 16% or P1,981 million compared to full year of 2019. Cash OPEX fell by 18% to P9,143 million while non-cash OPEX inched up by 2% versus a year ago.

| **Operating Expenses** | **2020** *(in millions PhP)* | 2019 *(in millions PhP)* | Inc/(Dec) *(in millions PhP)* | % |
|---|---|---|---|---|
| Production costs | **4,548.23** | 7,658.39 | (3,110.16) | -41% |
| Cost of sales | **479.42** | - | 479.42 | - |
| Total Direct Costs | **5,027.65** | 7,658.39 | (2,630.74) | -34% |
| General and administrative expensex | **5,751.73** | 5,102.22 | 649.50 | 13% |
| | **10,779.37** | 12,760.61 | (1,981.24) | -16% |

Production costs which traditionally comprised half of the Company's consolidated OPEX took a back seat this year, finishing off at P4,548 million, considerably lower by 41% compared with prior year's P7,658 million. While quarantine restrictions were eased up somehow starting the third quarter, it still proved quite difficult for the Company's in-house station produced soaps to go full blast. Hence, during most part of the period, the Network continued to air a number of replays of high-rating and well-loved Entertainment shows. Only News and some Public Affairs programs continued to air fresh episodes year-long to fulfill the Network's responsibility of delivering comprehensive news and information nationwide. It was only during the 4th quarter wherein select in-house produced programs commenced tapings in a bubble set up. With this, Talent fees and production personnel costs declined by P1,351 million or 34%. Rental of facilities and equipment also contracted by P602 million or 74% while other cash production costs decreased by P850 million or 56%. In terms of non-cash Production costs, Program rights amortization also slid by P285 million or 29% due to the mix in the titles shown this period vis-à-vis a year ago.

This year saw a new component in the Company's cost structure – cost of sales – mainly from the inventory cost of DTT set-top boxes and digital TV receivers. Since its mid-year launch in 2020, consolidated cost of sales amounted to P479 million.

| **Production Costs** | **2020** *(in millions PhP)* | 2019 *(in millions PhP)* | Inc/(Dec) *(in millions PhP)* | % |
|---|---|---|---|---|
| Talent fees | **2,638.35** | 3,989.47 | (1,351.12) | -34% |
| Rentals and outside services | **210.24** | 812.01 | (601.77) | -74% |
| Other program expenses | **668.18** | 1,518.28 | (850.10) | -56% |
| **Sub-total - Cash Production Costs** | **3,516.76** | 6,319.75 | (2,802.99) | -44% |
| Program rights amortization | **703.42** | 988.70 | (285.29) | -29% |
| Depreciation and amortization | **328.05** | 349.93 | (21.88) | -6% |
| **Sub-total - Non-cash Production Costs** | **1,031.47** | 1,338.63 | (307.16) | -23% |
| **Total production costs** | **4,548.23** | 7,658.39 | (3,110.16) | -41% |

| General and Administrative Expenses | 2020 (in millions PhP) | 2019 (in millions PhP) | Inc/(Dec) (in millions PhP) | % |
|---|---|---|---|---|
| Personnel costs | **3,592.42** | 3,085.64 | 506.78 | 16% |
| Facilities costs | **379.84** | 490.80 | (110.96) | -23% |
| Outside services | **390.60** | 459.93 | (69.32) | -15% |
| Taxes and licenses | **182.10** | 174.36 | 7.74 | 4% |
| Others | **601.78** | 618.64 | (16.86) | -3% |
| **Subtotal - Cash GAEX** | **5,146.74** | 4,829.36 | 317.38 | 7% |
| Depreciation and amortization | **217.52** | 227.78 | (10.25) | -5% |
| Provision for doubtful accounts | **347.20** | 18.30 | 328.90 | 1798% |
| Amortization of software costs | **40.26** | 26.79 | 13.48 | 50% |
| **Subtotal - Non-cash GAEX** | **604.98** | 272.86 | 332.12 | 122% |
| **Total GAEX** | **5,751.73** | 5,102.22 | 649.50 | 13% |

Meanwhile, consolidated general and administrative (GAEX) finished the year at P5,752 million, edging last year by P650 million or 13%. Personnel costs, which represents 62% of the total GAEX, climbed by P507 million or 16% from P3,086 million in 2019 to P3,525 million by the end of the reporting period. The said growth resulted from higher provision for retirement benefits arising from the latest actuarial valuation reports plus the annual merit and CBA salary increases for confidential and rank and file employees, respectively. Likewise, the recording of provisions for Expected Credit Losses (for receivables) which climbed by P329 million further drove the hike in consolidated GAEX. The increase in the provision for doubtful accounts was due to the spike in the Trade Receivables balance as at end-December 2020 resulting from the considerable growth in revenues which was aggravated by the challenges in collection efforts especially during the 2nd to 3rd quarter of the year because of strict quarantine protocols and disruption in the operations of some business partners. Nonetheless, by the last quarter of the year, collection efforts have regained some normalcy. Mitigating the impact of the above were the reduction in Facilities cost and Outside services by P111 million or 23% and by P69 million or 15%, respectively. Facilities cost, which included utilities consumption, was the main driver for the contraction in GAEX. Apart from most studios not being utilized during the lockdown, most of the employees of the Company observed a telecommuting work arrangement in compliance with the government's mandate on safety measures. This resulted in less consumption of utilities in general. There were also limited projects for repairs and maintenance during the year. For Outside services, promotional and other marketing campaigns and on-ground events were likewise put on hold due to the pandemic.

### EBITDA

With the remarkable top line performance this year, coupled by lower cash operating costs, Earnings before interest, taxes, depreciation and amortization (EBITDA) reached an all-time high of P9,888 million, P4,496 million or 83% higher than last year's P5,392 million.

### Net Income

In the same manner, year-to-date Net Income after Tax of GMA, recorded a first in the 70-year history of the Company, wrapping up at P6,007 million, more than double year ago's bottom line of P2,639 million and higher by P3,368 million or 128%.

### Balance Sheet Accounts

GMA's total assets stood at P23,939 million as at end-2020, increasing significantly by 46% from December 31, 2019's balance of P16,347 million.

Cash and cash equivalents of P3,215 million grew by almost a million pesos at P960 million or 43% from 2019 peg of P2,255 million as cash generated from operations were higher than the cash used in investing and financing activities. Meanwhile, Trade and other receivables closed the year with a balance twice of last year's at P10,467 million, parallel with the spike in the Company's top line.

Total liabilities also climbed by 65% or P4,368 million as at end-December this year to P11,058 million from P6,690 million in 2019 mainly due to the escalation in the following accounts: (1) Pension liability as a result of the latest actuarial valuation; and (2) Income tax payable due the huge hike in the Company's taxable net income.

Equity attributable to Parent Company stockholders amounting to P12,809 million as at end-December 2020 increased by 34% or P3,223 million in between years, as a result of P5,985 million net income attributable to Parent Company earned in 2020, partially reduced by the dividends declared during the first half of 2020 amounting to P1,458 million.

| Cash Flows | 2020 (in millions PhP) | 2019 (in millions PhP) |
|---|---|---|
| Net cash provided by operating activities | **2,506.76** | 2,884.20 |
| Net cash used in investing activities | **(353.62)** | (796.84) |
| Net cash used in financing activities | **(1,166.92)** | (2,365.52) |
| Effect of exchange rate changes on cash and cash equivalents | **(26.37)** | (25.98) |
| Net increase (decrease) in cash and cash equivalents | **959.85** | (304.13) |
| Cash and cash equivalents at beginning of year | **2,254.97** | 2,559.11 |
| Cash and cash equivalents at end of the year | **3,214.82** | 2,254.97 |

### Operating Activities

Net cash from operations registered at P2,507 million in 2020. This stemmed from income before income tax of P8,592 million, adjusted mainly by Program rights usage of P703 million, Pension expense of P646 million, Depreciation expense of P546 million, Provision for doubtful accounts of P347 million and Amortization of software costs of P40 million apart from the changes in working capital. The primary component of the changes in working capital included the P5,589 million and P1,095 million increase in Trade and other receivables and Prepaid and other current assets, respectively.

### Investing Activities

Net cash used in investing activities amounted to P354 million, coming primarily from the acquisition of P421 million and P11 million worth of Property and equipment and Software costs, respectively. These were partially offset by the P56 million change in fair market value of Financial assets at FVOCI and P23 million proceeds from sale of property and equipment.

### Financing Activities

Net cash used in financing activities amounted to P1,167 million due to payment of cash dividends and loans amounting to P1,475 million and P642 million, respectively, plus some P13 million in Interest expense netted by P984 million remaining proceeds from short-terms loans.

# FINANCIAL STATEMENTS

# GMA Network, Inc.

**Report of the Audit and Risk Management Committee**
**For the Year Ended 31 December 2022**
March 31, 2023

The Audit and Risk Management Committee's roles and responsibilities are defined in the Company's Manual on Corporate Governance, namely: to assist the Board of Directors in fulfilling its oversight responsibility to the shareholders relating to: (a) the financial reporting process; (b) system of internal controls; (c) risk management; (d) performance of internal and independent auditors; and (e) compliance with legal and regulatory requirements.

In fulfilling its responsibilities, the Committee wishes to report that:

1. An Independent Director chairs the Audit and Risk Management Committee. The Committee met six (6) times during the year, including an executive session with the internal auditors. The Committee meetings were held on (1) March 15, 2022, (2) May 12, 2022, (3) August 10, 2022, (4) October 26, 2022, (5) November 11, 2022, and (6) November 29, 2022, all via remote communication.

2. The Committee reviewed and discussed the 2022 Audited Financial Statements of GMA Network, Inc. and Subsidiaries (GMA Group), including Management's Discussion and Analysis of Financial Condition and Results of Operations, with management, the company's Internal Auditors and SGV & Co., the independent auditor of the GMA Group. These activities were performed in the following context: (a) management has the primary responsibility for the financial statements and financial reporting process; and (b) SGV & Co. is responsible for expressing an opinion on the conformity of the GMA Group's consolidated audited financial statements with Philippine Financial Reporting Standards.

3. The Committee discussed and approved the respective scope and work plans of the internal and external auditors and subsequently discussed the results of their work and their assessments of the GMA Group's financial reports, internal controls and overall quality of the financial reporting process. As part of this activity, the Committee reviewed Internal Audit Reports and those of regulatory agencies where applicable, to ensure that management is taking appropriate corrective action in a timely manner on internal control and compliance issues.

4. The Committee reviewed the audit and audit-related services provided by SGV & Co. to the GMA Group, together with the fees charged for services rendered. No non-audit services were provided by SGV & Co. during the year.

5. As part of the Committee's ongoing mandate, the Committee oversaw and monitored the continued implementation of a systematic approach to proactively respond to GMA Group's key strategic, operational, financial, and compliance risks. Periodic reviews and updates involving appropriate stakeholders have been institutionalized to ensure that the assessment of GMA Group's risk profile remain current and relevant. Special discussions were held to timely and effectively address special circumstances, as part of the mitigating efforts to reduce unlikely impact toward GMA Group.

6. Based on reviews and discussions undertaken, the Committee recommends approval of the Audited Financial Statements for the year ended December 31, 2022, their inclusion in the Annual Report to Stockholders for the year ended December 31, 2022 and filing with the Securities and Exchange Commission.

7. The Committee finds that SGV & Co. has satisfactorily performed its work for the year 2022 and therefore recommends the re-appointment of SGV & Co. as the GMA Group's independent auditor for 2023, subject to further negotiation on audit fees and charges.

**JAIME C. LAYA**
Chairman, Audit and Risk Management Committee

**ARTEMIO V. PANGANIBAN**
Vice Chairman, Audit and Risk Management Committee

**JUDITH R. DUAVIT-VAZQUEZ**
Member, Audit and Risk Management Committee

**JOEL MARCELO G. JIMENEZ**
Member, Audit and Risk Management Committee

**LAURA J. WESTFALL**
Member, Audit and Risk Management Committee

Countersigned by:

**FELIPE L. GOZON**
Chairman of the Board and Chief Executive Officer

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

March 31, 2023

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, 2022 and 2021, 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.

**FELIPE L. GOZON**
Chairman of the Board
Chief Executive Officer

**GILBERTO R. DUAVIT, JR.**
President
Chief Operating Officer

**FELIPE S. YALONG**
Executive Vice President
Chief Financial Officer

# 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, 2022 and 2021, 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, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

## 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 94% of the consolidated revenues for the year ended December 31, 2022. 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. 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 as of December 31, 2022 amounted to ₱908.67 million. The use of 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 informationin 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, including the impact of the coronavirus pandemic in the calculation of ECL.

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 impairmentallowanceallowance on a sample basis.

***Valuation of Land at Revalued Amounts at Fair Value***

The Group accounts for its land at revalued amounts using the fair value model. Land at revalued amounts represent 27% of the consolidated assets as at December 31, 2022. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as asking price of the comparable land located within the vicinity and adjustments to asking price based on internal and external factors. Thus, we considered the valuation of land at revalued amounts as a key audit matter.

*Audit response*

In 2022, 80.36% of the total cost of the land at revalued amounts were appraised. We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We evaluated the methodology and assumptions used in the valuation of the land at revalued amounts. We assessed the methodology adopted by referencing common valuation models and inspected the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price.

For the land that were not appraised during the year, we referred the fair values to published comparable prices.

The disclosures relating to land at revalued amounts are included in Note 14 of the consolidated financial statements.

**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, 2022 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, 2022 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 PFRSs, 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.

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

SYCIP GORRES VELAYO & CO.

Marydith C. Miguel

Marydith C. Miguel
Partner
CPA Certificate No. 65556
Tax Identification No. 102-092-270
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 65556-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-055-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9564666, January 3, 2023, Makati City

March 31, 2023

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

| | December 31 | |
|---|---|---|
| | **2022** | 2021 |
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents (Notes 6, 31 and 32) | **₱2,855,467,214** | ₱4,793,566,154 |
| Trade and other receivables (Notes 7, 21, 31 and 32) | **5,862,065,892** | 7,784,545,006 |
| Program and other rights (Note 8) | **1,246,572,181** | 764,595,163 |
| Inventories (Note 9) | **1,469,193,884** | 1,137,425,573 |
| Prepaid expenses and other current assets (Note 10) | **2,106,378,864** | 1,857,739,245 |
| **Total Current Assets** | **13,539,678,035** | 16,337,871,141 |
| **Noncurrent Assets** | | |
| Property and equipment: | | |
| At cost (Note 13) | **3,361,149,279** | 2,985,503,552 |
| At revalued amounts (Notes 14 and 32) | **6,619,895,148** | 2,945,297,014 |
| Right-of-use assets (Note 28) | **159,900,385** | 123,923,786 |
| Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 31 and 32) | **282,614,107** | 116,711,276 |
| Investments and advances (Notes 12 and 21) | **175,705,006** | 184,791,025 |
| Program and other rights - net of current portion (Note 8) | **232,446,242** | 240,982,378 |
| Investment properties (Notes 15 and 32) | **32,105,060** | 33,487,447 |
| Deferred tax assets - net (Note 29) | **128,356,573** | 843,583,375 |
| Other noncurrent assets (Notes 16, 31 and 32) | **197,278,059** | 263,574,079 |
| **Total Noncurrent Assets** | **11,189,449,859** | 7,737,853,932 |
| **TOTAL ASSETS** | **₱24,729,127,894** | ₱24,075,725,073 |
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Trade payables and other current liabilities (Notes 17, 31 and 32) | **₱3,084,848,543** | ₱2,697,163,970 |
| Short-term loans (Notes 18, 31 and 32) | **27,125,200** | 739,485,500 |
| Income tax payable | **556,448,496** | 1,075,750,592 |
| Current portion of lease liabilities (Notes 28, 31 and 32) | **21,155,761** | 17,475,682 |
| Current portion of obligations for program and other rights (Notes 19, 31 and 32) | **209,171,643** | 212,578,686 |
| Dividends payable (Notes 20, 31 and 32) | **30,526,306** | 39,589,204 |
| **Total Current Liabilities** | **3,929,275,949** | 4,782,043,634 |
| **Noncurrent Liabilities** | | |
| Pension liability (Note 27) | **4,767,249,209** | 4,169,686,751 |
| Other long-term employee benefits (Note 27) | **371,615,932** | 393,749,230 |
| Lease liabilities - net of current portion (Notes 28, 31 and 32) | **145,955,243** | 101,910,220 |
| Dismantling provision (Note 28) | **49,009,014** | 46,097,449 |
| Obligations for program and other rights - net of current portion (Notes 19, 31 and 32) | **–** | 11,237,556 |
| **Total Noncurrent Liabilities** | **5,333,829,398** | 4,722,681,206 |
| **Total Liabilities** | **9,263,105,347** | 9,504,724,840 |

*(Forward)*

| | December 31 | |
|---|---|---|
| | **2022** | 2021 |
| **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) | **4,570,402,192** | 1,832,684,129 |
| Remeasurement loss on retirement plans - net of tax (Note 27) | **(2,223,725,260)** | (2,018,678,742) |
| Net unrealized loss on financial assets at FVOCI - net of tax (Note 11) | **(120,299,381)** | (117,945,532) |
| Retained earnings (Note 20) | **6,611,146,364** | 8,222,610,450 |
| Total equity attributable to equity holders of the Parent Company | **15,388,772,538** | 14,469,918,928 |
| Non-controlling interests (Note 2) | **77,250,009** | 101,081,305 |
| **Total Equity** | **15,466,022,547** | 14,571,000,233 |
| **TOTAL LIABILITIES AND EQUITY** | **₱24,729,127,894** | ₱24,075,725,073 |

*See accompanying Notes to Consolidated Financial Statements.*

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

| | Years Ended December 31 | | |
|---|---|---|---|
| | **2022** | 2021 | 2020 |
| **REVENUES** (Note 22) | **₱21,564,011,070** | ₱22,450,323,397 | ₱19,335,895,538 |
| **PRODUCTION COSTS** (Note 23) | **7,482,897,793** | 5,992,645,035 | 4,548,230,430 |
| **COST OF SALES** (Note 9) | **302,137,704** | 418,141,643 | 479,417,099 |
| **GROSS PROFIT** | **13,778,975,573** | 16,039,536,719 | 14,308,248,009 |
| **GENERAL AND ADMINISTRATIVE EXPENSES** (Note 24) | **(6,640,369,182)** | (6,144,833,670) | (5,751,725,940) |
| **OTHER INCOME (EXPENSE) - NET** | | | |
| Foreign currency exchange gain (loss) (Note 18) | **39,930,883** | (51,861,281) | (47,023,770) |
| Interest expense (Notes 18 and 28) | **(25,132,083)** | (48,692,493) | (20,545,123) |
| Interest income (Note 6) | **20,547,986** | 16,235,317 | 13,715,413 |
| Equity in net earnings (losses) of a joint venture (Note 12) | **(9,031,836)** | (1,045,954) | 3,908,740 |
| Others - net (Note 26) | **154,996,747** | 137,857,160 | 85,174,767 |
| | **181,311,697** | 52,492,749 | 35,230,027 |
| **INCOME BEFORE INCOME TAX** | **7,319,918,088** | 9,947,195,798 | 8,591,752,096 |
| **PROVISION FOR (BENEFIT FROM) INCOME TAX** (Note 29) | | | |
| Current | **1,989,254,621** | 2,400,634,670 | 2,728,650,540 |
| Deferred | **(125,844,848)** | (22,585,153) | (144,232,767) |
| | **1,863,409,773** | 2,378,049,517 | 2,584,417,773 |
| **NET INCOME** | **5,456,508,315** | 7,569,146,281 | 6,007,334,323 |
| **OTHER COMPREHENSIVE INCOME (LOSS) -** net of tax | | | |
| *Items not to be reclassified to profit or loss in subsequent periods*: | | | |
| Revaluation increment on land (Note 29) | **2,737,718,063** | 122,178,941 | – |
| Remeasurement gain (loss) on retirement plans (Note 27) | **(205,306,815)** | 575,619,706 | (1,261,623,143) |
| Net changes in the fair market value of financial assets at FVOCI (Note 11) | **(2,353,849)** | (70,236,040) | (45,464,038) |
| | **2,530,057,399** | 627,562,607 | (1,307,087,181) |
| **TOTAL COMPREHENSIVE INCOME** | **₱7,986,565,714** | ₱8,196,708,888 | ₱4,700,247,142 |
| **Net income attributable to:** | | | |
| Equity holders of the Parent Company | **₱5,442,339,314** | ₱7,530,114,246 | ₱5,984,584,939 |
| Non-controlling interests (Note 2) | **14,169,001** | 39,032,035 | 22,749,384 |
| | **₱5,456,508,315** | ₱7,569,146,281 | ₱6,007,334,323 |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the Parent Company | **₱7,972,657,010** | ₱8,160,335,453 | ₱4,680,682,825 |
| Non-controlling interests (Note 2) | **13,908,704** | 36,373,435 | 19,564,317 |
| | **₱7,986,565,714** | ₱8,196,708,888 | ₱4,700,247,142 |
| **Basic / Diluted Earnings Per Share** (Note 30) | **₱1.119** | ₱1.549 | ₱1.231 |

*See accompanying Notes to Consolidated Financial Statements.*

# GMA NETWORK, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

### FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

| | 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 29) | **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** |
| Total comprehensive income: | | | | | | | | | |
| 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** |
| 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** |

| | 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) | Treasury Stocks (Note 20) | Underlying Shares of the Acquired Philippine Deposit Receipts (Note 20) | Total | Non-controlling Interests (Note 2) | Total Equity |
| Balances at January 1, 2021 | ₱4,864,692,000 | ₱1,659,035,196 | ₱1,710,505,188 | (₱2,596,957,048) | (₱47,709,492) | ₱7,253,764,093 | (₱28,483,171) | (₱5,790,016) | ₱12,809,056,750 | ₱72,357,870 | ₱12,881,414,620 |
| Total comprehensive income: | | | | | | | | | | | |
| Net income | – | – | – | – | – | 7,530,114,246 | – | – | 7,530,114,246 | 39,032,035 | 7,569,146,281 |
| Other comprehensive income (loss) | – | – | – | 758,694,632 | (70,236,040) | – | – | – | 688,458,592 | (2,658,600) | 685,799,992 |
| Change in tax rate | – | – | 122,178,941 | (180,416,326) | – | – | – | – | (58,237,385) | – | (58,237,385) |
| Contribution to the retirement fund (Notes 20, 21 and 27) | – | 27,521,427 | – | – | – | – | 28,483,171 | 5,790,016 | 61,794,614 | – | 61,794,614 |
| Cash dividends - ₱1.35 a share (Note 20) | – | – | – | – | – | (6,561,267,889) | – | – | (6,561,267,889) | – | (6,561,267,889) |
| Cash dividends to non-controlling interests (Note 2) | – | – | – | – | – | – | – | – | – | (7,650,000) | (7,650,000) |
| Balances at December 31, 2021 | ₱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 |
| Balances at January 1, 2020 | ₱4,864,692,000 | ₱1,659,035,196 | ₱1,710,505,188 | (₱1,338,518,972) | (₱2,245,454) | ₱2,727,238,685 | (₱28,483,171) | (₱5,790,016) | ₱9,586,433,456 | ₱70,643,553 | ₱9,657,077,009 |
| Total comprehensive income: | | | | | | | | | | | |
| Net income | – | – | – | – | – | 5,984,584,939 | – | – | 5,984,584,939 | 22,749,384 | 6,007,334,323 |
| Other comprehensive income (loss) | – | – | – | (1,258,438,076) | (45,464,038) | – | – | – | (1,303,902,114) | (3,185,067) | (1,307,087,181) |
| Cash dividends - ₱0.30 a share (Note 20) | – | – | – | – | – | (1,458,059,531) | – | – | (1,458,059,531) | – | (1,458,059,531) |
| Cash dividends to non-controlling interests (Note 2) | – | – | – | – | – | – | – | – | – | (17,850,000) | (17,850,000) |
| Balances at December 31, 2020 | ₱4,864,692,000 | ₱1,659,035,196 | ₱1,710,505,188 | (₱2,596,957,048) | (₱47,709,492) | ₱7,253,764,093 | (₱28,483,171) | (₱5,790,016) | ₱12,809,056,750 | ₱72,357,870 | ₱12,881,414,620 |

*See accompanying Notes to Consolidated Financial Statements.*

# GMA NETWORK, INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Years Ended December 31 | | |
|---|---|---|---|
| | **2022** | 2021 | 2020 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Income before income tax | **₱7,319,918,088** | ₱9,947,195,798 | ₱8,591,752,096 |
| Adjustments to reconcile income before income tax to net cash flows: | | | |
| Program and other rights usage (Notes 8 and 23) | **868,739,716** | 1,007,347,795 | 703,415,807 |
| Depreciation (Notes 13, 15, 23, 24 and 28) | **699,331,970** | 607,773,037 | 545,575,201 |
| Pension expense (Note 27) | **661,084,461** | 639,758,700 | 646,198,143 |
| Contributions to retirement plan assets (Note 27) | **(261,319,043)** | (277,799,873) | (259,000,000) |
| Amortization of software costs (Notes 16 and 24) | **58,263,898** | 49,706,646 | 40,264,073 |
| Net unrealized foreign currency exchange loss (gain) - net | **(39,930,883)** | 33,545,633 | 27,377,082 |
| Net gain on sale of property and equipment (Notes 13 and 26) | **(31,756,356)** | (50,519,791) | (17,250,932) |
| Interest expense (Notes 18 and 28) | **25,132,083** | 48,692,493 | 20,545,123 |
| Interest income (Note 6) | **(20,547,986)** | (16,235,317) | (13,715,413) |
| Equity in net losses (earnings) of a joint venture (Note 12) | **9,031,836** | 1,045,954 | (3,908,740) |
| Provision for ECL (Notes 7 and 24) | **1,457,228** | 142,577,080 | 347,195,883 |
| Working capital changes: | | | |
| Decreases (increases) in: | | | |
| Trade and other receivables | **1,947,778,499** | 2,563,963,601 | (5,589,407,239) |
| Program and other rights | **(1,342,180,598)** | (1,069,959,331) | (607,591,883) |
| Inventories | **(331,768,311)** | (900,370,666) | (224,298,890) |
| Prepaid expenses and other current assets | **(248,639,619)** | (80,404,230) | (871,115,057) |
| Increases (decreases) in: | | | |
| Trade payables and other current liabilities | **321,002,342** | (252,572,724) | 571,870,472 |
| Obligations for program and other rights | **(14,644,599)** | 47,539,541 | 45,573,277 |
| Other long-term employee benefits | **(22,133,298)** | 44,046,776 | 13,301,414 |
| Benefits paid out of Group's own funds (Note 27) | **(46,856,585)** | (36,744,104) | (9,686,893) |
| Cash flows provided by operations | **9,551,962,843** | 12,448,587,018 | 3,957,093,524 |
| Income taxes paid | **(2,508,556,717)** | (3,101,774,811) | (1,464,143,968) |
| Interest received | **18,171,744** | 15,421,941 | 13,808,751 |
| Net cash flows from operating activities | **7,061,577,870** | 9,362,234,148 | 2,506,758,307 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Acquisitions of: | | | |
| Property and equipment (Note 13) | **(1,049,599,727)** | (999,316,838) | (421,235,387) |
| Financial assets at FVOCI (Note 11) | **(168,672,065)** | – | – |
| Land at revalued amount (Note 14) | **(24,307,384)** | (142,100,830) | – |
| Software costs (Note 16) | **(17,316,702)** | (51,190,237) | (10,616,139) |
| Proceeds from sale of property and equipment (Note 13) | **38,145,145** | 58,438,591 | 22,797,518 |
| Decreases (increases) in other noncurrent assets | **35,980,575** | (11,627,909) | 55,903,451 |
| Collection from an associate (Note 12) | **140,644** | 497,048 | – |

*(Forward)*

| | Years Ended December 31 | | |
|---|---|---|---|
| | **2022** | 2021 | 2020 |
| Advances to an associate and joint ventures (Notes 12 and 21) | **(₱86,481)** | (₱1,809,712) | (₱848,826) |
| Cash dividends received | – | – | 381,500 |
| Net cash flows used in investing activities | **(1,185,715,995)** | (1,147,109,887) | (353,617,883) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from availments of short-term loans (Notes 18 and 33) | **1,027,125,200** | 4,479,150,000 | 984,340,000 |
| Payments of: | | | |
| Cash dividends (Notes 2, 20 and 33) | **(7,100,606,298)** | (6,549,223,122) | (1,474,749,102) |
| Short-term loans (Notes 18 and 33) | **(1,685,850,000)** | (4,542,575,000) | (641,895,000) |
| Principal portion of lease liabilities (Notes 28 and 33) | **(28,506,823)** | (27,633,367) | (21,762,363) |
| Interest expense (Note 33) | **(12,418,277)** | (38,330,656) | (12,856,998) |
| Net cash flows used in financing activities | **(7,800,256,198)** | (6,678,612,145) | (1,166,923,463) |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **(1,924,394,323)** | 1,536,512,116 | 986,216,961 |
| **EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS** | **(13,704,617)** | 42,236,774 | (26,371,353) |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** | **4,793,566,154** | 3,214,817,264 | 2,254,971,656 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** (Note 6) | **₱2,855,467,214** | ₱4,793,566,154 | ₱3,214,817,264 |

*See accompanying Notes to Consolidated Financial Statements.*

# GMA NETWORK, INC. AND SUBSIDIARIES
# 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, 2023.

## 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).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022. The Group controls an investee if, and only if, the Group has:

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

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.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resultant gain or loss is recognized in the consolidated statement of comprehensive income. Any investment retained is recognized at fair value.

NCI represents the portion of profit or loss and the net assets not held by owners of the Parent Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to holders of the Parent Company. NCI shares in losses even if the losses exceed the non-controlling equity interest in the subsidiary. 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:

| | **2022** | 2021 |
|---|---:|---:|
| Proportion of equity interest held by NCI | **51%** | 51% |
| Accumulated balances of material NCI | **₱77,510,306** | ₱101,081,305 |
| Net income allocated to material NCI | **14,169,001** | 39,032,035 |

The summarized financial information of RGMA Network are provided below.

Summarized Statements of Comprehensive Income

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Revenues | **₱249,729,986** | ₱340,609,783 | ₱283,910,546 |
| Expenses | **(207,229,922)** | (242,989,698) | (220,191,603) |
| Provision for income tax | **(14,717,710)** | (21,086,683) | (19,112,307) |
| Net income | **27,782,354** | 76,533,402 | 44,606,636 |
| Other comprehensive loss | **(510,386)** | (5,212,941) | (6,245,230) |
| Total comprehensive income | **₱27,522,058** | ₱71,320,461 | ₱38,361,406 |
| Net income attributable to: | | | |
| NCI | **₱14,169,001** | ₱39,032,035 | ₱22,749,384 |
| Parent Company | **13,613,353** | 37,501,367 | 21,857,252 |
| Total comprehensive income attributable to: | | | |
| NCI | **₱13,908,704** | ₱36,373,435 | ₱19,564,317 |
| Parent Company | **13,363,264** | 34,947,026 | 18,797,089 |

Summarized Statements of Financial Position

| | 2022 | 2021 |
|---|---|---|
| Total current assets | **₱175,458,504** | ₱271,241,324 |
| Total noncurrent assets | **32,024,165** | 52,017,880 |
| Total current liabilities | **37,895,070** | 31,240,973 |
| Total noncurrent liabilities | **30,548,223** | 92,031,658 |
| Total equity | **139,039,367** | 199,986,573 |
| Attributable to NCI | **₱70,910,077** | ₱101,081,305 |
| Attributable to equity holders of the Parent Company | **₱68,129,290** | ₱98,905,268 |

Summarized Cash Flows Information

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Operating | **₱9,972,362** | ₱205,174,862 | (₱7,293,612) |
| Investing | **(226,354)** | (7,575,777) | (4,846,596) |
| Financing | **(75,006,950)** | (15,000,000) | (35,000,000) |
| Net increase (decrease) in cash and cash equivalents | **(₱65,260,942)** | ₱182,599,085 | (₱47,140,208) |

In 2022 and 2021, RGMA declared and paid dividends amounting to ₱37.74 million and ₱7.65 million, respectively, to NCI.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries as at December 31, 2022 and 2021:

| | 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. | Film production | 100 | – |
| GMA New Media, Inc. (GNMI) | Converging technology | 100 | – |
| GMA Worldwide (Philippines), Inc.* | International marketing, handling foreign program acquisitions and international syndication of the Parent Company's programs | 100 | – |
| Scenarios, Inc.* | Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services | 100 | – |
| RGMA Marketing and Productions, Inc. | Music recording, publishing and video distribution | 100 | – |
| RGMA Network | Radio broadcasting and management | 49 | – |
| Script2010, Inc.** | 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)* | Exclusive marketing and sales arm of Parent Company's airtime, events management, sales implementation, traffic services and monitoring | 100 | – |
| Digify, Inc.*** | Crafting, planning and handling advertising and other forms of promotion including multi-media productions | – | 100 |
| Others: | | | |
| Media Merge Corporation**** | Business development and operations for the Parent Company's online publishing and advertising initiatives | – | 100 |
| Ninja Graphics, Inc.***** | Ceased commercial operations in 2004. | – | 51 |

**Under liquidation*
***Indirectly owned through Citynet*
****Indirectly owned through GNMI*
*****Indirectly owned through GNMI; ceased commercial operations in 2020*
******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 2022. 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, 2022*

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts - Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applied the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group applied the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applied the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, 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, 2023*

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

  The Group is currently assessing the impact of adopting these amendments.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed.

  The Group is currently assessing the impact of adopting these amendments.

*Effective beginning on or after January 1, 2024*

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

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - 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

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

  The Group is currently assessing the impact of adopting these amendments.

- 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.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

  The Group is currently assessing the impact of adopting these amendments.

*Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

  PFRS 17 is not applicable to the Group since it is not engaged in providing insurance nor issuing insurance contracts.

*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.

  The Group is currently assessing the impact of adopting these amendments.

3. **Summary of Significant Accounting and Financial Reporting Policies**

Current versus Noncurrent Classification
The Group presents assets and liabilities in consolidated 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 Group 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 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.

"Day 1" Difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where the data used is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference amount.

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.

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 Group 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 Group does not have debt instruments at FVOCI and financial assets at FVPL as at December 31, 2022 and 2021.

*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, 2022 and 2021 (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, 2022 and 2021 (see Notes 11 and 31).

<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 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 90 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.

Financial Liabilities

*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's financial liabilities include 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.

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

*Financial Liabilities at FVPL.* Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVPL as at December 31, 2022 and 2021.

*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.

Classification of Financial Instruments Between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

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 Group 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 Group and all of the counterparties.

Program and Other Rights

Program and other rights with finite lives 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.

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

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.

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, 2022 and 2021, 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 measured at fair value less accumulated impairment losses, if any, recognized after the date of the revaluation. 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.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

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.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Group's share of the results of operations of the associate or joint venture is included in profit or loss. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate or joint venture.

If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss under "Equity in net earnings (losses) of joint ventures" in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated 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 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' transitional provisions.

Treasury Stocks and Underlying Shares of the Acquired Philippine Deposit Receipts (PDRs)
The Parent Company's own reacquired equity instruments, if any, are deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

The Parent Company's ownership of the PDRs, if any, is presented similar to treasury shares in the consolidated statement of financial position. Each PDR entitles the holder to the economic interest of the underlying common share of the Parent Company.

Dividends on Common Shares of the Parent Company
Dividends on common shares are recognized as liability and deducted from equity when approved by the BOD of the Parent Company. Dividends for the year that are approved after reporting period are dealt with as an event after reporting period.

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 delivery of the licensed content to customers.

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

*Commission from Artist Center*. 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 Group'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.

*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.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Expenses
Expenses, presented as “Production costs”, “Cost of sales”, and “General and administrative expenses” in the consolidated statement of comprehensive income, are recognized as incurred.

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.

Leases

*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.

<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 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.

<u>Taxes</u>

*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, 2022 and 2021 are ₱77.51 million and ₱101.08 million, respectively.

*Assessment of Significant Influence over the Investee.* The Parent Company holds 25% ownership interest in Optima Digital, Inc. as at December 31, 2022 and 2021. 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 ₱0.66 million and ₱4.81 million as at December 31, 2022 and 2021, respectively.

*Determination of Lease Term of Contracts with Renewal and Termination Options - Group as a Lessee*. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies 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 Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group 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 - 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 ₱5.65 million, ₱6.19 million, and ₱6.89 million in 2022, 2021 and 2020, respectively (see Note 26).

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 ₱167.11 million and ₱119.39 million as at December 31, 2022 and 2021, respectively (see Note 28).

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

- Simplified approach for trade receivables

  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.

- 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.

  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. As uncertainties in the market trend and economic conditions may remain persistent amidst the continuous spread of COVID-19, 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 ₱1.46 million, ₱142.58 million and ₱347.20 million in 2022, 2021 and 2020, respectively (see Notes 7 and 24). The allowance for ECL amounted to ₱908.67 million and ₱909.10 million as at December 31, 2022 and 2021, respectively. The carrying amounts of trade and other receivables amounted to ₱5,862.07 million and ₱7,784.55 million as at December 31, 2022 and 2021, 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 ₱868.74 million, ₱1,007.35 million and ₱703.42 million in 2022, 2021 and 2020, respectively (see Notes 8 and 23). Program and other rights, net of accumulated impairment in value of ₱2.70 million, amounted to ₱1,479.02 million and ₱1,005.58 million as at December 31, 2022 and 2021, 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 ₱1,469.19 million and ₱1,137.43 million as at December 31, 2022 and 2021, respectively (see Note 9). There were no provisions for inventory losses in 2022, 2021 and 2020.

*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 2022 and 2021.

Total depreciation and amortization expense for the years ended December 31, 2022, 2021 and 2020, amounted to ₱757.60 million, ₱657.48 million and ₱585.84 million, respectively (see Notes 13, 15, 16, 23 and 24).

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 2022, 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, 2022. For the land that were not appraised, the Group referred to the published comparable prices for the fair values. Total additional revaluation increment recognized in 2022 amounted to ₱2,737.72 million, net of tax.

In 2021, 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 ₱6,619.90 million and ₱2,945.30 million as at December 31, 2022 and 2021, respectively (see Notes 14 and 32).

*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, 2022 and 2021, 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:

| | **2022** | 2021 |
|---|---|---|
| Property and equipment - at cost (see Note 13) | **₱3,361,149,279** | ₱2,985,503,552 |
| Land at revalued amounts (Note 14) | **6,619,895,148** | 2,945,297,014 |
| Program and other rights (see Note 8) | **1,479,018,423** | 1,005,577,541 |
| Prepaid production costs (see Note 10) | **783,499,847** | 708,980,295 |
| Investments and advances (see Note 12) | **175,705,006** | 184,791,025 |
| Right-of-use assets (see Note 28) | **159,900,385** | 123,923,786 |
| Software costs (see Note 16) | **73,791,869** | 113,208,864 |
| Tax credits (see Note 10) | **48,070,848** | 169,447,579 |
| Investment properties (see Note 15) | **32,105,060** | 33,487,447 |
| Investment in artworks (see Note 16) | **10,186,136** | 10,186,136 |
| Deferred production costs (see Note 16) | **1,321,925** | 1,196,276 |

*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 ₱1,709.36 million and ₱1,485.26 million as at December 31, 2022 and 2021, respectively, while unrecognized deferred tax assets amounted to ₱5.82 million and ₱8.51 million as at December 31, 2022 and 2021, 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 ₱4,767.25 million and ₱4,169.69 million as at December 31, 2022 and 2021, respectively (see Note 27).

*Determination of Fair Value of Financial Assets at FVOCI*. Financial assets at FVOCI are carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. When the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input 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 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.

| Geographical | Local | | | | | | International | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business Segment | Television and radio airtime | | | Other businesses | | | International subscription | | | Eliminations | | | Consolidated | | |
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| **REVENUES** | | | | | | | | | | | | | | | |
| External sales | ₱19,343,239,228 | ₱20,043,198,544 | ₱16,995,165,502 | ₱ 1,392,840,024 | ₱1,519,164,368 | ₱1,366,560,977 | ₱ 827,931,818 | ₱887,960,485 | ₱974,169,059 | ₱– | ₱– | ₱– | ₱ 21,564,011,070 | ₱22,450,323,397 | ₱19,335,895,538 |
| Inter-segment sales | – | – | – | 582,457,448 | 664,531,248 | 531,379,738 | – | – | – | (582,457,448) | (664,531,248) | (531,379,738) | – | – | – |
| | 19,343,239,228 | ₱20,043,198,544 | ₱16,995,165,502 | 1,975,297,472 | ₱2,183,695,616 | ₱1,897,940,715 | 827,931,818 | ₱887,960,485 | ₱974,169,059 | (582,457,448) | (₱664,531,248) | (₱531,379,738) | 21,564,011,070 | ₱22,450,323,397 | ₱19,335,895,538 |
| **NET INCOME** | | | | | | | | | | | | | | | |
| Segment results | ₱5,638,525,447 | ₱8,208,575,147 | ₱6,994,189,084 | ₱862,467,466 | ₱941,203,693 | ₱700,697,768 | ₱622,613,478 | ₱734,795,951 | ₱831,254,645 | ₱15,000,000 | ₱10,128,258 | ₱30,380,572 | ₱7,138,606,391 | ₱9,894,703,049 | ₱8,556,522,069 |
| Interest expense | (24,054,826) | (47,858,629) | (20,188,727) | (1,077,257) | (833,864) | (356,396) | – | – | – | – | – | – | (25,132,083) | (48,692,493) | (20,545,123) |
| Foreign exchange gain (loss) | 13,102,473 | (84,068,774) | (8,536,333) | 6,981,647 | 2,992,061 | (1,563,956) | 19,846,763 | 29,215,432 | (36,923,481) | – | – | – | 39,930,883 | (51,861,281) | (47,023,770) |
| Interest income | 19,832,994 | 16,029,136 | 12,757,893 | 714,992 | 206,181 | 957,520 | – | – | – | – | – | – | 20,547,986 | 16,235,317 | 13,715,413 |
| Equity in net earnings of joint ventures | – | – | – | (9,031,836) | (1,045,954) | 3,908,740 | | – | – | | – | – | (9,031,836) | (1,045,954) | 3,908,740 |
| Other income (expenses) | 313,088,387 | 245,652,608 | 194,893,594 | 6,218,360 | 14,004,552 | 65,311,872 | – | – | – | (164,310,000) | (121,800,000) | (175,030,699) | 154,996,746 | 137,857,160 | 85,174,767 |
| Income tax | (1,472,859,502) | (1,935,402,004) | (2,115,479,505) | (225,435,211) | (247,144,667) | (226,138,919) | (160,615,060) | (191,002,846) | (238,299,349) | (4,500,000) | (4,500,000) | (4,500,000) | (1,863,409,773) | (2,378,049,517) | (2,584,417,773) |
| | ₱4,487,634,973 | ₱6,402,927,484 | ₱5,057,636,006 | ₱640,838,160 | ₱709,382,002 | ₱542,816,629 | ₱481,845,181 | ₱573,008,537 | ₱556,031,815 | ₱(153,810,000) | (₱116,171,742) | (₱149,150,127) | ₱5,456,508,315 | ₱7,569,146,281 | ₱6,007,334,323 |
| **ASSETS AND LIABILITIES** | | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | | |
| Segment assets | ₱ 22,927,245,909 | ₱22,422,877,737 | ₱21,942,534,724 | ₱ 2,566,414,364 | ₱1,390,600,332 | ₱1,421,716,054 | ₱ 271,775,751 | ₱586,178,847 | ₱684,457,746 | ₱ (1,238,569,487) | (₱1,250,451,838) | (₱1,366,141,580) | ₱ 24,526,866,537 | ₱23,149,205,078 | ₱22,682,566,944 |
| Investment in associates - at equity | 38,350,619 | 38,350,619 | 38,350,619 | 35,554,165 | 44,586,001 | 45,631,955 | – | – | – | – | – | – | 73,904,784 | 82,936,620 | 83,982,574 |
| Deferred tax assets | 5,659,347 | 719,410,111 | 993,543,921 | 57,309,719 | 54,258,885 | 59,409,461 | – | – | – | 65,387,507 | 69,914,379 | 119,766,570 | 128,356,573 | 843,583,375 | 1,172,719,952 |
| | ₱ 22,971,255,875 | ₱23,180,638,467 | ₱22,974,429,264 | ₱ 2,659,278,248 | ₱1,489,445,218 | ₱1,526,757,470 | ₱ 271,775,751 | ₱586,178,847 | ₱684,457,746 | ₱ (1,173,181,980) | (₱1,180,537,459) | (₱1,246,375,010) | ₱ 24,729,127,894 | ₱24,075,725,073 | ₱23,939,269,470 |
| **Liabilities** | | | | | | | | | | | | | | | |
| Segment liabilities | ₱ 8,889,880540 | ₱9,304,434,001 | ₱10,471,472,009 | ₱ 801,391,541 | ₱645,895,763 | ₱897,504,654 | ₱ 226,584,317 | ₱214,201,882 | ₱397,742,063 | ₱ (654,751,051) | (₱659,806,806) | (₱708,863,876) | ₱ 9,263,105,347 | ₱9,504,724,840 | ₱11,057,854,850 |
| Other Segment Information | | | | | | | | | | | | | | | |
| Capital expenditures: | | | | | | | | | | | | | | | |
| Program and other rights and software cost | ₱ 1,359,490,334 | ₱1,120,980,554 | ₱617,348,781 | ₱ 6,967 | ₱169,014 | ₱859,241 | ₱– | ₱– | ₱– | ₱– | ₱– | ₱– | ₱ 1,359,497,301 | ₱1,121,149,568 | ₱618,208,022 |
| Property and equipment | 1,018,937,377 | 974,080,362 | 404,690,887 | 30,272,172 | 25,141,628 | 16,544,500 | 390,178 | 94,848 | – | – | – | – | 1,049,599,727 | 999,316,838 | 421,235,387 |
| Land | 24,307,383 | 142,100,830 | – | – | – | – | – | – | – | – | – | – | 24,307,383 | 142,100,830 | – |
| Depreciation and amortization | 1,609,520,230 | 1,650,984,303 | 1,271,946,332 | 27,194,721 | 22,317,406 | 24,454,895 | 4,620,634 | 6,525,769 | 7,853,854 | (15,000,000) | (15,000,000) | (15,000,000) | 1,626,335,585 | 1,664,827,478 | 1,289,255,081 |

## 6. Cash and Cash Equivalents

| | **2022** | 2021 |
|---|---|---|
| Cash on hand and in banks | **₱2,170,723,381** | ₱2,919,451,027 |
| Short-term deposits | **684,743,833** | 1,874,115,127 |
| | **₱2,855,467,214** | ₱4,793,566,154 |

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 income earned from bank deposits and short-term deposits amounted to ₱20.55 million, ₱16.24 million and ₱13.72 million in 2022, 2021 and 2020, respectively.

## 7. Trade and Other Receivables

| | **2022** | 2021 |
|---|---|---|
| Trade: | | |
| Television and radio airtime | **₱6,287,590,963** | ₱8,136,404,457 |
| Subscriptions | **231,894,197** | 239,809,789 |
| Others | **192,396,251** | 193,276,811 |
| Nontrade: | | |
| Advances to officers and employees | **3,696,291** | 9,363,276 |
| Others (see Note 21) | **55,154,475** | 114,786,067 |
| | **6,770,732,177** | 8,693,640,400 |
| Less allowance for ECL | **908,666,285** | 909,095,394 |
| | **₱5,862,065,892** | ₱7,784,545,006 |

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 360 days.

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, 2022 and 2021, the total unbilled airtime receivables, assessed as contract assets, amounted to ₱20.70 million and ₱24.32 million, respectively.

*Subscriptions Receivable*. Subscriptions receivable pertain to receivables from international channel subscriptions and advertisements. These are unsecured, noninterest-bearing and normally collected within 360 days.

*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:

| | **2022** | | |
|---|---|---|---|
| | **Corporate** | **Individual** | **Total** |
| Balance at beginning of year | **₱899,187,044** | **₱9,908,350** | **₱909,095,394** |
| Provision for the year (see Note 24) | **1,457,228** | **–** | **1,457,228** |
| Reversal for the year (see Note 26) | **(1,886,337)** | **–** | **(1,886,337)** |
| Balance at end of year | **₱898,757,935** | **₱9,908,350** | **₱908,666,285** |

| | 2021 | | |
|---|---|---|---|
| | Corporate | Individual | Total |
| Balance at beginning of year | ₱756,208,776 | ₱10,309,538 | ₱766,518,314 |
| Provision (reversal) for the year (see Note 24) | 142,978,268 | (401,188) | 142,577,080 |
| Balance at end of year | ₱899,187,044 | ₱9,908,350 | ₱909,095,394 |

## 8. Program and Other Rights

Details and movement in this account are as follows:

| | **2022** | | | |
|---|---|---|---|---|
| | **Program Rights** | **Story/Format Rights** | **Program Rights - Incidentals** | **Total** |
| Cost: | | | | |
| Balance at beginning of year | **₱955,929,510** | **₱27,996,874** | **₱24,353,417** | **₱1,008,279,801** |
| Additions | **1,207,928,746** | **37,500,082** | **96,751,770** | **1,342,180,598** |
| Program and other rights usage (see Note 23) | **(738,115,943)** | **(24,426,146)** | **(106,197,627)** | **(868,739,716)** |
| Balance at end of year | **1,425,742,313** | **41,070,810** | **14,907,560** | **1,481,720,683** |
| Accumulated impairment in value | **(2,702,260)** | **–** | **–** | **(2,702,260)** |
| | **1,423,040,053** | **41,070,810** | **14,907,560** | **1,479,018,423** |
| Less noncurrent portion | **232,446,242** | **–** | **–** | **232,446,242** |
| Current portion | **₱1,190,593,811** | **₱41,070,810** | **₱14,907,560** | **₱1,246,572,181** |

| | 2021 | | | |
|---|---|---|---|---|
| | Program Rights | Story/Format Rights | Program Rights - Incidentals | Total |
| Cost: | | | | |
| Balance at beginning of year | ₱894,413,394 | ₱27,147,444 | ₱24,107,427 | ₱945,668,265 |
| Additions | 955,453,367 | 4,657,217 | 109,848,747 | 1,069,959,331 |
| Program and other rights usage (see Note 23) | (893,937,251) | (3,807,787) | (109,602,757) | (1,007,347,795) |
| Balance at end of year | 955,929,510 | 27,996,874 | 24,353,417 | 1,008,279,801 |
| Accumulated impairment in value | (2,702,260) | – | – | (2,702,260) |
| | 953,227,250 | 27,996,874 | 24,353,417 | 1,005,577,541 |
| Less noncurrent portion | 240,982,378 | – | – | 240,982,378 |
| Current portion | ₱712,244,872 | ₱27,996,874 | ₱24,353,417 | ₱764,595,163 |

## 9. Inventories

This account consists of the following:

| | 2022 | 2021 |
|---|---|---|
| Merchandise inventory | **₱1,443,352,533** | ₱1,120,260,877 |
| Materials and supplies inventory | **25,841,351** | 17,164,696 |
| | **₱1,469,193,884** | ₱1,137,425,573 |

The following are the details of merchandise inventory account:

| | 2022 | 2021 |
|---|---|---|
| Set-top box model | **₱1,233,966,042** | ₱905,944,866 |
| ITE chipset dongle | **209,386,491** | 214,316,011 |
| | **₱1,443,352,533** | ₱1,120,260,877 |

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 ₱302.14 million, ₱418.14 million and ₱479.42 million in 2022, 2021 and 2020, respectively.

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

## 10. Prepaid Expenses and Other Current Assets

| | 2022 | 2021 |
|---|---|---|
| Advances to suppliers (see Note 28) | **₱850,951,231** | ₱607,253,805 |
| Prepaid production costs | **783,499,847** | 708,980,295 |
| Input VAT | **245,732,638** | 225,923,751 |
| Prepaid expenses | **115,718,638** | 89,081,249 |
| Creditable withholding taxes | **60,886,401** | 55,474,553 |
| Tax credits | **48,070,848** | 169,447,579 |
| Others | **1,519,261** | 1,578,013 |
| | **₱2,106,378,864** | ₱1,857,739,245 |

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 month'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:

| | 2022 | 2021 |
|---|---|---|
| Non-listed equity instruments | **₱257,799,260** | ₱92,936,018 |
| Listed equity instruments | **24,814,847** | 23,775,258 |
| | **₱282,614,107** | ₱116,711,276 |

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:

| | 2022 | 2021 |
|---|---|---|
| Balance at beginning of year | **₱116,711,276** | ₱192,132,088 |
| Additions during the year | **168,672,065** | – |
| Unrealized loss on fair value changes during the year | **(2,769,234)** | (75,420,812) |
| Balance at end of year | **₱282,614,107** | ₱116,711,276 |

The Group purchased ₱106.77 million, ₱35.69 million, ₱13.66 million and ₱12.55 million worth of preference shares of PX Ventures PTE Ltd, a regional direct-to-patient telehealth startup that provides affordable access to quality healthcare for men and women, shares of stock of TNB Aura Fund 2 Ltd, a Regional Venture Capital fund focused on making Series A and B investments in Southeast Asia, capital shares of Wavemaker Three-Sixty Health II-A,LP., a seed and early stage venture capital firm focused on the US healthcare industry and Simple Agreement for Future Equity (SAFE) from Cloudeats PTE Ltd, a cloud kitchen and restaurant business that utilizes a house of brands model, respectively.

Dividend income earned from financial assets at FVOCI amounted to nil in 2022, 2021 and 2020.

The movements in net unrealized loss on financial assets at FVOCI are as follows:

| | 2022 | 2021 |
|---|---|---|
| Balance at beginning of year - net of tax | **(₱117,945,532)** | (₱47,709,492) |
| Net unrealized loss on fair value changes during the year | **(2,769,234)** | (75,420,812) |
| Tax effect of the changes in fair market values | **415,385** | 5,184,772 |
| Balance at end of year | **(₱120,299,381)** | (₱117,945,532) |

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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

Of the ₱50.00 million airtime credits, ₱22.00 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 2022 and 2021 (see Note 17).

## 12. Investments and Advances

The following are the details of this account:

| | **2022** | 2021 |
|---|---|---|
| Investment in an associate and interests in joint ventures | **₱73,904,784** | ₱82,936,620 |
| Advances to an associate and joint ventures (see Note 21) | **101,800,222** | 101,854,405 |
| | **₱175,705,006** | ₱184,791,025 |

The movements in the account are as follows:

| | **2022** | 2021 |
|---|---|---|
| Investment in an associate and interests in joint ventures: | | |
| 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 | **(48,785,436)** | (47,739,482) |
| Equity in net losses during the year | **(9,031,836)** | (1,045,954) |
| Balance at end of year | **(57,817,272)** | (48,785,436) |
| | **73,904,784** | 82,936,620 |
| Advances to an associate: | | |
| Balance at beginning of year | **99,531,728** | 97,722,016 |
| Advances during the year (see Note 21) | **86,481** | 1,809,712 |
| Balance at end of year | **99,618,209** | 99,531,728 |
| Advances to joint ventures: | | |
| Balance at beginning of year | **2,322,677** | 2,819,725 |
| Payments during the year | **(140,664)** | (497,048) |
| Balance at end of year | **2,182,013** | 2,322,677 |
| Total investments and advances | **₱175,705,006** | ₱184,791,025 |

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, 2022 and 2021 follows:

| | Principal Activities | Percentage of Ownership | |
|---|---|---|---|
| Associate - | | Direct | Indirect |
| 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:

| | **2022** | | |
|---|---|---|---|
| | **Investments** | **Advances (Note 21)** | **Total** |
| Associate - | | | |
| Mont-Aire | **₱38,350,619** | **₱99,618,209** | **₱137,968,828** |
| Joint ventures: | | | |
| Gamespan | **8,947,966** | **1,959,670** | **10,907,636** |
| PEP | **26,606,199** | **222,343** | **26,828,542** |
| | **35,554,165** | **2,182,013** | **37,736,178** |
| | **₱73,904,784** | **₱ 101,800,222** | **₱175,705,006** |

| | 2021 | | |
|---|---|---|---|
| | Investments | Advances (Note 21) | Total |
| Associate - | | | |
| Mont-Aire | ₱38,350,619 | ₱99,531,728 | ₱137,882,347 |
| Joint ventures: | | | |
| Gamespan | 8,947,966 | 1,959,670 | 10,907,636 |
| PEP | 35,638,035 | 363,007 | 36,001,042 |
| | 44,586,001 | 2,322,677 | 46,908,678 |
| | ₱82,936,620 | ₱101,854,405 | ₱184,791,025 |

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

Mont-Aire
The table below shows the condensed financial information of Mont-Aire as at December 31, 2022 and 2021:

| | |
|---|---|
| Current assets | ₱53,469,276 |
| Noncurrent assets | 120,275,583 |
| | 173,744,859 |
| Current liabilities | 1,269,154 |
| Noncurrent liabilities | 94,209,136 |
| | 95,478,290 |
| Net assets | 78,266,569 |
| Proportion of the Group's ownership | 49% |
| Carrying amount of investment | ₱38,350,619 |

Mont-Aire ceased its commercial operations in 2009. Assets include real estate and parcels of land 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, enough to cover for the carrying amount of the Group's investment in Mont-Aire. 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 earnings (losses) of PEP amounting to (₱9.03 million), (₱1.05 million) and ₱3.91 million in 2022, 2021 and 2020, 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, 2022, 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 2022, 2021 and 2020.

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, 2022 and 2021. INQ7 ceased operations in 2007. In 2013, INQ7 submitted a request to liquidate its assets to SEC. The liquidation is still

The Group believes that its interests in joint ventures are not individually material. Aggregate information of joint ventures that are not individually material are as follows:

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| The Group’s share in income / total comprehensive income | **(₱9,031,836)** | (₱1,045,954) | ₱3,908,740 |
| Aggregate carrying value of the Group's interests and advances | **37,736,178** | 46,908,678 | 48,451,681 |

## 13. Property and Equipment at Cost

| | 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Land, 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, 2022 | **₱3,127,301,539** | **₱7,934,286,179** | **₱1,596,296,384** | **₱660,566,915** | **₱171,513,060** | **₱482,634,909** | **₱13,972,598,986** |
| Additions | **32,253,953** | **284,043,388** | **133,575,795** | **100,735,360** | **3,618,312** | **495,372,919** | **1,049,599,727** |
| Disposals | **(11,413,997)** | **(25,941,714)** | **(2,675,996)** | **(60,761,897)** | **(548,730)** | **–** | **(101,342,334)** |
| Reclassifications (see Notes 10 and 16) | **164,663,301** | **275,515,287** | **57,685,043** | **–** | **–** | **(499,393,834)** | **(1,530,203)** |
| At December 31, 2022 | **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** |
| **Accumulated Depreciation** | | | | | | | |
| At January 1, 2022 | **2,501,423,300** | **6,452,783,289** | **1,371,279,188** | **499,899,395** | **161,710,262** | **–** | **10,987,095,434** |
| Depreciation (see Notes 23 and 24) | **95,431,592** | **372,655,918** | **125,212,908** | **68,319,739** | **4,414,851** | **–** | **666,035,008** |
| Disposals | **(11,080,250)** | **(25,156,862)** | **(2,675,996)** | **(55,630,481)** | **(409,956)** | **–** | **(94,953,545)** |
| At December 31, 2022 | **2,585,774,642** | **6,800,282,345** | **1,493,816,100** | **512,588,653** | **165,715,157** | **–** | **11,558,176,897** |
| **Net Book Value** | **₱727,030,154** | **₱1,667,620,795** | **₱291,065,126** | **₱187,951,725** | **₱8,867,485** | **₱478,613,994** | **₱3,361,149,279** |

| | 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Land, 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, 2021 | ₱3,057,833,927 | ₱7,348,274,084 | ₱1,487,373,983 | ₱709,719,574 | ₱168,036,544 | ₱484,717,737 | ₱13,255,955,849 |
| Additions | 12,467,813 | 208,444,459 | 91,928,822 | 89,521,212 | 2,312,212 | 594,642,320 | 999,316,838 |
| Disposals | (2,587,652) | (97,323,201) | (28,384,602) | (139,595,300) | (54,598) | – | (267,945,353) |
| Reclassifications (see Notes 10 and 16) | 59,587,451 | 474,890,837 | 45,378,181 | 921,429 | 1,218,902 | (596,725,148) | (14,728,348) |
| At December 31, 2021 | 3,127,301,539 | 7,934,286,179 | 1,596,296,384 | 660,566,915 | 171,513,060 | 482,634,909 | 13,972,598,986 |
| **Accumulated Depreciation** | | | | | | | |
| At January 1, 2021 | 2,422,497,339 | 6,234,662,075 | 1,282,146,776 | 570,633,667 | 157,902,288 | – | 10,667,842,145 |
| Depreciation (see Notes 23 and 24) | 81,047,090 | 313,824,202 | 117,390,619 | 63,157,719 | 3,860,212 | – | 579,279,842 |
| Disposals | (2,121,129) | (95,702,988) | (28,258,207) | (133,891,991) | (52,238) | – | (260,026,553) |
| At December 31, 2021 | 2,501,423,300 | 6,452,783,289 | 1,371,279,188 | 499,899,395 | 161,710,262 | – | 10,987,095,434 |
| **Net Book Value** | ₱625,878,239 | ₱1,481,502,890 | ₱225,017,196 | ₱160,667,520 | ₱9,802,798 | ₱482,634,909 | ₱2,985,503,552 |

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 reclassification relates to the software that were transferred to other noncurrent assets amounting to ₱1.53 million and ₱14.65 million in 2022 and 2021, respectively and low value assets included under "Prepaid expenses and other current assets" amounting to ₱0.08 million in 2021 (see Notes 10 and 16).

The Group leases out a portion of its property and equipment at cost. Total rental income recognized for the leased portion amounted to ₱3.66 million, ₱3.13 million and ₱2.95 million in 2022, 2021 and 2020 respectively (see Note 26).

The Group disposed various property and equipment in 2022, 2021 and 2020 resulting to the recognition of gain on sale amounting to ₱31.76 million, ₱50.52 million and ₱17.25 million, respectively (see Note 26).

As at December 31, 2022 and 2021, 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:

| | **2022** | | | 2021 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Revaluation Increment** | **Total** | Cost | Revaluation Increment | Total |
| At beginning of year | **₱501,718,175** | **₱2,443,578,839** | **₱2,945,297,014** | ₱359,617,345 | ₱2,443,578,839 | ₱2,803,196,184 |
| Additions during the year | **24,307,384** | **3,650,290,750** | **3,674,598,134** | 142,100,830 | – | 142,100,830 |
| At end of year | **₱526,025,559** | **₱6,093,869,589** | **₱6,619,895,148** | ₱501,718,175 | ₱2,443,578,839 | ₱2,945,297,014 |

In 2022, the Group assessed that 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, 2022. Total additional revaluation increment recognized in 2022 based on updated appraisals amounted to ₱3,650.29 million.

The fair value from the 2022 appraisals was determined using the "Market Data Approach" as determined by independent professionally qualified appraisers. 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.

| | Comparables | | | |
|---|---|---|---|---|
| | 1 | 2 | 3 | 4 |
| Adjusted asking price (per square meters) | ₱283,500 | ₱252,000 | ₱330,750 | ₱330,750 |
| Adjustments to asking price | 5% | – | 5% | 5% |
| Lot size (square meters) | 1,382.4 | 1,284 | 5,000 | 8,866 |
| Location | Timog Avenue South Triangle Quezon City | Mother Ignacia Avenue South Triangle Lanao del Norte | Epifanio Delos Santos Avenue Bago Bantay Quezon City | Epifanio Delos Santos Avenue Unang Sigaw Quezon City |

The appraised value of land is directly proportional to the asking price of the comparable land and adjusted according to the following appraisal considerations:

- Property Rights Conveyed
- Financing/Conditions of Sale/Listing
- Market Conditions (Time of Sale)
- Location
- Size and shape
- Topography, etc.

There was no additional revaluation increment on land in 2021 due to insignificant movements in the fair value of the land.

Also on October 1, 2022, the Network purchased a parcel of land in Poblacion 5, Don Rufino Alonzo Street, Cotabato City amounting to ₱12.03 million as a suitable final relocation site for the transfer of GMA TV-12 Cotabato. Other acquisitions of land in Tagaytay, Laguna, Catanduanes, and Albay were also made during 2022 amounting to ₱6.02 million, ₱3.70 million, ₱1.55 million and ₱1.00 million respectively. Management believes that the fair values as at acquisition date approximates the fair values as at December 31, 2022.

For the land that were not appraised, the Group referred to the published comparable prices for the fair values.

The fair values in 2021was determined using the “Market Data Approach” as determined by independent professionally qualified appraisers. 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. The description of valuation techniques used and key inputs to fair valuation are as follows:

| | Valuation Technique | Significant Unobservable Inputs | Range |
|---|---|---|---|
| Land | Market comparable assets | Price per square metre | ₱200-₱97,000 |

The fair value is categorized under Level 3 of the fair value hierarchy and represents the 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 in accordance with International Valuation Standards.

As at December 31, 2022 and 2021, 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

| | 2022 | | |
|---|---|---|---|
| | **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 | **–** | **58,698,419** | **58,698,419** |
| Depreciation during the year (see Note 24) | **–** | **1,382,387** | **1,382,387** |
| Balance at end of year | **–** | **60,080,806** | **60,080,806** |
| Accumulated impairment: | | | |
| Balance at beginning and end of year | **–** | **3,852,641** | **3,852,641** |
| | **₱23,761,823** | **₱8,343,237** | **₱32,105,060** |

| | 2021 | | |
|---|---|---|---|
| | 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 | – | 57,316,032 | 57,316,032 |
| Depreciation during the year (see Note 24) | – | 1,382,387 | 1,382,387 |
| Balance at end of year | – | 58,698,419 | 58,698,419 |
| Accumulated impairment: | | | |
| Balance at beginning and end of year | – | 3,852,641 | 3,852,641 |
| | ₱23,761,823 | ₱9,725,624 | ₱33,487,447 |

The fair value of investment properties owned by the Group amounted to ₱203.90 million as at December 31, 2022 and 2021. Land used in operations was last appraised on November 19, 2018 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.

The description of the valuation techniques used and key inputs to fair valuation are as follows:

| | Valuation Technique | Significant Unobservable Inputs | Range |
|---|---|---|---|
| Land | Market comparable assets | Price per square metre | ₱1,400-₱3,500 |
| Buildings for lease | Market comparable assets | Price per square metre | ₱22,000-₱117,000 |

The fair value is categorized under Level 3 of the fair value hierarchy and represents the 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.

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

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Rental income (see Note 26) | **₱2,033,713** | ₱3,061,017 | ₱3,945,824 |
| Depreciation expense (see Note 24) | **(1,382,387)** | (1,382,387) | (1,382,387) |
| | **₱651,326** | ₱1,678,630 | ₱2,563,437 |

As at December 31, 2022 and 2021, 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**

| | **2022** | 2021 |
|---|---|---|
| Software costs | **₱73,791,869** | ₱113,208,862 |
| Restricted cash | **52,722,572** | 52,722,572 |
| Refundable deposits | **26,501,499** | 22,165,836 |
| Deferred input VAT | **22,291,602** | 37,367,138 |
| Investment in artworks | **10,186,136** | 10,186,136 |
| Facilities | **7,564,742** | 19,788,434 |
| Guarantee deposits | **2,162,420** | 1,975,638 |
| Deferred production costs | **1,321,925** | 1,196,276 |
| Advances to contractors | – | 3,247,500 |
| Others | **735,294** | 1,715,687 |
| | **₱197,278,059** | ₱263,574,079 |

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

Restricted cash pertains to time deposits under the custody of the courts as a collateral for pending litigation.

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

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.

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

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.

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.

Advances to contractors pertain to advance payments made by the Parent Company for the construction of assets to be classified as property and equipment.

The movements in software costs follows:

| | **2022** | 2021 |
|---|---|---|
| Cost: | | |
| Balance at beginning of year | **₱534,552,087** | ₱468,708,120 |
| Additions during the year | **17,316,702** | 51,190,237 |
| Reclassifications during the year (see Note 13) | **1,530,203** | 14,653,732 |
| Balance at end of year | **553,398,992** | 534,552,089 |
| Accumulated amortization: | | |
| Balance at beginning of year | **421,343,225** | 371,636,579 |
| Amortization during the year (see Note 24) | **58,263,898** | 49,706,646 |
| Balance at end of year | **479,607,123** | 421,343,225 |
| | **₱73,791,869** | ₱113,208,864 |

## 17. **Trade Payables and Other Current Liabilities**

| | **2022** | 2021 |
|---|---|---|
| Payable to government agencies | **₱1,242,808,934** | ₱1,501,080,957 |
| Trade payables | **562,649,076** | 352,701,473 |
| Contract liabilities (see Note 11) | **369,733,835** | 130,479,722 |
| Accrued expenses: | | |
| Utilities and other expenses | **443,486,485** | 233,553,938 |
| Production costs | **180,710,548** | 129,164,437 |
| Payroll and talent fees (see Note 27) | **108,293,100** | 179,251,966 |
| Commission | **53,693,413** | 50,009,144 |
| Customers' deposits | **52,596,784** | 46,034,193 |
| Others | **70,876,368** | 74,888,140 |
| | **₱3,084,848,543** | ₱2,697,163,970 |

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.

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

Contract liabilities pertain to payments received before broadcast and before delivery of goods and services amounting to ₱369.73 million and ₱130.48 million as at December 31, 2022 and 2021, respectively. These are recognized as revenue when the Group performs the obligation under the contract. The total beginning balance of contract liabilities in 2022 amounting to ₱130.48 million was recognized as revenue for the year ended December 31, 2022. This account also includes contract liabilities of ₱22.00 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).

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 2022 and 2021. Details and movements of the short-term loans are as follows:

| | **2022** | 2021 |
|---|---|---|
| Balance at beginning of year | **₱739,485,500** | ₱720,345,000 |
| Availments | **1,027,125,200** | 4,479,150,000 |
| Payments | **(1,685,850,000)** | (4,542,575,000) |
| Revaluation | **(53,635,500)** | 82,565,500 |
| Balance at end of year | **₱27,125,200** | ₱739,485,500 |

The outstanding loans as at December 31, 2022 and 2021 consist of fixed rate notes with the following details:

| Lender | Currency | Amount | Interest Rate (per annum) | Terms | **2022** | 2021 |
|---|---|---|---|---|---|---|
| Security Bank | PhP | ₱27,125,000 | 2.75% | Availed in 2022, payable up to December 2023 | **₱27,125,000** | ₱– |
| Citibank | USD | $14,500,000 | 1.66% | Availed in 2021; payable in 311 days | – | 739,845,500 |

Interest expense on peso denominated loans amounted to ₱10.15 million, ₱23.06 million and ₱4.33 million in 2022, 2021 and 2020, respectively. Interest expense on US dollar denominated loans amounted to ₱2.78 million, ₱15.03 million, and ₱7.67 million in 2022, 2021, and 2020, 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 Group. Outstanding unpaid balance as at December 31, 2022 and 2021 amounted to ₱209.17 million and ₱223.82 million, respectively. 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, 2022 and 2021:

| | No. of Shares | | Amount | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| Common - ₱1.00 par value | | | | |
| Authorized | **5,000,000,000** | 5,000,000,000 | **₱5,000,000,000** | ₱5,000,000,000 |
| Subscribed and issued | **3,364,692,000** | 3,364,692,000 | **₱3,364,692,000** | ₱3,364,692,000 |
| Preferred - ₱0.20 par value | | | | |
| Authorized | **7,500,000,000** | 7,500,000,000 | **₱1,500,000,000** | ₱1,500,000,000 |
| Subscribed and issued | **7,500,000,000** | 7,500,000,000 | **₱1,500,000,000** | ₱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.

In October 4, 2021, 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, 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 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, 2021 at a transaction price of ₱13.02 per share.

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 |
|---|---|---|---|---|
| **2022** | **March 25, 2022** | **April 25, 2022** | **₱1.45** | **₱7,053,803,400** |
| 2021 | March 26, 2021 | April 22, 2021 | ₱1.35 | ₱6,561,267,889 |
| 2020 | June 8, 2020 | June 24, 2020 | ₱0.30 | ₱1,458,059,531 |

The Parent Company's outstanding dividends payable amounted to ₱30.53 million and ₱39.59 million as at December 31, 2022 and 2021, 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 amounting to ₱84.18 million and ₱106.07 million as at December 31, 2022 and 2021, respectively.

On March 31, 2023, the Parent Company's BOD approved the declaration and distribution of cash dividends amounting to ₱1.10 per share totaling ₱5,351.16 million to all stockholders of record as at April 21, 2023 and will be paid starting May 16, 2023.

## 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, 2022 and 2021, 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, 2022 and 2021 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 | **2022** | **₱86,481** | **₱99,618,209** | Noninterest-bearing | Unsecured; not impaired |
| | | 2021 | 1,809,712 | 99,531,728 | | |
| | **Joint ventures:** | | | | | |
| | Gamespan | **2022** | **–** | **1,959,670** | Noninterest-bearing | Unsecured; not impaired |
| | | 2021 | – | 1,959,670 | | |
| | PEP | **2022** | **–** | **222,343** | Noninterest-bearing | Unsecured; not impaired |
| | | 2021 | – | 363,007 | | |
| | INQ7 | **2022** | **–** | **11,544,000** | Noninterest-bearing | Unsecured; fully impaired |
| | | 2021 | – | 11,544,000 | | |
| | **Total** | **2022** | **₱86,481** | **₱113,344,222** | | |
| | | 2021 | 1,809,712 | 113,398,405 | | |
| **Nontrade Receivables** | | | | | | |
| Reimbursable charges (see Note 7) | **Common stockholders:** | | | | | |
| | GMA Kapuso Foundation Inc. | **2022** | **₱960,433** | **₱2,038,381** | On demand, noninterest-bearing | Unsecured; not impaired |
| | | 2021 | 633,244 | 1,356,049 | | |
| **Nontrade Payables** | | | | | | |
| Legal, consulting and retainers' fees | Belo, Gozon, Elma Law | **2022** | **15,416,907** | – | On demand, noninterest-bearing | Unsecured |
| | | 2021 | 19,517,527 | – | | |
| | **Total** | **2022** | **₱16,377,340** | **₱2,038,381** | | |
| | | 2021 | 20,150,771 | 1,356,049 | | |

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:

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Salaries and other long-term benefits (see Notes 24 and 25) | **₱1,050,276,512** | ₱1,008,057,516 | ₱913,703,843 |
| Pension benefits (see Notes 24 and 25) | **199,610,705** | 190,689,516 | 165,255,983 |
| | **₱1,249,887,217** | ₱1,198,747,032 | ₱1,078,959,826 |

Pension benefits (costs) under OCI amounted to (₱324.82 million), (₱313.83 million) and ₱454.32 million as of December 31, 2022, 2021 and 2020, respectively.

Equity Investments of the Retirement Fund
The Group's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱757.31 million and ₱7.95 million in 2022, respectively, and ₱962.98 million and ₱11.22 million in 2021, 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:

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| **Revenue source** | | | |
| Sale of service | | | |
| Advertising revenue | **₱20,230,371,980** | ₱21,015,167,014 | ₱17,727,494,901 |
| Subscription revenue (see Note 28) | **774,865,805** | 786,471,873 | 911,005,081 |
| Revenue from distribution and content provisioning | **34,219,872** | 41,962,566 | 63,653,634 |
| Production revenue | **183,681,549** | 78,698,883 | 49,947,752 |
| Sale of goods | **340,871,864** | 528,023,061 | 583,794,170 |
| **Total revenue from contracts with customers** | **₱21,564,011,070** | ₱22,450,323,397 | ₱19,335,895,538 |
| | | | |
| **Geographical markets** | | | |
| Local | **₱20,701,948,198** | ₱21,521,575,148 | ₱18,311,968,706 |
| International | **862,062,872** | 928,748,249 | 1,023,926,832 |
| **Total revenue from contracts with customers** | **₱21,564,011,070** | ₱22,450,323,397 | ₱19,335,895,538 |
| | | | |
| **Timing of revenue recognition** | | | |
| Goods/services transferred at a point in time | **₱20,789,145,265** | ₱21,663,851,524 | ₱18,424,890,457 |
| Services transferred over time | **774,865,805** | 786,471,873 | 911,005,081 |
| **Total revenue from contracts with customers** | **₱21,564,011,070** | ₱22,450,323,397 | ₱19,335,895,538 |

## 23. Production Costs

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Talent fees and production personnel costs (see Note 25) | **₱3,921,185,771** | ₱3,253,105,638 | ₱2,638,347,868 |
| Facilities and amortization of production services | **995,623,800** | 567,428,491 | 460,116,613 |
| Program and other rights usage (see Note 8) | **868,739,716** | 1,007,347,795 | 703,415,807 |
| Rental (see Note 28) | **523,820,404** | 344,890,966 | 210,239,334 |
| Depreciation (see Notes 13 and 24) | **492,742,400** | 376,868,136 | 328,051,146 |
| Tapes, sets and production supplies | **355,710,226** | 233,146,587 | 142,401,105 |
| Transportation and communication | **325,075,476** | 209,857,422 | 65,658,557 |
| | **₱7,482,897,793** | ₱5,992,645,035 | ₱4,548,230,430 |

## 24. General and Administrative Expenses

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Personnel costs (see Note 25) | **₱4,010,852,711** | ₱3,856,762,318 | ₱3,592,421,337 |
| Taxes and licenses | **395,259,589** | 235,505,518 | 182,104,942 |
| Communication, light and water | **392,858,757** | 273,962,056 | 235,051,327 |
| Professional fees | **346,641,093** | 353,199,611 | 305,734,976 |
| Repairs and maintenance | **214,307,761** | 221,155,954 | 144,785,132 |
| Depreciation (see Notes 13, 15 and 28) | **206,589,570** | 230,904,901 | 217,524,055 |
| Advertising | **170,046,892** | 117,274,073 | 84,866,697 |
| Software maintenance | **123,440,211** | 99,307,025 | 81,430,010 |
| Research and surveys | **99,517,216** | 87,958,450 | 91,769,435 |
| Marketing expense | **74,719,805** | 86,992,865 | 55,136,499 |
| Security services | **71,307,924** | 65,559,440 | 66,865,570 |
| Facilities related expenses | **65,892,695** | 58,691,533 | 69,849,171 |
| Transportation and travel | **50,808,779** | 34,717,950 | 54,407,006 |
| Amortization of software costs (see Note 16) | **58,263,898** | 49,706,646 | 40,264,073 |
| Insurance | **30,550,826** | 30,673,665 | 29,028,379 |
| Janitorial services | **24,897,108** | 24,026,812 | 22,863,052 |
| Rental (see Note 28) | **23,378,607** | 20,915,132 | 9,603,762 |
| Dues and subscriptions | **19,323,732** | 10,881,727 | 8,254,093 |
| Materials and supplies | **12,800,794** | 15,706,090 | 12,525,485 |
| Freight and handling | **12,268,400** | 16,913,034 | 6,092,430 |
| Entertainment, amusement and recreation | **7,877,088** | 7,001,601 | 8,452,628 |
| Provision for ECL (see Note 7) | **1,457,228** | 142,577,080 | 347,195,883 |
| Others | **227,308,498** | 104,440,189 | 85,499,998 |
| | **₱6,640,369,182** | ₱6,144,833,670 | ₱5,751,725,940 |

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

*Depreciation*

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Property and equipment (see Note 13) | | | |
| Production costs (see Note 23) | **₱474,023,367** | ₱357,908,201 | ₱309,910,132 |
| General and administrative expenses | **192,011,641** | 221,371,641 | 206,504,727 |
| | **666,035,008** | 579,279,842 | 516,414,859 |
| Right-of-use assets (see Note 28) | | | |
| Production costs (see Note 23) | **18,719,033** | 18,959,935 | 18,141,014 |
| General and administrative expenses | **13,195,542** | 8,150,873 | 9,636,941 |
| | **31,914,575** | 27,110,808 | 27,777,955 |
| Investment properties (see Note 15) | | | |
| General and administrative expenses | **1,382,387** | 1,382,387 | 1,382,387 |
| | **₱699,331,970** | ₱607,773,037 | ₱545,575,201 |

## 25. Personnel Costs

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Salaries and wages | **₱3,040,086,316** | ₱2,710,384,916 | ₱2,578,012,608 |
| Talent fees | **2,569,748,693** | 2,162,673,093 | 1,617,514,239 |
| Employee benefits and allowances | **1,513,608,039** | 1,414,885,770 | 1,245,873,978 |
| Pension expense (see Note 27) | **661,084,462** | 639,758,700 | 646,198,143 |
| Sick and vacation leaves expense | **147,510,971** | 182,165,477 | 143,170,237 |
| | **₱7,932,038,481** | ₱7,109,867,956 | ₱6,230,769,205 |

The above amounts were distributed as follows:

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Production costs (see Note 23) | **₱3,921,185,770** | ₱3,253,105,638 | ₱2,638,347,868 |
| General and administrative expenses (see Note 24) | **4,010,852,711** | 3,856,762,318 | 3,592,421,337 |
| | **₱7,932,038,481** | ₱7,109,867,956 | ₱6,230,769,205 |

## 26. Others - Net

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Commission from Artist Center | **₱104,475,309** | ₱77,547,912 | ₱45,128,337 |
| Net gain on sale of property and equipment (see Note 13) | **31,756,356** | 50,519,791 | 17,250,932 |
| Royalty income | **6,499,544** | 24,289 | 2,151,792 |
| Rental income (see Notes 13, 15 and 28) | **5,650,270** | 6,189,114 | 6,894,304 |
| Merchandising license fees and others | **2,043,246** | 3,455,733 | 2,549,637 |
| Bank charges | **(1,793,419)** | (1,480,403) | (1,411,850) |
| VAT difference on sales to government per Revenue Regulations 16-2005 | **–** | – | 10,218,187 |
| Others | **6,365,441** | 1,600,724 | 2,393,438 |
| | **₱154,996,747** | ₱137,857,160 | ₱85,174,767 |

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

Others includes reversal of provision for accounts written-off on Trade Receivables (see Note 7).

## 27. Pension and Other Employee Benefits

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

| | **2022** | 2021 |
|---|---|---|
| Pension liability | **₱4,767,249,209** | ₱4,169,686,751 |
| Vacation and sick leave accrual | **377,344,911** | 399,171,250 |
| | **5,143,594,120** | 4,568,858,001 |
| Less current portion of vacation and sick leave accrual* | **5,728,979** | 5,422,020 |
| Pension and other long-term employee benefits | **₱5,138,865,141** | ₱4,563,435,981 |

**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):

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Current service cost | **₱455,919,306** | ₱437,943,972 | ₱438,234,725 |
| Net interest cost | **205,165,155** | 186,984,422 | 207,963,418 |
| Settlement loss | **–** | 14,830,306 | – |
| | **₱661,084,461** | ₱639,758,700 | ₱646,198,143 |

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

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Present value of defined benefit obligation | **₱6,653,224,090** | ₱6,348,352,226 | ₱6,359,224,091 |
| Fair value of plan assets | **1,885,974,881** | 2,178,665,475 | 1,444,098,402 |
| Pension liability | **₱4,767,249,209** | ₱4,169,686,751 | ₱4,915,125,689 |

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

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Balance at beginning of year | **₱6,348,352,226** | ₱6,359,224,091 | ₱3,984,474,739 |
| Current service cost | **455,919,306** | 437,943,972 | 438,234,725 |
| Interest cost | **310,240,240** | 244,726,249 | 306,876,971 |
| Settlement loss | **–** | 14,830,306 | – |
| Benefits paid: | | | |
| From plan assets | **(455,534,216)** | (197,265,904) | (189,229,662) |
| From Group's own funds | **(46,856,585)** | (36,744,104) | (9,686,893) |
| Remeasurement losses (gains): | | | |
| Changes in financial assumptions | **41,103,119** | (711,238,384) | 1,530,340,215 |
| Changes in demographic assumptions | **–** | 3,217,607 | (10,076,998) |
| Experience adjustment | **–** | 233,658,393 | 308,290,994 |
| Balance at end of year | **₱6,653,224,090** | ₱6,348,352,226 | ₱6,359,224,091 |

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

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Balance at beginning of year | **₱2,178,665,475** | ₱1,444,098,402 | ₱1,250,881,611 |
| Contribution during the year | **261,319,043** | 339,594,487 | 259,000,000 |
| Interest income | **105,075,085** | 57,741,827 | 98,913,553 |
| Benefits paid | **(455,534,216)** | (197,265,904) | (189,229,662) |
| Remeasurement gain (loss) - return on plan assets | **(203,550,506)** | 534,496,663 | 24,532,900 |
| Balance at end of year | **₱1,885,974,881** | ₱2,178,665,475 | ₱1,444,098,402 |

Remeasurement gain (loss) on retirement plans amounting to (₱205.31 million), ₱575.62 million, and (₱1,261.62 million) in 2022, 2021 and 2020, 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 ₱290.00 million to the fund in 2023.

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:

| | **2022** | 2021 |
|---|---|---|
| | **Carrying Value/Fair Value** | Carrying Value/Fair Value |
| Cash and cash equivalents | **₱303,284,710** | ₱176,916,929 |
| Equity instruments (see Note 21): | | |
| GMA Network, Inc. | **757,308,887** | 962,978,924 |
| GMA PDRs | **7,950,000** | 11,219,115 |
| Debt instruments - | | |
| Government securities | **298,811,570** | 338,675,992 |
| Unit Investment Trust Funds (UITFs) | **343,507,508** | 740,790,995 |
| Others | **175,112,206** | (51,916,480) |
| | **₱1,885,974,881** | ₱2,178,665,475 |

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 ₱140.72 million loss in 2022, ₱33.37 million gain in 2021 and ₱23.95 million gain in 2020.
- Investments in debt instruments bear interest ranging from 3.00% 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 amounting to ₱258.89 as at December 31, 2022 and 2021.
- 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:

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Discount rate | **2.80-7.22%** | 3.10-5.13% | 3.10-7.70% |
| Expected rate of salary increase | **3.00-5.00%** | 4.00-5.00% | 4.00-5.00% |
| Turn-over rates: | | | |
| 19-24 years old | **12.38-50.00%** | 7.50-11.67% | 7.26-9.48% |
| 25-29 years old | **10.94-40.00%** | 6.00-9.23% | 5.56-7.88% |
| 30-34 years old | **9.31-62.50%** | 3.86-12.99% | 3.70-6.14% |
| 35-39 years old | **4.23-120.00%** | 2.50-6.54% | 2.69-4.22% |
| 40-44 years old | **2.55-25.00%** | 2.00-6.58% | 2.00-3.81% |
| ≥45 years old | **0.00-2.24%** | 0.00-3.36% | 0.00-3.05% |

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 | | |
|---|---|---|---|---|
| | | **2022** | 2021 | 2020 |
| Discount rate | 50 | **(₱290,017,330)** | (₱290,833,103) | (₱320,849,879) |
| | (50) | **315,566,169** | 314,400,163 | 348,403,037 |
| Future salary increases | 50 | **333,460,419** | 315,633,737 | 346,062,010 |
| | (50) | **(303,626,386)** | (294,598,995) | (321.818,707) |

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2022:

| | |
|---|---|
| Less than one year | ₱718,887,410 |
| More than 1 year to 3 years | 1,922,473,331 |
| More than 3 years to 7 years | 2,900,953,586 |
| More than 7 years to 15 years | 4,206,988,115 |
| More than 15 years to 20 years | 5,115,087,405 |
| More than 20 years | 7,843,916,762 |

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 ₱371.62 million and ₱393.75 million as at December 31, 2022 and 2021, 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 ₱5.73 million and ₱5.42 million as at December 31, 2022 and 2021, 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 while the termination option in the lease agreements of NMI, a subsidiary is subject to mutual agreement.

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:

| | **2022** | | |
|---|---|---|---|
| | **Right-of-use: Land** | **Right-of-use: Buildings, studio and office spaces** | **Right-of-use: Total** |
| **Cost** | | | |
| Balance at beginning of year | **₱120,680,584** | **₱83,347,302** | **₱204,027,886** |
| Additions | **68,260,130** | **8,732,592** | **76,992,722** |
| Termination | **–** | **(10,926,996)** | **(10,926,996)** |
| Balance at the end of year | **188,940,714** | **81,152,898** | **270,093,612** |
| **Accumulated Depreciation** | | | |
| Balance at beginning of year | **41,652,745** | **38,451,355** | **80,104,100** |
| Depreciation (see Note 24) | **19,036,104** | **12,878,471** | **31,914,575** |
| Termination | **–** | **(1,825,448)** | **(1,825,448)** |
| Balance at the end of year | **60,688,849** | **49,504,378** | **110,193,227** |
| **Net Book Value** | **₱128,251,865** | **₱31,648,520** | **₱159,900,385** |

| | 2021 | | |
|---|---|---|---|
| | Right-of-use: Land | Right-of-use: Buildings, studio and office spaces | Right-of-use: Total |
| Cost | | | |
| Balance at beginning of year | ₱94,553,476 | ₱47,708,092 | ₱142,261,568 |
| Additions | 26,127,108 | 35,639,210 | 61,766,318 |
| Balance at the end of year | 120,680,584 | 83,347,302 | 204,027,886 |
| Accumulated Depreciation | | | |
| Balance at beginning of year | 28,798,918 | 24,194,374 | 52,993,292 |
| Depreciation (see Note 24) | 12,853,827 | 14,256,981 | 27,110,808 |
| Balance at the end of year | 41,652,745 | 38,451,355 | 80,104,100 |
| Net Book Value | ₱79,027,839 | ₱44,895,947 | ₱123,923,786 |

The rollforward analysis of lease liabilities follows:

| | **2022** | 2021 |
|---|---|---|
| Balance at beginning of year | **₱119,385,902** | ₱76,856,072 |
| Additions | **76,992,722** | 61,766,318 |
| Accretion of interest | **9,290,445** | 8,396,879 |
| Payments | **(28,506,823)** | (27,633,367) |
| Termination | **(10,051,240)** | |
| Balance at end of year | **₱167,111,004** | ₱119,385,902 |

| | **2022** | 2021 |
|---|---|---|
| Current portion | **₱21,155,761** | ₱17,475,682 |
| Noncurrent portion | **145,955,243** | 101,910,220 |
| Balance at end of year | **₱167,111,004** | ₱119,385,902 |

The rollforward analysis of dismantling provision follows:

| | **2022** | 2021 |
|---|---|---|
| Balance at beginning of year | **₱46,097,449** | ₱44,973,410 |
| Accretion of interest | **2,911,565** | 2,209,525 |
| Termination | **–** | (1,085,486) |
| Balance at end of year | **₱49,009,014** | ₱46,097,449 |

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

| | **2022** | 2021 |
|---|---|---|
| Depreciation expense of right-of-use assets (see Note 24) | **₱31,914,575** | ₱27,110,808 |
| Interest expense on lease liabilities | **9,290,445** | 8,396,879 |
| Interest expense on dismantling provision | **2,911,565** | 2,209,525 |
| Expense relating to short-term leases (included in "Production costs") (see Note 23) | **523,820,404** | 344,890,966 |
| Expense relating to short-term leases (included in "General and Administrative expenses") (see Note 24) | **23,378,607** | 20,915,132 |

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

| | **2022** | 2021 |
|---|---|---|
| 1 year | **₱26,620,767** | ₱23,362,036 |
| more than 1 year to 2 years | **24,503,353** | 20,613,087 |
| more than 2 years to 3 years | **22,248,256** | 18,751,169 |
| more than 3 years to 4 years | **16,803,585** | 17,198,705 |
| More than 5 years | **131,368309** | 44,119,711 |

Total rental expense on short-term leases amounted to ₱547.20 million, ₱365.81 million and ₱746.94 in 2022, 2021 and 2020, 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 ₱5.65 million, ₱6.19 million and ₱6.89 in 2022, 2021 and 2020 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 ₱774.87 million, ₱786.47 million and ₱911.00 million in 2022, 2021 and 2020, respectively (see Note 22).

Purchase Agreement for Set-top Boxes
In 2022, 2021 and 2020, the Parent Company entered into several contracts with Ablee Electronic Company Limited for the supply of set-top boxes with complete accessories. Total purchases amounted to ₱644.34 million, ₱1,377.00 million and ₱896.80 in 2022, 2021 and 2020, respectively.

## 29. **Income Taxes**

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

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| RCIT | **₱1,989,216,474** | ₱2,400,604,067 | ₱2,728,600,117 |
| MCIT | **38,147** | 30,603 | 50,423 |
| | **₱1,989,254,621** | ₱2,400,634,670 | ₱2,728,650,540 |

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

| | **2022** | 2021 | 2020 |
|---|---|---|---|
| Statutory income tax | **25.00%** | 25.00% | 30.00% |
| Additions (deductions) in income tax resulting from: | | | |
| Nondeductible tax deficiency payment | **0.35** | (0.03) | – |
| Nondeductible expenses | **0.13** | – | – |
| Interest income already subjected to final tax | **(0.04)** | (0.02) | (0.03) |
| Nondeductible interest expense | **0.01** | 0.09 | 0.10 |
| Changes in applicable income tax rates | **–** | (1.14) | – |
| Others - net | **0.01** | 0.01 | 0.01 |
| Effective income tax | **25.46%** | 23.91% | 30.08% |

Deferred Taxes

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

| | 2022 | 2021 |
|---|---|---|
| Deferred tax assets: | | |
| Pension liability | **₱1,191,577,514** | ₱1,041,784,250 |
| Allowance for ECL | **223,295,740** | 224,507,665 |
| Other long-term employee benefits | **92,727,269** | 98,240,972 |
| Contract liabilities | **92,433,459** | 32,619,931 |
| Lease liabilities | **41,607,134** | 29,570,900 |
| Unamortized past service cost | **14,009,300** | 6,721,349 |
| Unrealized loss on financial assets at FVOCI | **13,473,704** | 13,046,917 |
| Dismantling provision | **12,252,253** | 11,524,362 |
| Intercompany sale of intangible assets | **7,500,000** | 11,250,000 |
| Allowance for probable losses in advances | **7,197,236** | 7,197,236 |
| Accrued expenses | **4,225,480** | – |
| NOLCO | **2,183,643** | 383,792 |
| Excess MCIT over RCIT | **422,696** | 22,619 |
| Unrealized foreign exchange loss | **–** | 8,386,408 |
| Others | **6,453,053** | – |
| | **1,709,358,481** | 1,485,256,401 |
| Deferred tax liabilities: | | |
| Revaluation increment on land | **(1,523,467,397)** | (610,894,711) |
| Right-of-use assets | **(39,836,454)** | (30,778,315) |
| Unrealized foreign exchange gain | **(17,698,057)** | – |
| | **(1,581,001,908)** | (641,673,026) |
| | **₱128,356,573** | ₱843,583,375 |

The components of deferred tax assets (liabilities) pertaining to accounts presented under equity in the consolidated statements of financial position are as follows:

| | 2022 | 2021 |
|---|---|---|
| Revaluation increment on land | **(₱1,523,467,397)** | (₱610,894,711) |
| Pension liability - remeasurement loss on retirement plan | **269,666,239** | 198,591,990 |
| Revaluation of financial assets at FVOCI | **13,473,704** | 13,046,917 |
| | **(₱1,240,327,454)** | (₱399,255,804) |

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

| | 2022 | 2021 |
|---|---|---|
| Net movement recognized in: | | |
| Profit or loss | **₱125,844,848** | ₱22,585,153 |
| Other comprehensive income (loss) | **(841,071,650)** | (351,721,730) |
| | **(₱715,226,802)** | (₱329,136,577) |

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:

| | **2022** | 2021 |
|---|---|---|
| Allowance for ECL | **₱15,483,325** | ₱11,064,734 |
| NOLCO | **9,661,047** | 9,465,804 |
| Pension liability | **1,646,008** | 3,335,093 |
| Unamortized past service cost | **1,092,468** | 970,172 |
| Allowance for inventory stock | **951,224** | 8,899,999 |
| Excess MCIT over RCIT | **23,042** | 59,503 |
| Others | **127,900** | 78,488 |
| | **₱28,985,014** | ₱33,873,793 |

The unrecognized deferred tax assets from the above deductible temporary differences and carryforward benefits of NOLCO and MCIT amounted to ₱6.07 million and ₱8.51 million as at December 31, 2022 and 2021, 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, 2022, the Group's MCIT is as follows:

| Years Paid/Incurred | Carryforward Benefit Up To | MCIT |
|---|---|---|
| 2020 | 2023 | 50,577 |
| 2021 | 2024 | 2,670 |
| 2022 | 2025 | 392,491 |
| | | ₱445,738 |

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, 2022, the Group has incurred NOLCO before taxable year 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 |
|---|---|---|---|---|---|---|
| 2019 | 2020 to 2022 | ₱2,731,377 | ₱– | ₱2,731,377 | ₱– | ₱– |

As at December 31, 2022, 2021 and 2020, the Group has incurred NOLCO 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 |
| 2022 | 2023 to 2027 | 10,126,026 | – | – | – | 10,126,026 |
| | | ₱18,395,619 | ₱– | ₱– | ₱– | ₱18,395,619 |

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act
Former President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding the value of land on which the business entity's office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

Applying the provisions of the CREATE Act, the Group has been subjected to the lower RCIT rate of 25% of taxable income or the reduced MCIT rate of 1% of gross income, effective July 1, 2020.

The Group recognized in its consolidated financial statements as at and for the year ended December 31, 2021, a reduction in Provision for income tax (current and deferred), Deferred tax on comprehensive income directly charged to Equity and Deferred tax assets - net amounting to ₱223.2 million, ₱58.2 million, and ₱109.9 million, respectively, pertaining to the change in tax rate for the year ended December 31, 2020. This includes the effect on the revaluation increment on land amounting to ₱122.2 million recognized in the statement of comprehensive income in 2021.

## 30. EPS Computation

The computation of basic and diluted EPS follows:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Net income attributable to equity holders of the Parent Company (a) | **₱5,442,339,313** | ₱7,530,114,246 | ₱5,984,584,939 |
| Less attributable to preferred shareholders | **1,678,114,251** | 2,322,917,048 | 1,846,897,337 |
| Net income attributable to common equity holders of the Parent Company (b) | **₱3,764,225,062** | ₱5,207,197,198 | ₱4,137,687,602 |
| Common shares issued at the beginning of year (Note 20) | **3,364,692,000** | 3,364,692,000 | 3,364,692,000 |
| Treasury shares (Note 20) | **–** | – | (3,645,000) |
| Underlying shares on acquired PDRs (Note 20) | **–** | – | (750,000) |
| Weighted average number of common shares for basic EPS (c) | **3,362,494,500** | 3,362,494,500 | 3,360,297,000 |
| Weighted average number of common shares | **3,362,494,500** | 3,362,494,500 | 3,360,297,000 |
| Effect of dilution - assumed conversion of preferred shares | **1,500,000,000** | 1,500,000,000 | 1,500,000,000 |
| Reacquired preferred shares | **–** | – | (98,563) |
| Weighted average number of common shares adjusted for the effect of dilution (d) | **4,864,692,000** | 4,862,445,219 | 4,860,198,437 |
| Basic EPS (b/c) | **₱1.119** | ₱1.549 | ₱1.231 |
| Diluted EPS (a/d) | **₱1.119** | ₱1.549 | ₱1.231 |

## 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, 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 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:

| | 2022 | | | | |
|---|---|---|---|---|---|
| | **On Demand** | **Less than 3 Months** | **3 to 12 Months** | **More than 1 year** | **Total** |
| Financial assets at amortized cost: | | | | | |
| Cash and cash equivalents | **₱2,170,723,381** | **₱684,743,833** | **₱–** | **₱–** | **₱2,855,467,214** |
| Trade receivables: | | | | | |
| Television and radio airtime | **2,794,702,040** | **2,688,876,934** | **–** | **–** | **5,483,578,974** |
| Subscriptions | **23,464,258** | **179,101,057** | **–** | **–** | **202,565,315** |
| Others | **26,261,063** | **90,809,774** | **–** | **–** | **117,070,837** |
| Nontrade receivables: | | | | | |
| Advances to officers and employees | **1,831,678** | **1,864,612** | **–** | **–** | **3,696,290** |
| Others | **29,292,643** | **16,828,845** | **–** | **–** | **46,121,488** |
| Refundable deposits* | **–** | **–** | **–** | **26,501,499** | **26,501,499** |
| Financial assets at FVOCI | **–** | **–** | **–** | **282,614,107** | **282,614,107** |
| | **₱5,046,275,063** | **₱3,662,225,055** | **₱–** | **₱309,115,606** | **₱9,017,615,724** |
| Loans and borrowings: | | | | | |
| Trade payables and other current liabilities** | **133,560,646** | **1,247,487,387** | **38,660,959** | **–** | **1,419,708,992** |
| Short-term loans*** | **–** | **3,260,000** | **23,865,200** | **–** | **27,125,200** |
| Obligations for program and other rights | **–** | **137,630,803** | **71,540,840** | **–** | **209,171,643** |
| Lease liabilities*** | **–** | **6,074,285** | **20,546,481** | **194,923,503** | **221,544,269** |
| Dividends payable | **30,526,306** | **–** | **–** | **–** | **30,526,306** |
| | **164,086,952** | **1,394,452,475** | **154,613,480** | **194,923,503** | **1,908,076,410** |
| Liquidity Portion (Gap) | **₱4,882,188,111** | **₱2,267,772,580** | **(₱154,613,480)** | **₱114,192,103** | **₱7,109,539,314** |

**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 ₱1,242.81 million, ₱369.73 million and ₱52.60 million, respectively (see Note 17).*
****Gross contractual payments.*

| | 2021 | | | | |
|---|---|---|---|---|---|
| | On Demand | Less than 3 Months | 3 to 12 Months | More than 1 year | Total |
| Financial assets at amortized cost: | | | | | |
| Cash and cash equivalents | ₱2,919,451,027 | ₱1,874,115,127 | ₱– | ₱– | ₱4,793,566,154 |
| Trade receivables: | | | | | |
| Television and radio airtime | 3,096,597,816 | 4,230,324,198 | – | – | 7,326,922,014 |
| Subscriptions | 57,467,274 | 158,484,088 | – | – | 215,951,362 |
| Others | 81,337,286 | 36,185,002 | – | – | 117,522,288 |
| Nontrade receivables: | | | | | |
| Advances to officers and employees | 1,923,767 | 7,439,509 | – | – | 9,363,276 |
| Others | 52,095,656 | 62,690,411 | – | – | 114,786,067 |
| Refundable deposits* | – | – | – | 22,165,836 | 22,165,836 |
| Financial assets at FVOCI | – | – | – | 116,711,276 | 116,711,276 |
| | ₱6,208,872,826 | ₱6,369,238,335 | – | ₱138,877,112 | ₱12,716,988,273 |
| Loans and borrowings: | | | | | |
| Trade payables and other current liabilities** | ₱385,382,010 | ₱606,108,361 | ₱28,078,727 | ₱– | ₱1,019,569,098 |
| Short-term loans*** | – | 739,485,500 | – | – | 739,485,500 |
| Obligations for program and other rights | – | 143,341,523 | 69,237,163 | – | 212,578,686 |
| Lease liabilities*** | – | 6,074,285 | 17,287,750 | 100,682,673 | 124,044,708 |
| Dividends payable | 39,589,204 | – | – | – | 39,589,204 |
| | 424,971,214 | 1,495,009,669 | 114,603,640 | 100,682,673 | 2,135,267,196 |
| Liquidity Portion (Gap) | ₱5,783,901,612 | ₱4,874,228,666 | (₱114,603,640) | ₱38,194,439 | ₱10,581,721,077 |

**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 ₱979.42 million, ₱127.28 million and ₱53.33 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:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | **$7,863,029** | **₱438,442,485** | $15,738,444 | ₱802,644,894 |
| | **C$166,862** | **6,881,384** | C$300,131 | 11,961,418 |
| Trade receivables | **$3,628,902** | **202,347,566** | $3,370,321 | 171,883,009 |
| | **C$478,316** | **19,725,741** | C$3,988,075 | 158,940,751 |
| | **S$198,925** | **8,271,298** | S$141,598 | 5,317,676 |
| | **A$22,947** | **867,410** | A$144,000 | 5,300,078 |
| | **DH44,644** | **682,162** | DH132,516 | 1,832,040 |
| | | **₱677,218,046** | | ₱1,157,879,866 |
| **Liabilities** | | | | |
| Short-term loans | **$–** | **₱–** | $14,500,000 | ₱739,485,500 |
| Trade payables | **$817,128** | **45,563,057** | $130,058 | 6,632,818 |
| | **€78,902** | **4,698,614** | €90,100 | 5,181,804 |
| | **S$2,036** | **83,965** | S$212 | 7,962 |
| Obligations for program and other rights | **$2,557,785** | **142,622,092** | $2,933,261 | 149,593,378 |
| | | **₱192,967,728** | | ₱900,901,462 |
| | | **₱484,250,318** | | ₱256,978,404 |

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rates used were ₱55.76 to US$1.00 and ₱50.99 to US$1.00, the Philippine peso to U.S. dollar exchange rate, as at December 31, 2022 and 2021, respectively. The exchange rate for Philippine peso to Canadian dollar were ₱41.24 to CAD$1.00 and ₱39.85 to CAD$1.00, as at December 31, 2022 and 2021. The peso equivalents for the Singaporean Dollar, Australian Dollar, Dirham and Euro were ₱41.58, ₱37.80, ₱15.28, and ₱59.55 and ₱37.55, ₱36.81, ₱13.83, and ₱57.51 at December 31, 2022 and 2021, 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 | Total |
|---|---|---|---|---|---|---|---|---|
| **2022** | 0.50 | **₱6,154,529** | **₱322,589** | **₱100,480** | **₱11,474** | **₱22,322** | **₱39,451** | **₱6,650,845** |
| | (0.50) | **(6,154,529)** | **(322,589)** | **(100,480)** | **(11,474)** | **(22,322)** | **(39,451)** | **(6,650,845)** |
| **2021** | 0.50 | ₱5,847,881 | ₱2,031,554 | ₱70,799 | ₱72,000 | ₱66,258 | ₱11,263 | ₱8,099,755 |
| | (0.50) | (5,847,881) | (2,031,554) | (70,799) | (72,000) | (66,258) | (11,263) | (8,099,755) |

*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:

| | **2022** | 2021 |
|---|---|---|
| Financial assets at amortized cost: | | |
| Cash and cash equivalents* | **₱2,398,015,725** | ₱4,505,373,504 |
| Trade receivables: | | |
| Television and radio airtime | **5,483,578,974** | 7,326,922,014 |
| Subscriptions | **202,565,315** | 215,951,362 |
| Others | **117,070,837** | 117,522,288 |
| Nontrade receivables: | | |
| Advances to officers and employees | **3,696,290** | 9,363,276 |
| Others | **46,121,488** | 114,786,067 |
| Refundable deposits** | **26,501,499** | 22,165,836 |
| | **8,277,550,128** | 12,312,084,347 |
| Financial assets at FVOCI | **282,614,107** | 116,711,276 |
| | **₱8,560,164,235** | ₱12,428,795,623 |

**Excluding cash on hand amounting to ₱437.10 million and ₱262.86 million as at December 31, 2022 and 2021, 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.

Credit quality of Financial Assets, Other than Trade Receivables
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:

| | 2022 | | | |
|---|---|---|---|---|
| | 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* | **₱2,398,015,725** | **₱–** | **₱–** | **₱2,398,015,725** |
| Nontrade receivables: | | | | |
| Advances to officers and employees | **1,831,678** | – | – | **1,831,678** |
| Others | **29,292,643** | – | – | **29,292,643** |
| Refundable deposits** | **26,501,499** | – | – | **26,501,499** |
| | **₱2,455,641,545** | **₱–** | **₱–** | **₱2,455,641,545** |

**Excluding cash on hand amounting to ₱437.10 million as at December 31, 2022.*
*** Included under "Other noncurrent assets" account in the consolidated company statement of financial position.*

| | 2021 | | | |
|---|---|---|---|---|
| | 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* | ₱4,505,373,504 | ₱– | ₱– | ₱4,505,373,504 |
| Nontrade receivables: | | | | |
| Advances to officers and employees | 1,923,767 | – | – | 1,923,767 |
| Others | 52,095,656 | – | – | 52,095,656 |
| Refundable deposits** | 22,165,836 | – | – | 22,165,836 |
| | ₱4,581,558,763 | ₱– | ₱– | ₱4,581,558,763 |

**Excluding cash on hand amounting to ₱262.86 million as at December 31, 2021.*
*** 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:

| | 2022 | | | | | |
|---|---|---|---|---|---|---|
| | | Days past due | | | | |
| | **Current** | **0-30 days** | **31-60 days** | **61-90 days** | **91 days and above** | **Total** |
| Expected credit loss rate | **1%** | **4%** | **5%** | **13%** | **41%** | |
| Estimated total gross carrying amount at default | **₱2,958,787,765** | **₱1,084,322,063** | **₱586,549,856** | **₱230,896,588** | **₱1,851,325,139** | **₱ 6,711,881,411** |
| Expected credit loss | **42,885,305** | **41,679,725** | **29,547,436** | **29,705,300** | **764,848,519** | **908,666,285** |

| | 2021 | | | | | |
|---|---|---|---|---|---|---|
| | | Days past due | | | | |
| | Current | 0-30 days | 31-60 days | 61-90 days | 91 days and above | Total |
| Expected credit loss rate | 1% | 4% | 3% | 19% | 34% | |
| Estimated total gross carrying amount at default | ₱4,424,993,288 | ₱810,778,577 | ₱849,804,692 | ₱178,145,044 | ₱2,305,769,456 | ₱8,569,491,057 |
| Expected credit loss | 39,815,435 | 31,489,887 | 24,905,743 | 33,419,150 | 779,465,179 | 909,095,394 |

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, 2022, 2021 and 2020.

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 ₱27.13 million and ₱739.49 million as at December 31, 2022 and 2021, respectively. The Group's total equity attributable to equity holders of the Parent Company as at December 31, 2022 and 2021 amounted to ₱15,388.51 million and ₱14,469.92 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:

| | 2022 | | | |
|---|---|---|---|---|
| | | 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 | **₱6,619,895,148** | **₱–** | **₱–** | **₱6,619,895,148** |
| Financial assets at FVOCI | **282,614,107** | **–** | **12,186,842** | **270,427,265** |
| *Assets for which Fair Values are Disclosed* | | | | |
| Investment properties | **32,105,060** | **–** | **–** | **203,902,548** |
| Financial assets at amortized cost - Refundable deposits* | **26,501,499** | **–** | **–** | **20,748,654** |
| | **₱6,961,115,814** | **₱–** | **₱12,186,842** | **₱7,114,973,615** |

**Included under "Other noncurrent assets" account in the consolidated statement of financial position (see Note 16).*

| | 2021 | | | |
|---|---|---|---|---|
| | | 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 | ₱2,945,297,014 | ₱– | ₱– | ₱2,945,297,014 |
| Financial assets at FVOCI | 116,711,276 | – | 13,371,842 | 103,339,434 |
| *Assets for which Fair Values are Disclosed* | | | | |
| Investment properties | 33,487,447 | – | – | 203,902,548 |
| Financial assets at amortized cost - Refundable deposits* | 22,165,836 | – | – | 17,499,532 |
| | ₱3,117,661,573 | ₱– | ₱13,371,842 | ₱3,270,038,528 |
| Liabilities | | | | |
| Financial liabilities at amortized cost - Obligations for program and other rights | ₱11,237,556 | ₱– | ₱– | ₱11,237,556 |

**Included under "Other noncurrent assets" account in the consolidated statement of financial position (see Note 16).*

As at December 31, 2022 and 2021, 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 investee Company.

Presented below are the significant unobservable inputs used in the net asset valuations of the Group's financial assets in 2022 and 2021:

| | | Range | |
|---|---|---|---|
| **Description** | **Unobservable Inputs** | **2022** | **2021** |
| **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 increase (decrease) the fair value of the equity investments.

Movements in the fair value of equity investments classified under Level 3 are as follows:

| | **2022** | 2021 |
|---|---|---|
| Balance at beginning of year | **₱103,339,434** | ₱179,160,246 |
| Additions during the year | **168,672,065** | |
| Fair value adjustment recognized under "Net unrealized loss on financial assets at FVOCI" | **(1,584,234)** | (75,820,812) |
| Balance at end of year | **₱270,427,265** | ₱103,339,434 |

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 2022 and 2021.

*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 that ranges from ₱1,400 to ₱117,000. On the other hand, significant unobservable valuation input in determining fair value of land at revalued amounts include adjusted price per square meter that ranges from ₱283,500 to ₱330,750.

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 3.39% to 6.78% in 2022 and 0.99% to 4.89% in 2021.

*Obligations for program and other rights - noncurrent*
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.

## 33. Supplemental Cash Flow Information

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

| | **January 1, 2022** | **Additions** | **Payments** | **Others*** | **December 31, 2022** |
|---|---|---|---|---|---|
| Short-term loans | **₱739,485,500** | **₱1,027,125,200** | **(₱1,685,850,000)** | **(₱53,635,500)** | **₱27,125,200** |
| Lease liabilities | **119,385,902** | **86,283,167** | **(28,506,823)** | **–** | **177,162,246** |
| Dividends payable | **39,589,204** | **7,091,543,400** | **(7,100,606,298)** | **–** | **30,526,306** |
| Accrued interest expense** | **511,796** | **11,906,481** | **(12,418,277)** | **–** | **–** |
| Total liabilities from financing activities | **₱898,972,402** | **₱8,216,858,248** | **(₱8,827,381,398)** | **(₱53,635,500)** | **₱234,813,752** |

**Others pertain to revaluation of foreign currency denominated 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, 2021 | Additions | Payments | Others* | December 31, 2021 |
|---|---|---|---|---|---|
| Short-term loans | ₱720,345,000 | ₱4,479,150,000 | (₱4,542,575,000) | ₱82,565,500 | ₱739,485,500 |
| Lease liabilities | 76,856,072 | 61,766,318 | (27,633,367) | 8,396,879 | 119,385,902 |
| Dividends payable | 19,894,437 | 6,568,917,889 | (6,549,223,122) | – | 39,589,204 |
| Accrued interest expense** | 756,363 | 38,086,089 | (38,330,656) | – | 511,796 |
| Total liabilities from financing activities | ₱817,851,872 | ₱11,147,920,296 | (₱11,157,762,145) | ₱90,962,379 | ₱898,972,402 |

**Others pertain to revaluation of foreign currency denominated loans, and accretion of interest and pre-termination of lease liabilities.*
***Included under "Accounts payable and other current liabilities" account in the consolidated statement of financial position (see Note 17).*

Non-cash investing activity
Significant non-cash investing activity in 2022 pertains to the additional revaluation increment of land at revalued amounts totaling ₱3,650.29 million.

## 34. Reclassifications

In 2022, the Group reclassified some accounts in the 2021 and 2020 statements of comprehensive income to be consistent with the nature and 2022 presentation of accounts.

| | Before Reclassification | Reclassification | After Reclassification |
|---|---|---|---|
| **2021 Consolidated statements of comprehensive income** | | | |
| Talent fees and production personnel costs (under Production costs) | **₱2,251,169,738** | **₱1,001,935,900** | **₱3,253,105,638** |
| Depreciation (under Production costs) | **262,708,006** | **114,160,130** | **376,868,136** |
| Personnel costs (under General and administrative expenses) | **4,858,698,218** | **(1,001,935,900)** | **3,856,406,145** |
| Depreciation (under General and administrative expenses) | **345,065,031** | **(114,160,130)** | **249,864,835** |
| 2020 Consolidated statements of comprehensive income | | | |
| Talent fees and production personnel costs (under Production costs) | 1,705,667,865 | 932,680,003 | 2,638,347,868 |
| Depreciation (under Production costs) | 164,639,078 | 163,412,068 | 328,051,146 |
| Personnel costs (under General and administrative expenses) | 4,525,101,340 | (932,680,003) | 3,592,421,337 |
| Depreciation (under General and administrative expenses) | 380,936,123 | (163,412,068) | 217,524,055 |

Personnel costs and depreciation expenses pertaining to production and engineering operations were reclassified from general and administrative to production costs to be consistent with the classification in 2022 for costs and expenses of similar nature.

# DIRECTORY

**GMA** - analog stations of the Network's flagship channel GMA-7
**GTV** - analog stations of the Network's second free-to-air channel
**DTT** - Digital Terrestrial Television stations

## TELEVISION

### LUZON

**TV-7 Metro Manila (GMA)**
Brgy. Culiat, Tandang Sora, Quezon City
(02) 8931-9183/(02) 8924-2497

**TV-27 Metro Manila (GTV)**
Brgy. Culiat, Tandang Sora, Quezon City
(02) 8931-9183/(02) 8924-2497

**TV-15 Metro Manila (DTT)**
Brgy. Culiat, Tandang Sora, Quezon City
(02) 8931-9183/(02) 8924-2497

**TV-15 PBCOM (DTT-Single Frequency Network)**
PBCom Tower, 6795 Ayala Avenue corner V.A
Rufino Street, Makati City 1226
0956-9187599/ 0917-6235191

**TV-5 San Nicolas, Ilocos Norte (GMA)**
Brgy. San Lorenzo, San Nicolas, Ilocos Norte
0916-6715439

**TV-27 San Nicolas, Ilocos Norte (GTV)**
Brgy. San Lorenzo, San Nicolas, Ilocos Norte
0916-6715439

**TV-48 Bantay, Ilocos Sur (GMA)**
Mt. Caniao, Bantay, Ilocos Sur
0915-8632841

**TV-15 Bantay, Ilocos Sur (DTT)**
Mt. Caniao, Bantay, Ilocos Sur
0915-8632841

**TV-7 Basco, Batanes (GMA)**
Brgy. Kayvaluganan, Basco, Batanes
0915-6127197

**TV-13 Aparri, Cagayan (GMA)**
Hi-Class Bldg. De Rivera St., Aparri, Cagayan
0915-6130530

**TV-26 Aparri, Cagayan (GTV)**
Hi-Class Bldg. De Rivera St., Aparri, Cagayan
0915-6130530

**TV-7 Tugegarao, Cagayan (GMA)**
No. 91 Mabini St., Tuguegarao City
0915-6127263

**TV-27 Tugegarao, Cagayan (GTV)**
No. 91 Mabini St., Tuguegarao City
0915-6127263

**TV-7 Santiago City, Isabela (GMA)**
Heritage Commercial Complex, Maharlika Hi-way,
Brgy. Malvar Santiago City, Isabela
0915-2700063

**TV-5 Baler, Aurora (GMA)**
Purok 3, Brgy. Buhangin, Baler, Aurora
0915-6127194

**TV-10 Olongapo (GMA)**
Upper Mabayuhan, Olongapo City
0915-6127265

**TV-26 Olongapo (GTV)**
Upper Mabayuhan, Olongapo City
0915-6127265

**TV-12 Batangas (GMA)**
Mt. Banoy, Bo. Talumpok East, Batangas City
0915-8632860

**TV-26 Batangas (GTV)**
Mt. Banoy, Bo. Talumpok East, Batangas City
0915-8632860

**TV-32 Batangas (DTT)**
Mt. Banoy, Bo. Talumpok East, Batangas City
0915-8632860

**TV-44 Jalajala, Rizal (GMA)**
Mt. Landing, Jalajala, Rizal
0915-8632874

**TV-13 San Jose, Occidental Mindoro (GMA)**
Bonifacio St., San Jose, Occidental Mindoro
0915-6127199

**TV-26 San Jose, Occidental Mindoro (GTV)**
Bonifacio St., San Jose, Occidental Mindoro
0915-6127199

**TV-6 Brooke's Point, Palawan (GMA)**
Poblacion, Brooke's Point, Palawan
0915-6127181

**TV-8 Coron, Palawan (GMA)**
Tapias Hill, Coron, Palawan
0915-6127178

**TV-12 Puerto Princesa, Palawan (GMA)**
Mitra Rd., Brgy. Sta. Monica,
Puerto Princesa, Palawan
0915-6127185

**TV-27 Puerto Princesa, Palawan (GTV)**
Mitra Rd., Brgy. Sta. Monica,
Puerto Princesa, Palawan
0915-6127185

**TV-7 Tablas, Romblon (GMA)**
Triple Peak, Sta. Maria, Tablas, Romblon
0915-6127225

**TV-12 Legazpi, Albay (GMA)**
Mt. Bariw, Estanza, Legazpi City
0915-8632867

**TV-27 Legazpi, Albay (GTV)**
Mt. Bariw, Estanza, Legazpi City
0915-8632867

**TV-41 Legazpi, Albay (DTT)**
Mt. Bariw, Estanza, Legazpi City
0915-8632867

**TV-8 Daet, Camarines Norte (GMA)**
Purok 2, Brgy. Mancruz, Daet, Camarines Norte
0915-2700056

**TV-7 Naga, Camarines Sur (GMA)**
Brgy. Concepcion Pequeña, Naga City
0915-4417071

**TV-28 Naga, Camarines Sur (GTV)**
Brgy. Concepcion Pequeña, Naga City
0915-4417071

**TV-38 Naga, Camarines Sur (DTT)**
Brgy. Concepcion Pequeña, Naga City
0915-4417071

**TV-13 Virac, Catanduanes (GMA)**
Brgy. Sto. Niño, Virac, Catanduanes
0915-612717

**TV-7 Masbate (GMA)**
Brgy. Pinamurbuhan, Mobo, Masbate
0915-6127175

**TV-27 Masbate (GTV)**
Brgy. Pinamurbuhan, Mobo, Masbate
0915-6127175

**TV-2 Juban, Sorsogon (GMA)**
Mt. Bintacan, Brgy. Maalo, Juban, Sorsogon
0915-2700192

**TV-7 Abra (GMA)**
Brgy. Lusuac, Peñarrubia, Abra
0915-6130512

**TV-10 Benguet (GMA)**
Mt. Sto. Tomas, Tuba, Benguet
0915-4417080

**TV-22 Benguet (GTV)**
Mt. Sto. Tomas, Tuba, Benguet
0915-4417080

**TV-38 Benguet (DTT)**
Mt. Sto. Tomas, Tuba, Benguet
0915-4417080

**TV-5 Mountain Province (GMA)**
Mt Amuyao, Barlig, Mountain Province
0915-2700124

## VISAYAS

**TV-2 Kalibo, Aklan (GMA)**
New Busuanga, Numancia, Aklan
0915-6127216

**TV-27 Kalibo, Aklan (GTV)**
New Busuanga, Numancia, Aklan
0915-6127216

**TV-5 Roxas City, Capiz (GMA)**
Brgy. Milibili, Roxas City, Capiz
0915-6127217

**TV-27 Roxas City, Capiz (GTV)**
Brgy. Milibili, Roxas City, Capiz
0915-6127217

**TV-6 Jordan, Guimaras (GMA)**
Bo. Tamburong, Jordan, Guimaras
0915-4417084

**TV-29 Jordan, Guimaras (DTT)**
Bo. Tamburong, Jordan, Guimaras
0915-4417084

**TV-28 Iloilo (GTV)**
Alta Tierra Subdivision, Jaro, Iloilo
0956-918-7506

**TV-13 Bacolod (GMA)**
Isecure Bldg., Rizal St. cor. Locsin St., Bacolod City
0915-8632864

**TV-44 Bacolod (DTT)**
Isecure Bldg., Rizal St. cor. Locsin St., Bacolod City
0915-8632864

**TV-30 Murcia, Negros Occidental (GMA)**
Mt. Kanlandog, Brgy. Canlandog, Murcia, Negros Occidental
0915-2700132

**TV-15 Murcia, Negros Occidental (DTT)**
Mt. Kanlandog, Brgy. Canlandog, Murcia, Negros Occidental
0915-2700132

**TV-10 Sipalay (GMA)**
Sipalay Municipal Building, Sipalay, Negros Occidental
0915-6127219

**TV-11 Tagbilaran, Bohol (GMA)**
Banat-I Hills, Brgy. Bool, Tagbilaran City
0915-6127214

**TV-7 Cebu (GMA)**
Bonbon, Cebu City
0915-441707

**TV-27 Cebu (GTV)**
Bonbon, Cebu City
0915-441707

**TV-26 Cebu (DTT)**
Bonbon, Cebu City
0915-441707

**TV-5 Dumaguete (GMA)**
Barrio Looc, Sibulan, Negros Oriental
0915-6131185

**TV-28 Dumaguete (GTV)**
Barrio Looc, Sibulan, Negros Oriental
0915-6131185

**TV-8 Borongan (GMA)**
Poblacion, Borongan, Eastern Samar
0915-6127177

**TV-12 Ormoc, Leyte (GMA)**
Brgy. Alta Vista, Ormoc City
0915-6127213

**TV-10 Tacloban (GMA)**
Basper, Tigbao, Tacloban City
0915-6127208

**TV-26 Tacloban (GTV)**
Basper, Tigbao, Tacloban City
0915-6127208

**TV-34 Tacloban (DTT)**
Basper, Tigbao, Tacloban City
0915-6127208

**TV-5 Calbayog (GMA)**
Purok 2 San Mateo St. Brgy. Matobato,
Calbayog City, Western Samar
0915-6127176

## MINDANAO

**TV-4 Dipolog (GMA)**
Linabo Peak, Dipolog City, Zamboanga Del Norte
0915-6127247

**TV-26 Dipolog (GTV)**
Linabo Peak, Dipolog City, Zamboanga Del Norte
0915-6127247

**TV-3 Pagadian (GMA)**
Mt. Palpalan, Pagadian City
0915-6127245

**TV-26 Pagadian (GTV)**
Mt. Palpalan, Pagadian City
0915-6127245

**TV-9 Zamboanga (GMA)**
Brgy. Cabatangan, Zamboanga City
0915-8632870

**TV-21 Zamboanga (GTV)**
Brgy. Cabatangan, Zamboanga City
0915-8632870

**TV-41 Zamboanga (DTT)**
Brgy. Cabatangan, Zamboanga City
0915-8632870

**TV-12 Mt. Kitanglad, Bukidnon (GMA)**
Mt. Kitanglad, Bukidnon
0915-8632863

**TV-5 Ozamis, Misamis Occidental (GMA)**
Bo. Malaubang, Ozamis City, Misamis Occidental
0915-6127220

**TV-22 Ozamis, Misamis Occidental (GTV)**
Bo. Malaubang, Ozamis City, Misamis Occidental
0915-6127220

**TV-11 Iligan City (GMA)**
Brgy. Del Carmen, Iligan City
0915-6131202

**TV-35 Cagayan de Oro (GMA)**
Malasag Heights, Brgy. Cugman, Cagayan de Oro City
0915-8632875

**TV-47 Cagayan de Oro (DTT)**
Malasag Heights, Brgy. Cugman, Cagayan de Oro City
0915-8632875

**TV-26 Butuan (GMA)**
Brgy. Bonbon, Butuan City, Agusan del Norte
0916-3178470

**TV-5 Davao (GMA)**
Shrine Hills, Matina, Davao City
0915-4417082

**TV-27 Davao (GTV)**
Shrine Hills, Matina, Davao City
0915-4417082

**TV-37 Davao (DTT)**
Shrine Hills, Matina, Davao City
0915-4417082

**TV-12 Cotabato (GMA)**
Regional Government Center, Cotabato City
0915-6131170

**TV-27 Cotabato (GTV)**
Regional Government Center, Cotabato City
0915-6131170

**TV-8 General Santos (GMA)**
Nuñez St., Brgy. San Isidro, General Santos City
0915-8632871

**TV-26 General Santos (GTV)**
Nuñez St., Brgy. San Isidro, General Santos City
0915-8632871

**TV-34 General Santos (DTT)**
Nuñez St., Brgy. San Isidro, General Santos City
0915-8632871

**TV-10 Surigao (GMA)**
Lipata Hills, Surigao City
0915-6131227

**TV-27 Surigao (GTV)**
Lipata Hills, Surigao City
0915-6131227

**TV-2 Tandag (GMA)**
Capitol Hill, Brgy. Telaje, Tandag, Surigao del Sur
0915-6127248

**TV-12 Jolo (GMA)**
Ynawat Bldg., Hadji Butu St., Jolo, Sulu
0915-6131182

**TV-26 Jolo (GTV)**
Ynawat Bldg., Hadji Butu St., Jolo, Sulu
0915-6131182

## RADIO STATIONS

### LUZON

**METRO MANILA**
AM - DZBB (594 kHz) 50kW
FM - DWLS (97.1 MHz) 25kW
GMA Complex, EDSA cor. Timog Ave.,
Diliman, Quezon City
8982-7777

**BAGUIO**
FM - DWRA (92.7 MHz) 10kW
2/F Baguio Midland Courier Bldg. 16 Kisad Rd.,
Baguio City
0917-8132986 / 0998-8452446
FM Tx Site: Brgy. Lamut, Beckel, La Trinidad, Benguet

**DAGUPAN**
FM - DWTL (93.5 MHz) 10kW
GMA TV 10 Compound, Claveria Road, Malued
District, Dagupan City
0917-8133081 / 0998-8452447

**LEGAZPI**
FM - DWCW (96.3 MHz) 10kW
3rd level A. Bichara Silversceens Entertainment
Center, Magallanes St., Legazpi City
0917-8133189 / 0998-8452448

**LUCENA**
FM - DWQL (91.1 MHz) 10kW
3/F Ancon Bldg., Merchan Street, Lucena City
0917-8133563 / 0998-8452449

**NAGA**
FM - DWQW (101.5 MHz) 5kW
GMA Complex, Diversion Road (Roxas Ave.)
Beside Mother Seton Hospital, Naga City
0917-8133414 / 0998-8452451

**PALAWAN**
AM - DYSP (909 kHz) 5kW
FM - DYHY (97.5 MHz) 5kW
Solid Road, San Manuel
Puerto Princesa City, Palawan
0917-8021683 / 0998-8452452

### TUGUEGARAO
FM - DWWQ (89.3 MHz) 10kW
4/F Villablanca Hotel Pattaui St. cor. Pallua Rd.,
Ugac Norte Tuguegarao, Cagayan
0917-8133720 / 0998-8452453

## VISAYAS

### BACOLOD
FM - DYEN (107.1MHz) 10kW
3/F Door # 10 Centroplex Mall
Gonzaga-Locsin St. Brgy. 21
Bacolod City 6100
0917-8133483 / 0998-8452454

### CEBU
AM - DYSS (999 kHz) 10kW
FM - DYRT (99.5 MHz) 25kW
GMA Skyview Complex Nivel Hills,
Lahug, Cebu City
AVAYA: 5106
0917-8134507

### ILOILO
AM - DYSI (1323 kHz) 10kW
FM - DYMK (93.5 MHz) 10kW
GMA Broadcast Complex Phase 5, Alta Tierra
Village, Jaro, Iloilo City
0917-8133490 / 0998-8452455

### KALIBO
FM - DYRU (92.9 MHz) 5kW
Torres-Olivia Bldg. Roxas Ave. Extension,
Kalibo, Aklan
0917-8133696 / 0998-8452456

## MINDANAO

### CAGAYAN DE ORO
FM - DXLX (100.7 MHz) 5kW
2nd Flr. Centro Mariano Bldg.
Osmena St. Cagayan de Oro City
0917-8133729 / 0998-8452457

### ZAMBOANGA
AM - DXRC (1287 kHz) 5KW
Logoy Duitay, Talon-Talon, Zamboanga City

### DAVAO
AM - DXGM (1125 kHz) 10kW
FM - DXRV (103.5 MHz) 10kW
GMA Network Complex, Shrine Hills, Matina Davao City
0917-8133736 / 0998-8452458

### GENERAL SANTOS
FM - DXCJ (102.3 MHz) 10kW
3/F PBC Bldg., Cagampang St. Gen. Santos City
0917-8133850 / 0998-8452450

## SOCIO-CIVIC ORGANIZATIONS

### GMA Kapuso Foundation, Inc.
2/F Kapuso Center, GMA Network Drive cor.
Samar St., EDSA, Diliman, Quezon City
Tel: 8982-7777 loc. 9901 and 9905
Telefax: 8928-4299 • 8928-9351
Email: gmaf@gmanetwork.com
Website: www.kapusofoundation.com

### Kapwa Ko Mahal Ko
2/F Kapuso Center
GMA Network Drive cor. Samar St.,
EDSA, Diliman Quezon City
Tel: 8426-3920
8982-7777 loc. 9950
Email: kkmk@gmanetwork.com
donate@kapwako.org

## AUDITOR

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Fax: 8819-0872

## LEGAL COUNSEL

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15th and 16th Floors, Sagittarius Condominiums,
111 H.V. Dela Costa St., Salcedo Village, Makati City
Tel: 8816-3716 to 19
Fax: 8817-0696 • 8812-0008

### Tarriela Tagao Ona & Associates
8/F Strata 2000, Emerald Avenue,
Ortigas Center, Pasig City
Tel: 8635-6092 to 94
Fax: 8635-6245

## BANK REFERENCES

**Abacus Capital and Investments Corp.**
Unit 3001-E Philippine Stock Exchange Center,
Exchange Road, Ortigas Center, Pasig City
Amalgamated Investment Bancorporation
11/F 6805 Ayala Avenue, Makati City

**Asia United Bank**
Parc Royale Condominium
Dona Jullia Vargas, Ortigas Center, Pasig City

**Banco de Oro Universal Bank**
12 ADB Avenue, Ortigas Center
Mandaluyong City

**Bank of the Philippine Islands**
BPI Bldg., Ayala Avenue corner
Paseo de Roxas, Makati City

**Chinatrust (Phils.) Commercial Bank**
Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City

**Citibank, N.A.**
Citibank Tower
8741 Paseo de Roxas, Makati City

**Deutsche Bank AG (Manila Branch)**
26/F Tower One, Ayala Triangle, Makati City

**JP Morgan Chase Bank**
31/F Philamlife Tower,
8767 Paseo de Roxas, Makati City

**Landbank of the Philippines**
Landbank Plaza, 1598 M.H. del Pilar St.,
cor. J.Quintos, Malate, Manila

**Metropolitan Bank & Trust Co.**
Metrobank Plaza, Sen. Gil Puyat Avenue, Makati City

**Malayan Bank Savings and Mortgage Bank**
Majalco Bldg., Benavidez cor. Trasierra St.,
Legaspi Village, Makati City

**Philippine Bank of Communication**
ACPC Bldg., 1186 Quezon Avenue, Quezon City

**Philippine National Bank**
PNB Financial Center,
Pres. Diosdado Macapagal Blvd., Pasay City

**Robinsons Bank**
JSB Bldg., Tomas Morato corner Scout Delgado
Quezon City

**Unicapital/Majalco**
Majalco Bldg., Benavidez cor. Trasierra St.,
Legaspi Village, Makati City

**Union Bank of the Philippines**
Union Bank Plaza, Meralco Avenue cor. Onyx and
Sapphire Roads, Ortigas Center, Pasig City

## SHAREHOLDER SERVICES

**Stock Transfer Service, Inc.**
34/F Rufino Tower
6784 Ayala Avenue, Makati City
Tel: 8403-2410 to 403-2412
Fax: 8403-2414

**Investor Relations**
10/F GMA Network Center, EDSA
corner Timog Avenue
Diliman, Quezon City
Tel: (02) 8982-7777 local 8042
Email: corporateaffairs@gmanetwork.com
Website: www.gmanetwork.com/corporate/ir

**Stock Trading Information**
GMA Network, Inc. is listed on the Philippine
Stock Exchange

## TRADING SYMBOL

**GMA7** - Common Shares
**GMAP** - Philippine Deposit Receipts (PDRs)

The full version of GMA Network, Inc. 2022 Annual Report is available at
**https://www.gmanetwork.com/corporate/disclosures/**
or via the **QR code** on this page.


GMA