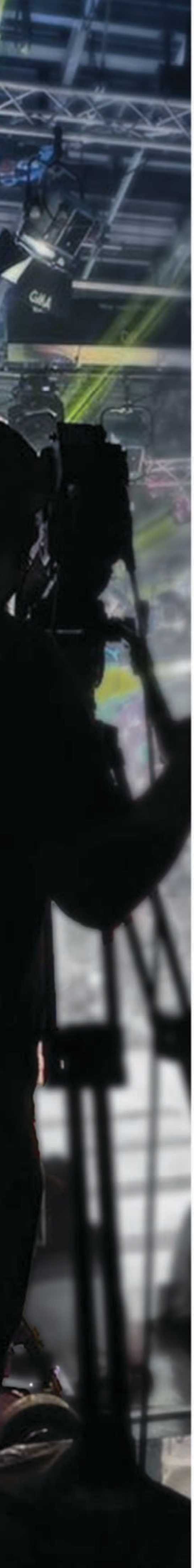
2023 ANNUAL REPORT

Progressively EVOLVING



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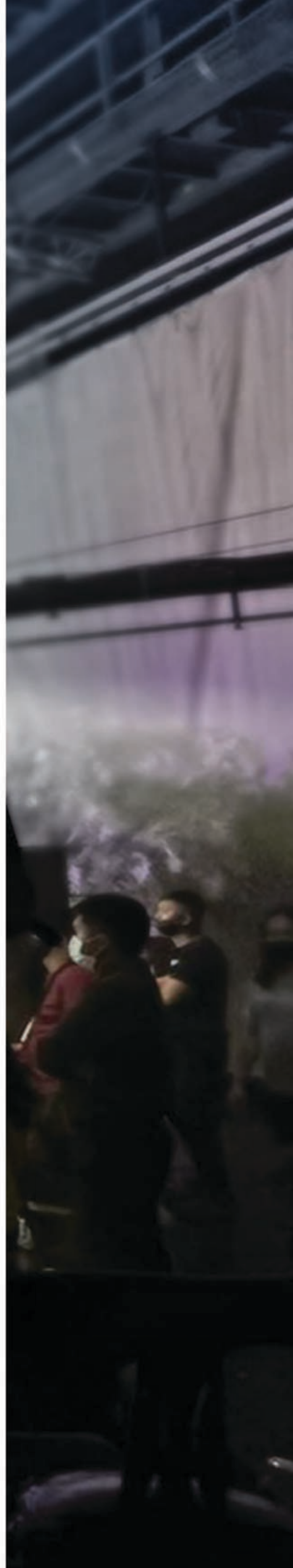

ABOUT GMA

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 2023, GMA Network including GTV and other digital channels tallied a combined people net reach of 94 percent or 73 million viewers in Total Philippines. Headquartered in Quezon City, GMA operates a network of 108 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 broadcast company in the Philippines to sign with the United Nations (UN) Global Compact.


PILI NAS

PURPOSE

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

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.

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.

OUR BRANDS & BUSINESSES

FREE-TO-AIR TV CHANNELS

PROGRAM PRODUCERS

DIGITAL TERRESTRIAL TV CHANNELS

INTERNATIONAL LINEAR CHANNELS

WEBSITES

SYNDICATION

RADIO

PRODUCTS & E-COMMERCE

REGIONAL

EVENTS

TALENT DEVELOPMENT

SOCIO-CIVIC ORGANIZATIONS

SUBSIDIARIES

100% OWNERSHIP

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

JOINT VENTURE

50% OWNERSHIP

** Indirectly owned through GMA New Media, Inc.

AFFILIATE

49% OWNERSHIP

CHAIRMAN'S MESSAGE

Dear Shareholders,

In 2023, the global landscape was a dual narrative of challenge and transformation. Industries across the globe faced economic headwinds, geopolitical unrest, and significant leaps in technology. The drumbeat for climate action grew louder amid a warming world. The Philippines, not spared, wrestled with high inflation and interest rates. These conditions rigorously tested the resilience and adaptability not just of companies but of nations as well.

Looking back on our journey over the last year, I am filled with deep pride and appreciation to share the strides GMA Network has made through the help of our Lord, in 2023 and across the years.

When I took the helm of GMA Network in October 2000, the network was a distant second from the competition. I set forth three objectives: to professionalize the management and operations of GMA, focus on our core business of TV/radio broadcasting, and aim to be No. 1 in both revenues and ratings.

While others saw obstacles, I saw opportunities—chances to innovate, to redefine the boundaries of broadcasting, and to tell stories that mattered. Our strategy encompassed a comprehensive overhaul—from modernizing our technical infrastructure to revolutionizing our content.

The Most Respected, Undisputed Leader in the Philippine Broadcast Industry

Through foresight, hard work, and the creative genius of our people, GMA Network evolved into a cultural icon and a bastion of truth, presenting stories that reflect the realities and dreams of Filipinos.

By January of 2004, a mere three years and four months after I took on the roles of Chairman, President, and Chief Executive Officer at GMA Network, we had already established an unrivaled dominance in the Mega Manila ratings. This early triumph marked the beginning of our journey to becoming the top network in the country—a status we proudly maintain today. According to Nielsen TV Audience Measurement data spanning from January 1 to December 31, 2023, GMA Network's total reach, inclusive of GTV and our other digital channels, reached 94 percent, or 73 million viewers, across Total Philippines.

The vast growth from 44 stations in 2000 to 108 TV and 21 radio stations in 2023 expanded our footprint and strengthened GMA Network's position as having the widest reach and the

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> ***We have transformed the Philippine media scene by setting new benchmarks with our captivating content. ”***

highest quality of audio/video signal among Philippine broadcast stations.

Parallel to our growth in signal reach and quality, our unwavering commitment to integrity has solidified our position as a trusted name in broadcasting. For the third consecutive year, GMA Network has been recognized for its credibility, securing the highest trust score among major news brands with a 74% brand trust rating, as reported in the 2023 Digital News Report by the Reuters Institute for the Study of Journalism.

The Filipinos' Favorite Network

We have transformed the Philippine media scene by setting new benchmarks with our captivating content. Our portfolio spans groundbreaking Public Affairs initiatives, cinematic gems from GMA Pictures, definitive coverage by GMA Integrated News, and the Entertainment Group's hit dramas and comedies, weaving narratives that deeply resonate across the nation. In 2023, our flagship newscast *24 Oras* dominated the Nielsen National Urban Philippines program rankings, closely followed by *Kapuso Mo, Jessica Soho* in the second spot. *Maria Clara at Ibarra* clinched the third position, earning both high ratings and critical acclaim.

Further amplifying our reach and influence, our Regional TV and GMA Synergy have embarked on pioneering initiatives, broadening our impact. GMA International continues to pursue content distribution opportunities in the Over-The-Top (OTT) space, in line with the changing viewing habits of pay-TV viewers worldwide.

This holistic approach to content and platform diversification is mirrored in our digital presence. Last year, GMA's digital platforms collectively boasted over 524 million followers, subscribers, and users, and surpassed 47 billion in video and page views. This expansive reach and engagement illustrate our success in the digital era, ensuring that the Kapuso Network remains an indelible part of Filipinos' lives.

The Employer of Choice in Our Industry

GMA Network has distinguished itself as the premier choice for talent in the broadcasting sector, underscored by receiving over 300 awards and recognitions this year alone. Since 2005, we have been the most awarded broadcast network in the Philippines, a testament to our excellence and innovation. Our accolades include the illustrious George Foster Peabody Award, bestowed upon GMA Network four times across various years. In 2023, GMA Network was honored with the distinguished title of "Television Station of the Year" by the Manila Overseas Press Club—Asia's oldest and most prestigious press organization—and earned the "Best Employer Brand" distinction at the Philippines' Leadership Congress & Awards. These honors not only reflect our commitment to quality but also our dedication to being a workplace that nurtures talent and innovation.

The Advertisers' Preferred Partner

We have been consistently commended for our proactive approach, diligence, and deep understanding of client needs. In recognition of our leadership in forging dynamic collaborations with brands and industry partners, GMA was named the "Media Network of the Year" by the Philippine Association of National Advertisers (PANA) at the 2023 PANAta Awards.

Providing the Best Returns to Our Shareholders

Our strategic approach extends beyond accolades, directly benefiting our shareholders. Through judicious decisions and investments, we've reinforced our stature in the broadcasting realm and also secured robust returns for our shareholders. Complementing these efforts, GMA Ventures has been investing in cutting-edge technology and sustainable solutions, showcasing our forward-thinking and commitment to sustainability.

A Key Partner in Promoting the Best in the Filipino

Over the years, our network has become synonymous with quality content that champions the Filipino spirit, making us a pivotal force in promoting the Philippines' talent and creativity on the global stage. It is with immense pride that we've consistently delivered superior, innovative entertainment, news, and public affairs programming which reflect our tagline, "*Walang kinikilingan, walang pinoprotektahan, walang kasinungalingan, Serbisyong Totoo lamang.*"

Over the years, our network has become synonymous with quality content that champions the Filipino spirit, making us a pivotal force in promoting the Philippines' talent and creativity on the global stage.

As with any lifelong journey, our path is marked by milestones and transitions. The end of 2023 marked a significant transition: I retired as CEO, entrusting the responsibilities and future direction of the network to Mr. Gilberto R. Duavit, Jr., while continuing the role of Chairman and now, Adviser to the company. I have every confidence that under Mr. Duavit's visionary leadership, GMA will not only sustain its premier status across ratings, revenues, and reach but will also elevate these achievements even further, guided by the principles that have steered us to where we are today.

To everyone who has been a part of this remarkable journey—our employees, viewers, and partners—I extend my heartfelt gratitude.

Progressively evolving in response to the demands of our time, GMA will always be committed to informing, entertaining, and inspiring. Here's to the bright future of GMA Network, and the continued celebration of the best in every Filipino.

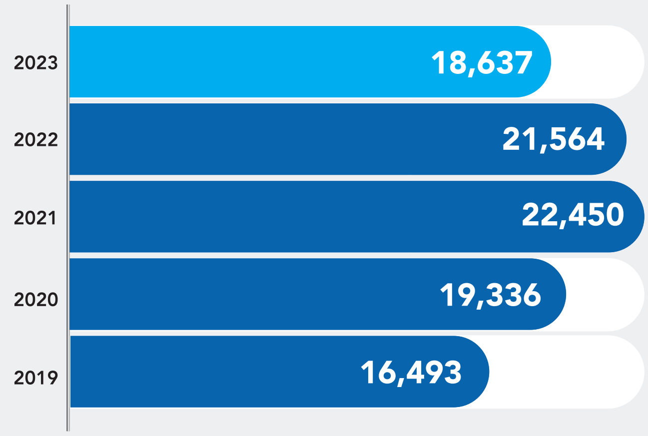
Maraming salamat, Kapuso.

ATTY. FELIPE L. GOZON
Chairman

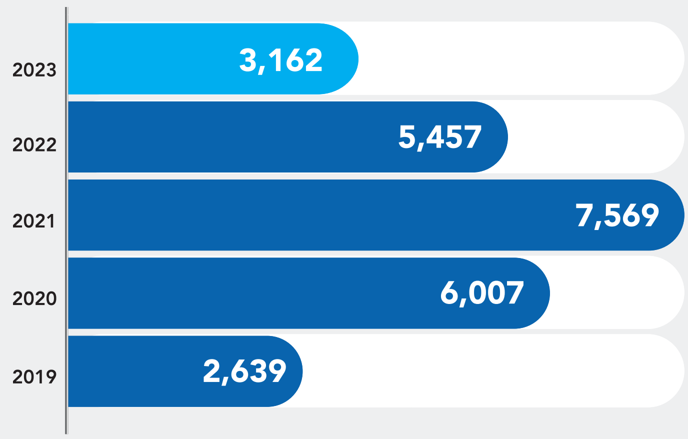
FINANCIAL HIGHLIGHTS

** Amounts in Million Pesos*
*** Amounts in Pesos*

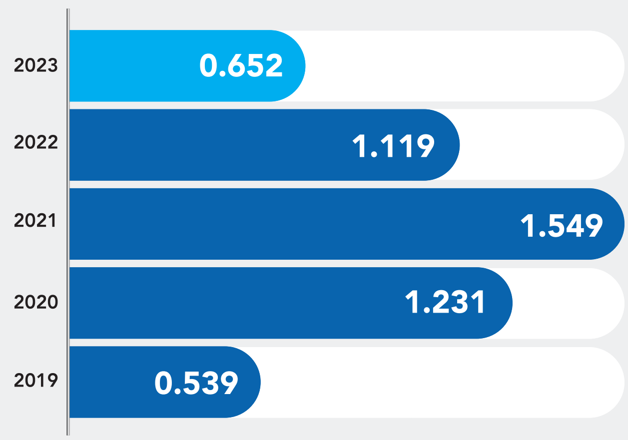
REVENUES*



NET INCOME*

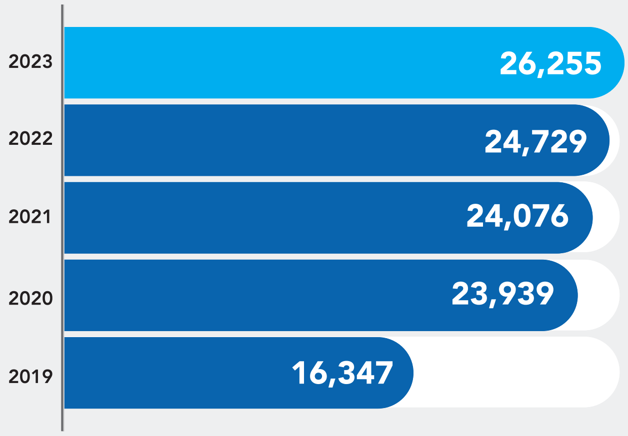


EARNINGS PER SHARE**

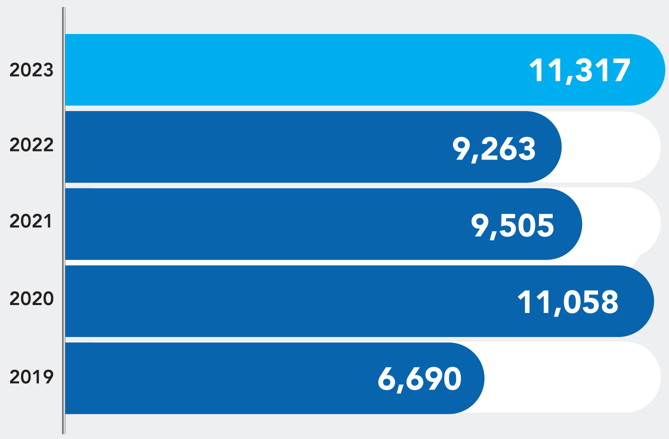


GMA Network and subsidiaries registered consolidated revenues of P18.637 billion in 2023, marking a 14% decrease compared to 2022, which was heavily boosted by the presence of political advocacies and advertisements. Excluding this non-recurring political ad revenue, GMA was able to post a modest growth in its consolidated top line in 2023. Despite the creation of high-cost and high-quality productions, the Network managed to maintain consolidated operating expenses at P14.592 billion, increasing only marginally by one percentage point. Consolidated net income after tax settled at P3.162 billion in 2023.

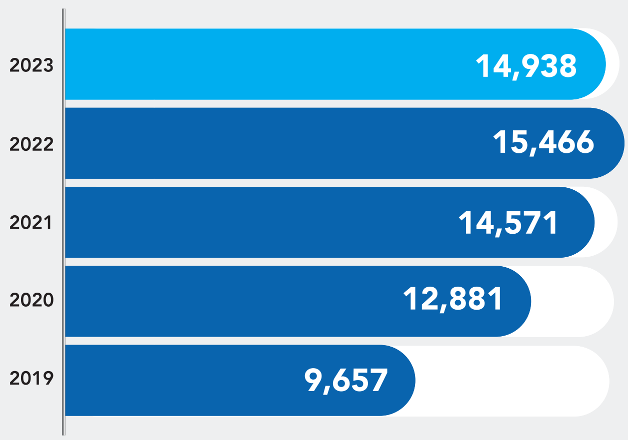
TOTAL ASSETS*



TOTAL LIABILITIES*



TOTAL EQUITY*



PRESIDENT & CEO'S MESSAGE

The year that passed saw us progressively evolving as an enterprise as we worked to further strengthen our position in our business space and address shifts within.

While it was a relatively good year for us in several aspects, our revenue and earnings in 2023 suffered marked reductions versus the prior year, owed primarily to the absence of P3.16 billion in non-recurring, Political Ad Revenue we generated in 2022. Further, we closed the year with our recurring, trade advertising, and other revenue ending virtually flat, as an offshoot of the continuing hold back by some major advertisers and a sluggish first semester of the year.

Accordingly, we ended 2023 with net consolidated revenues of P18.637 billion, a decline of 14% YoY versus P21.564 billion in 2022; while we managed to contain our consolidated operating expenses to P14.592 billion, for a fractional increase of 1.15% over the prior year. As a result, we closed the year with a consolidated net income of P3.162 billion, down 42% YoY.

We maintained our position as the far dominant Free to Air (FTA) TV broadcast network in the country, with our main channel GMA continuing to rank 1st, and our second FTA channel GTV ranking 3rd among all the TV channels nationwide in both Nielsen National Urban TV Audience Measurement (NUTAM) and Nielsen Philippine National TV Audience Measurement (PHINTAM) People Audience Shares (%) in 2023. As a testament to our leadership in the broadcast TV space, I proudly mention that 29 out of the top 30 programs in both Nielsen NUTAM and PHINTAM People Ratings in 2023 were from GMA, with our flagship news program *24 Oras* topping both lists, followed by our top public affairs program *Kapuso Mo, Jessica Soho*.

Our Radio group also performed commendably well in the past year, with our lead AM station DZBB 594 and lead FM station DWLS 97.1 both ranking No. 1 in their respective bands in Mega Manila; based on Nielsen Radio Audience Measurement (RAM) full-year average data in 2023. Similarly, our Baguio FM, Dagupan FM, Iloilo FM, and Iloilo AM stations all ranked No. 1 in their respective bands and service areas based on Nielsen RAM data in the past year.

GMA Regional TV (RTV) also delivered nationwide, with all our local, Regional news programs *One North Central Luzon*, *Balitang Southern Tagalog*, *Balitang Bicolandia*, *Balitang Bisdak*, *One Western Visayas*, and *One Mindanao* leading in the delivery of relevant local news in their respective coverage areas and dialects; collectively reaching over 25 million

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… we continued to expand our presence in the Digital space, more solidly establishing our relevance to the growing online audiences, particularly in the key social media platforms. ”

TV viewers across the country. GMA Regional TV also increased the on-ground visibility and promotions of our stars and shows by either participating in or mounting a total of 199 events throughout the Philippines. A nearly threefold increase from 2022, these events were attended by an estimated 1.6 million people and continue to be well sponsored.

Continuing its downward trend in the past year was our international linear channel subscription business; with international channels GMA Pinoy TV shedding 10%, GMA Life TV losing 9% and only GMA News TV International gaining a fractional 2% (in total subscribers); resulting in a blended, total reduction of 8% in linear channel subscription revenue in 2023 vs. the prior year. Despite the trend, several major traditional carrier agreements are scheduled for renewal in the first semester of 2024. A couple of new agreements with notable IP-based subscription services are also anticipated – which will bring our linear channels to internet enabled devices.

As the evolving counterpart to TV viewing, we continued to expand our presence in the Digital space, more solidly establishing our relevance to the growing online audiences, particularly in the key social media platforms. To this end we diversified our digital content offerings, ramped up the volume of our re-purposed and (digital) exclusive content, and applied platform-specific content guidelines and strategies intended to enhance audience base growth while improving engagement and audience diversity.

Involving practically all our content-producing teams from the Network and our subsidiaries, the uploaded content ranged from our produced TV and Radio programs (in whole and in various parts) to digital exclusive news, entertainment, public affairs, lifestyle, showbiz, musical, talent (promotional) and mom & children-centric content, among others. In step with shifting media consumption, we also launched Kapuso Stream in 2023. Set up to serve our online Kapuso audience, Kapuso Stream is a service that livestreams GMA's TV programs from morning to late evening, featuring a grid that mirrors that of GMA's free-to-air TV broadcast. Free to view and fully ad-supported, Kapuso Stream is delivered in high definition, allowing our programs to be viewed in HD via internet-enabled devices including Connected TVs (CTVs), and is proving to be a successful complement to our pervasive terrestrial TV reach and coverage.

The collective efforts paid off well, as we closed the year with an aggregate, tallied total of 45.2 billion video views from all our channels on YouTube, Facebook, and TikTok, a growth of 38% vs. the 32.7 billion total video views generated in 2022 (which included 127 million from Instagram and Twitter/X). Significant growth in our subscribers/followers in the social media platforms was also realized; as we ended 2023 with a combined total of 345.6 million, an increase of 17% vs. our 295.6 million subscribers/followers at the end of the prior year. Also of note is our GMA Mobile App which hit an accumulated 3.86 million downloads by year end, up 17% from 2022's closing total of 3.28 million. Complemented by innovations in our monetization approach, the mentioned gains resulted in consolidated growth in our digital-online ad revenue of 72% YoY, inclusive of our websites.

The past year also saw us broadening our content and distribution collaborations and partnerships. Within the period, we aired three drama series which were also streamed OTT under a special licensing agreement with leading Asian streaming service VIU; *The Write One*, the GMA/ABS-CBN co-production *Unbreak My Heart*, and *Love Before Sunrise*. Released under global streaming giant Netflix was our highly acclaimed hit series *Maria Clara at Ibarra* (the most viewed series on Netflix Philippines in the first half of 2023 with 22 million viewing hours locally) and our drama series *Maging Sino Ka Man*. Following the success of the partnership between GMA Public Affairs and YouTube for the digital series *Pinoy Christmas in Our Hearts* in late 2022, YouTube commissioned GMA Public Affairs to produce the *Philippines' No. 1*, a YouTube exclusive series on the best of the Philippines: from its food to its beaches; and collaborated once again with Public Affairs on another installment of *Pinoy Christmas in Our Hearts* in 2023. Unexpected events in the past year led to us inking a new co-production agreement with ABS-CBN for the airing of their long-running noontime show *It's Showtime* on GTV in late June. These, aside from other content and airtime agreements we entered with several partners over the course of the year.

Other inroads were made in feature film production as we kicked off our return in 2023 with four titles, namely: *The Cheating Game*, a GMA Pictures and GMA Public Affairs film which was picked up by Netflix as a worldwide offering, a first for any GMA production, the blockbuster film *Five Breakups and a Romance*, a co-production with Cornerstone Studios and Myriad, Inc., *Video City*, a co-production with Viva Entertainment and finally, the MMFF and MIFF Best Picture Winner, *Firefly*, produced by GMA Pictures and GMA Public Affairs. Apart from its commercial success and several other awards, it can be said that *Firefly* marked the return of GMA to the Metro Manila Film Festival. With the traction gained in the past year, we have five productions lined up for release in 2024 and early 2025, two of which have already been optioned for OTT distribution by a leading global streaming service. Aside from these, another four films are already on the board for co-production, all within 2024.

We also continued to invest in complementing technologies, as consistently done in prior years. With the objective of enhancing viewer experience, we completed and launched our Standard Definition Full Height Anamorphic (SD-FHA) broadcast resolution in February 2023. Designed to enable the reception and viewing of improved, borderless images broadcast in standard definition (whether the content is received via an Analog or DTT signal and viewed through either a flat panel 16:9 or the older 4:3 CRT television set), the adoption of SD-FHA broadcast now allows us to better serve our Free to Air or Pay (cable or DTH) TV viewers nationwide

regardless of the TV set used in the home. Cognizant of the rapid developments in Artificial Intelligence (AI) and its applicability to aspects of our business, our Post Production team started to explore AI-assisted, post-production technologies as early as 2022 and by 2023, had adopted an innovative and practical, assistive AI-driven video-image enhancement solution which we now apply to select current and legacy content. In the offing is the adoption of an AI-based system in 2024 which is expected to greatly improve our (program) close captioning and subtitling efficiencies. More applications of AI in our operations are anticipated, as we keenly observe related developments.

Within the year we upgraded all our Regional TV originating stations with

By the end of 2023, we were operating an extensive network of 108 TV transmitter stations nationwide ... all bringing our programs to our Kapuso TV audiences in Luzon, Visayas, and Mindanao.

full end-to-end Digital SD and High Definition (HD) capability, covering all technical requirements from image capture, and content storage to final play-out in the 16:9 aspect ratio. In reinforcement of our leadership in terrestrial broadcast signal reach and coverage, we also commissioned 12 additional DTT (Digital Terrestrial TV) transmitter stations across the country. By the end of 2023, we were operating an extensive network of 108 TV transmitter stations nationwide: a total of 79 Analog stations (52 carrying GMA and 27 airing GTV), plus a total of 29 Digital (DTT) stations (all carrying GMA, GTV, and our 4 DTT channels), all bringing our programs to our Kapuso TV audiences in Luzon, Visayas, and Mindanao. Additional DTT stations are programmed for commissioning in 2024, further increasing the coverage of our digital terrestrial signal as more homes convert to DTT viewing.

As times and audiences incessantly change, we undertake to leave no stone unturned in fulfilling our commitment to continuously grow and evolve, as we work to further build our audiences, maintain our relevance, and be where our audiences are, whether in or out of their homes.

Our profoundest thanks to you, our valued co-workers, shareholders, partners, and audiences for your deeply valued support. You continue to inspire us all and make our shared success possible.

Maraming salamat, Kapuso.

GILBERTO R. DUAVIT, JR.
President and CEO

AT A GLANCE

GMA Reinforces Its Supremacy Across Media Platforms

#1

TV CHANNEL

GMA Network continues to be the most-watched channel in the Philippines*

Top radio stations

both held the **No.1** position in their respective categories and bands**

DZBB 594 KHZ SUPER RADYO

BARANGAY LS 97.1 #FOREVER

Sources:
** Nielsen TV Audience Measurement data from January to December 2023*

*** Nielsen Radio Audience Measurement 2023*

94%

Net reach across GMA, GTV & other DTT channels

73M

TV viewers

45.2 B

Video views across social media platforms

300+

GMA received more than 300 awards this year and continued to garner the highest trust score among major news brands for the third straight year.

25M

GMA Regional TV's newscasts reached 25 million viewers throughout the country.

THE HOME OF GLOBAL PINOYS

GMA International launched a new brand promise to reinforce connections with Filipinos worldwide.

72%

growth in digital-online ad revenue

Strategic Investments

Through GMA Ventures, we invested in emerging sectors such as telehealth, plastic offsetting, and early-stage tech start-ups.

12

additional Digital Terrestrial TV stations were commissioned in 2023

GMA marked its return to film production with two Network produced films and two co-produced films.

One of the network's own productions, *Firefly*, won Best Picture at both the Metro Manila Film Festival and the Manila International Film Festival.

29

OF THE TOP 30 PROGRAMS

across Urban and Total Philippines were from GMA

TOP 2 PROGRAMS

Bested all programs across all genres nationwide

Remained the favorite Sunday viewing habit of Filipino families

SPARKLING YEAR

Sparkle mounted the illustrious GMA Gala, Philippine showbiz's biggest event of the year.

BOARD OF DIRECTORS

FELIPE L. GOZON

Filipino, 84 years old, is the Chairman/Adviser 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., GMA Productions, Inc. (formerly RGMA Marketing and Production, Inc.), Philippine Entertainment Portal, 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 Corporation, Cardinal Agri Products, Inc., Lex Realty, Inc., Justitia Realty & Management Corporation, Gozon Foundation, Inc., GMA Kapuso Foundation, Inc., Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and The Clay Christian School Foundation, Inc.

He is also a Director of GMA Network Films, Inc., Antipolo Agri-Business & Land Development Corporation, 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 Award given by Uno Magazine (2004), Master Entrepreneur–Philippines Award (2004) by Ernst and Young, Outstanding Citizen of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan

The Board of Directors strongly advocates for accountability, transparency, and integrity in all aspects of the business, adhering to the best practices of governance. L-R: Atty. Felipe L. Gozon. Gilberto R. Duavit, Jr., Joel G. Jimenez, Atty. Anna Teresa M. Gozon-Valdes, Felipe S. Yalong, Judith R. Duavit-Vazquez, Laura J. Westfall, Former Chief Justice Artemio V. Panganiban, and Dr. Jaime C. Laya

sa Malabon (KASAMA) (2005), People of the Year Award 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 Award 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 Award for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever Award 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 Award 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.

Filipino, 60 years old, is the President and Chief Executive Officer of GMA Network, Inc.

He joined the Network in January 1999, initially as a member of the Board of Directors and the Executive Committee. Subsequently, he was appointed as Chairman of the Executive Committee in August 2000. Duavit was named Executive Vice President and Chief Operating Officer in November 2000. He was elected as the company's President and Chief Operating Officer in 2010 and elected as its CEO in January 2024.

Duavit is also the Chairman of the Board of GMA Network Films, Inc. and serves as President and CEO of GMA Holdings, Inc., GMA Productions, Inc. (formerly RGMA Marketing and Production, 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 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

Filipino, 60 years old, has been a Director of the Company since 2002. He was elected Chairman of GMA Network's Executive Committee on January 1, 2024, following his tenure as its Vice-Chairman.

He is President and 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 degree in Management from the Asian Institute of Management.

ANNA TERESA M. GOZON-VALDES

Filipino, 52 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, Program Management, Human Resources Development, Legal Affairs, and GMA Worldwide. She is also President and CEO of GMA Network Films, Inc., Board Member of RGMA, Corporate Secretary of GMA Network, Inc., GMA Ventures, Inc., and Philippine Entertainment Portal, Inc. (PEP), a stockholder of GMA New Media, Inc. (NMI), Treasurer of Citynet Network Marketing & Productions, Inc., and a Trustee of the GMA Kapuso Foundation, Inc.

FELIPE S. YALONG

Filipino, 67 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 his role at GMA Network, Inc., he 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 Corporation, Executive Vice President of RGMA Marketing and Productions, Inc., and Corporate Treasurer and 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.

JUDITH R. DUAVIT-VAZQUEZ

Filipino, 61 years old, has served on the board of directors since 1988.

She is an acknowledged visionary and industry mover in the Philippine Information and Communication Technology space. In 1995, she laid the nation's first ethernet fiber loop in the Central Business District of Makati and developed the country's first ICT-ready 24x7x365 intelligent skyscraper - 45-storey 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; and respected for its 99.9999% historical 23-year record, PEZA and ISO certifications.

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

She was the first female Asian elected to an independent board seat at the Internet Corporation for Assigned Names and Numbers (ICANN), a governance oversight body of the Public Internet domain name registry and registrar space - the only Asian female who has held this honor to this day. She continues to be a respected elder at APNIC, the Asia-Pacific numbers registry. APNIC oversees the continent's internet protocol numbers space. 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 to its smallest, Nauru.

In 2022, she joined the prestigious circle of Forbes Business Council USA, and in the same year named by the University of the Philippines School of Economics (UPSE) in its 100 Outstanding Alumni anniversary publication More Than as one of only twenty-two from the Philippine Industry for her internet foundational contribution and continuing international work.

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 Management Association of the Philippines (MAP), Financial Executives Association of the Philippines (FINEX), YPO Gold Washington DC-Baltimore, among others.

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 University of the Philippines. She serves Harvard University as an alumna interviewer of incoming freshman applicants within Washington DC, Maryland and Virginia USA.

She holds a Bachelor of Science degree in Business Economics from the University of the Philippines. She is an alumna of Harvard Business School, University of Michigan (Ann Arbor) and 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; and today, advanced education at Harvard Kennedy School for nonprofit, public policy and public leadership.

She continues to focus learning and energy on productive, stable and sustainable digital platforms aiming to someday weave content, geospatial and internet operational technologies with national policy for grass roots prosperity.

LAURA J. WESTFALL

Filipino, 56 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, Inc. 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. 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 Bachelor of Science degree in Accounting from the University of Southern California. She is a Certified Public Accountant in the State of California.

CHIEF JUSTICE

ARTEMIO V. PANGANIBAN

Filipino, 87 years old, has been an Independent Director of the Company since 2007.

In 1995, he was named 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: 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 Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of DoubleDragon Properties Corporation and MerryMart Consumer Corporation, Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Metropolitan Cathedral-Basilica Foundation, Chairman Emeritus of the 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 a Member of the Permanent Court of Arbitration based in The Hague, The Netherlands from August 2017 to August 2023. 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

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

He is President of Philippine Trust Company (Philtrust Bank). He also serves as Chairman of the Cultural Center of the Philippines, Chairman of Don Norberto Ty Foundation, Inc. and Filipinas Opera Society Foundation, Inc., Trustee of St. Paul University - Quezon City, Metropolitan Museum of Manila, Yuchengco Museum, Museo del Galeón, Inc., Ayala Foundation, Inc., Fundación Santiago, Inc., Philippine-British Association, Inc., and other organizations. He writes a weekly column for the Manila Bulletin.

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.

EXECUTIVE COMMITTEE

JOEL MARCELO G. JIMENEZ
CHAIRMAN

**Effective January 1, 2024*

GILBERTO R. DUAVIT, JR.
VICE CHAIRMAN

FELIPE L. GOZON
MEMBER

SENIOR **EXECUTIVES**

FELIPE S. YALONG
Executive Vice President, Concurrent Group Head, Corporate Services Group and Chief Financial Officer

ANNA TERESA M. GOZON-VALDES
Senior Vice President, Programming/Talent Management/ Legal/ Human Resources Development/Worldwide

LIZELLE G. MARALAG
Chief Marketing Officer and Head Sales & Marketing Group

RONALDO P. MASTRILI
Senior Vice President, Finance and Concurrent Group Head Finance & ICT Group

ELVIS B. ANCHETA
Senior Vice President & Head, Engineering Group, and Concurrent Head, Transmission and Regional Engineering

LILYBETH G. RASONABLE
Senior Vice President Entertainment Group

OLIVER VICTOR B. AMOROSO
Senior Vice President and Head, Integrated News, Regional TV and Synergy

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

FIRST **VICE PRESIDENTS**

MA. LUZ P. DELFIN
Legal Affairs

GERROME Y. APOLONA
Human Resources Development

IANESSA S. VALDELLON
Public Affairs
Executive Vice President, GMA Network Films, Inc.

AYAHL ARI AUGUSTO P. CHIO
Administration and Investor Relations

JOSEPH JEROME T. FRANCIA
GMA International

LUZ ANNALEE O. ESCUDERO-CATIBOG
Public Service & Community Relations

JOSE MARI R. ABACAN
Program Management

GLENN F. ALLONA
Radio Operations Group

PAUL HENDRIK P. TICZON
Post Production

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

**Retired/Consultant as of August 16, 2023*

VICE **PRESIDENTS**

ANGELA CARMELA J. CRUZ
Corporate Affairs & Communications

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

JANINE P. NACAR
Business Development Department II (Comedy/Infotainment/Game/Reality Productions), Entertainment Group

CHERYL C. SY
Business Development Department I (Drama Productions), Entertainment Group

REYNALDO B. REYES
Production Engineering

EDWIN P. JIMENEZ
Information & Communications Technology Department & Concurrent Head Infrastructure Systems Division, ICT

MICHELLE RITA S. SEVA
Deputy Head for News Programs & Specials Division, GMA Integrated News

RJ ANTONIO S. SEVA
Sales & Marketing Group

ARLENE U. CARNAY
Public Affairs

MERCEDES MACY T. SUEÑA
Group Controllership Department, Finance

GIRLY SANTIAGO-LARA
Business Development III (Talk/Magazine/Musical Variety/Specials & Alternative Productions), Entertainment Group

MARIA ANTONIA JOY ROMINA C. MARCELO
Talent Development & Management Department

MARIA LUCILLE U. DELA CRUZ
Financial Services Department & Concurrent Division Head of Treasury & Traffic, Finance

ASSISTANT **VICE PRESIDENTS**

ADMINISTRATION DEPARTMENT

ALFONSO C. CRUZ, JR.
Senior AVP, Administration

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,
Corporate Strategic Planning

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 of Studio & Remote Operations, Production Engineering Department

JAYSON E. DELA TORRE
Broadcast-IT Division, CMOSD

RENE GERARD B. GOZUM
Services Division

ENTERTAINMENT GROUP

ALI MARIE N. DEDICATORIA
Business Development Department I (Drama Productions)

HELEN ROSE S. SESE
Business Development Department I (Drama Productions)

ENRILYN T. CALAYCAY
Business Development Department II (Comedy/Infotainment/Game/Reality Productions)

INFORMATION & COMMUNICATIONS TECHNOLOGY DEPARTMENT

ANJANNETTE C. ENRIQUEZ
Applications Development

ADORACION S. LAPADA
Application Support Division

REMEDIOS D. REYES
Central Library & Archives Management Division

FINANCE DEPARTMENT

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

CHRISTINE CHERRY R. FLORCRUZ
Operations

LEGAL DEPARTMENT

JOSE VENER C. IBARRA
Litigation & Special Projects

GMA INTEGRATED NEWS

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

JOHN RAY C. ARRABE
Cluster Head, News Programs

REINA ANNE S. DIMAPAWI
Deputy Head for Integrated News Operations Division

AILEEN RAE P. PEREZ
Deputy Head for Integrated News Social Media

PUBLIC AFFAIRS

MARIE ANGELI G. ATIENZA
Senior AVP

NEIL B. GUMBAN
Senior AVP

RIZA D. LAURENTE
Systems & Budget

NOWELL M. CUANANG
LEE JOSEPH M. CASTEL
JONATHAN B. TAM
JOANNE M. MONZON

PROGRAM MANAGEMENT DEPARTMENT

MA. CONCEPCION R. AGNES
Senior AVP, Operations Division

MILDRED ZARAH D. GARCIA
Senior AVP

PROGRAM ANALYSIS DIVISION

RAFAEL P. MENDOZA

PROGRAM SUPPORT DEPARTMENT

LEO P. MATA
Senior AVP, Media & On-Air Continuity

EDUARDO B. GARCIA
Creative Services Division

HASMIN A. MARABLE
Marketing Communications

JOMARIE FATIMA D. OLAÑO
Media Planning

POST PRODUCTION DEPARTMENT

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

NOEL F. DIZON
Technical Media Server Support Division

EVANGELINE R. CHUA
Project Management Division, Post Production

REGIONAL TV AND SYNERGY

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

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

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

GEMMA ARLENE JO T. MARCELO
Budget and Planning

MARIA TERESA T. BERNABE
Administrative Division

RESEARCH

KATHERINE G. DAVID
News, Public Affairs & Regional TV Program
Performance & Audience Measurement Division

SALES AND MARKETING GROUP

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

ROSARIE M. LEONARDO
Digital Solutions

SUPPLY AND ASSET MANAGEMENT DEPARTMENT

LORNA P. REUBAL
Supply Management Division

RADIO OPERATIONS GROUP

JACK DENNIS L. SERRANO
Radio Events and Creatives

TALENT DEVELOPMENT AND MANAGEMENT DEPARTMENT

JENNIFER B. DONATO
Talent Recruitment & Development

LOURDES ANNE P. IGNACIO
Talent Imaging & Marketing

VIEWER-DIRECTED MARKETING DIVISION

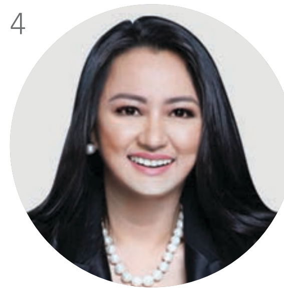
ROSSETTE MARIE H. ROA
Senior AVP

HEADS OF **SUBSIDIARIES**

1

2

3

4

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1. **FELIPE L. GOZON**
Chairman and CEO of GMA Ventures, Inc., CEO of GMA New Media, Inc., Chairman of Alta Productions, Inc., Citynet Network Marketing and Productions, Inc., GMA Holdings, Inc., GMA Productions, Inc. (formerly RGMA Marketing and Production, Inc.), Media Merge Corporation, and RGMA Network, Inc. (Radio)

2. **GILBERTO R. DUAVIT, JR.**
Chairman of GMA Network Films, Inc., President and CEO of Citynet Network Marketing and Productions, Inc., GMA Holdings, Inc. and GMA Productions, Inc. (formerly RGMA Marketing and Production, Inc.), President of Media Merge Corporation, and 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 CEO
Alta Productions, Inc.

7. **ROLANDO G. SANICO JR.**
Chairman and President
Script2010, Inc.

GMA **SUBSIDIARIES** AND **AFFILIATES**

SCRIPT 2010, INC.

MA. NENITA E. CRUZ
Vice Chairman

ERNESTO R. BALLESER
Executive Vice President

GMA NEW MEDIA, INC.

RAYMUND SARMIENTO
Senior Vice President
Systems Technology/CTO

MA. MARTHA MICHAELA A. PERLAS
Senior Vice President
Development and Operations

MARILYN D. SEE
Senior Vice President
Online Advertising

LIEZYL A. GARCIA
Vice President
General Support Services

FERDINAND V. PERLAS
Vice President and Head of Software Engineering and Technology R&D

MA. SABRINA BELARDO
Vice President and Head of Public Relations, Marketing Support and Customer Service

RANDY NIVALES
Senior Vice President
Web and Systems Development

RUFINO RAMIL R. ESCARDA, III
Vice President and Head of Digital Content Production and Creatives

EDILBERTO BALANAK
Senior AVP, Process & Quality Assurance

RACHEL CABUG
Senior AVP, Sales of NMI Solutions

LUCILLE U. ALADO
Assistant Vice President
Payroll and Office Administration

JERARD BELTRAN
Assistant Vice President and Head of Digital Content Production R&D and Animation

JOEL TAN
Assistant Vice President
Systems & Network Administration

ROMMEL ROCA
Assistant Vice President
Mobile Application Development

RODELIO ARENAS
Assistant Vice President
Information Security and Data Privacy Officer

ARSENIO CANTUANGCO, JR.
Assistant Vice President
Software Development

ROMEO REMIGIO, JR.
Assistant Vice President
AVOD Business and Content Manager

ADRIAN SOMOSA
Assistant Vice President
Business Intelligence/Analytics

CONSULTANTS

ENGINEERING GROUP

JOSE SEVERINO V. FUENTES
ERIC S. ORNEDO
Content Management and On-Air Systems Department

GMA INTEGRATED NEWS

MARY GRACE D. REYES
HORACIO G. SEVERINO

GMA WORLDWIDE
ROXANNE J. BARCELONA

INTERNAL AUDIT

EDUARDO P. SANTOS
Compliance Officer and Data Protection Officer

RADIO OPERATIONS GROUP

EUGENE H. RAMOS
Provincial Radio Operations

RESEARCH

SHEILA A. TAN

SALES AND MARKETING GROUP

RIZALINA D. GARDUQUE

LIRIO B. ESCAÑO
Management Services

SERAFIN P. BAUTISTA
Pinoy TV

VICKY R. PACIS
Pinoy TV

SUSAN B. FOZ

SUPPLY AND ASSET MANAGEMENT DEPARTMENT

VICTORIA T. ARRADAZA
JAVIER B. LAXINA

Maraming, maraming salamat sa Serbisyong Totoo, Kapuso.

Mike Enriquez

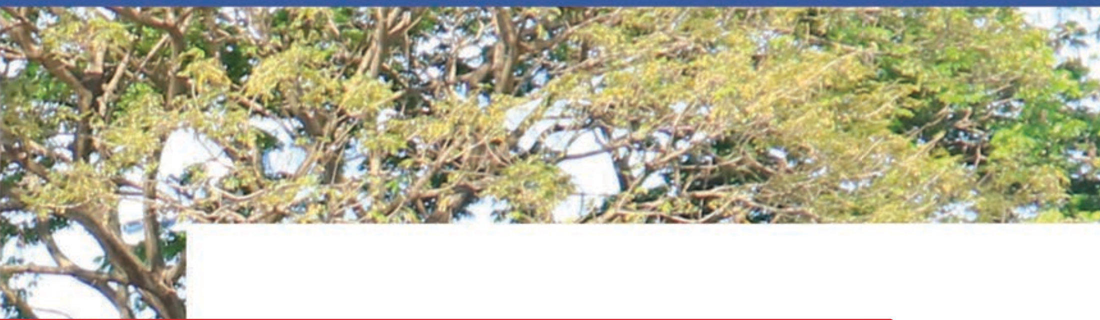
September 29, 1951 - August 29, 2023

Miguel Castro Enriquez, more popularly known as Mike Enriquez, was a beloved pillar of GMA News and Public Affairs. His distinctive voice and uncompromising integrity made him an iconic figure and one of the most trusted broadcasters of his era.

Mike was one of the anchors of GMA's flagship newscast *24 Oras* and hosted the long-running Public Affairs program *Imbestigador*. He was President of RGMA Network, Inc. and GMA Network's Senior Vice President and Consultant for Radio Operations. He also anchored DZBB's *Super Balita sa Umaga* and *Saksi sa Dobol B*. Beginning his broadcasting career in 1969 and joining GMA Network in 1995, Mike devoted 54 years to wholeheartedly serving the Filipino audience.

Throughout his illustrious career, Mike stood out as a courageous and luminous figure in journalism. He received the Best Newscaster Award at the Asian Television Awards in 1999, and his program *Saksi* achieved a historic first for the Philippines by earning a Gold Medal at the New York Festivals in 2003. His 2004 documentary on the Iraq War earned the Silver Camera Award from the US International Film & Video Festival, adeptly presenting complex global narratives. For his significant contributions to the industry, Mike was posthumously honored with the Makatao Award for Media Excellence by the People Management Association of the Philippines (PMAP), recognizing his profound impact and commitment to ethical journalism. His legacy was further honored with the "Lifetime Achievement in Broadcast Journalism 2023" by the Manila Overseas Press Club (MOPC) and an induction into the Anak TV Makabata Star Hall of Fame, affirming his lasting influence on media literacy and future generations.

Though his voice no longer graces the airwaves, it continues to resonate in our hearts, reflecting his dedication to GMA's guiding principle of honest and fair journalism—*Walang Kinikilingan, Walang Pinoprotektahan, Walang Kasinungalingan, Serbisyong Totoo Lamang.*



SUSTAINABILITY

GMA Network's 2023 sustainability report covers the year ended December 31, 2023 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. At 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.

2023 Sustainability Report

CORPORATE SOCIAL RESPONSIBILITY

MEDIA WITH A MISSION

KNOWLEDGE FOR A NEW AGE

Our educational initiatives are crafted to enlighten and inspire, encompassing award-winning fora to more than 1,000 episodes and features of educational content. Through diverse offerings like the GMA Masterclass Series and innovative broadcasts such as *iBilib* and *Aha!*, we make knowledge accessible and engaging, nurturing the next generation of leaders and innovators.

Our efforts extend beyond traditional learning to shape a more informed, vigilant, and proactive community, with initiatives like *Maging Listo, Huwag Magpaloko* in partnership with the Bank of the Philippine Islands, gaining international acclaim for enhancing cybersecurity awareness.

We celebrated and empowered educators nationwide through our collaboration with Metrobank Foundation, Inc. for *National Teachers' Month*. Through extensive promotional activities and media coverage, we supported their mission to inspire and educate. This has earned us the 4th Metrobank Foundation Award for Partner in Empowerment, Advocacy, and Commitment to Excellence (PEACE).

EDUCATIONAL BROADCASTING

51

episodes of *Pera Paraan* introduced business ideas and financial literacy

449+

features of *May Trabaho Ka!* provided career opportunities

633+

features of *Balitang Barangay* enhanced local engagement

51

episodes of *iBilib* explored science

52

episodes of *Aha!* sparked curiosity among young minds

MARIA CLARA AT IBARRA: A MILESTONE ON PHILIPPINE TELEVISION

This beloved historical drama has gained critical acclaim for its outstanding production and has revived interest in Jose Rizal's classics, *Noli Me Tangere* and *El Filibusterismo*. It was dubbed as a cultural reset, enriching the public's understanding of Philippine history and stirring a deep sense of patriotism. As one viewer expressed online, "My love for the country is burning brightly in my heart."

YOUNG AUDIENCES

Anak TV

34 GMA/GTV programs were lauded for being educational and values-oriented

Pambatang Pinoy Stories

Features captivating Filipino children's stories narrated by Kapuso stars

Kubo House

An online hub that brings Filipino values and culture to life through folk songs, nursery rhymes, and the exclusive magical tales collection, HIWAGA

STEWARDS OF SUSTAINABILITY

GMA Network is committed to preserving our planet for future generations. From aligning with the United Nations Global Compact to various conservation efforts, we are joining the race against a warming world, ensuring that our environmental legacy is as enduring as our programming.

STRATEGIC ENVIRONMENTAL PARTNERSHIPS

Our flagship environmental advocacy flourished through partnerships and a strong volunteerism culture. Together, our employee-volunteers and Sparkle artists participated in a range of impactful activities, from river cleanups in collaboration with Maynilad to coastal conservation efforts and tree-planting projects alongside Nestlé Philippines. We also continued to champion significant environmental events and participated in WWF Philippines' Earth Hour initiative.

Pioneer in media sustainability
GMA Network remains the first and only broadcast media network to sign with the UN Global Compact.

Climaction: Towards A Net Zero Philippines
In collaboration with the Climate Change Commission and Nestlé PH, we convened key stakeholders across government, business, agriculture, and youth sectors to forge actionable plans based on the Philippine National Adaptation Plan and the Nationally Determined Contribution for reducing greenhouse gases.

ENVIRONMENTAL REPORTING

407

stories on GMA Regional TV newscasts highlighted local environmental protection efforts

53

episodes of *Biyahe ni Drew* promoted sustainable tourism and the Philippines' natural heritage

GMA Integrated News launched *Banta ng Nagbabagong Klima*, a special series which tackles the challenges of extreme weather, deforestation, and community displacement, urging collective climate action.

HEARTS IN ACTION ▸▸

Our dedication to improving the lives of underprivileged Filipinos is unwavering. Through the valued partnerships and support of donors to the GMA Kapuso Foundation and Kapwa Ko Mahal Ko Foundation, we actively support the most vulnerable sectors of society.

GMA KAPUSO FOUNDATION (GMAKF)

Kapuso Tulay Para Sa Kaunlaran

Inaugurated a 50-meter concrete and steel hanging bridge in Barangay Abis, Mabinay, Negros Oriental, connecting remote communities to essential trade and learning centers and improving access and opportunities.

Unang Hakbang Sa Kinabukasan

Distributed 60,000 school bags with complete sets of school supplies for incoming Kindergarten and Grade 1 students across Luzon, Visayas, and Mindanao

Kapuso School Development

Enhanced educational infrastructure by building eight classrooms across four locations. Projects included two classrooms each in Perez and Ilomavis, Kidapawan City, Cotabato, and in Binibitinan and Tulan Elementary Schools in Quezon, all equipped with essential water and sanitation facilities.

Health Programs

GMAKF provided medical aid through the *Bisig Bayan* project, organized the *Sagip Dugtong Buhay* bloodletting with the Philippine Red Cross, Armed Forces of the Philippines, and Philippine National Police, and delivered 60,000 Noche Buena packs and toys to underprivileged and Indigenous children nationwide through the *Give-A-Gift* project.

GMA
KAPUSO FOUNDATION, INC.

Operation Bayanihan
Provided immediate relief goods and assistance in response to natural and man-made calamities.

KAPWA KO MAHAL KO (KKMK)

Medical Outreach

Conducted 60 medical and dental missions in partnership with SM Foundation which benefited 38,819 patients nationwide.

Batang K Program

Extended ongoing medical and psychosocial support to 57 children with Acute Lymphocytic/ Lymphoblastic Leukemia and provided enriching experiences for cancer survivors, including attending Ballet Philippines performances and immersive visits to Art in Island.

Pamaskong Handog

In its 48th year, KKMK revived the *Pamaskong Handog* event after a three-year hiatus, welcoming 29 *Batang K Program* children for an in-person celebration with donors and partners.

NURTURING THE NATION

Health and wellness are at the heart of GMA Network's mission to enrich the lives of Filipinos. Our initiatives—from nationwide medical outreach programs to wellness broadcasts—aim to promote well-being across the archipelago.

USAPANG KALUSUGAN

Promoted health and wellness awareness among employees through weekly e-blasts packed with essential health information.

NOURISHING NARRATIVES

Aired 220 episodes across four series, highlighting healthy living, cultural cuisine, and sustainable eating with *Mars Pa More*, *Pinas Sarap*, *Sarap Di Ba*, and *Farm To Table*.

HEALTH-FOCUSED PROGRAMMING

Educated the public on wellness and disease prevention through 51 episodes of *Pinoy MD* and *Bahay at Buhay*.

STREAM RESPONSIBLY. FIGHT PIRACY.

GMA Network joined forces with the Alliance for Creativity & Entertainment (ACE), the world's largest anti-piracy coalition and the Intellectual Property Office of the Philippines (IPOPHL) to aggressively combat piracy. As the first member from the Philippines of ACE's over 50 global members, GMA launched the "Stream Responsibly. Fight Piracy." campaign, aimed at educating the public about the value of creative content and the risks associated with pirated websites and apps.

PUBLIC SERVICE ▸▸

We are deeply committed to using our platform to promote social change, community engagement, and public awareness on critical issues.

P1.37B

GMA dedicated 1,538 minutes to public service announcements on TV, valued at P1.37 billion.

31

Sparkle artists served as ambassadors for the Kapuso Foundation and various non-profit organizations.

ADVOCACY BEYOND THE AIRWAVES

Our various programs are more than just television shows; they are powerful tools for educating the public, exposing societal problems, and sparking conversation on topics that matter.

Launched in 2023, GMA Public Affairs' *Resibo: Walang Lusot ang May Atraso* serves as a credible and reliable platform to hear grievances and complaints, expose wrongdoings, and take action in every featured case.

GMA Entertainment program *Maging Sino Ka Man* received commendation from Save the Children Philippines with its powerful message on positive parenting: "Pagmamahal at hindi pagmamalupit ang paraan para makinig ang mga bata. Pagtutuwid at hindi pananakit ang kailangan para matuto sila."

AWARDS AND **RECOGNITIONS**

INTERNATIONAL

AWARDS

NEW YORK FESTIVALS TV & FILM AWARDS

Kapuso Mo, Jessica Soho (KMJS)
Gold Medal for "Sugat ng Pangungulila (Wounds of Woes)

The Atom Araullo Specials
Gold Medal for "Mata sa Dilim" (Eye in the Dark)

Maria Clara at Ibarra
Bronze Medal for Entertainment Program: Drama category

Stand for Truth
Bronze Medal for "Runaway Child Brides: Ang Kuwento ng mga Tumakas sa Buya"

FINALIST CERTIFICATES

- KMJS for "Onse"
- The Atom Araullo Specials for "Ang Nawawala" (The Missing) Reporter's Notebook for "Baha to School" (Our School is Sinking)
- I-Witness for "Ang Langaw na Hindi Binubugaw" (Black Soldier Fly)
- Born To Be Wild for "Primate Planet"

THE ASIA PACIFIC BROADCASTING AWARDS

GMA Network's Eleksyon 2022 "Dapat Totoo"
Innovation Award for Online Election Campaign – Philippines

ASSOCIATION FOR INTERNATIONAL BROADCASTING AWARDS 2023

Vicky Morales (24 Oras)
Finalist, Presenter of the Year TV/ Video

Pia Arcangel (Surprise Guest with Pia Arcangel)
Finalist, Presenter of the Year Radio/Audio/Podcast

ASIAN ACADEMY CREATIVE AWARDS

24 Oras
Best Documentary Series and Best News/ Current Affairs Programme

Kapuso Mo, Jessica Soho
Best Infotainment Programme

Dapat Alam Mo!
Best Single News Story

The Atom Araullo Specials
Best Documentary Programme Award

Tadhana
Best Single Drama/Telemovie/ Anthology Episode

Voltes V: Legacy
Best Animated Programme or Series and Best Visual or Special FX in TV Series or Feature Film

Maria Clara at Ibarra
Best Theme Song

14TH CANNES CORPORATE MEDIA & TV AWARDS

Maging Listo, Huwag Magpaloko (Be Vigilant, Don´t Be Deceived)
Finalist, A3–Informational Films and Explanatory Videos

CONTENTASIA AWARDS

The Atom Araullo Specials (Mata sa Dilim)
Best Current Affairs Program Made in Asia for International/Regional Markets

Kapuso Mo, Jessica Soho: Sugat ng Pangungulila
Finalist, Best Reality and Variety

READER'S DIGEST TRUSTED BRAND AWARDS

GMA Network
Platinum Award

Mike Enriquez
Most Trusted Radio Presenter

Atom Araullo
Most Trusted TV News Presenter

US INTERNATIONAL AWARDS

Stand for Truth, Runaway Child Bride: Stories of Escape from the Manobos' Buya
Finalist, Online & Social Media - Social Media Video Category

44TH ANNUAL TELLY AWARDS

GMA Pinoy TV: EntrePinoy Abroad
Silver Award for Online – Series: Documentary Category

13TH THE OUTSTANDING FILIPINO AWARDS (TOFA)

Jessica Soho

THE SOCIETY OF PUBLISHERS IN ASIA AWARDS FOR EDITORIAL EXCELLENCE

GMA News Online
Excellence in Infographics (Regional/ Local) for Eleksyon 2022

LOCAL
AWARDS

ANAK TV SEAL AWARDS TELEVISION CATEGORY
- 24 Oras
- 24 Oras Weekend
- 37th Kadayawan Festival 2022: The GMA Regional TV One Mindanao Special Coverage
- Abot-Kamay Na Pangarap
- AHA!
- All-Out Sundays
- Amazing Earth
- Balitanghali
- Born To Be Wild
- Biyahe Ni Drew
- Daig Kayo Ng Lola Ko
- Farm To Table
- Game On!
- GMA
- GMA Regional TV Balitang Southern Tagalog
- GMA Regional TV Early Edition
- GMA Regional TV One Mindanao
- GMA Regional TV One Western Visayas
- GMA Regional TV Balitang Bicolandia
- GMA Regional TV One North Central Luzon
- HALA BIRA! The GMA Regional TV Dinagyang Special Live Coverage
- iBilib
- iJuander
- Limitless: A Musical Trilogy
- Maria Clara At Ibarra
- Mornings With GMA Regional TV
- Regional TV News
- Sarap, 'Di Ba?
- Pit Senyor Kapuso: The GMA Regional TV Live Coverage
- Pinoy M.D.
- Pinas Sarap
- Pinoy A+
- The Clash
- TiktoClock
- Unang Hirit

MAKABATA STARS – MALE TELEVISION CATEGORY
- Alden Richards
- Allen Ansay
- David Licauco
- Drew Arellano
- Matteo Guidicelli
- Michael V

MAKABATA STARS – FEMALE TELEVISION CATEGORY
- Barbie Forteza
- Bea Alonzo
- Jillian Ward
- Julie Ann San Jose
- Sofia Pablo

NET MAKABATA STAR – MALE ONLINE CATEGORY
- Alden Richards
- Ken Chan
- Richard Yap

HALL OF FAME 2023
Atom Araullo

ANAK TV MAKABATA TV PERSONALITY HALL OF FAME
Mike Enriquez

HOUSEHOLD FAVORITE PROGRAMS TELEVISION CATEGORY
- 24 Oras
- Abot-Kamay na Pangarap
- Amazing Earth
- Biyahe ni Drew
- Kapuso Mo, Jessica Soho
- Maria Clara at Ibarra

59TH ANVIL AWARDS
GMA Kapuso Foundation Annual Report 2022 "Bunga ng Bayanihan: GMAKF's Post-Super Typhoon Odette Projects"
Silver Anvil Award for PR Tools, Publication Category

"Maging Listo, Wag Magpaloko"
Silver Award for PR Programs - Best Use of Partnership Category

ASIAN BUSINESS EXCELLENCE AWARDS
Janna Chu Chu
Asia's Most Outstanding Male Radio DJ

Mama Emma
Asia's Most Outstanding Female Radio DJ

Songbook
Outstanding FM Radio Program

Barangay LS 97.1
Outstanding FM Radio Station

36TH AWIT AWARDS

Mariane Osabel
Best Performance by a New Female Recording Artist

Anton Paras
People's Voice Favorite Male Artist

BIR TOP TAX PAYING TV AND MOVIE PERSONALITY

- **Mel Tiangco**
- **Mike Enriquez**

45TH CATHOLIC MASS MEDIA AWARDS

Love is Us this Christmas: GMA CSID 2022
Best Station ID Award

24 Oras
Best Special Event Coverage

Unang Hirit
Lifetime Achievement in Broadcast Journalism Award

iJuander
Best Adult Educational/Cultural Program

Maria Clara at Ibarra
Best Drama Series/Program

Abot-Kamay na Pangarap
Special Citation for Best Drama Series/Program

TiktoClock
Best Entertainment Program

Fast Talk with Boy Abunda
Best Talk Show

The Howie Severino Podcast
Best Educational Program

Sumasapuso, Kasama si Toni Aquino
Best Drama Program

Dobol Weng sa Dobol B
Best News Commentary

DZBB Super Serbisyo, Trabaho at Negosyo
Special Citation, Best Business News

Barangay Love Stories
Special Citation, Best Drama Program

NCAA Season 98 theme song "Pusong Kampeon" by XOXO
Special Citation, Best Music Video

NCAA Season 98
Special Citation, Best TV Special

Mike Enriquez
2023 Serviam Award (Posthumous)

DAVAO CITY CHAMBER OF COMMERCE AND INDUSTRY, INC.

GMA Southern Mindanao
Presidential Citation for Media Business Award

DIGITAL BAYANIHAN AWARDS

GMA Pinoy TV
Tech Media of the Year

25TH GAWAD PASADO (PAMPELIKULANG SAMAHAN NG MGA DALUBGURO)

Maria Clara at Ibarra
PinakaPASADOng Teleserye

Barbie Forteza
PinakaPASADOng Aktres

Dennis Trillo
PinakaPASADOng Aktor

David Licauco
PinakaPASADOng Dangal ng Kabataan

GAWAD PILIPINO

GMA Network
Most Trusted TV Network of the Year

Mel Tiangco (24 Oras)
Outstanding News Anchor of the Year

Emil Sumangil
Outstanding TV Host & Reporter of the Year

Raffy Tima (Balita Ko)
Outstanding News Anchor of the Year

Mav Gonzales
Sandra Aguinaldo
Mariz Umali
JP Soriano
Outstanding TV Reporter of the Year

GAWAD PILIPINO WOMEN'S MONTH CELEBRATION

- **Mariz Umali**
- **Susan Enriquez**
- **Connie Sison**
- **Mel Tiangco**

GLOBAL TRENDS BUSINESS AWARDS

Barangay LS 97.1
Innovative Radio Station of the Year

Papa Jepoy & Papa Carlo
Global Supreme Male
FM Radio Hosts of the Year

I-ACT AT OUR SERVICE AWARDS

DZBB
AM Radio Station of the Year

6TH EMPOWERED MEN AND WOMEN OF THE YEAR

Janna Chu Chu
Empowered Men Radio DJ/
Entertainment Writer

4TH LAGUNA EXCELLENCE AWARDS

Janna Chu Chu
Outstanding Media Personality
of the Year

Papa Dudut
Outstanding FM DJ of the Year

MOPC JOURNALISM AWARDS

GMA Network, Inc.
Television Station of the Year 2023

Mel Tiangco
Television Broadcaster
of the Year 2023

Mike Enriquez
Lifetime Achievement in
Broadcast Journalism Award

Former Chief Justice Artemio V. Panganiban (Board member of GMA Network)
Journalist of the Year, Law

NATIONAL STATISTICS MONTH (NSM) MEDIA AWARDS (PHILIPPINE STATISTICS AUTHORITY)

"NEDA: P279 daily food need only a metric in determining poverty" by John Ted Cordero
Best Statistical Reporting
in Online Media

12TH OFW GAWAD PARANGAL

Nelson Canlas
Outstanding Showbiz Reporter

Raffy Tima
Dauntless Journalist

ONE PLANET ONE EARTH FOUNDATION INC. HIRAYA

24 Oras
Pambansang Balita Awardee
(Stories on Nagbabagong Klima)

PAGLAUM: TMC ILOILO MEDIA EXCELLENCE AWARDS

"Labing Una nga COVID-19 Positive sa Probinsya sang Iloilo, Ginsaysay ang Iya Gin-agyan" - GMA Regional TV One Western Visayas
Most Inspiring Healthcare Story

PANATA AWARDS OF THE PHILIPPINE ASSOCIATION OF NATIONAL ADVERTISERS (PANA) 2023

GMA Network, Inc.
Media Network of the Year

PHA MEDIA AWARD (PHILIPPINE HEART ASSOCIATION, INC. & PHILIPPINE COLLEGE OF CARDIOLOGY)

GMA News Online
For its indelible contribution as prominent allies in the promotion of reliable heart health news from the experts."

PHILIPPINE CHOICE AWARDS

Papa Dudut
Best Male Radio DJ

11TH PMAP MAKATAO AWARDS FOR MEDIA EXCELLENCE

Atoma Araullo
Best TV News Program Host

Stand for Truth (Emergency Landing: Pag-asa ng Paggaling, Hatid ni Yellow Bee)
Online Broadcast

Joel Reyes Zobel & Melo Del Prado
Best Radio News Program Host

Dobol Weng sa Dobol B
Best Radio News Program Host

Connie Sison & Arnold Clavio
Best Radio Public Affairs Program Host

Mike Enriquez
PMAP Posthumous Award

PHILIPPINE LEADERSHIP CONGRESS & AWARDS 2023

GMA Network, Inc.
Best Employer Award

PINAY GIRL BOSS ACADEMY

Atty. Annette Gozon-Valdes
Pinay Girl Boss Champion

PHILSA MEDIA AWARDS (PHILIPPINE SPACE AGENCY)

- **GMA Network, Inc.**
- **Kim Atienza**

PROGRAM ON RECOGNITION AND AWARDS FOR IMPACTFUL SERVICE EXCELLENCE (PRAISE) 2023

GMA Regional TV Balitang Bisdak
Outstanding Local Afternoon
Newscast & Media Partner

GMA Regional TV Balitang Bisdak's Lou-Anne Mae Rondina
Outstanding News Correspondent

ROTARY CLUB OF MANILA'S PRO PATRIA JOURNALISM AWARDS

GMA Integrated News
Outstanding TV News Reporting of the Year

SALUDO EXCELLENCE AWARDS

Barbie Forteza (Maria Clara at Ibarra)
Best Actress for TV

Dennis Trillo (Maria Clara at Ibarra)
Best Actor for TV

Stanley Abuloc (Maria Clara at Ibarra)
Best Child Actor for TV

Maria Clara at Ibarra
Best Primetime Series

35TH STAR AWARDS FOR TELEVISION

GMA-7
Best TV Station

Prima Donnas
Best Daytime Drama Series

Agimat Ng Agila
Best Drama Mini Series

Magpakailanman
Best Drama Anthology

Jennylyn Mercado ("Sa Kamay ng Fake Healer"/ Magpakailanman)
Best Single Performance by an Actress

Wish Ko Lang
Best Public Service Program

Pepito Manaloto
Best Comedy Show

Paolo Contis (Bubble Gang)
Best Comedy Actor

Manilyn Reynes (Pepito Manaloto)
Best Comedy Actress

Daig Kayo Ng Lola Ko
Best Horror/Fantasy Program

Born To Be Wild
Best Educational Program

I-Witness
Best Documentary Program

Atom Araullo (The Atom Araullo Specials)
Best Documentary Program Host

Kapuso Mo, Jessica Soho (GMA-7)
Best Magazine Show

24 Oras
Best News Program

Unang Hirit
Best Morning Show

- **Arnold Clavio**
- **Connie Sison**
- **Susan Enriquez**
- **Nathaniel Cruz**
- **Lyn Ching-Pascual**
- **Suzie Entrata- Abrera**
- **Ivan Mayrina**
- **Lhar Santiago**
- **Mariz Umali**

(Unang Hirit)
Best Morning Show Host

Taste Buddies (GTV)
Best Lifestyle Show

The Clash
Best Talent Search Program

Julie Anne San Jose, Rayver Cruz (The Clash)
Best Talent Program Show Host

Kelvin Miranda and Mikee Quintos
German Moreno Power Tandem of the Year

SPOTIFY 2023

Barangay Love Stories Podcast
PH's Top Love & Relationship Podcast of the Year

VOLUNTEERS AGAINST CRIME AND CORRUPTION (VACC)

Emil Sumangil
Outstanding Journalist of the Year

Jun Veneracion
Outstanding TV News Reporter for Year 2022 – 2023

Bayani "Peewee" Bacuño Jr. (News Stringer)
Outstanding Journalist for the Year 2022 – 2023

Posthumous Award
Mike Enriquez

ACADEME
AWARDS

THE 17TH GANDINGAN AWARDS, THE UP COMMUNITY BROADCASTERS' SOCIETY

Atom Araullo (State of the Nation, GTV)
Best News Anchor

Mel Tiangco
Gandingan ng Kababaihan

"Tayong Dalawa" (Limitless: A Musical Trilogy)
Most Development-Oriented TV Plug (Special Citation)

Limitless: Breathe
Most Development-Oriented Musical Segment/Program

iJuander
Most Development-Oriented Magazine Program

The Atom Araullo Specials: Mata sa Dilim
Most Development-Oriented Documentary

Hapag: Mga Kwento ng Huli at Ani, Reporter's Notebook Election Special
Most Development-Oriented Investigative Story

Born To Be Wild: Born To Be Kings
Most Development-Oriented Environmental Program

I-Witness: Transnene
Most Gender-Transformative Program

Susan Enriquez (GMA Network, Inc.)
Special Citation, Gandingan ng Kabuhayan

Maria Clara at Ibarra
Special Citation, Most Development-Oriented Drama Program

Barangay LS 97.1
Most Development-Oriented FM Station

Barangay Love Stories
Most Development-Oriented Radio Drama

Kurtesiya Na, Disiplina Pa
Most Development-Oriented Radio Plug

Saksi Sa Dobol B
Most Development-Oriented AM Program

Melo Del Prado
Best AM Radio Program Host

Maria Franisa "Isa" Avendaño-Umali
Best Field Reporter

Anong Say Nyo: 4PS or Pantawid Pamilyang Pilipino Program
Most Participatory Program

Letter from Tawi-Tawi (Special Citation) (Atom Araullo, GMA News Online)
Most Development-Oriented Photograph/Photo Story

IKA-PITONG GAWAD BAGANI SA KOMUNIKASYON MAKABAGONG MANDIRIGMA SA LARANGAN NG RADYO AT TELEBISYON

Mel Tiangco
Gawad Bagani sa Larangan ng Telebisyon

7TH GEMS AWARDS

Sandra Aguinaldo (I-Witness)
Best TV Program Host

Wish Ko Lang
Best TV Program (Public Service)

Maria Clara at Ibarra
Best TV Series

Juancho Triviño (Maria Clara at Ibarra)
Best Performance by an Actor in a Supporting Role (TV Series)

Andrea Torres (Maria Clara at Ibarra)
Best Performance by an Actress in a Supporting Role (TV Series)

Dennis Trillo (Maria Clara at Ibarra)
Best Performance by an Actor in a Lead Role (TV Series)

Barbie Forteza (Maria Clara at Ibarra)
Best Performance by an Actress in a Lead Role (TV Series)

Royce Cabrera in "Born to be a Queen" (Magpakailanman)
Best Performance in a Lead Role (Single Performance)

Talk to Papa (Barangay LS 97.1 FM)
Best Radio Program (Entertainment/ Human Interest)

Papa Marky
Best Radio Broadcaster (Male or Female – Entertainment/ Human Interest)

5TH GAWAD LASALLIANETA

24 Oras
Most Outstanding News Show

Atom Araullo
Most Outstanding Male News Anchor

Mariz Umali
Most Outstanding Female Correspondent

I-Witness
Most Outstanding Documentary Show

Atom Araullo
Most Outstanding Male Documentarist

Kara David
Most Outstanding Female Documentarist

Kapuso Mo, Jessica Soho
Most Outstanding Magazine Show

Jessica Soho
Most Outstanding Magazine Show Host

Imbestigador
Most Outstanding Public Affairs Show

Unang Hirit
Most Outstanding Morning Show

Born To Be Wild
Most Outstanding Educational Show

Maria Clara at Ibarra
Most Outstanding Teleserye

GREEN ZEAL AWARD FOR EXCELLENCE IN BRIDGING BOUNDARIES THROUGH CULTURE AND ARTS

Pepito Manaloto: Tuloy ang Kuwento
Most Outstanding Comedy Show

Michael V
Most Outstanding Comedian

Family Feud
Most Outstanding Entertainment Show (Talent/Reality/Game Show)

Papa Dudut
Most Outstanding Male FM DJ

Heart Evangelista
Most Outstanding Instagram Feed

20TH GAWAD TANGLAW

GMA Network, Inc.
Best TV Network

Atom Araullo
Gawad Prof. Jan Henry Choa Jr. para sa Sining at Kultura ng Malayang Pamamahayag

Mike Enriquez
Posthumous Award Natatanging Tanglaw sa Sining ng Radyo at Telebisyon

Maria Clara at Ibarra
Best Historical Fantasy Series

THE GOLDEN LAUREL: THE BATANGAS PROVINCE MEDIA AWARDS

Mel Tiangco
JPL Lifetime Achievement Award

Atom Araullo
Male News Anchor of the Year

Kapuso Mo, Jessica Soho
Best Infotainment Show

Family Feud
Best Entertainment Show

Maria Clara at Ibarra
Best Drama Series

Barbie Forteza (Maria Clara at Ibarra)
Best Drama Actress

LAURUS NOBILIS MEDIA EXCELLENCE AWARDS (LYCEUM OF THE PHILIPPINES UNIVERSITY – CAVITE)

Atom Araullo
Laurus Nobilis Media Excellence in Television News Reporting (Male Category)

Kara David
Laurus Nobilis Media Excellence in Television News Reporting (Female Category)

Jessica Soho
Laurus Nobilis Icon of Media Excellence

Dennis Trillo (Legal Wives)
Laurus Nobilis Media Excellence in Television Acting

Rowena Salvacion
Laurus Nobilis Media Excellence in Radio News Reporting (Female Category)

12TH NORTHWEST SAMAR STATE UNIVERSITY STUDENTS' CHOICE AWARDS

GMA Network, Inc.
Best Network for Election Coverage

Arnold Clavio (Unang Hirit)
Best Male Morning Show Host

24 Oras
Best News and Public Affairs Program

Mel Tiangco (24 Oras)
Best News and Public Affairs Female Anchor

Mike Enriquez (24 Oras)
Best News and Public Affairs Male Anchor

Unang Hirit
Best Morning Show

Kapuso Mo, Jessica Soho
Best Magazine Program

Jessica Soho (Kapuso Mo, Jessica Soho)
Best Magazine Program Host

Biyahe ni Drew
Best Documentary Program

Imbestigador
Best Investigative Journalism Program

Mike Enriquez (Imbestigador)
Best Investigative Journalism Program Host

Amazing Earth
Best Educational Program

Dingdong Dantes (Amazing Earth)
Best Educational Program Host

Alden Richards (All-Out Sundays)
Best Male Variety Show Host

Family Feud
Best Game Show

Dingdong Dantes (Family Feud)
Best Game Show Host

Pepito Manaloto: Tuloy Ang Kuwento
Best Comedy Program

Abot Kamay na Pangarap
Best Day-Time Drama Series

Ken Chan (Ang Dalawang Ikaw)
Best Actor in Day-Time Drama Series

Jillian Ward (Abot Kamay na Pangarap)
Best Actress in Day-Time Drama Series

Richard Yap (Abot Kamay na Pangarap)
Best Supporting Actor in Day-Time Drama Series

Carmina Villarroel (Abot Kamay na Pangarap)
Best Supporting Actress in Day-Time Drama Series

Barbie Forteza (Maria Clara at Ibarra)
Best Actress in Primetime Teleserye

David Licauco (Maria Clara at Ibarra)
Best Supporting Actor in Primetime Teleserye

Andrea Torres (Maria Clara at Ibarra)
Best Supporting Actress in Primetime Teleserye

Magpakailanman
Best Drama Anthology

Julie Anne San Jose (The Clash)
Best Musical Reality Show Host

PAGDASIG 2023: COMMUNICATION STUDENTS' CHOICE AWARDS

24 Oras
Best TV News Program

Atom Araullo
Best TV News Anchor (Male)

Mel Tiangco
Best TV News Anchor (Female)

Joseph Morong
Best TV Reporter (Male)

Kara David
Best TV Reporter (Female)

I-Witness
Best Documentary Program

Kapuso Mo, Jessica Soho
Best TV Magazine Program

LASALLIAN SCHOLARUM AWARDS

Atom Araullo
Outstanding Media Personality Award

Runaway Child Brides - Ang Kuwento ng mga Tumakas sa Buya - Lilian Tuburcio & Bryan Kristoffer J. Brazil
Outstanding Video Feature Story on Youth and Education

THE 10TH PARAGALA CENTRAL LUZON MEDIA AWARDS

GMA News Online
Voice of Society Award, Crisis Coverage Award, and Eye of the Nation Award

Howie Severino
Paragala Panlipunan Award

Kara David
Paragala Panghuwaran Award

Bernadette Reyes
Crisis Coverage Award

PLATINUM STALLION NATIONAL MEDIA AWARDS

GMA Network, Inc.
TV Station of the Year

GMA Regional TV
Regional TV Network of the Year

DZBB
AM Radio Station of the Year

Mike Enriquez
AM Broadcast Journalist of the Year

24 Oras
Best TV News Program

Vicky Morales
Female News Anchor of the Year

Atom Araullo
Male News Anchor of the Year

Kapuso Mo, Jessica Soho
Best Magazine Program

Jessica Soho
Best News Magazine Program Host

Unang Hirit
Best Morning Show

Drew Arellano
Best Educational Program Host

I-Witness
Best Documentary TV Show

I-Witness (Reclamation Nation)
Documentary of the Year

The Jessica Soho Presidential Interviews
Best Election Special Coverage

Maria Clara at Ibarra
Culturally Relevant TV Series and Best Primetime Drama Series

Dennis Trillo
Best Drama Actor

Barbie Forteza
Best Drama Actress

David Licauco
Best Actor in a Supporting Role

Andrea Torres
Best Actress in a Supporting Role

Abot-Kamay Na Pangarap
Television Drama of the Year

Family Feud
Best Game Show

Amazing Earth
Best Educational Program

Bubble Gang
Best Gag Show

Pepito Manaloto
Best Comedy Program

Magpakailanman
Best Drama Anthology Program

Martin Javier
Best TV Sports Program Host

Richelle Joy Figueroa, Executive Producer for Born To Be Wild
Trinitian Media Educator for Television

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 on Corporate Governance to provide that the Company's Corporate Secretary "may or may not be a director".

Based on the Revised Manual on Corporate Governance 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 2022 filed with the Securities and Exchange Commission on May 30, 2023, there have been no deviations from the Company's Manual as of date.

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

MARIA THERESA E. DE MESA
Assistant Corporate Secretary

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 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.

The Board comprises the following members:

Name	Position
Felipe L. Gozon	Chairman/Adviser
Gilberto R. Duavit, Jr.	Director, President and Chief Executive 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

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 six (6) times in 2023. 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	6	0
Judith R. Duavit-Vazquez	6	0
Gilberto R. Duavit, Jr.	5	1
Joel Marcelo G. Jimenez	6	0
Felipe S. Yalong	6	0
Anna Teresa Gozon-Valdes	6	0
Laura J. Westfall	6	0
Artemio V. Panganiban	6	0
Jaime C. Laya	6	0

Therefore, 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 2023. He likewise presided over the 2023 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 OF THE BOARD OF DIRECTORS

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 Felipe L. Gozon, President and CEO Gilberto R. Duavit, Jr. and Director Joel G. Jimenez. Mr. Gilberto R. Duavit, Jr. served as Chairman of the Committee until December 31, 2023. He was succeeded by Mr. Joel Marcelo G. Jimenez, effective January 1, 2024. 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 forty-five (45) meetings in 2023 in furtherance of its foregoing functions.

Member's Name	Meetings	
	Present	Absent
Gilberto R. Duavit, Jr. (Chairman)	45	0
Joel Marcelo G. Jimenez (Vice-Chairman)	45	0
Felipe L. Gozon	45	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 2023 wherein the Committee reviewed the qualification of the nominees for election as member of the Board of Directors (including Independent Directors) for 2023-2024 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 2023. Upon review of existing reporting practices during the year 2023, 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), Judith R.

Duavit-Vazquez, Joel Marcelo G. Jimenez and 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.

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 2023 wherein the Committee reviewed and approved, among others, the Company's 2023 Consolidated Audited Financial Statements as prepared by the external auditors.

Director's Name	**Regular Meetings**	
	Present	**Absent**
Jaime C. Laya (Chairman)	6	0
Artemio V. Panganiban (Vice-Chairman)	6	0
Laura J. Westfall	6	0
Judith R. Duavit-Vazquez	6	0
Joel Marcelo G. Jimenez	6	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-assess 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
- 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 is Felipe L. Gozon, while Gilberto R. Duavit, Jr. holds the position of President and Chief Executive 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.

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 Company'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** AND **ANALYSIS**

Management Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2023, 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, 2023

GMA Network and Subsidiaries (GMA/the Company) registered consolidated revenues of P18,637 million for the twelve-months ended December 31, 2023. This was an 86% attainment of prior year's consolidated revenues of P21,564 million, which was heavily boosted by the presence of political advocacies and advertisements coming from the 2022 national and local elections. Carving out the aforementioned non-recurring sales, the Company inched up against prior period's consolidated top line.

Income Data	2023 (in millions PhP)	2022 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Revenues				
Advertising revenue	**17,184.56**	20,230.37	(3,045.81)	-15%
Consumer sales				
Sale of services	**1,141.04**	992.77	148.27	15%
Sale of goods	**311.62**	340.87	(29.25)	-9%
	18,637.21	21,564.01	(2,926.80)	-14%
Total operating expenses	**14,591.65**	14,425.40	166.24	1%
EBITDA	**6,326.45**	8,950.84	(2,624.39)	-29%
Net income	**3,161.85**	5,456.51	(2,294.66)	-42%
Attributable to Equity Holders of Parent Co.	***3,170.18***	*5,442.34*	*(2,272.16)*	*-42%*
Noncontrolling Interest	***(8.33)***	*14.17*	*(22.50)*	*-159%*

GMA Network and Subsidiaries (GMA/the Company) made a last-ditch effort to close the gap in the top line for the year 2023, with a stronger performance in the 2nd half of the year which partly mitigated the slow start during the first semester. However, the absence of a little over P3.0-billion worth of political advocacies and advertisements made a huge dent on the company's top line. Nonetheless, carving out this non-recurring activity, GMA was able to post a modest growth of P89 million or 0.5% in its consolidated top line in 2023. Mitigating the lack of election-related placements were the contributions from emerging businesses which included online/digital advertising as well as over-the-top licensing activities. These revenue sources saw considerable improvements in 2023, which were crucial in addressing the challenges faced by traditional advertising segment of the company. Moreover, with GMA's renewed focus on film production via GMA Pictures, inflows from this segment also added to this year's revenues.

Meanwhile, the Company's consolidated direct cost and operating expenses for the year sealed at P14,592 million, only a percentage point more than last year. Despite economic challenges, management made a deliberate effort to control expenses while ensuring the Company's commitment to providing high-quality entertainment and responsible news delivery to its viewers remains a priority. Production and other direct expenses grew in between periods but was cushioned by the reduction in general and administrative costs. Cost of sales ended at about the same level as a year ago.

Consolidated Earnings before interest, taxes, depreciation, and amortization (EBITDA) after four quarters this 2023 reached P6,326 million, behind previous year's robust figure of P8,951 million.

Finally, consolidated Net Income After Tax settled at P3,162 million this year despite the dearth in political advocacies and advertisements compared to the strong showing in 2022 which sealed with a bottom line of P5,457 million.

Revenues

Advertising revenues remained the lifeblood of the Company comprising 92% of the company's consolidated revenue pie. This segment saw a reduction of 15% compared with same period last year. Mixed results were seen in the different revenue streams of the Company by the end of the twelve-month period this year.

Revenues	**2023** *(in millions PhP)*	2022 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
Advertising revenues	**17,184.56**	20,230.37	(3,045.81)	-15%
Consumer sales				
Sale of services	**1,141.04**	992.77	148.27	15%
Sale of goods	**311.62**	340.87	(29.25)	-9%
	18,637.21	21,564.01	(2,926.80)	-14%

On a per platform basis, flagship channel GMA 7 was the hardest hit due to the absence of election-related placements. Nonetheless, ratings-wise, the Kapuso Network's flagship channel continued its ratings supremacy during the period with leading newscast *24 Oras* topping the charts. For Public Affairs, long-running and highly-acclaimed *Kapuso Mo, Jessica Soho* also remained in the forefront of the ratings game. On the side of Entertainment programs, the Network has consistently produced top-rating and high caliber soaps. Banner programs for the past twelve months this year included culmination of the historical portal fantasy series on weekday primetime *Maria Clara at Ibarra* which did not falter in terms of its double-digit ratings until its finale in February this year, wherein it bade farewell at the top of the ratings chart. The program also consistently trended on Twitter and has been acclaimed by its wide range of audience and has garnered multitude awards for the program and its lead actors and actresses. Towards the second half of the year, the mega-production, *Voltes V: Legacy* was also launched and has consistently occupied the top five post in nationwide ratings. Furthermore, debuting since September 2022, the multi-awarded afternoon drama, *Abot Kamay na Pangarap* has already been airing for more than a year and still going strong in the ratings chart. It was also this year wherein the landmark partnership between GMA and erstwhile rival ABS-CBN came into fruition via the co-production of *Unbreak My Heart* featured in the primetime weekday block starting end of May up until the 3rd quarter of the year.

The Company's second free-to-air channel, Good TV or GTV remained staunch in terms of revenue generation this year. Ratings-wise, the channel was consistently in the top three spot in nationwide ratings. GTV's cumulative top line made considerable strides this year, recording its highest since it was launched and overtaking comparable period in 2022 by 25%. Biggest revenue contributor for GTV was the weekday primetime movie offering, *G! Flicks*. Minus the impact of political advocacies and advertisements, GTV's revenue upswing from last year was even higher at 34%. For GTV, another GMA-ABS partnership was forged during the third quarter of this year, with the Kapamilya Channel's long-running noontime show, *It's Showtime* shown in GTV.

Minus the impact of election-related placements, Radio operations of the Company recorded a 3% improvement versus recurring sales of last year. Nevertheless, compared to same period last year's absolute sales, Radio missed prior year's top line by 16%. Flagship AM station Super Radyo DZBB was heavily charged with election-related placements a year ago, thus, contributing to the drag this period. Partly mitigating the decline was the sales growth in DWLS FM Barangay LS 97.1 which registered an improvement of 9% and consistently occupied a strong position in the ratings chart in the radio industry.

In other operations across the regions, Regional TV (RTV) wrapped up the past year also behind 2022's strong top line, attuned to the same discussion on the absence of election-related revenues coming from both national and local placements. The Regional TV operations of the Company continued to expand its reach by launching early this year its 12th regional station in the Philippines and the 5th in Luzon via the local station in Ilocos Norte. This development was aimed at strengthening local news coverage in Ilocos Region and Central Luzon and further solidifying GMA Integrated News' position as the news authority among Filipinos. In other developments, the award-winning GMA Masterclass Series of GMA Regional TV and Synergy continued to make its mark in offering lessons and inspiration to students all over the Philippines.

The digital terrestrial television (DTT) channels were also able to post a combined revenue growth this year by 5%, thus adding to the consolidated top line of the Company. For 2023, the Company's DTT channels included Heart of Asia, I Heart Movies, Hallypop and Pinoy Hits.

Taking advantage of the changing landscape in viewer behavior and content consumption, online/digital advertising (advertising video on demand or AVOD) of the Network has made continued progress, trumping prior year's top line by a hefty 73%. Furthermore, minus election-related placements in 2022, this segment posted an even higher improvement in recurring sales by 78%.

In other sources, consumer sales recorded a net increase of 9% with close to P1,500 million in total sales by the end of twelve months this year. Biggest chunk of this revenue segment came from subscription revenues from GMA's international channels GMA Pinoy TV, Life TV, and News TV, albeit finishing lower compared to same period last year. The churn in subscriber count was the primary factor in the revenue drop in this business segment. Meanwhile, following the popularity of over-the-top (OTT) platforms, particularly subscription video on demand (SVOD), GMA has geared towards leveraging its content to penetrate this market. Along with other content licensing deals, sales of this category saw dramatic improvement versus the top line generated last year. Emerging business, OTT SVOD propelled the growth. These were comprised mainly of licensing deals with Viu and Netflix for the following programs: *Unbreak My Heart*, *The Write One*, *Love Before Sunrise*, and M*aria Clara at Ibarra*. Apart from this, production revenues, which mainly consists of external sales from subsidiaries, also grew in between periods. The hike mainly came from the top line generated from New Media, Alta, and GMA Music.

For this year, GMA's renewed focus on film production via GMA Pictures also provided fresh source of revenues for the group led by the successful theatrical release of *Voltes V: Legacy – The Cinematic Experience* which aired in nationwide cinemas for several weeks due to strong demand. Co-produced movie *Five Breakups and A Romance* starring Asia's Multimedia Star and homegrown talent Alden Richards with versatile actress Julia Montes also nailed it at the box office with the overwhelming reception from the movie-going public. Likewise, GMA Pictures biggest movie for 2023 *Firefly* was one of the official entries to the 2023 Metro Manila Film Festival and even garnered several accolades including the most coveted Best Picture award. Other movies produced and co-produced by GMA Pictures included *The Cheating Game* and *Video City*.

Finally, sale of merchandise which generated annual sales of P312 million this 2023 finished lower than last year's P341 million. This was due to fewer number of units sold for GMA Affordabox (set-top box) and GMA Now (dongle). As at end-December 2023, total quantity sold for GMA Affordabox since launch in mid-2020 already reached close to three million units.

Expenses

Operating Expenses	2023 *(in millions PhP)*	2022 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
Production costs	**8,173.43**	7,482.90	690.54	9%
Cost of sales	**297.86**	302.14	(4.27)	-1%
Total Direct Costs	**8,471.30**	7,785.04	686.26	9%
General and administrative expenses	**6,120.35**	6,640.37	(520.02)	-8%
	14,591.65	14,425.40	166.24	1%

Meanwhile, the Company's total consolidated costs and operating expenses (OPEX) for the past twelve months reached P14,592 million, only a notch ahead of the P14,425 million cost incurred last year. The increase in production cost was to a large extent offset by the reduction in general and administrative expenses as well as cost of goods sold aligned with the decline in quantity sold of the set-top box and dongle this year.

Production Costs	2023 *(in millions PhP)*	2022 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
Talent fees and production personnel costs	**4,196.39**	3,921.19	275.21	7%
Rentals and outside services	**792.87**	523.82	269.05	51%
Other program expenses	**1,427.93**	1,676.41	(248.48)	-15%
Sub-total - Cash Production Costs	**6,417.20**	6,121.42	295.78	5%
Program and other rights amortization	**1,191.48**	868.74	322.74	37%
Depreciation and amortization	**564.76**	492.74	72.01	15%
Sub-total - Non-cash Production Costs	**1,756.24**	1,361.48	394.75	29%
Total production costs	**8,173.43**	7,482.90	690.54	9%

Consolidated Production costs comprised 56% of the Company's total spending after twelve months this 2023, settling at P8,173 million, 9% or 691 million more than a year ago. Cash production cost sealed at P6,417 million, P296 million or 5% higher than a year ago. Driving the growth was the mega-production of *Voltes V: Legacy* as well as the generally higher cost of the afternoon programs featured this 2023. Also contributing to the increase was the charges for the production cost of movies embarked on this period. For non-cash production cost, another P395 million or 29% increase was posted after four quarters this year, from P1,756 million to P1,361 million. On a year-to-date note, program and other rights amortization closed at P1,191 million, P323 million or 37% ahead vis-à-vis

P869 million last year. This was primarily due to the higher straight-line amortization of various rights as well as airing of more expensive and popular titles in the Network's various channels. Depreciation also settled higher at P565 million, ahead by 15% or 72 million against last year mainly due to the continuous roll out of DTT sites across the country in addition to other facility and equipment upgrades.

General and Administrative Expenses	2023 (in millions PhP)	2022 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Personnel costs	**3,743.15**	4,010.85	(267.70)	-7%
Facilities costs	**584.82**	607.17	(22.34)	-4%
Outside services	**469.21**	516.69	(47.47)	-9%
Taxes and licenses	**235.74**	395.26	(159.52)	-40%
Others	**785.96**	844.09	(58.13)	-7%
Subtotal - Cash GAEX	**5,818.89**	6,374.06	(555.17)	-9%
Depreciation and amortization	**256.22**	206.59	49.64	24%
Provision for doubtful accounts	**4.74**	1.46	3.28	225%
Amortization of software costs	**40.50**	58.26	(17.76)	-30%
Subtotal - Non-cash GAEX	**301.46**	266.31	35.15	13%
Total GAEX	**6,120.35**	6,640.37	(520.02)	-8%

The Company's consolidated general and administrative expenses (GAEX) by the end of December this year settled lower by 8% or P520 million. Personnel cost which comprised the bulk of this account finished 7% or P268 million less than a year ago. While there were annual salary adjustments in between years plus an increase in manpower base, these were offset by the presence of last year's Collective Bargaining Agreement (CBA) signing and appreciation bonuses given to qualified employees. Taxes and licenses also posted a decline of P160 million this year ending at P236 million. Outside services this 2023 wrapped up at P469 million, down by 4% from a year ago due to lower management and professional fees while Facilities costs also saw a reduction of P22 million or 4%.

EBITDA

As the drop in consolidated revenues by P2,927 million was higher than the decline in cash operating expenses by P264 million, Consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) wrapped up at P6,326 million this 2023, lower by P2,624 million or 29% versus a year ago.

Net Income

Twelve months into the year, the Company's bottom line sealed at P3,162 million, P2,295 million or 42% less than the bottom line of P5,457 million recorded a year ago. The drop was mainly due to the absence of the windfall from election-related placements during the first half of 2022.

Balance Sheet Accounts

As at end-December 2023, the Company's total consolidated assets stood at P26,255 million, up 6% from December 31, 2022's P24,729 million.

Noncurrent assets finished higher at P13,818 million as at the close of 2023 from P11,189 million a year ago due to the subsequent hike in Land at revalued amount by P2,193 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 52% or P1,480 million from the 2022 balance of P2,855 million as a result of cash dividend and short-term loan payments during the reporting year. Additionally, Inventories settled 21% less, at P1,164 million versus end-2022's P1,469 million ensuing from the continuous sales of merchandise inventories in year 2023.

Meanwhile, total consolidated liabilities grew by 21% or P2,054 million as at end of 2023 to P11,317 million from P9,263 million as at end-December in 2022 as a result of the higher short-term loans from P27 million in 2022 to P1,527 million in 2023. Pension liability also increased in between years to P5,155 million in 2023 from P4,767 million last year as employees' annual cost was higher than the contributions made to the funds. On the other hand, Income tax payable dropped to P257 million vs. P556 million, parallel with the reduction in the Company's bottom line.

Equity attributable to Parent Company stockholders of P14,882 million as at December 31, 2023 went down by 3% or P507 million from December 31, 2022, mainly due to subsequent decline in Retained earnings from P6,611 million in 2022 to P4,430 million as of end of reporting period due to lower net income after tax this year. This was offset by the already discussed increase in revaluation in land.

Cash Flows	**2023** *(in millions PhP)*	2022 *(in millions PhP)*
Net cash provided by operating activities	**3,699.47**	7,061.58
Net cash used in investing activities	**(1,170.22)**	(1,185.72)
Net cash used in financing activities	**(4,007.78)**	(7,800.26)
Effect of exchange rate changes on cash and cash equivalents	**(1.96)**	(13.70)
Net increase (decrease) in cash and cash equivalents	**(1,480.48)**	(1,938.10)
Cash and cash equivalents at beginning of year	**2,855.47**	4,793.57
Cash and cash equivalents at end of the period	**1,374.98**	2,855.47

Operating Activities

Net cash provided by operating activities amounted to P3,699 million in 2023. This stemmed from income before income tax of P4,177 million, adjusted mainly for Program rights usage of P1,191 million, Depreciation expense of P821 million, Pension expense of P701 million, Contribution to retirement plan assets of P282 million, Interest expense and financing charges equivalent to P131 million, Amortization of software costs of P41 million, Gain on sale of property and equipment of P40 million, and Interest income amounting to P34 million, apart from the changes in working capital. The primary component of the changes in working capital included the P403 million increase in Trade and other receivables due to less collections made during the covering period as compared to pay-before-broadcast payments during the election year of 2022, coupled by the P131 million decrease in Other long-term benefits.

Investing Activities

Net cash used in investing activities accumulated to P1,170 million, coming primarily from the P1,105 million additions to Property and equipment. There were also P50 million and P49 million increase in Financial assets at fair value through other comprehensive income and Other noncurrent assets, respectively. These were partly offset by the P48 million proceeds from property sales.

Financing Activities

Net cash used in financing activities measured at P4,008 million basically due to payment of dividends and loans amounting to P5,360 million and P2,027 million, respectively. These were partly offset by Company's availment of short-term loans which amounted to P3,527 million during the reporting year.

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.

<u>For the Year Ended December 31, 2021</u>

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 907 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 P1.7 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 P 999 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.

FINANCE

GMA Network, Inc.

Report of the Audit and Risk Management Committee
For the Year Ended 31 December 2023
April 3, 2024

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 20, 2023, (2) April 27, 2023, (3) August 11, 2023, (4) October 27, 2023, (5) November 19, 2023, and (6) December 6, 2023, all via remote communication.

2. The Committee reviewed and discussed the 2023 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, 2023, their inclusion in the Annual Report to Stockholders for the year ended December 31, 2023 and filing with the Securities and Exchange Commission.

7. The Committee finds that SGV & Co. has satisfactorily performed its work for the year 2023 and therefore recommends the re-appointment of SGV & Co. as the GMA Group's independent auditor for 2024, 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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

April 3, 2024

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

The management of **GMA Network, Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

FELIPE L. GOZON
Chairman of the Board

GILBERTO R. DUAVIT, JR.
President
Chief Executive 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, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 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 92% of the consolidated revenues for the year ended December 31, 2023. Proper recognition of revenue from advertising is significant to our audit given the large volume of transactions processed daily and the highly automated airtime revenue process with multiple information technology (IT) interfaces from initiation to reporting. Further, there are different rates applicable depending on the time slot when the advertisements are aired which are adjusted by discounts granted by the Group on a case-by-case basis as indicated in the telecast orders. Lastly, there are variations in the timing of billings which are made depending on when the advertisements are aired.

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

Audit Response

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

Adequacy of Allowance for Expected Credit Losses on Trade Receivables

The Group applies the simplified approach in calculating expected credit losses (ECL) on trade receivables. Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Allowance for ECL as of December 31, 2023 amounted to ₱913.4 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 information in calculating ECL.

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

Audit response

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

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

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

We recalculated impairment provisions on a sample basis.

Valuation of Land at Revalued Amounts

The Group accounts for its land at revalued amounts using the fair value model. Land at revalued amounts represent 34% of the consolidated assets as at December 31, 2023. 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.

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

Audit response

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.

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, 2023 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, 2023 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 Julie Christine O. Mateo.

SYCIP GORRES VELAYO & CO.

Julie Christine O. Mateo

Julie Christine O. Mateo
Partner
CPA Certificate No. 93542
Tax Identification No. 198-819-116
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-068-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10079988, January 6, 2024, Makati City

April 3, 2024

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

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 31 and 32)	**₱1,374,983,407**	₱2,855,467,214
Trade and other receivables (Notes 7, 21, 31 and 32)	**6,275,604,966**	5,862,065,892
Program and other rights (Note 8)	**1,789,577,336**	1,246,572,181
Inventories (Note 9)	**1,164,269,440**	1,469,193,884
Prepaid expenses and other current assets (Note 10)	**1,831,589,912**	2,106,378,864
Total Current Assets	**12,436,025,061**	13,539,678,035
Noncurrent Assets		
Property and equipment:		
At cost (Note 13)	**3,669,998,218**	3,361,149,279
At revalued amounts (Notes 14 and 32)	**8,813,281,439**	6,619,895,148
Program and other rights - net of current portion (Note 8)	**429,707,160**	232,446,242
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 31 and 32)	**349,899,892**	282,614,107
Investments and advances (Notes 12 and 21)	**166,128,767**	175,705,006
Right-of-use assets (Note 28)	**140,666,823**	159,900,385
Investment properties (Notes 15 and 32)	**30,722,673**	32,105,060
Deferred tax assets - net (Note 29)	**–**	128,356,573
Other noncurrent assets (Notes 16, 31 and 32)	**218,082,008**	197,278,059
Total Noncurrent Assets	**13,818,486,980**	11,189,449,859
TOTAL ASSETS	**₱26,254,512,041**	₱24,729,127,894

LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 17, 31 and 32)	**₱3,202,679,780**	₱3,084,848,543
Short-term loans (Notes 18, 31 and 32)	**1,527,307,000**	27,125,200
Income tax payable	**257,034,723**	556,448,496
Dividends payable (Notes 20, 31 and 32)	**39,687,211**	30,526,306
Current portion of lease liabilities (Notes 28, 31 and 32)	**43,848,796**	21,155,761
Current portion of obligations for program and other rights (Notes 19, 31 and 32)	**325,503,020**	209,171,643
Total Current Liabilities	**5,396,060,530**	3,929,275,949
Noncurrent Liabilities		
Pension liability (Note 27)	**5,154,803,946**	4,767,249,209
Other long-term employee benefits (Note 27)	**240,752,386**	371,615,932
Lease liabilities - net of current portion (Notes 28, 31 and 32)	**112,790,005**	145,955,243
Dismantling provision (Note 28)	**50,872,484**	49,009,014
Obligations for program and other rights - net of current portion (Notes 19, 31 and 32)	**9,157,895**	–
Deferred tax liabilities - net (Note 29)	**352,227,764**	–
Total Noncurrent Liabilities	**5,920,604,480**	5,333,829,398
Total Liabilities	**11,316,665,010**	9,263,105,347

(Forward)

	December 31	
	2023	2022
Equity		
Capital stock (Note 20)	**₱4,864,692,000**	₱4,864,692,000
Additional paid-in capital	**1,686,556,623**	1,686,556,623
Revaluation increment on land - net of tax (Note 14)	**6,215,441,910**	4,570,402,192
Remeasurement loss on retirement plans - net of tax (Note 27)	**(2,209,547,944)**	(2,223,725,260)
Net unrealized loss on financial assets at FVOCI - net of tax (Note 11)	**(105,567,325)**	(120,299,381)
Retained earnings (Note 20)	**4,430,164,446**	6,611,146,364
Total equity attributable to equity holders of the Parent Company	**14,881,739,710**	15,388,772,538
Non-controlling interests (Note 2)	**56,107,321**	77,250,009
Total Equity	**14,937,847,031**	15,466,022,547
TOTAL LIABILITIES AND EQUITY	**₱26,254,512,041**	₱24,729,127,894

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
REVENUES (Note 22)	**₱18,637,213,847**	₱21,564,011,070	₱22,450,323,397
PRODUCTION COSTS (Note 23)	**(8,173,434,050)**	(7,482,897,793)	(5,992,645,035)
COST OF SALES (Note 9)	**(297,863,633)**	(302,137,704)	(418,141,643)
GROSS PROFIT	**10,165,916,164**	13,778,975,573	16,039,536,719
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	**(6,120,348,230)**	(6,640,369,182)	(6,144,833,670)
OTHER INCOME (EXPENSE) - NET			
Foreign currency exchange gain (loss) (Note 18)	**(1,203,300)**	39,930,883	(51,861,281)
Interest expense (Notes 18 and 28)	**(131,129,984)**	(25,132,083)	(48,692,493)
Interest income (Note 6)	**34,239,643**	20,547,986	16,235,317
Equity in net losses of a joint venture (Note 12)	**(10,343,259)**	(9,031,836)	(1,045,954)
Others - net (Note 26)	**239,464,833**	154,996,747	137,857,160
	131,027,933	181,311,697	52,492,749
INCOME BEFORE INCOME TAX	**4,176,595,867**	7,319,918,088	9,947,195,798
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)			
Current	**1,096,163,757**	1,989,254,621	2,400,634,670
Deferred	**(81,417,353)**	(125,844,848)	(22,585,153)
	1,014,746,404	1,863,409,773	2,378,049,517
NET INCOME	**3,161,849,463**	5,456,508,315	7,569,146,281
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)	**1,645,039,718**	2,737,718,063	122,178,941
Remeasurement gain (loss) on retirement plans (Note 27)	**19,214,447**	(205,306,815)	575,619,706
Net changes in the fair market value of financial assets at FVOCI (Note 11)	**14,732,056**	(2,353,849)	(70,236,040)
	1,678,986,221	2,530,057,399	627,562,607
TOTAL COMPREHENSIVE INCOME	**₱4,840,835,684**	₱7,986,565,714	₱8,196,708,888
Net income attributable to:			
Equity holders of the Parent Company	**₱3,170,179,282**	₱5,442,339,314	₱7,530,114,246
Non-controlling interests (Note 2)	**(8,329,819)**	14,169,001	39,032,035
	₱3,161,849,463	₱5,456,508,315	₱7,569,146,281
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**₱4,844,128,372**	₱7,972,657,010	₱8,160,335,453
Non-controlling interests (Note 2)	**(3,292,688)**	13,908,704	36,373,435
	₱4,840,835,684	₱7,986,565,714	₱8,196,708,888
Basic / Diluted Earnings Per Share (Note 30)	**₱0.652**	₱1.119	₱1.549

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

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

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plans - net of tax (Note 27)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	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, 2022	₱4,864,692,000	₱1,686,556,623	₱1,832,684,129	(₱2,018,678,742)	(₱117,945,532)	₱8,222,610,450	₱–	₱–	₱14,469,918,928	₱101,081,305	₱14,571,000,233
Net income	–	–	–	–	–	5,442,339,314	–	–	5,442,339,314	14,169,001	5,456,508,315
Other comprehensive income (loss)	–	–	2,737,718,063	(205,046,518)	(2,353,849)	–	–	–	2,530,317,696	(260,297)	2,530,057,399
Total comprehensive income (loss) for the year	–	–	2,737,718,063	(205,046,518)	(2,353,849)	5,442,339,314	–	–	7,972,657,010	13,908,704	7,986,565,714
Cash dividends – ₱1.45 a share (Note 20)	–	–	–	–	–	(7,053,803,400)	–	–	(7,053,803,400)	–	(7,053,803,400)
Cash dividends to non-controlling interests (Note 2)	–	–	–	–	–	–	–	–	–	(37,740,000)	(37,740,000)
Balances at December 31, 2022	₱4,864,692,000	₱1,686,556,623	₱4,570,402,192	(₱2,223,725,260)	(₱120,299,381)	₱6,611,146,364	₱–	₱–	₱15,388,772,538	₱77,250,009	₱15,466,022,547
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
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)
Total comprehensive income (loss) for the year	–	–	122,178,941	578,278,306	(70,236,040)	7,530,114,246	–	–	8,160,335,453	36,373,435	8,196,708,888
Contribution to the retirement fund (Notes 20, 21 and 33)	–	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

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱4,176,595,867**	₱7,319,918,088	₱9,947,195,798
Adjustments to reconcile income before income tax to net cash flows:			
Program and other rights usage (Notes 8 and 23)	**1,191,479,396**	868,739,716	1,007,347,795
Depreciation (Notes 13, 15, 23, 24 and 28)	**820,980,731**	699,331,970	607,773,037
Pension expense (Note 27)	**700,899,014**	661,084,461	639,758,700
Interest expense (Notes 18 and 28)	**131,129,984**	25,132,083	48,692,493
Amortization of software costs (Notes 16 and 24)	**40,500,154**	58,263,898	49,706,646
Net gain on sale of property and equipment (Notes 13 and 26)	**(40,463,669)**	(31,756,356)	(50,519,791)
Interest income (Note 6)	**(34,239,643)**	(20,547,986)	(16,235,317)
Equity in net losses of a joint venture (Note 12)	**10,343,259**	9,031,836	1,045,954
Net unrealized foreign currency exchange loss (gain) - net	**(10,204,127)**	(39,930,883)	33,545,633
Operating income before working capital changes	**6,987,020,966**	9,549,266,827	12,268,310,948
Decreases (increases) in:			
Trade and other receivables	**(403,988,367)**	1,949,235,727	2,706,540,681
Program and other rights (Notes 8 and 33)	**(1,798,982,336)**	(1,356,825,197)	(1,022,419,790)
Inventories	**304,924,444**	(331,768,311)	(900,370,666)
Prepaid expenses and other current assets	**274,788,952**	(248,639,619)	(80,404,230)
Increases (decreases) in:			
Trade payables and other current liabilities	**109,958,284**	321,002,342	(252,572,724)
Other long-term employee benefits	**(130,863,546)**	(22,133,298)	44,046,776
Contributions to retirement plan assets (Notes 27 and 33)	**(282,026,879)**	(261,319,043)	(277,799,873)
Benefits paid out of Group's own funds (Note 27)	**(397,227)**	(46,856,585)	(36,744,104)
Cash flows provided by operations	**5,060,434,291**	9,551,962,843	12,448,587,018
Income taxes paid	**(1,395,577,530)**	(2,508,556,717)	(3,101,774,811)
Interest received	**34,611,836**	18,171,744	15,421,941
Net cash flows from operating activities	**3,699,468,597**	7,061,577,870	9,362,234,148
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment (Note 13)	**(1,105,135,419)**	(1,049,599,727)	(999,316,838)
Financial assets at FVOCI (Note 11)	**(49,781,014)**	(168,672,065)	–
Land at revalued amount (Note 14)	**–**	(24,307,384)	(142,100,830)
Software costs (Note 16)	**(12,172,728)**	(17,316,702)	(51,190,237)
Proceeds from sale of property and equipment	**46,770,440**	38,145,145	58,438,591
Decreases (increases) in other noncurrent assets	**(49,131,375)**	35,980,575	(11,627,909)
Collection from an associate (Note 12)	**54,064**	140,644	497,048

(Forward)

	Years Ended December 31		
	2023	2022	2021
Advances to an associate and joint ventures (Notes 12 and 21)	**(₱821,084)**	(₱86,481)	(₱1,809,712)
Net cash flows used in investing activities	**(1,170,217,116)**	(1,185,715,995)	(1,147,109,887)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of short-term loans (Notes 18 and 33)	**3,527,307,000**	1,027,125,200	4,479,150,000
Payments of:			
Cash dividends (Notes 2, 20 and 33)	**(5,359,850,295)**	(7,100,606,298)	(6,549,223,122)
Short-term loans (Notes 18 and 33)	**(2,027,125,200)**	(1,685,850,000)	(4,542,575,000)
Principal portion of lease liabilities (Notes 28 and 33)	**(29,827,243)**	(28,506,823)	(27,633,367)
Interest expense (Note 33)	**(118,284,047)**	(12,418,277)	(38,330,656)
Net cash flows used in financing activities	**(4,007,779,785)**	(7,800,256,198)	(6,678,612,145)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(1,955,503)**	(13,704,617)	42,236,774
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,480,483,807)**	(1,938,098,940)	1,578,748,890
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,855,467,214**	4,793,566,154	3,214,817,264
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱1,374,983,407**	₱2,855,467,214	₱4,793,566,154

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

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

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

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

The accompanying consolidated financial statements of the Group were approved and authorized for issuance by the BOD on April 3, 2024.

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

<u>Basis of Preparation</u>
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.

<u>Statement of Compliance</u>
The Group's consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

<u>Basis of Consolidation</u>
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023.

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

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

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

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

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

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

	2023	2022
Proportion of equity interest held by NCI	**51%**	51%
Accumulated balances of material NCI	**₱56,107,321**	₱77,250,009
Net income (loss) allocated to material NCI	**(8,329,819)**	14,169,001

The summarized financial information of RGMA Network are provided below.

<u>Summarized Statements of Comprehensive Income</u>

	2023	2022	2021
Revenues	**₱–**	₱249,729,986	₱340,609,783
Expenses	**(16,332,978)**	(207,229,922)	(242,989,698)
Provision for income tax	**–**	(14,717,710)	(21,086,683)
Net income	**(16,332,978)**	27,782,354	76,533,402
Other comprehensive gain (loss)	**9,876,728**	(510,386)	(5,212,941)
Total comprehensive income (loss)	**(₱6,456,250)**	₱27,271,968	₱71,320,461
Net income (loss) attributable to:			
NCI	**(₱8,329,819)**	₱14,169,001	₱39,032,035
Parent Company	**(8,003,159)**	13,613,353	37,501,367
Total comprehensive income (loss) attributable to:			
NCI	**(₱3,292,688)**	₱13,908,704	₱36,373,435
Parent Company	**(3,163,562)**	13,363,264	34,947,026

Summarized Statements of Financial Position

	2023	2022
Total current assets	**₱99,661,767**	₱175,458,504
Total noncurrent assets	**6,546,138**	32,024,165
Total current liabilities	**(7,263,151)**	(37,895,070)
Total noncurrent liabilities	**(1,954,973)**	(30,548,223)
Total equity	**₱96,989,781**	₱139,039,376
Equity attributable to:		
NCI	**₱56,107,321**	₱77,250,009
Equity holders of theParent Company	**40,882,460**	61,789,367

Summarized Cash Flows Information

	2023	2022	2021
Operating	**(₱33,479,186)**	₱9,972,362	₱205,174,862
Investing	**222,000**	(226,354)	(7,575,777)
Financing	**(35,000,000)**	(75,006,950)	(15,000,000)
Net increase (decrease) in cash and cash equivalents	**(₱68,257,186)**	(₱65,260,942)	₱182,599,085

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

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries as at December 31, 2023 and 2022:

	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	–
GMA Productions, Inc. (formerly RGMA Marketing and Productions, Inc.)	Music recording, publishing and video distribution	100	–
RGMA Network, Inc.***	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

	Principal Activities	Percentage of Ownership	
		Direct	Indirect
Others:			
Media Merge Corporation*****	Business development and operations for the Parent Company's online publishing and advertising initiatives		
	Ceased commercial operations in 2004.	–	100
Ninja Graphics, Inc.******			
		–	51

**Under liquidation*
***Indirectly owned through Citynet*
****Ceased operations in 2023*
*****Indirectly owned through GNMI, ceased commercial operations in 2022*
******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 2023. 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, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies* 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. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

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

- Amendments to Philippine Accounting Standards (PAS) 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

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

Effective beginning on or after January 1, 2024

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

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - 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, 2024 and must be applied retrospectively. The amendments do not have impact on the Group's consolidated financial statements since the Group has no long-term borrowings but may have an impact in future long-term borrowings.

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

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

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

3. **Summary of Material Accounting Policy Information**

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.

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

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

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

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

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

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

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

The Group does not have debt instruments at FVOCI and financial assets at FVPL as at December 31, 2023 and 2022.

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, 2023 and 2022 (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, 2023 and 2022 (see Notes 11 and 31).

Derecognition of Financial Assets

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

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of Financial Assets

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

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

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

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

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

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

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 has not designated any financial liability as at FVPL as at December 31, 2023 and 2022.

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

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

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

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

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

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

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

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

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

Prepaid Production Costs

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

Inventories

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

Tax Credits

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

As at December 31, 2023 and 2022, the Group's tax credits are classified as current under "Prepaid expenses and other current assets" account in the consolidated statement of financial position.

Advances to Suppliers

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

Property and Equipment

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

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

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

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

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

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

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

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

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

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

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

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

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

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

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

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

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

An assessment is made at each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss, except for land at revalued amount where the revaluation is taken to OCI, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. For land at revalued amounts, the reversal of impairment is also recognized in OCI up to the amount of any previous revaluation.

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

Investments in an Associate and Joint Ventures

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

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

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

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

Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital.

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

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

b. Revenue Recognition Outside the Scope of PFRS 15

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

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

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

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

Contract Balances

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

Foreign Currency-denominated Transactions

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

Taxes

Current Income Tax. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting period.

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

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

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

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

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws to be enacted or substantially enacted at the reporting period.

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

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

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

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

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

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

Earnings Per Share (EPS)

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

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

Segment Reporting

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

Provisions

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

Contingencies

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

Events after Reporting Period

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

4. Significant Accounting Judgments, Estimates and Assumptions

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

Judgments

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

Consolidation of Entities in which the Group holds less than Majority of Voting Rights. The Group considers that it controls RGMA Network even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of RGMA Network with a 49% equity interest. The remaining 51% of the equity shares in RGMA Network are owned by several parties. Since September 27, 1995, which is the date of incorporation of RGMA Network, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group. The carrying amount of NCI as at December 31, 2023 and 2022 are ₱56.11 million and ₱77.25 million, respectively.

Assessment of Significant Influence over the Investee. The Parent Company holds 25% ownership interest in Optima Digital, Inc. as at December 31, 2023 and 2022. Even with more than 20% voting rights, management assessed that the Parent Company does not have the power to participate in the policy-making processes, including decisions to affect its returns in the form of dividends. Further, the Parent Company does not have the ability to participate in the financial and operational policies decision-making of the investee to affect its relevant activities as the Group has only one (1) board seat out of the total five (5) board seats. The investment is presented as a financial asset at FVOCI amounting to ₱0.56 million and ₱0.66 million as at December 31, 2023 and 2022, 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 ₱7.73 million, ₱5.65 million, and ₱6.19 million in 2023, 2022 and 2021, 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 ₱156.64 million and ₱167.11 million as at December 31, 2023 and 2022, 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. 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 ₱4.74 million, ₱1.46 million and ₱142.58 million in 2023, 2022 and 2021, respectively (see Notes 7 and 24). The allowance for ECL amounted to ₱913.40 million and ₱908.67 million as at December 31, 2023 and 2022, respectively. The carrying amounts of trade and other receivables amounted to ₱6,275.60 million and ₱5,862.07 million as at December 31, 2023 and 2022, respectively (see Note 7).

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

The Group estimates the amortization of program and other rights with finite lives using straight line method up to the date of expiry and those with no definite expiration date of up to ten years, which is the manner and pattern of usage of the acquired rights. In addition, estimation of the amortization of program and other rights is based on the Group's experience with such rights. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Program and other rights usage amounted to ₱1,191.48 million, ₱868.74 million and ₱1,007.35 million in 2023, 2022 and 2021, respectively (see Notes 8 and 23). Program and other rights, net of accumulated impairment in value of ₱2.70 million, amounted to ₱2,219.28 million and ₱1,479.02 million as at December 31, 2023 and 2022, 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 ₱1,164.27 million and ₱1,469.19 million as at December 31, 2023 and 2022, respectively (see Note 9). There were no provisions for inventory losses in 2023, 2022 and 2021.

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 2023 and 2022.

Total depreciation and amortization expense for the years ended December 31, 2023, 2022 and 2021, amounted to ₱861.48 million, ₱757.60 million and ₱657.48 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 2023 and 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, 2023 and 2022. For the land that were not appraised, the Group referred to the published comparable prices for the fair values. Total additional revaluation increment, net of tax, recognized in 2023 and 2022 amounted to ₱1,645.04 million and ₱2,737.72 million, respectively.

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 ₱8,813.28 million and ₱6,619.90 million as at December 31, 2023 and 2022, 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, 2023 and 2022, 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:

	2023	2022
Property and equipment - at cost (see Note 13)	**₱3,669,998,218**	₱3,361,149,279
Land at revalued amounts (Note 14)	**8,813,281,439**	6,619,895,148
Program and other rights (see Note 8)	**2,219,284,496**	1,479,018,423
Prepaid production costs (see Note 10)	**653,974,022**	783,499,847
Investments and advances (see Note 12)	**166,128,767**	175,705,006
Right-of-use assets (see Note 28)	**140,666,823**	159,900,385
Software costs (see Note 16)	**45,464,443**	73,791,869
Investment properties (see Note 15)	**30,722,673**	32,105,060
Investment in artworks (see Note 16)	**10,186,136**	10,186,136
Tax credits (see Note 10)	**6,162,083**	48,070,848
Deferred production costs (see Note 16)	**1,502,800**	1,321,925

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 ₱1,756.13 million and ₱1,709.36 million as at December 31, 2023 and 2022, respectively, while unrecognized deferred tax assets amounted to ₱12.28 million and ₱6.07 million as at December 31, 2023 and 2022, 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 ₱5,154.80 million and ₱4,767.25 million as at December 31, 2023 and 2022, 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		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
REVENUES															
External sales	₱15,803,495,602	₱19,309,108,174	₱20,002,410,780	₱2,022,925,862	₱1,392,840,024	₱1,519,164,368	₱810,792,383	₱ 862,062,872	₱928,748,249	₱–	₱–	₱–	₱18,637,213,847	₱21,564,011,070	₱22,450,323,397
Inter-segment sales	–	–	–	427,121,728	582,457,448	664,531,248	–	–	–	(427,121,728)	(582,457,448)	(664,531,248)	–	–	–
	₱15,803,495,602	₱19,309,108,174	₱20,002,410,780	₱2,450,047,590	₱1,975,297,472	₱2,183,695,616	₱810,792,383	₱862,062,872	₱928,748,249	(₱427,121,728)	(₱582,457,448)	(₱664,531,248)	₱18,637,213,847	₱21,564,011,070	₱22,450,323,397
NET INCOME															
Segment results	₱1,871,169,397	₱5,638,525,447	₱8,208,575,147	₱1,452,700,882	₱862,467,466	₱941,203,693	₱571,772,890	₱622,613,478	₱734,795,951	₱149,924,765	₱15,000,000	₱10,128,258	₱4,045,567,934	₱7,138,606,391	₱9,894,703,049
Interest expense	(130,386,910)	(24,054,826)	(47,858,629)	(743,074)	(1,077,257)	(833,864)	–	–	–	–	–	–	(131,129,984)	(25,132,083)	(48,692,493)
Foreign exchange gain (loss)	(11,999,511)	13,102,473	(84,068,774)	3,719,088	6,981,647	2,992,061	7,077,123	19,846,763	29,215,432	–	–	–	(1,203,300)	39,930,883	(51,861,281)
Interest income	32,143,283	19,832,994	16,029,136	2,096,360	714,992	206,181	–	–	–	–	–	–	34,239,643	20,547,986	16,235,317
Equity in net earnings of joint ventures	–	–	–	(10,343,259)	(9,031,836)	(1,045,954)	–	–	–	–	–	–	(10,343,259)	(9,031,836)	(1,045,954)
Other income (expenses)	378,869,230	313,088,387	245,652,608	5,847,043	6,218,361	14,004,552	–	–	–	(145,251,440)	(164,310,000)	(121,800,000)	239,464,833	154,996,747	137,857,160
Income tax	(495,098,188)	(1,472,859,502)	(1,935,402,004)	(370,435,713)	(225,435,211)	(247,144,667)	(144,712,503)	(160,615,060)	(191,002,846)	(4,500,000)	(4,500,000)	(4,500,000)	(1,014,746,404)	(1,863,409,773)	(2,378,049,517)
	₱1,644,697,301	₱4,487,634,973	₱6,402,927,484	₱1,082,841,327	₱640,838,162	₱709,382,002	₱434,137,510	₱481,845,181	₱573,008,537	₱173,325	(₱153,810,000)	(₱116,171,742)	₱3,161,849,463	₱5,456,508,315	₱7,569,146,281
ASSETS AND LIABILITIES															
Assets															
Segment assets	₱24,574,713,358	₱22,927,245,909	₱22,422,877,737	₱2,058,264,598	₱2,566,414,364	₱1,390,600,332	₱302,571,804	₱271,775,751	₱586,178,847	(₱744,599,244)	(₱1,238,569,487)	(₱1,250,451,838)	₱26,190,950,516	₱24,526,866,537	₱23,149,205,078
Investment in associates - at equity	38,350,619	38,350,619	38,350,619	25,210,906	35,554,165	44,586,001	–	–	–	–	–	–	63,561,525	73,904,784	82,936,620
Deferred tax assets	–	5,659,347	719,410,111	–	57,309,719	54,258,885	–	–	–	–	65,387,507	69,914,379	–	128,356,573	843,583,375
	₱24,613,063,977	₱22,971,255,875	₱23,180,638,467	₱2,083,475,504	₱2,659,278,248	₱1,489,445,218	₱302,571,804	₱ 271,775,751	₱586,178,847	(₱744,599,244)	(₱1,173,181,980)	(₱1,180,537,459)	₱26,254,512,041	₱24,729,127,894	₱24,075,725,073
Liabilities															
Segment liabilities	₱10,692,855,402	₱8,889,880,540	₱9,304,434,001	₱498,342,047	₱801,391,541	₱645,895,763	₱244,308,227	₱226,584,317	₱214,201,882	(₱471,068,430)	(654,751,051)	(₱659,806,806)	₱10,964,437,246	₱9,263,105,347	₱9,504,724,840
Deferred tax liabilities	352,227,764	–	–	–	–	–	–	–	–	–	–	–	352,227,764	–	–
	₱11,045,083,166	₱8,889,880,540	₱9,304,434,001	₱498,342,047	₱801,391,541	₱645,895,763	₱244,308,227	₱226,584,317	₱214,201,882	(₱471,068,430)	(654,751,051)	(₱659,806,806)	₱11,316,665,010	₱9,263,105,347	₱9,504,724,840
Other Segment Information															
Capital expenditures:															
Program and other rights and software cost	₱1,943,494,842	₱1,359,490,334	₱1,120,980,554	₱423,355	₱6,967	₱169,014	₱–	₱–	₱–	₱–	₱–	₱–	₱1,943,918,197	₱1,359,497,301	₱1,121,149,568
Property and equipment	1,071,570,155	1,018,937,377	974,080,362	31,491,485	30,272,172	25,141,628	2,073,779	390,178	94,848	–	–	–	1,105,135,419	1,049,599,727	999,316,838
Land	–	24,307,384	142,100,830	–	–	–	–	–	–	–	–	–	–	24,307,384	142,100,830
Depreciation and amortization	2,043,156,774	1,609,520,230	1,650,984,303	24,030,969	27,194,721	22,317,406	772,538	4,620,634	6,525,769	(15,000,000)	(15,000,000)	(15,000,000)	2,052,960,281	1,626,335,584	1,664,827,478

6. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	**₱1,097,748,954**	₱2,170,723,381
Short-term deposits	**277,234,453**	684,743,833
	₱1,374,983,407	₱2,855,467,214

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

Interest income earned from bank deposits and short-term deposits amounted to ₱34.24 million ₱20.55 million and ₱16.24 million in 2023, 2022 and 2021, respectively.

7. Trade and Other Receivables

	2023	2022
Trade:		
Television and radio airtime	**₱6,769,343,955**	₱6,287,590,963
Subscriptions	**186,254,985**	231,894,197
Others	**175,154,046**	192,396,251
Nontrade:		
Advances to officers and employees	**7,367,183**	3,696,291
Others (see Note 21)	**50,887,375**	55,154,475
	7,189,007,544	6,770,732,177
Less allowance for ECL	**913,402,578**	908,666,285
	₱6,275,604,966	₱5,862,065,892

Trade Receivables

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

Television and radio airtime receivables include unbilled airtime receivables, arising when advertisements have been aired but billing or acceptance by the customer has been delayed due to time lag in completing all required documents. As of December 31, 2023 and 2022, the total unbilled airtime receivables, assessed as contract assets, amounted to ₱312.58 million and ₱20.83 million, respectively.

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

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

Nontrade Receivables

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

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

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

	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	(1,886,337)	–	(1,886,337)
Balance at end of year	₱898,757,935	₱9,908,350	₱908,666,285

8. Program and Other Rights

Details and movement in this account are as follows:

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

	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

9. Inventories

This account consists of the following:

	2023	2022
Merchandise inventory	**₱1,144,275,233**	₱1,443,352,533
Materials and supplies inventory	**19,994,207**	25,841,351
	₱1,164,269,440	₱1,469,193,884

The following are the details of merchandise inventory account:

	2023	2022
Set-top box model	**₱935,765,522**	₱1,233,966,042
ITE chipset dongle	**208,509,711**	209,386,491
	₱1,144,275,233	₱1,443,352,533

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 ₱297.86 million, ₱302.14 million and ₱418.14 million in 2023, 2022 and 2021, respectively.

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

10. Prepaid Expenses and Other Current Assets

	2023	2022
Advances to suppliers	**₱688,865,538**	₱850,951,231
Prepaid production costs	**653,974,022**	783,499,847
Input VAT	**278,970,842**	245,732,638
Prepaid expenses	**128,792,012**	115,718,638
Creditable withholding taxes	**73,156,929**	60,886,401
Tax credits	**6,162,083**	48,070,848
Others	**1,668,486**	1,519,261
	₱1,831,589,912	₱2,106,378,864

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

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

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

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

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

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

11. Financial Assets at Fair Value Through Other Comprehensive Income

This account consists of the following:

	2023	2022
Non-listed equity instruments	**₱331,273,951**	₱257,799,260
Listed equity instruments	**18,625,941**	24,814,847
	₱349,899,892	₱282,614,107

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:

	2023	2022
Balance at beginning of year	**₱282,614,107**	₱116,711,276
Additions during the year	**49,781,014**	168,672,065
Unrealized gain (loss) on fair value changes during the year	**17,504,771**	(2,769,234)
Balance at end of year	**₱349,899,892**	₱282,614,107

In 2023, the Group purchased additional investments in TNB Aura Fund 2 Ltd, Wavemaker Three-Sixty Health II-A,LP., PX Ventures PTE Ltd and Plastic Credit Exchange (PCX) Singapore Pte Ltd totaling ₱49.78 million.

In 2022, the Group purchased additional investments in TNB Aura Fund 2 Ltd, Wavemaker Three-Sixty Health II-A,LP., PX Ventures PTE Ltd and Cloudeats PTE Ltd totaling ₱168.67 million.

Dividend income earned from financial assets at FVOCI amounted to nil in 2023, 2022 and 2021.

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

	2023	2022
Balance at beginning of year - net of tax	**(₱120,299,381)**	(₱117,945,532)
Net unrealized gain (loss) on fair value changes during the year	**17,504,771**	(2,769,234)
Tax effect of the changes in fair market values	**(2,772,715)**	415,385
Balance at end of year	**(₱105,567,325)**	(₱120,299,381)

IP E-Games Ventures, Inc.
In 2015, IP E-Games Ventures, Inc. (IPE) issued 13,000.00 million of its own common shares to the Group in exchange of the Group's investment in X-Play Online Games Incorporated (X-Play) and in settlement of ₱30.00 million advances and ₱50.00 million airtime credits granted by the Group to X-Play. At initial recognition, the Group recognized at fair value the IPE shares amounting to ₱130.00 million. The carrying values of investment in IPE amounted to ₱22.19 million and ₱24.81 million as at December 31, 2023 and 2022, respectively.

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 2023 and 2022 (see Note 17).

12. Investments and Advances

The following are the details of this account:

	2023	2022
Investment in an associate and interests in joint ventures	**₱63,561,525**	₱73,904,784
Advances to an associate and joint ventures (see Note 21)	**102,567,242**	101,800,222
	₱166,128,767	₱175,705,006

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

	2023	2022
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	**(57,817,272)**	(48,785,436)
Equity in net losses during the year	**(10,343,259)**	(9,031,836)
Balance at end of year	**(68,160,531)**	(57,817,272)
	₱63,561,525	₱73,904,784

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

	2023	2022
Advances to an associate:		
Balance at beginning of year	**₱99,618,209**	₱99,531,728
Advances during the year (see Note 21)	**821,084**	86,481
Balance at end of year	**100,439,293**	99,618,209
Advances to joint ventures:		
Balance at beginning of year	**2,182,013**	2,322,677
Payments during the year	**(54,064)**	(140,664)
Balance at end of year	**2,127,949**	2,182,013
	₱102,567,242	₱101,800,222

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, 2023 and 2022 follows:

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

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

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

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

	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

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

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

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

The Group recognized its share in net losses of PEP amounting to ₱10.34 million, ₱9.03 million and ₱1.05 million in 2023, 2022 and 2021, 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, 2023 and 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 2023, 2022 and 2021.

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, 2023 and 2022. INQ7 ceased operations in 2007. In 2013, INQ7 submitted a request to liquidate its assets to SEC. The liquidation is still ongoing as at December 31, 2023.

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

13. Property and Equipment

This account consists of the following:

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

	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 Note 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

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 nil and ₱1.53 million in 2023 and 2022, respectively.

The Group leases out a portion of its property and equipment at cost. Total rental income recognized for the leased portion amounted to ₱2.86 million, ₱3.62 million and ₱3.13 million in 2023, 2022 and 2021, respectively (see Note 26).

The Group disposed various property and equipment in 2023, 2022 and 2021 resulting to the recognition of gain on sale amounting to ₱40.46 million, ₱31.76 million and ₱50.52 million, respectively (see Note 26).

As at December 31, 2023 and 2022, 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:

	2023			2022		
	Cost	**Revaluation Increment**	**Total**	Cost	Revaluation Increment	Total
At beginning of year	**₱526,025,559**	**₱6,093,869,589**	**₱6,619,895,148**	₱501,718,175	₱2,443,578,839	₱2,945,297,014
Additions during the year	**–**	**2,193,386,291**	**2,193,386,291**	24,307,384	3,650,290,750	3,674,598,134
At end of year	**₱526,025,559**	**₱8,287,255,880**	**₱8,813,281,439**	₱526,025,559	₱6,093,869,589	₱6,619,895,148

In 2023 and 2022, the Group assessed that the fair value of certain parcels of land at revalued amounts have significant movements from its carrying values and obtained updated appraisals as at December 31, 2023 and 2022, respectively. Revaluation increment recognized in 2023 and 2022 based on appraisal reports and management estimates amounted to ₱2,193.39 million and ₱3,650.29 million, respectively.

The fair value from the 2023 and 2022 appraisals were determined using the "Market Data Approach" as determined by independent professionally qualified appraisers and based on its highest and best use. The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation in accordance with International Valuation Standards. The fair value is categorized under Level 3 of the fair value hierarchy.

As of December 31, 2023 and 2022, the fair value of land is directly proportional to the asking price of the comparable land and adjusted according to the following appraisal considerations:

Significant unobservable input	Range	
	2023	2022
Asking price per square meter	**₱270 to ₱350,000**	₱270 to ₱350,000
Sales price adjustment	**5% to 10%**	5% to 10%
Lot size adjustment	**5% to 20%**	5% to 10%

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

Management believes that the fair value of certain land acquired in 2022 and 2021 approximates the fair values as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, 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**

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

	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

The fair value of investment properties amounted to ₱305.18 million and ₱203.90 million as at December 31, 2023 and 2022, respectively. As at December 31, 2023 and 2022, the land used in operations was last appraised on December 31, 2023 and November 19, 2018, respectively, by an accredited firm of appraisers and is valued in terms of its highest and best use.

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

The description of the valuation techniques used and key inputs to fair valuation as of December 31, 2023 and 2022 is as follows:

	Significant Unobservable Inputs	Range 2023	2022
Land	Price per square metre	**₱1,400-₱11,700**	₱1,400-₱3,500
Buildings for lease	Price per square metre	**₱22,000-₱117,000**	₱22,000-₱117,000

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

	2023	2022	2021
Rental income (see Note 26)	**₱4,870,327**	₱2,033,713	₱3,061,017
Depreciation expense (see Note 24)	**(1,382,387)**	(1,382,387)	(1,382,387)
	₱3,487,940	₱651,326	₱1,678,630

As at December 31, 2023 and 2022, 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

	2023	2022
Refundable deposits	**₱89,657,828**	₱26,501,499
Restricted cash	**51,393,686**	52,722,572
Software costs	**45,464,443**	73,791,869
Deferred input VAT	**10,444,582**	22,291,602
Investment in artworks	**10,186,136**	10,186,136
Guarantee deposits	**2,162,420**	2,162,420
Deferred production costs	**1,502,800**	1,321,925
Facilities	**7,270,113**	7,564,742
Others	–	735,294
	₱218,082,008	₱197,278,059

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

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

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

	2023	2022
Cost:		
Balance at beginning of year	**₱553,398,992**	₱534,552,087
Additions during the year	**12,172,728**	17,316,702
Reclassifications during the year (see Note 13)	–	1,530,203
Balance at end of year	**565,571,720**	553,398,992

(Forward)

	2023	2022
Accumulated amortization:		
Balance at beginning of year	**₱479,607,123**	₱421,343,225
Amortization during the year (see Note 24)	**40,500,154**	58,263,898
Balance at end of year	**520,107,277**	479,607,123
	₱45,464,443	₱73,791,869

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

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

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

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

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

17. Trade Payables and Other Current Liabilities

	2023	2022
Trade payables	**₱606,140,618**	₱562,649,076
Payable to government agencies	**1,169,139,598**	1,242,808,934
Contract liabilities (see Note 11)	**179,893,494**	369,733,835
Accrued expenses:		
Utilities and other expenses	**586,041,832**	443,486,485
Production costs	**224,144,048**	180,710,548
Payroll and talent fees (see Note 27)	**219,878,105**	108,293,100
Commission	**67,314,295**	53,693,413
Customers' deposits	**61,439,738**	52,596,784
Others	**88,688,052**	70,876,368
	₱3,202,679,780	₱3,084,848,543

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

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

Contract liabilities pertain to payments received before broadcast and before delivery of goods and services amounting to ₱179.89 million and ₱369.73 million as at December 31, 2023 and 2022, respectively. These are recognized as revenue when the Group performs the obligation under the contract. The total beginning balance of contract liabilities in 2023 amounting to ₱369.73 million was recognized as revenue for the year ended December 31, 2023. 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 2023 and 2022. Details and movements of the short-term loans are as follows:

	2023	2022
Balance at beginning of year	**₱27,125,200**	₱739,485,500
Availments	**3,527,307,000**	1,027,125,200
Payments	**(2,027,125,200)**	(1,685,850,000)
Revaluation	–	(53,635,500)
Balance at end of year	**₱1,527,307,000**	₱27,125,200

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

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

The outstanding peso-denominated loan as at December 31, 2022 consist of fixed rate notes with the following details:

Lender	Annual interest rate	Terms	December 31, 2022
Security Bank	2.75%	Availed in 2022, payable up to December 2023	₱27,125,000

Interest expense on peso denominated loans amounted to ₱120.30 million, ₱10.15 million and ₱23.06 million in 2023, 2022 and 2021, respectively. Interest expense on US dollar denominated loans amounted to nil, ₱2.78 million, and ₱15.03 million in 2023, 2022, and 2021, 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, 2023 and 2022 are as follows:

	2023	2022
Obligations for program and other rights	**₱334,660,915**	₱209,171,643
Less: Current portion	**325,503,020**	209,171,643
Noncurrent portion of obligations for program and other rights	**₱9,157,895**	₱–

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

20. Equity

a. Capital Stock

Details of capital stock as at December 31, 2023 and 2022:

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

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

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

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

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

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

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

On October 4, 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, which resulted to additional paid-in capital amounted to ₱27.52 million.

The total number of shareholders is 1,632 and 1,643 as at December 31, 2023 and 2022, respectively.

b. Retained Earnings

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

Year	Declaration Date	Record Date	Cash Dividend Per Share	Total Cash Dividend Declared
2023	**March 31, 2023**	**April 21, 2023**	**₱1.10**	**₱5,351,161,200**
2022	March 25, 2022	April 25, 2022	₱1.45	₱7,053,803,400
2021	March 26, 2021	April 22, 2021	₱1.35	₱6,561,267,889

The Parent Company's outstanding dividends payable amounted to ₱34.69 million and ₱30.53 million as at December 31, 2023 and 2022, 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 ₱219.17 million and ₱84.18 million as at December 31, 2023 and 2022, respectively.

On April 3, 2024, the Parent Company's BOD approved the declaration and distribution of cash dividends amounting to ₱0.60 per share totaling ₱2,918.82 million to all stockholders of record as at April 24, 2024 and will be paid starting May 14, 2024.

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, 2023 and 2022, 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, 2023 and 2022 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	**2023**	**₱821,084**	**₱100,439,293**	Noninterest-	Unsecured;
		2022	86,481	99,618,209	bearing	not impaired
	Joint ventures:					
	Gamespan	**2023**	**–**	**1,959,670**	Noninterest-	Unsecured;
		2022	–	1,959,670	bearing	not impaired
	PEP	**2023**	**–**	**168,279**	Noninterest-	Unsecured;
		2022	–	222,343	bearing	not impaired
	INQ7	**2023**	**–**	**11,544,000**	Noninterest-	Unsecured;
		2022	–	11,544,000	bearing	fully impaired
	Total	**2023**	**₱821,084**	**₱114,111,242**		
		2022	₱86,481	₱113,344,222		

Account Name and Category	Related Party	Year	Amount/ Volume of Transactions	Receivables (Payables)	Terms	Conditions
Nontrade Receivables	**Common stockholders:**					
Reimbursable charges (see Note 7)	GMA Kapuso Foundation Inc.	**2023**	**₱1,305,176**	**₱1,305,176**	On demand, noninterest-bearing	Unsecured; not impaired
		2022	₱960,433	₱2,038,381		
Nontrade Payables						
Legal, consulting and retainers' fees	Belo, Gozon, Elma Law	**2023**	**15,252,469**	**–**	On demand, noninterest-bearing	Unsecured
		2022	15,416,907	–		

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:

	2023	2022	2021
Salaries and other long-term benefits (see Notes 24 and 25)	**₱946,135,340**	₱1,050,276,512	₱1,008,057,516
Pension benefits (see Notes 24 and 25)	**197,152,902**	199,610,705	190,689,516
	₱1,143,288,242	₱1,249,887,217	₱1,198,747,032

Equity Investments of the Retirement Fund

The Group's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱555.39 million and ₱6.23 in 2023, respectively, and ₱757.31 million and ₱7.95 million in 2022, 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:

	2023	2022	2021
Revenue source			
Sale of service			
Advertising revenue	**₱17,181,696,192**	₱20,230,371,980	₱21,015,167,014
Subscription revenue (see Note 28)	**728,396,019**	774,865,805	786,471,873
Revenue from distribution and content provisioning	**177,200,082**	34,219,872	41,962,566
Production revenue	**238,301,851**	183,681,549	78,698,883
Sale of goods	**311,619,703**	340,871,864	528,023,061
Total revenue from contracts with customers	**₱18,637,213,847**	₱21,564,011,070	₱22,450,323,397
Geographical markets			
Local	**₱17,826,421,464**	₱20,701,948,198	₱21,521,575,148
International	**810,792,383**	862,062,872	928,748,249
Total revenue from contracts with customers	**₱18,637,213,847**	₱21,564,011,070	₱22,450,323,397
Timing of revenue recognition			
Goods/services transferred at a point in time	**₱17,908,817,828**	₱20,789,145,265	₱21,663,851,524
Services transferred over time	**728,396,019**	774,865,805	786,471,873
Total revenue from contracts with customers	**₱18,637,213,847**	₱21,564,011,070	₱22,450,323,397

23. Production Costs

	2023	2022	2021
Talent fees and production personnel costs (see Note 25)	**₱4,196,390,868**	₱3,921,185,771	₱3,253,105,638
Program and other rights usage (see Note 8)	**1,191,479,396**	868,739,716	1,007,347,795
Facilities and amortization of production services	**822,671,115**	995,623,800	567,428,491
Rental (see Note 28)	**792,873,832**	523,820,404	344,890,966
Depreciation (see Notes 13 and 24)	**564,756,002**	492,742,400	376,868,136
Tapes, sets and production supplies	**439,903,608**	355,710,226	233,146,587
Transportation and communication	**165,359,229**	325,075,476	209,857,422
	₱8,173,434,050	₱7,482,897,793	₱5,992,645,035

24. General and Administrative Expenses

	2023	2022	2021
Personnel costs (see Note 25)	**₱3,743,148,825**	₱4,010,852,711	₱3,856,762,318
Communication, light and water	**391,477,195**	392,858,757	273,962,056
Professional fees	**281,659,305**	346,641,093	353,199,611
Depreciation (see Notes 13, 15 and 28)	**256,224,729**	206,589,570	230,904,901
Taxes and licenses	**235,743,768**	395,259,589	235,505,518
Repairs and maintenance	**193,344,362**	214,307,761	221,155,954
Advertising	**187,554,983**	170,046,892	117,274,073
Software maintenance	**149,121,985**	123,440,211	99,307,025
Research and surveys	**113,900,352**	99,517,216	87,958,450
Security services	**75,869,177**	71,307,924	65,559,440
Facilities related expenses	**58,600,492**	65,892,695	58,691,533
Transportation and travel	**52,301,342**	50,808,779	34,717,950
Marketing expense	**47,569,163**	74,719,805	86,992,865
Amortization of software costs (see Note 16)	**40,500,154**	58,263,898	49,706,646
Insurance	**36,905,577**	30,550,826	30,673,665
Janitorial services	**23,763,382**	24,897,108	24,026,812
Rental (see Note 28)	**20,324,032**	23,378,607	20,915,132
Dues and subscriptions	**17,126,279**	19,323,732	10,881,727
Materials and supplies	**13,887,863**	12,800,794	15,706,090
Freight and handling	**13,153,749**	12,268,400	16,913,034
Entertainment, amusement and recreation	**8,273,134**	7,877,088	7,001,601
Provision for ECL (see Note 7)	**4,736,293**	1,457,228	142,577,080
Others	**155,162,089**	227,308,498	104,440,189
	₱6,120,348,230	₱6,640,369,182	₱6,144,833,670

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

Depreciation

	2023	2022	2021
Property and equipment (see Note 13)			
Production costs (see Note 23)	**₱544,466,613**	₱474,023,367	₱357,908,201
General and administrative expenses	**245,513,096**	192,011,641	221,371,641
	789,979,709	666,035,008	579,279,842
Right-of-use assets (see Note 28)			
Production costs (see Note 23)	**20,289,389**	18,719,033	18,959,935
General and administrative expenses	**9,329,246**	13,195,542	8,150,873
	29,618,635	31,914,575	27,110,808
Investment properties (see Note 15)			
General and administrative expenses	**1,382,387**	1,382,387	1,382,387
	₱820,980,731	₱699,331,970	₱607,773,037

25. Personnel Costs

	2023	2022	2021
Talent fees	**₱3,966,406,028**	₱2,569,748,693	₱2,162,673,093
Salaries and wages	**2,187,495,014**	3,040,086,317	2,710,384,916
Employee benefits and allowances	**1,037,530,959**	1,513,608,039	1,414,885,770
Pension expense (see Note 27)	**700,899,014**	661,084,461	639,758,700
Sick and vacation leaves expense	**47,208,678**	147,510,971	182,165,477
	₱7,939,539,693	₱7,932,038,481	₱7,109,867,956

The above amounts were distributed as follows:

	2023	2022	2021
Production costs (see Note 23)	**₱4,196,390,868**	₱3,921,185,771	₱3,253,105,638
General and administrative expenses (see Note 24)	**3,743,148,825**	4,010,852,711	3,856,762,318
	₱7,939,539,693	₱7,932,038,482	₱7,109,867,956

26. Others - Net

	2023	2022	2021
Commission from Artists	**₱176,350,038**	₱104,475,309	₱77,547,912
Net gain on sale of property and equipment (see Note 13)	**40,463,669**	31,756,356	50,519,791
Royalty income	**7,948,128**	6,499,544	24,289
Rental income (see Notes 13, 15 and 28)	**7,734,695**	5,650,270	6,189,114
Merchandising license fees and others	**3,981,319**	2,043,246	3,455,733
Bank charges	**(1,751,862)**	(1,793,419)	(1,480,403)
Others	**4,738,846**	6,365,441	1,600,724
	₱239,464,833	₱154,996,747	₱137,857,160

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:

	2023	2022
Pension liability	**₱5,154,803,946**	₱4,767,249,209
Vacation and sick leave accrual	**253,514,641**	377,344,911
	5,408,318,587	5,144,594,120
Less current portion of vacation and sick leave accrual*	**12,762,255**	5,728,979
Pension and other long-term employee benefits	**₱5,395,556,332**	₱5,138,865,141

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

<u>Pension Benefits</u>
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):

	2023	2022	2021
Current service cost	**₱357,469,890**	₱455,919,306	₱437,943,972
Net interest cost	**343,429,124**	205,165,155	186,984,422
Settlement loss	**–**	–	14,830,306
	₱700,899,014	₱661,084,461	₱639,758,700

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

	2023	2022	2021
Present value of defined benefit obligation	**₱6,422,704,401**	₱6,653,224,090	₱6,348,352,226
Fair value of plan assets	**1,267,900,455**	1,885,974,881	2,178,665,475
Pension liability	**₱5,154,803,946**	₱4,767,249,209	₱4,169,686,751

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

	2023	2022	2021
Balance at beginning of year	**₱6,653,224,090**	₱6,348,352,226	₱6,359,224,091
Current service cost	**357,469,890**	455,919,306	437,943,972
Interest cost	**477,657,949**	310,240,240	244,726,249
Settlement loss	**–**	–	14,830,306
Benefits paid:			
From plan assets	**(315,409,730)**	(455,534,216)	(197,265,904)
From Group's own funds	**(397,227)**	(46,856,585)	(36,744,104)
Remeasurement losses (gains):			
Changes in financial assumptions	**481,284,738**	41,103,119	(711,238,384)
Changes in demographic assumptions	**(182,570,873)**	–	3,217,607
Experience adjustment	**(1,048,554,436)**	–	233,658,393
Balance at end of year	**₱6,422,704,401**	₱6,653,224,090	₱6,348,352,226

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

	2023	2022	2021
Balance at beginning of year	**₱1,885,974,881**	₱2,178,665,475	₱1,444,098,402
Contribution during the year	**282,026,879**	261,319,043	339,594,487
Interest income	**134,228,825**	105,075,085	57,741,827
Benefits paid	**(315,409,730)**	(455,534,216)	(197,265,904)
Remeasurement gain (loss) - return on plan assets	**(718,920,400)**	(203,550,506)	534,496,663
Balance at end of year	**₱1,267,900,455**	₱1,885,974,881	₱2,178,665,475

Remeasurement gain (loss) on retirement plans amounting to ₱19.21 million, (₱205.31 million), and ₱575.62 million in 2023, 2022 and 2021, respectively, is reported under the consolidated statements of comprehensive income, net of deferred tax.

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

The Group expects to contribute ₱838.61 million to the fund in 2024.

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:

	2023	2022
	Carrying Value/Fair Value	Carrying Value/Fair Value
Cash and cash equivalents	**₱11,445,292**	₱303,284,710
Equity instruments (see Note 21):		
GMA Network, Inc.	**555,386,035**	757,308,887
GMA PDRs	**6,225,000**	7,950,000
Debt instruments -		
Government securities	**180,075,276**	298,811,570
Unit Investment Trust Funds (UITFs)	**342,062,985**	343,507,508
Others	**172,705,867**	175,112,206
	₱1,267,900,455	₱1,885,974,881

The plan assets consist of the following:

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

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

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Board of Trustees invests at least the equivalent amount of actuarially computed expected compulsory retirement benefit payments for the year to liquid/semi-liquid assets such as treasury notes, treasury bills, and savings and time deposits with commercial banks.

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

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the Philippine Stock Exchange. In order to effectively manage price risk, the Board of Trustees continuously assesses these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

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

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

	2023	2022	2021
Discount rate	**6.05-6.12%**	2.80-7.22%	3.10-5.13%
Expected rate of salary increase	**4.00-4.00%**	3.00-5.00%	4.00-5.00%
Turn-over rates:			
19-24 years old	**16.04%-53.75%**	12.38-50.00%	7.50-11.67%
25-29 years old	**3.00%-32.93%**	10.94-40.00%	6.00-9.23%
30-34 years old	**2.25%-33.33%**	9.31-62.50%	3.86-12.99%
35-39 years old	**1.50%-22.45%**	4.23-120.00%	2.50-6.54%
40-44 years old	**1.00-9.52%**	2.55-25.00%	2.00-6.58%
≥45 years old	**2.00-18.63%**	0.00-2.24%	0.00-3.36%

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		
		2023	2022	2021
Discount rate	50	**(₱241,706,870)**	(₱290,017,330)	(₱290,833,103)
	(50)	**225,871,746**	315,566,169	314,400,163
Future salary increases	50	**245,461,957**	333,460,419	315,633,737
	(50)	**(231,767,894)**	(303,626,386)	(294,598,995)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2023 and 2022:

	2023	2022
Less than one year	**₱1,321,599,735**	₱718,887,410
More than 1 but less than 5 years	**1,852,913,199**	14,145,502,437
More than 5 years but less than 10 years	**4,067,586,456**	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 ₱240.75 million and ₱371.62 million as at December 31, 2023 and 2022, respectively, while current portion of other employee benefits recorded in "Accrued payroll and talent fees" included under "Trade and other current liabilities" account amounted to ₱12.76 million and ₱5.73 million as at December 31, 2023 and 2022, respectively (see Note 17).

28. Agreements

Lease Agreements

Group as a Lessee

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

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

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

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

		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

The rollforward analysis of lease liabilities follows:

	2023	2022
Balance at beginning of year	**₱167,111,004**	₱119,385,902
Additions	**10,385,073**	76,992,722
Accretion of interest	**8,969,967**	9,290,445
Payments	**(29,827,243)**	(28,506,823)
Termination	**–**	(10,051,242)
Balance at end of year	**₱156,638,801**	₱167,111,004

	2023	2022
Current portion	**₱43,848,796**	₱21,155,761
Noncurrent portion	**112,790,005**	145,955,243
Balance at end of year	**₱156,638,801**	₱167,111,004

The rollforward analysis of dismantling provision follows:

	2023	2022
Balance at beginning of year	**₱49,009,014**	₱46,097,449
Accretion of interest	**1,863,470**	2,911,565
Balance at end of year	**₱50,872,484**	₱49,009,014

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

	2023	2022
Expense relating to short-term leases (included in "Production costs") (see Note 23)	**₱792,873,832**	₱523,820,404
Depreciation expense of right-of-use assets (see Note 24)	**29,618,635**	31,914,575
Expense relating to short-term leases (included in "General and Administrative expenses") (see Note 24)	**20,324,032**	23,378,607
Interest expense on lease liabilities	**8,969,967**	9,290,445
Interest expense on dismantling provision	**1,863,470**	2,911,565

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

	2023	2022
1 year	**₱25,939,131**	₱26,620,767
More than 1 year to 2 years	**24,027,163**	24,503,353
More than 2 years to 3 years	**18,435,311**	22,248,256
More than 3 years to 4 years	**16,151,332**	16,803,585
More than 5 years	**122,403,595**	131,368309

Total rental expense on short-term leases amounted to ₱813.19 million, ₱547.20 million and ₱365.81 million in 2023, 2022 and 2021, 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 ₱7.73 million, ₱5.65 million and ₱6.19 million in 2023, 2022 and 2021, 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 ₱728.40 million, ₱774.87 million and ₱786.47 million in 2023, 2022 and 2021, respectively (see Note 22).

Purchase Agreement for Set-top Boxes

In 2023, 2022 and 2021, 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 nil, ₱644.34 million and ₱1,377.00 million in 2023, 2022 and 2021, respectively.

29. Income Taxes

Current Income Tax

The current income tax consists of the following:

	2023	2022	2021
RCIT	**₱1,096,163,757**	₱1,989,216,474	₱2,400,604,067
MCIT	**–**	38,147	30,603
	₱1,096,163,757	₱1,989,254,621	₱2,400,634,670

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

	2023	2022	2021
Statutory income tax	**25.00%**	25.00%	25.00%
Additions (deductions) in income tax resulting from:			
Interest income already subjected to final tax	**(0.18)**	(0.04)	(0.02)
Nondeductible interest expense	**0.03**	0.01	0.09
Nondeductible expenses	**0.06**	0.48	(0.03)
Changes in applicable income tax rates	–	–	(1.14)
Others – net	**(0.61)**	0.01	0.01
Effective income tax	**24.30%**	25.46%	23.91%

Deferred Taxes

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

	2023	2022
Deferred tax assets:		
Pension liability	**₱1,311,595,685**	₱1,191,577,514
Allowance for ECL	**220,283,819**	223,295,740
Other long-term employee benefits	**56,134,564**	92,727,269
Contract liabilities	**44,961,769**	92,433,459
Allowance for probable losses in advances	**44,599,202**	7,197,236
Lease liabilities	**38,989,084**	41,607,134
Unrealized loss on financial assets at FVOCI	**12,327,098**	13,473,704
Dismantling provision	**12,718,121**	12,252,253
Unamortized past service cost	**4,681,418**	14,009,300
Unrealized foreign exchange loss	**3,735,345**	–
NOLCO	**1,508,785**	2,183,643
Intercompany sale of intangible assets	–	7,500,000
Accrued expenses	–	4,225,480
Excess MCIT over RCIT	–	422,696
Others	**4,597,437**	6,453,053
	1,756,132,327	1,709,358,481
Deferred tax liabilities:		
Revaluation increment on land	**(2,071,813,970)**	(1,523,467,397)
Right-of-use assets	**(35,028,064)**	(39,836,454)
Unrealized gain on financial assets at FVOCI	**(1,342,500)**	–
Unrealized foreign exchange gain	**(175,557)**	(17,698,057)
	(2,108,360,091)	(1,581,001,908)
	(₱352,227,764)	₱128,356,573

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

	2023	2022
Net movement recognized in:		
Profit or loss	**₱81,417,353**	₱125,844,848
Other comprehensive loss	**(562,001,690)**	(841,071,650)
	(₱480,584,337)	(₱715,226,802)

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:

	2023	2022
NOLCO	**₱26,630,414**	₱9,661,047
Allowance for ECL	**21,250,431**	15,483,325
Pension liability	**1,465,738**	1,646,008
Unamortized past service cost	**1,092,468**	1,092,468
Allowance for inventory stock	**951,224**	951,224
Excess MCIT over RCIT	**12,760**	23,042
Others	**–**	127,900
	₱51,405,035	₱28,985,014

The unrecognized deferred tax assets from the above deductible temporary differences amounted to ₱12.28 million and ₱6.07 million as at December 31, 2023 and 2022, 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, 2023, the Group's MCIT is as follows:

Years Paid/Incurred	Carryforward Benefit Up To	MCIT
2022	2025	₱12,760

The movements of MCIT is as follows:

	2023	2022
Balance at beginning of year	**₱445,738**	₱82,122
Additions	**–**	392,491
Expirations	**(50,577)**	(28,875)
Applications	**(382,401)**	–
	₱12,760	₱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, 2023, the Group has incurred NOLCO after taxable year 2021 and 2020, which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year incurred	Availment period	Amount	Applications in previous year/s	Expirations	Applications in the current year	Unapplied NOLCO
2022	2023 to 2025	₱10,126,026	₱–	₱–	(₱274,125)	₱9,851,901
2023	2024 to 2026	14,581,119	–	–	–	14,581,119
		₱24,707,145	₱–	₱–	(₱274,125)	₱24,433,020

As at December 31, 2023, the Group has incurred NOLCO in 2021 and 2020, which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year incurred	Availment period	Amount	Applications in previous year/s	Expirations	Applications in the current year	Unapplied NOLCO
2020	2021 to 2025	₱5,174,877	₱–	₱–	₱–	₱5,174,877
2021	2022 to 2026	3,094,716	–	–	–	3,094,716
		₱8,269,593	₱–	₱–	₱–	₱8,269,593

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.

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

30. EPS Computation

The computation of basic and diluted EPS follows:

	2023	2022	2021
Net income attributable to equity holders of the Parent Company (a)	**₱3,170,179,282**	₱5,442,339,314	₱7,530,114,246
Less attributable to preferred shareholders	**977,506,679**	1,678,114,251	2,322,917,048
Net income attributable to common equity holders of the Parent Company (b)	**₱2,192,672,603**	₱3,764,225,063	₱5,207,197,198
Weighted average number of common shares for basic EPS (c)	**3,364,692,000**	3,364,692,000	3,364,692,000
Weighted average number of common shares	**3,364,692,000**	3,364,692,000	3,364,692,000
Effect of dilution - assumed conversion of preferred shares	**1,500,000,000**	1,500,000,000	1,500,000,000
Weighted average number of common shares adjusted for the effect of dilution (d)	**4,864,692,000**	4,864,692,000	4,862,445,219
Basic EPS (b/c)	**₱0.652**	₱1.119	₱1.549
Diluted EPS (a/d)	**₱0.652**	₱1.119	₱1.549

31. Financial Risk Management Objectives and Policies

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

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

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

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

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

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

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

	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.*

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:

	2023		2022	
Assets				
Cash and cash equivalents	**$4,742,936**	**₱262,616,370**	$7,863,029	₱438,442,485
	C$102,357	**4,298,986**	C$166,862	6,881,384
Trade receivables	**$2,517,087**	**139,371,098**	$3,628,902	202,347,566
	C$791,162	**33,228,820**	C$478,316	19,725,741
	S$289,532	**12,186,337**	S$198,925	8,271,298
	A$20,727	**786,533**	A$22,947	867,410
	DH45,083	**682,162**	DH44,644	682,162
Short-term investments	**$746,464**	**41,331,694**	$–	–
		₱494,502,000		₱677,218,046
Liabilities				
Trade payables	**$1,461,137**	**₱80,903,156**	$817,128	₱45,563,057
	€1,141,705	**70,184,945**	€78,902	4,698,614
	S$–	**–**	S$2,036	83,965
	C$2,000	**84,000**	C$–	–
	£2,470	**174,775**	£–	–
Obligations for program and other rights	**$5,686,614**	**314,867,817**	$2,557,785	142,622,092
		₱466,214,693		₱192,967,728
		₱28,287,307		₱484,250,318

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rates used were ₱55.37 to US$1.00 and ₱55.76 to US$1.00, the Philippine peso to U.S. dollar exchange rate, as at December 31, 2023 and 2022, respectively. The exchange rate for Philippine peso to Canadian dollar were ₱42.00 to CAD$1.00 and ₱41.24 to CAD$1.00, as at December 31, 2023 and 2022. The peso equivalents for the Singaporean Dollar, Australian Dollar, Dirham, Euro and Pound were ₱42.09, ₱37.95, ₱15.13, ₱61.47, and ₱70.76 and ₱41.58, ₱37.80, ₱ 15.28, ₱59.55, and
₱67.44 at December 31, 2023 and 2022, respectively.

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

	Appreciation/ (Depreciation) of Peso	**USD**	**CAD**	**SGD**	**AUD**	**AED**	**EUR**	**GBP**	**Total**
2023	**0.50**	**₱7,577,119**	**₱447,760**	**₱144,766**	**₱10,364**	**₱22,541**	**₱570,853**	**₱1,235**	**₱8,774,638**
	(0.50)	**(7,577,119)**	**(447,760)**	**(144,766)**	**(10,364)**	**(22,541)**	**(570,853)**	**(1,235)**	**(₱8,774,638)**
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)

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:

	2023	2022
Financial assets at amortized cost:		
Cash and cash equivalents*	**₱1,155,407,252**	₱2,398,015,725
Trade receivables:		
Television and radio airtime	**5,958,318,041**	5,483,578,974
Subscriptions	**163,940,028**	202,565,315
Others	**95,092,339**	117,070,837
Nontrade receivables:		
Advances to officers and employees	**7,367,183**	3,696,290
Others	**50,887,375**	46,121,488
Refundable deposits**	**89,657,828**	26,501,499
	7,520,670,046	8,277,550,128
Financial assets at FVOCI	**349,899,892**	282,614,107
	₱7,870,569,938	₱8,560,164,235

**Excluding cash on hand amounting to ₱202.22 million and ₱437.10 million as at December 31, 2023 and 2022, 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:

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

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

	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.*

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:

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

	2022						
		Days past due					
	Current	0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	Total
Expected credit loss rate	1.43%	3.60%	5.01%	11.90%	38.51%	41.42%	
Total gross carrying amount	₱2,963,317,244	₱1,084,623,603	₱586,579,086	₱244,729,796	₱505,278,216	₱1,386,204,232	₱6,770,732,177
Expected credit loss	42,352,539	39,010,699	29,384,259	29,115,274	194,596,022	574,207,492	908,666,285

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, 2023, 2022 and 2021.

The Group monitors its capital gearing by measuring the ratio of interest-bearing loan to total equity. The Group's interest-bearing loans, which are the short-term loans, amounted to ₱1,527.31 million and ₱27.13 million as at December 31, 2023 and 2022, respectively. The Group's total equity attributable to equity holders of the Parent Company as at December 31, 2023 and 2022 amounted to ₱14,881.74 million and ₱15,388.77 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:

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

	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
	₱6,934,614,315	₱–	₱12,186,842	₱7,094,224,961

As at December 31, 2023 and 2022, the fair value of equity instruments in a listed entity is classified under Level 3 due to the investee Company's suspension of trading in the market.

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

Presented below are the significant unobservable inputs used in the net asset valuations of the Group's financial assets in 2023 and 2022:

		Range	
Description	**Unobservable Inputs**	**2023**	**2022**
Listed equity instrument:			
Casinos and gaming industry	Discount for lack of marketability	**10%-30%**	**10%-30%**
	Discount for lack of control	**10%-30%**	**10%-30%**
Non-listed equity instruments:			
Media and entertainment industry	Discount for lack of marketability	**10%-30%**	**10%-30%**
	Discount for lack of control	**10%-30%**	**10%-30%**

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

<u>Fair Value Determination</u>
The following methods and assumptions are used to estimate the fair value of each asset and liability for which it is practicable to estimate such value:

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

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

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

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

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

33. Supplemental Cash Flow Information

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

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

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

	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	–	(28,506,823)	86,283,167	177,162,246
Dividends payable	39,589,204	–	(7,100,606,298)	7,091,543,400	30,526,306
Accrued interest expense**	511,796	–	(12,418,277)	11,906,481	–
Total liabilities from financing activities	₱898,972,402	₱1,027,125,200	(₱8,827,381,398)	₱7,136,097,548	₱234,813,752

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

Non-cash activities
Significant non-cash activities in 2023 and 2022 pertain to the following:
- Additional revaluation increment of land at revalued amounts totaling ₱2,193.39 million and ₱3,650.29 million, respectively.
- Additions to program rights on account. The outstanding balance of additions to program rights on account that was considered in the cashflows from operating activities amounted to ₱334.66 million and ₱209.17 million as at December 31, 2023 and 2022, respectively.

Significant non-cash activity in 2021 pertain to treasury shares and PDRs totaling ₱61.79 million that was considered as non-cash contribution to the retirement plan asset.

DIRECTORY

TELEVISION STATIONS

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
SFN - Single Frequency Network

LUZON

TV-7 Metro Manila (GMA)
Brgy. Culiat, Tandang Sora, Quezon City
(02) 8931-9183/(02) 924-2497

TV-27 Metro Manila (GTV)
Brgy. Culiat, Tandang Sora, Quezon City
(02) 8931-9183/(02) 924-2497

TV-15 Metro Manila (DTT)
Brgy. Culiat, Tandang Sora, Quezon City
(02) 8931-9183/(02) 924-2497

TV-15 PBCOM (DTT-SFN)
PBCom Tower, 6795 Ayala Avenue cor. V.A Rufino Street, Makati City
0956-9187599/ 0917-6235191

TV-15 Antipolo (DTT-SFN)
Sumulong Hi-way Brgy. Sta. Cruz, Antipolo, Rizal
0995-5678832 / 7144

TV-15 Zen Towers (DTT-SFN)
1108 Natividad Lopez St. 659-A, Manila
0966-7838441 / 7122

TV-15 Angeles (DTT-SFN)
Brgy. Pulungbulu, Angeles City
0966-7857029 / 7129

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-24 San Nicolas, Ilocos Norte (DTT)
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-15 Santiago City, Isabela (DTT)
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)
Brgy. Mabayuan, Olongapo City
0915-6127265

TV-26 Olongapo (GTV)
Brgy. Mabayuan, Olongapo City
0915-6127265

TV-38 Olongapo (DTT)
Brgy. Mabayuan, 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

TV-29 Mountain Province (DTT)
Mt Amuyao, Barlig, Mountain Province
0915-2700124

TV-32 San Pablo (DTT)
Brgy. San Jose, San Pablo City, Laguna
0966-7838438

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-15 Roxas City, Capiz (DTT)
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)
Bgry. Palinpinon, Valencia, Negros Oriental
0915-6131185

TV-28 Dumaguete (GTV)
Bgry. Palinpinon, Valencia, Negros Oriental
0915-6131185

TV-22 Palinpinon (DTT)
Bgry. Palinpinon, Valencia, 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-44 Mt. Kitanglad, Bukidnon (DTT)
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-33 Iligan City (DTT)
Brgy. Del Carmen, Iligan City
0915-6131202

TV-35 Cagayan de Oro (GMA)
Maasag 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
09163178470

TV-15 Butuan (DTT)
Brgy. Bonbon, Butuan City, Agusan del Norte
09163178470

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)
Brgy. Rosary Heights V, Cotabato City, Maguindanao
0915-6131170

TV-27 Cotabato (GTV)
Brgy. Rosary Heights V, Cotabato City, Maguindanao
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

BAGUIO

FM – DWRA (92.7 MHz) 10kW
2/F Baguio Midland Courier Bldg. 16 Kisad
Rd., Baguio City
0995-5679195
FM Tx Site: Brgy. Lamut, Beckel, La Trinidad, Benguet
0995-5679196 / 0917-8132986

DAGUPAN

FM – DWTL (93.5 MHz) 10kW
GMA TV 10 Compound, Claveria Road,
Malued District, Dagupan City
0995-5679194 / 0917-8133081

LEGAZPI

FM – DWCW (96.3 MHz) 10kW
3rd level A. Bichara Silversceens Entertainment
Center, Magallanes St., Legazpi City
0995-5679193 / 0917-8133189

LUCENA

FM – DWQL (91.1 MHz) 10kW
3/F Ancon Bldg., Merchan Street, Lucena City
0995-5679189 / 0917-8133563

NAGA

FM – DWQW (101.5 MHz) 5kW
GMA Complex, Diversion Road (Roxas Ave.)
Beside Mother Seton Hospital, Naga City
0995-5679232 / 0917-8133414

PALAWAN

AM – DYSP (909 kHz) 5kW
FM – DYHY (97.5 MHz) 5kW
Solid Road, San Manuel
Puerto Princesa City, Palawan
0995-567-9070 / 0917-8021683

TUGUEGARAO

FM – DWWQ (89.3 MHz) 10kW
4/F Villablanca Hotel Pattaui St. cor. Pallua Rd.,
Ugac Norte Tuguegarao, Cagayan
0956-844-7845 / 0917-8133720

VISAYAS

BACOLOD

FM – DYEN (107.1MHz) 10kW
3/F Door # 10 Centroplex Mall
Gonzaga-Locsin St. Brgy. 21
Bacolod City 6100
0956-8447841 / 0917-8133483

CEBU

AM – DYSS (999 kHz) 10kW
FM – DYRT (99.5 MHz) 25kW
GMA Skyview Complex Nivel Hills,
Lahug, Cebu City
AVAYA: 5106
0956-8447842 / 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
0956-8447836 / 0917-8133490

KALIBO

FM – DYRU (92.9 MHz) 5kW
Torres-Olivia Bldg. Roxas Ave. Extension,
Kalibo, Aklan
0956-8447835 / 0917-8133696

MINDANAO

CAGAYAN DE ORO

FM – DXLX (100.7 MHz) 5kW
2nd Flr. Centro Mariano Bldg.
Osmena St. Cagayan de Oro City
0956-8447829 / 0917-8133729

ZAMBOANGA

AM – DXRC (1287 kHz) 5KW
Logoy Duitay, Talon-Talon, Zamboanga City
0956-844-7824

DAVAO

AM – DXGM (1125 kHz) 10kW
FM – DXRV (103.5 MHz) 10kW
GMA Network Complex, Shrine Hills,
Matina Davao City
0956-8447826 / 0917-8133736

GENERAL SANTOS

FM – DXCJ (102.3 MHz) 10kW
3/F PBC Bldg., Cagampang St. Gen. Santos City
0956-8447825 / 0917-8133850

SOCIO-CIVIC ORGANIZATIONS

GMA Kapuso Foundation, Inc.
2/F Kapuso Center, GMA Network Drive cor.
Samar St., EDSA, Diliman, Quezon City
Tel: (02) 8982-7777 loc. 9901 and 9905
Telefax: (02) 8928-4299 (02) 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: (02) 8426-3920
(02) 8982-7777 loc. 9950
Email: kkmk@gmanetwork.com
donate@kapwako.org

AUDITOR

Sycip Gorres Velayo and Co.
6760 Ayala Avenue, Makati City
Tel: (02) 8891-0307
Fax: (02) 8819-0872

LEGAL COUNSEL

The Law Firm of Belo Gozon Elma Parel Asuncion and Lucila
15th and 16th Floors, Sagittarius Condominiums,
111 H.V. Dela Costa St., Salcedo Village,
Makati City
Tel: (02) 8816-3716 to 19
Fax: (02) 8817-0696 • (02) 8812-0008

Tarriela Tagao Ona & Associates
8/F Strata 2000, Emerald Avenue,
Ortigas Center, Pasig City
Tel: (02) 8635-6092 to 94
Fax: (02) 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 cor.
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 cor. 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: (02) 8403-2410 to (02) 8403-2412
Fax: (02) 8403-2414

Investor Relations
10/F GMA Network Center,
EDSA cor. Timog Avenue
Diliman, Quezon City
Tel: (02) (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. 2023 Annual Report**
is available at
https://www.gmanetwork.com/corporate/disclosures/
or via the **QR code** on this page.

2023
ANNUAL
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