

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 177
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

OF

GMA NETWORK, INC.

1. For the fiscal year ended: **December 31, 2020**
2. SEC Identification Number: **5213**
3. BIR Tax Identification No. **000-917-916-000**
4. Exact name of issuer as specified in its charter: **GMA NETWORK, INC.**
5. **PHILIPPINES**
Province, Country or other jurisdiction of
Incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **GMA NETWORK CENTER, EDSA CORNER TIMOG AVENUE, DILIMAN, QUEZON CITY**
Address of principal office Postal Code **1103**
8. **(632) 8982 7777**
Issuer's telephone number, including area code
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock	3,361,047,000
Preferred Stock	7,499,507,184

11. Are any or all of these securities listed on a Stock Exchange.

Yes [] No []

If yes, state the name of such stock exchange and the classes of securities listed herein:

PHILIPPINE STOCK EXCHANGE / COMMON STOCK

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 25 and 177 of The Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [] No []

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

Yes [] No []

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

State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Aggregate Market Value of Voting Stock held by Non-affiliates¹ = P3.2B (as of March 31, 2021)

¹ Based on the cited definition of an affiliate: "Affiliate of, or a person affiliated with, a specified person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified", the Gozon, Duavit and Jimenez families singly or collectively are deemed to have control of GMA Network, Inc. pursuant to MC No. 15 Series of 2019 by being: Natural person(s) owning, directly or indirectly through a chain of ownership, at least twenty-five (25%) of the voting rights, voting shares or capital of the reporting corporation. Hence, the shareholdings of the corporations affiliated with these families, the shareholdings of the members thereof who are holding directorship or officership positions in the Company and of those affiliated with the said members, are excluded from the aggregate market value of the voting stock held by non-affiliates.

**APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the SRC subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

NOT APPLICABLE

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

GMA Network, Inc. (GMA) is the Philippines' leading media and broadcast network reaching over 84 million Filipinos across the country with 48.8 percent people audience share in NUTAM for the year 2020*. The Company is duly organized as a Corporation under the laws of the Philippines and was registered on June 14, 1950, which registration was renewed on July 20 and August 9, 1995.

With 47 VHF, 32 UHF, and 7 DTT stations, as well as 23 radio stations nationwide, GMA is the country's largest broadcasting network.

Also known as the Kapuso (One in Heart) Network, GMA brings superior Entertainment and the responsible, unbiased, and timely delivery of accurate News and Information to Filipinos worldwide. Its flagship channel, GMA, broadcasts free-to-air via VHF channel 7 and its permanent digital TV signal on UHF channel 15.

Apart from its television and radio businesses, GMA also owns a wide array of media-related entities engaged in film production, music publishing and distribution, set design and implementation, audio-visual production, and new media.

With seven decades of dedication and genuine public service, GMA Network has won an award that tops all else - the hearts of Filipino audiences here and abroad.

(Source: Nielsen Phils. TV Audience Measurement's data for 2020.)

GMA SUBSIDIARIES, JOINT VENTURE AND AFFILIATES

The Company's subsidiaries and affiliates are involved in media-related services such as movie making, sets and props construction, film syndication, music and video recording, new media, internet gaming, post production services, and marketing, which complement the Company's core television and radio broadcasting business.

The following table shows the Company's holdings in its principal subsidiaries, joint ventures and affiliates as of December 31, 2020:

COMPANY	OWNERSHIP	PRINCIPAL ACTIVITIES
Subsidiaries		
GMA New Media, Inc. (NMI) (registered with the SEC on July 5, 2000)	100%	Converging Technology
Citynet Network Marketing and Productions, Inc. (registered with the SEC on Sept. 23, 1994)	100%	Television entertainment production
GMA Network Films, Inc. (registered with the SEC on August 5, 1995)	100%	Film production
GMA Worldwide (Philippines), Inc. (registered with the SEC on February 8, 1996)	100%	International marketing and syndication of the Parent Company's programs
RGMA Marketing and Productions, Inc. (GMA Music) (registered with the SEC on Sept. 3, 1997)	100%	Music recording, publishing and video distribution
Scenarios, Inc.* (registered with the SEC on July 11, 1996)	100%	Design, construction, maintenance and storage of sets for TV, stage plays and concerts; transportation services
Script2010, Inc.** (registered with the SEC on Sept. 3, 1997)	100%	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services
Alta Productions Group, Inc. (registered with the SEC on October 1, 1988)	100%	Pre- and post-production services
GMA Marketing & Productions, Inc. (GMPI)* (registered with the SEC on August 6, 1980)	100%	Exclusive marketing and sales arm of GMA's airtime; events management; sales implementation; traffic services and monitoring
Mediamerge Corporation*** (registered with the SEC on August 15, 2002)	100%	Business development and operations for the Company's online publishing/advertising initiatives
Digify, Inc. (Digify)*** (registered with the SEC on Dec 26, 2011)	100%	Crafting, planning and handling advertising and other forms of promotion including multi-media productions

Joint Ventures		
INQ7 Interactive, Inc.* (registered with the SEC on Feb. 20, 2001)	50%	Internet publishing
Philippine Entertainment Portal, Inc. (PEP)*** (registered with the SEC on April 16, 2008)	50%	Internet publishing
Affiliates		
Mont-Aire Realty and Development Corp. (registered with the SEC on August 8, 1983)	49%	Real estate
RGMA Network, Inc. (registered with the SEC on September 27, 1995)	49%	Radio broadcasting and management

Notes:

* Not operational

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

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

PUBLICLY ANNOUNCED NEW PRODUCT OR SERVICE

For its 70th anniversary celebration, the Network launched its high-quality and affordable Digital Terrestrial Television (DTT) receiver GMA Affordabox, specifically developed to be made accessible to millions of Filipino households. GMA Affordabox is a plug-and-play device that can easily be connected to an analog TV in order to receive digital television broadcast. Users can watch GMA, GTV, Heart of Asia, and Hallypop, as well as all other free-to-air digital TV channels available in their area.

The Network also launched two DTT channels in 2020. Heart of Asia brings to digital TV viewers the biggest and the freshest K-drama titles alongside the best Asianovela series that are sure to warm the hearts of Filipinos. Hallypop is the Philippines' first ever digital entertainment channel for K-Pop and all things related to Asian pop culture.

COMPETITION

The Company currently competes for audiences and advertising revenues directly with other broadcast stations, radio stations, newspapers, magazines, cable televisions, and outdoor advertising within their respective markets.

The following table presents major broadcasting networks in the country.

Network	Description		2020 Ratings & Audience Share		
			(Total day; 6AM-12MN)		
			Mega Manila	Urban Luzon	Urban National
GMA		Household Ratings	15.3	15.2	14.7
		Audience Share	47.5	47.7	46.7
ABS-CBN	<p>Radio and TV broadcasting network and multimedia company. Founded in 1953, and is the first television station in the Philippines.</p> <p>ABS-CBN's broadcast franchise expired on May 4, 2020 while its franchise renewal is pending with Congress. The channel went off-the-air starting May 6, 2020 in compliance with the cease and desist order issued by the National Telecommunications Commission (NTC) on May 5, 2020. On July 10, 2020, ABS-CBN's application for renewal of broadcast franchise was denied keeping ABS-CBN off-the-air along with ABS-CBN Sports + Action and now including shutdown of ABS-CBN's digital channels</p>	Household Ratings	9.8	10.6	11.6
		Audience Share	25.2	27.6	30.4

	on TV Plus and SkyDirect (satellite).				
GMA NEWS TV	<p>GMA News TV is GMA Network's sister channel. It is programmed by GMA.</p> <p>On June 5, 2019, GNTV's analog signal on Channel 11 was transferred to Channel 27 upon the expiration of GMA's blocktime agreement with Zoe Broadcasting Network which owns Channel 11.</p>	Household Ratings	1.6	1.4	1.3
		Audience Share	4.9	4.5	4.0

	GMA News TV (GNTV) was launched on February 28, 2011.				
TV5	Third-oldest TV network in the country, with main broadcast facilities in Novaliches, Quezon City. On March 2, 2010, Mediaquest acquired 100 percent ownership of the Associated Broadcasting Company and Primedia Inc., the broadcasting firm's major block airtimer.	Household Ratings	1.1	1.1	1.6
		Audience Share	3.4	3.5	5.2
CNN PHILIPPINES	CNN Philippines is owned and operated by Nine Media Corporation. It airs	Household Ratings	0.1	0.1	0.1

	<p>news-and-current affairs programs that are mostly in English [1]</p> <p>CNN Philippines airs in what used to be RPN 9. RPN or Radio Philippines Network (RPN 9) is a Philippine VHF television network of the Government Communications Group. It was privatized in 2011 but the Philippine government retained 20-percent ownership of the channel. [2]</p>	Audience Share	0.4	0.3	0.4
		Household Ratings	0.4	0.3	0.4

<p>ABS-CBN Sports + Action</p>	<p>ABS-CBN Sports + Action is a sister network to the main ABS-CBN Broadcasting Corporation which airs sports. [3] Prior to its launch on January 18, 2014, it used to be Studio 23 which aired programs catering to young adults, such as North American imports and other English language programming.</p> <p>With the expiration of ABS-CBN's broadcast franchise on May 4, 2020 while its franchise renewal is pending with Congress, ABS-CBN Sports + Action went off-the-air along with ABS-CBN starting May 6, 2020 in compliance with the cease and desist order issued by the National Telecommunications Commission (NTC) on May 5, 2020. On July 10, 2020, ABS-CBN's application for renewal of broadcast franchise was denied keeping ABS-CBN and ABS-CBN Sport + Action off-the-air, now including shutdown of ABS' digital channels on TV Plus and SkyDirect (satellite).</p>	<p>Audience Share</p>	<p>0.9</p>	<p>0.9</p>	<p>1.0</p>
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PTV	Official government TV, formerly called Maharlika Broadcasting System, Inc. and later the People's Television Network, Inc. (PTV).	Household Ratings	0.1	0.1	0.1
		Audience Share	0.2	0.3	0.4
IBC	International Broadcasting Corporation (IBC-13) is a VHF TV station of the Government Communications Group launched in 1975 by Roberto Benedicto.	Household Ratings	0.0	0.0	0.0
		Audience Share	0.0	0.0	0.0
ETC	ETC is a free-to-air ultra high frequency channel and is one of the channels owned by Solar Entertainment Corporation through its wholly-owned subsidiary Southern Broadcasting Network. [4]	Household Ratings	0.1	0.1	0.1
		Audience Share	0.3	0.3	0.2
2nd Ave. (RJTV)	RJTV is a UHF free to air television channel owned and operated by Rajah Broadcasting Network, Inc. owned by Ramon "RJ" Jacinto. RJTV is previously in a blocktime agreement with Solar Entertainment Corporation's 2nd Avenue. However, 2nd Avenue ceased its broadcast on June 5, 2018 after a 12-year run on cable and free-	Household Ratings	0.0	0.0	0.0
		Audience Share	0.1	0.1	0.1

	to-air and a decade of blocktime agreement with RJTV.				
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NOTE: Ratings data are based on the Nielsen Television Audience Measurement (TAM).

Reference Links:

- [1] <https://philippines.mom-rsf.org/en/media/detail/outlet/cnn-philippines/>
- [2] <https://philippines.mom-rsf.org/en/media/detail/outlet/cnn-philippines/>
- [3] <https://sports.abs-cbn.com/SportsAndAction>
- [4] <https://philippines.mom-rsf.org/en/media/detail/outlet/etc/>

RELATIVE SIZE AND FINANCIAL AND MARKET STRENGTH OF COMPETITORS

The Company considers ABS-CBN as its longest and prime competitor, followed by TV5. ABS-CBN is the largest broadcasting company in the Philippines in terms of product and service range and financial asset base. Its broadcasting operations contribute close to 51% of its total revenue generated, followed by its cable and satellite businesses with a share of about 22%. Its other businesses, which comprise movie production, new media ventures, publishing and other consumer products and services, make up about 27% of total sales. In comparison, GMA is the second largest and is the oldest broadcasting company in the region and derives more than 88% of its business from broadcasting. The Company's international operations provides about 7% of revenues while other businesses which include film production, new media services, and other services contribute less than 5% of total sales.

A third major player came into the picture in TV5 which was formerly known as ABC 5. It was re-launched in 2008 as TV5 after reaching a partnership with MPB Primedia, Inc. (MPB), a local company backed by Media Prima Berhad of Malaysia – with MPB producing and sourcing most of the entertainments programs of the channel. On October 20, 2009, Media Prima divested its share in TV5, selling it to Mediaquest Holdings Inc., the broadcasting division owned by the Beneficial Trust Fund of the Philippine Long Distance Telephone Company (PLDT). In the first half of 2010, along with dramatic changes in programming, TV 5 branded itself as the "Kapatid" network parallel to ABS-CBN's "Kapamilya" and GMA's "Kapuso" brands. In the same year, TV5 took over the management of MediaQuest's Nation Broadcasting

Corporation stations; DWFM was re-launched as a TV5-branded news radio station on November 8, 2010, Radyo5 92.3 News FM, and DWNB-TV was re-launched as AksyonTV on February 21, 2011, a news channel based on TV5's newscast Aksyon. By December 23, 2013, the network began broadcasting from its new headquarters, the 6,000-square meter TV5 Media Center located in Reliance, Mandaluyong. In October 2017, TV5 partnered with international sports organization ESPN to form ESPN5. Their expanded sports programming aims to establish and solidify their identity as a sports network.

The Company has likewise proven its competitiveness by grabbing the number one spot in nationwide TV ratings in 2011 and pulled much away farther from competition and the rest of TV channels in 2020. Since then, the Company maintained its very significant lead in nationwide viewership, thus, providing the much needed leverage to generate advertising revenues.

International Distribution: *Optimizing revenue opportunities amid changing TV landscape*

The Company's television programs are distributed outside the Philippines in a number of ways. Through GMA International, the Network distributes subscription-based international linear channels – GMA Pinoy TV, GMA Life TV, and GMA News TV International. Meanwhile, GMA International, GMA Worldwide, Inc., and GMA New Media Inc (a wholly-owned subsidiary of the Company), also distribute non-linear content through Video On Demand (VOD) service.

GMA International continues to establish global and multi-platform exposure and presence for the Network that brings the Company's programs to Filipino communities around the world. Live linear channels and video on-demand services are all distributed both through the traditional (DTH, cable, IPTV) and digital Over The Top platforms, with TV Everywhere distribution where available. GMA International's distribution footprint covers various territories in North America(US & Canada), APAC, MENA, Europe, the Caribbean Islands and South Pacific islands. Meanwhile, through GMA Worldwide, Inc. (GWI), GMA Network's locally produced programs are distributed on all platforms through worldwide syndication sales to broadcasters/companies in China, Southeast Asia, Africa, and Europe.

Under the carriage and licensing agreements with international payTV operators, GMA International receives license fees from linear channel and VOD subscriptions. It is also allocated a certain number of advertising minutes where advertising spots are sold through GMA Sales and Marketing Group (SMG). Aside from these, GMA International's revenue stream also includes advertising from digital/social media outlets, pay-per-view, sponsorships from events and ticket sales.

GMA PINOY TV

Launched in 2005, GMA Pinoy TV delivers to an international audience the Company's most popular news and public affairs and general entertainment programs. The Company operates GMA Pinoy TV through which it offers subscription-based programs internationally.

GMA LIFE TV

GMA Life TV, GMA Network's second international channel, was launched three years after the success of GMA Pinoy TV. More than just offering mainstream entertainment, GMA Life TV engages more viewers with its exciting line-up of heart-warming and innovative programs that feature the Filipinos' lifestyle and interests. Given the unique features of GMA Life TV and the availability of English-dubbed and English-

subtitled programs, its viewership has expanded beyond the Filipino market to a wider, non-Filipino speaking audience.

GMA NEWS TV INTERNATIONAL

In September 2011, GMA Network began distributing GMA News TV International in order to provide overseas Filipinos with the latest, most comprehensive, and most credible news coverage from the Philippines. It offers internationally acclaimed and award-winning news and public affairs programs with 7 to 8 hours of original content daily.

GMA On Demand

A collection of the best of the best, GMA Network's video on demand products are a mix of top-rating dramas, blockbuster movies from mainstream and internationally-acclaimed independent filmmakers, award-winning public affairs programs, and well-loved lifestyle shows. These products are available as standalone products or as a complement to GMA International's linear channels.

CONVERGING TECHNOLOGY

GMA New Media, Inc. is GMA Network's digital media and technology arm in charge of R&D, Software Design & Development, Systems Integration, and Quality Assurance. Since its inception in July 2000, it has launched category-breaking projects in web, mobile, digital television, and other new and emerging platforms.

GMA NMI AS GAMECHANGER

Back in the days when traditional and new media had clear boundaries, GMA NMI had the audacity to blur the borders. It was the first to enable mobile and TV to talk to each other, ushering in the era of SMS-TV.

Two decades later, NMI continues to be at the top of its game.

As GMA Network's innovation center and de facto future-proofing agent, GMA NMI spearheads the design and implementation of the media giant's grand digital blueprint aimed to ensure the Company's leadership in the digital era.

WEB

Online Publishing

In its early years, NMI launched GMA Network's official entertainment website, iGMA.tv<<http://iGMA.tv>>, and its official news website, GMANews.tv<<http://GMANews.tv>>. Both websites won local and international acclaim as well as loyal patronage among Filipinos here and abroad.

NMI launched [www.GMANetwork.com](http://www.gmanetwork.com/)<<http://www.gmanetwork.com/>> in late 2011 to consolidate all of GMA Network's web properties into a single portal. The GMA Network portal won in the Digital Filipino Web

Awards in 2014 for the Television category, an indication that the move was a masterstroke in establishing the GMA Network's dominant presence online.

As of 2020, GMANetwork.com generated 2.07 billion page views and 21.7 million users. Meanwhile, GMA News Online ended the year with 709.3 million page views and 15.2 million users.

Synergies from the Social Media team and the editorial team to enhance overall user experience, as well as NMI's non-stop back-end upgrades, helped sustain improvements in web metrics.

NMI entered into a joint venture with Summit Media and launched PEP.ph, the leading showbiz news portal in the Philippines. It also launched SPIN.ph or Sports Interactive Network, currently the No. 1 sports website based on recent data from Similar Web. NMI provides the technology back-end of said sites. The joint venture is a way for GMA Network to capture a bigger slice of the online audience share by targeting readers who are keen on sports and entertainment.

MOBILE

NMI pioneered interactive TV in the Philippines with the launch of SMS-TV services in "Debate" and Startalk, and Eat Bulaga's Cool Dudes segment. This laid the foundation for succeeding SMS-TV initiatives that carried NMI through several years of growth and profit.

NMI also introduced SMS technology to Philippine broadcast TV and was the first to launch an interactive chat and gaming show called Txtube.

NMI has developed and maintained the iOS and Android apps of GMA News Online and GMA Network with regular updates and optimizations such as the addition of Dark Mode, Facebook registration, and interstitial ad support. The mobile apps allow people easy access to GMA content using their handheld devices. The GMA Network portal mobile app was also launched and was designed to be the perfect mobile companion to top-rating GMA Network's shows.

CONVERGENT MEDIA

NMI worked closely with GMA Marketing and Promotions, Incorporated (GMPI, now Sales & Marketing Group, or SMG when it was absorbed by GMA Network) in the launch of innovative convergent media campaigns such as Win Mo Kapuso and Win Mo Pamasko. The combination of TV plus new media has become a valuable strategic offering for clients in terms of ensuring the widest possible reach for both online and offline audiences.

In collaboration with GMA News and Public Affairs, NMI launched IMReady, a one-stop online portal for public safety information to aid in traffic and disaster awareness and preparedness. The project aims to provide the public with timely and relevant information to minimize risks and better prepare them during emergency situations. It also enables the public to plan their routes and itineraries through its partnership with Waze.

BROADCAST

Election Coverage

NMI has maintained its track record of providing GMA News and Public Affairs with speedy and accurate delivery of election results using the latest technologies.

In 2013, NMI spearheaded the count operations in Parish Pastoral Council for Responsible Voting (PPCRV) by acquiring, extracting, and prioritizing data from the Commission on Elections (COMELEC) before sending it to GMA News and Public Affairs for processing.

To achieve multi-screen pervasiveness, NMI provided the most comprehensive election count data across all platforms—from television to mobile and the Internet. The team deployed its proprietary search engine that enabled users of GMA News Online and its mobile app (in both Android and iOS) to retrieve election count data in the Search Results. While all the other websites and apps were incapable of integrating the count results in their search, NMI's proprietary search returned the most relevant results for all candidates during election time.

NMI served the same function of ensuring fast and accurate delivery of election results for succeeding Eleksyon coverages.

In 2016, NMI launched the Eleksyon 2016 microsite in February, with new features such as the Candidates Section where visitors can get to know more about those running for top positions that year, as well as the Campaign Tracker where the candidates' daily schedules were plotted on a map with a short description of their itinerary. NMI also added information that summarized the demographics of the country's registered voters.

Using a proprietary technology developed by GMA NMI, GMA News Online also offered "Smart Search" that made it faster and easier for site visitors to find results by candidate, place or position. NMI also powered GMA Network's first-ever 360-degree livestream of the PiliPinas Debates 2016.

For the Eleksyon 2019 website, new features were introduced, such as Heat Maps which gave users a breakdown of which areas that aspirant fared well, and Vote Graphs, which showed the voting performance for each candidate over time as election returns were processed.

REFERENCES:

[1]<https://d.docs.live.net/55aed205cc322e3b/Documents/Annual%252520Report/IS%252520AND%25252017A%252520FINAL/17-A%252520%252520WORKING%252520DRAFT%2525202020_4.30.2020.doc%23_ftnref1> Click here to see page: <http://www.gmanetwork.com/news/eleksyon2016/candidates>

[2]<https://d.docs.live.net/55aed205cc322e3b/Documents/Annual%252520Report/IS%252520AND%25252017A%252520FINAL/17-A%252520%252520WORKING%252520DRAFT%2525202020_4.30.2020.doc%23_ftnref2> Click here to see page: http://www.gmanetwork.com/news/eleksyon2016/campaign_tracker

[3]<https://d.docs.live.net/55aed205cc322e3b/Documents/Annual%252520Report/IS%252520AND%25252017A%252520FINAL/17-A%252520%252520WORKING%252520DRAFT%2525202020_4.30.2020.doc%23_ftnref3> Click here to see page: http://www.gmanetwork.com/news/eleksyon2016/campaign_tracker

[4]<https://d.docs.live.net/55aed205cc322e3b/Documents/Annual%252520Report/IS%252520AND%25252017A%252520FINAL/17-A%252520%252520WORKING%252520DRAFT%2525202020_4.30.2020.doc%23_ftnref4> Click here to see page: http://www.gmanetwork.com/news/eleksyon2016/campaign_tracker

[5]<https://d.docs.live.net/55aed205cc322e3b/Documents/Annual%252520Report/IS%252520AND%25252017A%252520FINAL/17-A%252520%252520WORKING%252520DRAFT%2525202020_4.30.2020.doc%23_ftnref5> Click here to see page: http://www.gmanetwork.com/news/eleksyon2016/campaign_tracker

[A%252520%252520WORKING%252520DRAFT%2525202020 4.30.2020 doc%23 ftnref3> Click here to see page: https://www.gmanetwork.com/news/news/nation/694253/heat-maps-vote-graphs-smart-search-inside-gma-news-eleksyon-2019-results-site/story/](https://www.gmanetwork.com/news/news/nation/694253/heat-maps-vote-graphs-smart-search-inside-gma-news-eleksyon-2019-results-site/story/)

Digital TV

As its future-proofing agent, NMI spearheads the Network's digital transformation from a broadcast giant into a dominant multi-platform content provider. In line with this vision, on February 7, 2020, NMI launched GMA Now, a mobile digital terrestrial television (DTT) receiver that can be plugged into an Android phone. It allows users to watch live TV on the go for free, and enjoy interactive features such as video-on-demand, Grouper, a messaging service, and interactive promos and quizzes.

NMI AS BUSINESS CENTER

NMI has two main business units that help fulfill its role as a business center. The first is Online Publishing, which covers all GMA websites and mobile applications, from development to publishing to Programmatic Advertising and audience building.

The second is the newly formed New Business Development group called NMI Solutions. This group provides B2B solutions for companies and aims to be the preferred Service Provider for Digital and IT Transformation. Some of these services are Systems Integration, Application Development, IT Services Management, and Creative Content creation.

NMI AS GMA'S CONDUIT TO INDUSTRY PARTNERS

The Digital Age is marked by constant change and dynamism and favors those who can manage to be constantly ahead of the competition. It is in this context that NMI perceives its mandate to ensure that GMA Network is always at the leading edge in the digital space.

GMA NMI manages relationships with major telecommunications companies in the Philippines and abroad, and with leading global brands such as Google, YouTube, Facebook, and Waze, to name some. It likewise serves as a conduit to advertising agencies and digital distribution partners meant to create new avenues for incremental revenue and expand the reach of GMA content, both in the local and international markets.

Among all the revenue channels, we see impressive growth in the AVOD (Advertising Video-on-Demand) channel. With NMI's efforts focused on growing the subscriber base and increasing watch time, we have seen revenues follow and show exponential growth year-on-year. YouTube continues to be the major contributor of revenues, with GMA Network YouTube channels ending 2020 with 11.9 Billion views, 12% higher than 2019's total views.

GMA Network Creator Awards received this year are as follows:

- Diamond – GMA Public Affairs YT Channel
- Gold – GMA Playground YT Channel
- Silver – My Guitar Princess YT Channel
- Silver – YouLOL YT Channel
- Silver – GMA Regional TV YT Channel

Diamond = 10M subscribers
Gold = 1M subscribers
Silver = 100k subscribers

MOVIE PRODUCTION

GMA Network Films, Inc. is a wholly owned subsidiary of GMA Network, Inc. that produces movies catering to both local and international markets. Its productions have reaped both critical acclaim and commercial success, foremost among them the Philippine Centennial offering "Jose Rizal" and "Muro Ami," the biggest blockbuster movies of 1998 and 1999. Repositioned as an entity that complements GMA Network's talent development initiatives, GMA Films was reactivated in late 2004, with its initial offering "Let the Love Begin" followed by the blockbuster hits "I Will Always Love You" and "Till I Met You." It went on to produce more commercial movies such as Lovestruck, Ouija, The Promise, My Bestfriend's Girlfriend, I.T.A.L.Y, One True Love, When I Met You, Working Girls, Temptation Island, The Road, Of All The Things, My Lady Boss, and more.

In 2019, after a five-year hiatus from production, GMA Network Films, Inc. is ready to make its presence felt again to a new audience, this time under two distinct brands - GMA Pictures, which will produce major studio-scale movies for the broad Filipino movie-going market; and Backyard Productions, which aims to target younger audiences looking for an alternative, unconventional stories that offer a fresh, out of the box movie experience, as well as mainstream audiences looking for movies that offer quirky new spins on life.

Music and Video Recording

RGMA Marketing and Productions, Inc. (GMA Music) was incorporated in September 1997 and became operational in 2004 after the Company decided to reactivate its musical recording business through the "GMA Music" label. Since resuming operations, GMA Music has leveraged the Company's talent and media resources, releasing music albums of various artists.

GMA Music works with GMA New Media and other local-based content providers and aggregators to take advantage of new revenue streams, particularly in the market of digital music downloading and streaming. The GMA Music also secured non-exclusive mobile, web and kiosk-based deals with different content providers worldwide to continuously exploit the potentials of its music and video assets.

GMA Music publishes music and administers copyrights on behalf of composers. GMA Music is also actively pursuing publishing deals, building on its current catalog of original compositions. GMA Music serves as a clearinghouse and a source of music for the Company's television and film productions. It is also a member of FILSCAP, the Filipino Society of Composers, Authors and Publishers and SoundsRight.

Last May 2017, GMA Music ventured into concert production since as a record label, it is much abreast with the live performance circuit and is knowledgeable of the current music scene. Producing concerts enables GMA Music to exploit album productions and showcase the musical talents of GMA artists.

GMA Music also started producing an online musical channel in October 2017 via video performances of various music artists which will be made available online and will generate additional revenue for the company.

STAGE DESIGN

Script2010, Inc. was formally established in April 2010 as a subsidiary of Citynet Network Marketing and Productions, Inc. It engages in conceptual design and design execution through fabrication, construction, set-up and dismantling of sets, and creation of props. It also provides other related services such as live performances and events management, sales activation and promotion, and tradeshow exhibits.

Script2010, Inc. is also engaged in transportation, hauling and trucking services to further fulfill the needs of its clients. Other business units of **Script2010, Inc.** are video wall, light and sound equipment rental and mobile LED and robotics truck rental, and facility support services to various GMA Network departments.

POST PRODUCTION

Alta Productions Group, Inc. was established in 1988 as a production house primarily to provide production services for the Network. Until the late 1990s, it operated a satellite studio in Makati, producing award-winning News and Public Affairs Programs for GMA Channel 7.

Today, Alta Productions Group's core business is audio dubbing and mixing for broadcast. Its fully digital audio recording and mixing studios is in sync with the Network's production requirements and broadcast standards. Aside from dubbing foreign content into the local vernacular for airing on the Network, Alta Productions Group also dubs station-produced content into English for international consumption. Its audio studio has now also included closed-captioning as new service.

In addition, Alta Productions Group's shoot and video post-production department produces TVCs, broadcast content, and documentaries for both local and international clients. It has also become a prominent player in the conceptualization, design, and staging of corporate events, conferences, exhibits, and other on-ground activations.

Alta Productions Group is proud to be one of the few production houses capable of servicing the complete spectrum of production requirements all under one roof. From conceptualization, creatives, shoot, post-production, all the way to execution. It finds solutions for any kind of corporate event or on-ground activity requirement.

NO DEPENDENCE UPON ONE OR LIMITED NUMBER OF SUPPLIERS

The Company is not dependent upon a single or a few suppliers. The supply requirements of the Company are being bid out. Eighty-one percent (81%) of GMA Network's accredited suppliers are Philippine-based (local), with headquarters located across the archipelago—from the Cordillera Administrative Region to Zamboanga City. Purchases from our local suppliers are mostly for production tapings, supplies requirements, repairs and maintenance, professional services, turnkey projects, and construction projects.

DEPENDENCE UPON CUSTOMERS

The broadcasting business of the Company generates revenues mainly from the sale of national, and regional advertising time and space to agencies/advertisers and other block time producers. No single customer accounts for twenty (20%) percent or more of the Company's total consolidated revenues. The top 20 agencies and advertisers comprise more than 70% of the Company's business. The Company is not critically dependent upon a single or few customers to provide and ensure sustainability of its operations and financial viability. Major existing contracts include airtime sales with regular agencies and advertisers such as Nestle Group, Unilever Group, Procter & Gamble Philippines, Inc., Reckitt Benckiser/Mead

Johnson Nutrition (Philippines), Inc. , JG Summit Group, Abbott Laboratories, United Laboratories, Colgate Palmolive Phils., Mondelez Phiippines, Inc., and the Ayala Group, to name a few.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

Kindly refer to **Item 12** of the report (page 100).

FRANCHISE, LICENSES AND GOVERNMENT APPROVALS

The Company is a grantee of a congressional franchise to construct, install, operate and maintain radio and television broadcasting stations in the Philippines. Republic Act No. 10925 (An Act Renewing for Another Twenty-Five (25) Years the Franchise Granted to Republic Broadcasting System, Inc., Presently Known As GMA Network, Inc., Amending For the Purpose Republic Act No, 7252 Entitled An Act Granting the Republic Broadcasting System Inc. A Franchise to Construct, Install, Operate and Maintain Radio and Television Broadcasting Stations in the Philippines) was approved by both chambers of Congress and was subsequently signed into law on April 21, 2017 by President Rodrigo R. Duterte. The Company also operates and maintains various radio and TV stations nationwide under licenses/permits issued by the National Telecommunications Commission.

The Company has also applied for registration of its service marks (visible signs capable of distinguishing its services) with the Intellectual Property Office (IPO) and has complied with the provisions of Republic Act No. 8293 on the law on service marks for this purpose. A Certificate of Registration of Service Marks granted in favour of the Company remains in force for 20 years.

Similarly, the Company has applied for copyright registration with the IPO of its (a) published and (b) unpublished works under Republic Act No. 8294 and Presidential Decree No. 49. A Certificate of Copyright Registration has a term of protection of fifty (50) years from publication of the work.

The Company has also entered into several license agreements for its business of producing television programs aired over its local and international channels and producing television series based on a licensed property. The said license agreements are for periods between three to five years.

The Company broadcasts its television programs and series with the proper licenses and permits from the Movie and Television Review and Classification Board.

EFFECT OF GOVERNMENT REGULATIONS ON BUSINESS

The foregoing franchise, licenses or permits, service marks, copyright registration and government approvals were obtained by the Company in accordance with the requirements of applicable laws and pertinent rules and regulations of regulatory agencies.

The Company's compliance with the above-mentioned laws and government regulations are indispensable to its businesses, which are primarily, radio and television broadcasting, recording, film production and other information and entertainment business.

AMOUNT SPENT ON DEVELOPMENT ACTIVITIES

In 2020

- Completed the Project "Infrastructure Upgrade to Allow for HD Streaming and Clipping of non-MAMS Hosted Content – Engineering side" with an approved budget of **P1.06M-completed last January 2020**;
- Completed the Project "Jungo IP Feed Ingest Requirements" with an approved budget of **P3.73M-completed last January 2020**;
- 15KW Davao DTTB Station Upgrade (**P7.56M**) - **completed last March 15, 2020**;
- In December 2019, a budget of **P24.58M** was approved to replace the IOT transmitter of GMA News TV Ch.27 in Cebu with a solid-state UHF transmitter that is capable of broadcasting analog TV (29KW NTSC) or digital TV (15KW ISDB-T) **on-air broadcast started on September 3, 2020**;
- Started the acquisition and installation of equipment for a 5G Broadcast Trial Facility in Tandang Sora, Quezon City with an approved budget of **P17.51M- 5G transmitter installation and commissioning was completed last November 7, 2020; Targeted to conduct scheduled 5G test broadcast starting April 2021**;
- On Air broadcast of 10KW Cagayan de Oro City DTT Station (**P68.73M**) **on December 15, 2020**;

In 2019

- Completed in July 2019 the upgrade of three field production vans from high-definition (HD) 1080i to 1080p/2K Full HD and up to 4K Ultra HD resolution image capture with an approved budget of **P76.17M**;

- Completed in September 2019 the upgrade of News live remote facilities (ENG/SNG/DMNG) from standard-definition (SD) to high-definition (HD) video capture and transmission of the same to the studio with an approved budget of **P7.77M**;
- Completed the Project "Additional 3 Master Controls Capable of Full Ad-Insertions and Graphic Intrusions" with approved budget of **P23.43M**;
- Completed the Project "MAMS' Upgrade to support Apple ProRes 422HQ Format" with approved budget of **P49.12M**;
- Completed the Project "BAS Upgrade to support Apple ProRes 422HQ Format" with approved budget of **P25.92M**;
- Completed the Project "NAS Shift to HD" with approved budget of **P4.6M**;
- Completed the Project "Infrastructure Upgrade to Allow for HD Streaming and Clipping of non-MAMS Hosted Content – Engineering side" with approved budget of **P1.06M**;
- Completed the Project "Jungo IP Feed Ingest Requirements" with approved budget of **P3.73M**;
- Completed the change of Mega Manila DTTB frequency from Ch.27 to Ch.15 and GMA NewsTV channel switch to Ch.27 with an approved budget of **P25.58M**;
- Completed the installation and commissioning of the 5KW Digital Terrestrial Television Broadcast (DTTB) station in Mt. Banoy, Batangas (**P37.73M**);
- Started the construction of a 3KW Digital Terrestrial Television Broadcast (DTTB) Gap Filler Station at PBCom Tower in Makati with an approved budget of **P38.12M**;
- Started the acquisition and installation of equipment for a 5G Broadcast Trial Facility in Tandang Sora, Quezon City with an approved budget of **P17.51M**;
- Last September 2019, Top Management approved the following additional regional Digital Terrestrial Television Broadcast (DTTB) stations and upgrade:
 - 10KW Cagayan de Oro City (**P68.73M**)
 - 15KW Guimaras (**P63.79M**)
 - 10KW Bacolod City (**P57.21M**)
 - 5KW Mt. Caniao, Bantay, Ilocos Sur (**P49.24M**)
 - 15KW Davao DTTB Station Upgrade (**P7.56M**)

- In December 2019, a budget of **P24.58M** was approved to replace the IOT transmitter of GMA News TV Ch.27 in Cebu with a solid-state UHF transmitter that is capable of broadcasting analog TV (29KW NTSC) or digital TV (15KW ISDB-T);

In 2018

- Completed the installation and commissioning of the following regional Digital Terrestrial Television Broadcast (DTTB) stations in the regions:
 - 15KW Mt. Sto. Tomas, Benguet (**P60.55M**)
 - 15KW Bonbon, Cebu City (**P87.66M**)
 - 5KW Matina, Davao City (**P32.98M**);
- Completed the reinforcement of the 250ft. high self-supporting tower at Matina, Davao City with a total budget of **P20.94M** in order for the structure to comply with the 7th Edition of the National Structural Code of the Philippines (NSCP) in connection with the installation of additional DTTB antenna for TV-37 DTT Davao;
- Completed the erection of new 90ft. high self-supporting antenna tower for TV-4 Dipolog for a total contract cost of **P8.9M**;
- Completed the signal coverage improvement project of TV-6 Guimaras with an approved budget of **P20.7M**;
- Last December 15, 2018, the Executive Committee approved the acquisition of two (2) new Master Control Systems capable of full ad insertions and graphic intrusion in the total amount of **P23.43M** in addition to the existing Master Control System at the Engineering's Technical Operating Center for three (3) digital channels of the Mega Manila Digital Terrestrial Television Broadcast (DTTB). The cost of **P29.47M** was also approved for the aggregated digital channels (multiplex distribution) to be carried over the regional DTTB stations in Mt. Sto. Tomas, Benguet (Dagupan originating), Cebu and Davao via satellite;

COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS

The Company complies with various environmental laws such as R.A. 8749 (Philippine Clean Air Act of 1999), R.A. 6969 (Toxic Substance and Hazardous Wastes) under DENR, R.A. 9275 (Philippine Clean Water Act) under the Laguna Lake Development Authority and R.A. 9003 (Ecological Solid Waste Management Act) as follows:

1. R.A. 8749 – The Company has a DENR Permit to Operate for the generator sets installed in the GMA Network Center. The permit was renewed last March 29, 2017 and received dated May 9, 2017 and costs around P 15,125.00 and is valid for five (5) years or until April 28, 2022. As a requirement in the permit,

the Company submits quarterly self-monitoring reports on the consumed fuel of the generator sets. Also, all generator sets undergo annual emission tests conducted by DENR's accredited 3rd party group. The 2021 budget for the emission tests cost **P96,000.00** for the 5 units.

2. R.A. 6969 – All generated hazardous wastes such as tapes, used engine oils, busted fluorescent lamp (BFL), empty paint cans, contaminated rags and others are treated, recycled and appropriately disposed of with the DENR's accredited 3rd party hazardous waste treatment group. The 2021 budget for the disposal of hazardous waste is **P108,000.00**. HazWaste ID was amended last 2017 as a requirement for the new rules and transferring to an online request for disposal of Hazardous Waste. New Hazardous Waste like grease, defective LED, used vegetable oil and expired pharmaceutical drugs were also included in the revision of the updated HazWaste ID.

3. R.A. 9275 – The Company has a Discharge Permit from the Laguna Lake Development Authority (LLDA) to operate its Sewage Treatment Facility (STP) in the GMA Network Center. The permit, which costs around **P24,000.00**, is set for renewal in **August 2021**. Laboratory testing of wastewater was also performed as a requirement for SMR and CMR submission. With the issuance of the new DENR Department Order DAO 2016-08, the Company submitted a Compliance Action Plan to LLDA office for the improvement of its STP. The additional parameters in the new DAO 2016-08 resulted to an increase in the laboratory testing fee which is around **P102,000.00** per year. **The 2021 budget for the siphoning of sludge of the STP is P180,000.00**

4. R.A. 9003 - The Company applied for an Environmental Permit to Operate (Environmental Clearance) to the Quezon City Environmental Protection and Waste Management Department pursuant to City Ordinance No. 1729 Series of 2006. The budget for the annual permit for 2021 is **P3,300.00**.

In addition, the Company incurred approximately P116,029 in costs for other permits and licenses required by government regulations such as, but not limited to, special land use permits, DENR-EMB permits, etc.

EMPLOYEES

As of December 31, 2020, the Company has 2,625 regular and probationary employees. The Company also engaged 983 talents (on-cam and off-cam) in 2020. The Company recognizes one labor union, the GMA Network, Inc. Employees Union. The Collective Bargaining Agreement (CBA) for the cycle 2019-2024 took effect in July 2019.

The classification of the Company's employees, including the number of employees it anticipates to have in the ensuing twelve (12) months, is presented below:

	AS OF DEC. 31, 2020	**2021 ESTIMATED ADDITIONAL	TOTAL
Rank & File *	1,099	19	1,118

Non-Rank and File & Managers	1,447	36	1,483
Officers	80	0	80
Total	2,626	55	2,681
* Covered by Collective Bargaining Agreement (CBA)			
** Based on approved MRF and hired EEs as of February 28, 2021.			

LABOR DISPUTES

There were no strikes nor observed strikes and disputes between the labor and management in the past three (3) years.

Risk Management

Operating in a complex and dynamic business environment compounded by external disruptions such as the COVID-19 pandemic, the Company believes that effective risk management is crucial in the attainment of its operational and financial targets. To protect and enhance shareholder value, a comprehensive and integrated enterprise-wide risk management program is implemented, guided by internationally accepted standards, and closely monitored by the Company's executive management and Board of Directors. As a result of such a program, the Company's risk exposure is managed at an acceptable level—effectively reducing threats, creating opportunities for continued growth, and strategically gaining a competitive advantage.

Our commitment to effective risk management

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

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

- Integrate risk management into its culture and operations
- Incorporate risk management into strategic planning, activity planning, performance management, and resource allocation decisions

- Manage risk in accordance with the adopted standard
- Periodically revisit and re-asses its risk profile and the effectiveness of risk treatments

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

Major risks relating to our operations

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

- Significant impact of the new normal presented as a result of COVID-19 on the media and entertainment industry
- Intense 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
- 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
- Unfavorable political and economic conditions in the Philippines and in territories where the Company and its subsidiaries operate

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.

Item 2. Properties

As of December 31, 2020, the Company's total property and equipment and real property amounted to P5,391.31 million. The property and equipment had a book value of P2,588.11 million, while its real property had a fair market value of P2,803.20 million (based on an independent appraisal report as of November 19, 2018).

The Company also leases land, building and studio/office space in various locations around the Philippines under lease agreements for periods of between 3 and 25 years. The lease agreements may be cancelled at the Company's option. The rental expense of the Company amounted to P22.12 million for the year ended December 31, 2020.

The following are the principal properties of the Company:

- The Company compound located in Barangay South Triangle, Diliman, Quezon City with a lot area of 12,657 square meters, which contains several buildings, including the GMA Network

Center;

- The GMA Network Center Studios, a four-storey building with an area of 4,053 square meter property adjacent to the GMA Network Center at GMA Network Drive cor. EDSA, Diliman Quezon City which houses two state-of-the-art studios, technical facilities and offices;
- The GMA Transmitter complex in Tandang Sora Avenue, Barangay Culiat, Diliman Quezon City with a total land area of 27,228 square meter property , which houses the 777 ft. Tower, tallest broadcast tower in the Philippines, TV and FM Transmitter building and Sets & Props storage and construction facility;
- The GMA Fleet Center located on the east corner of Mother Ignacia Avenue and Sergeant Esguerra Avenue, Barangay South Triangle, Diliman Quezon City; and
- Properties in the key areas across different regions:

Luzon:

- A 51,135 square meter property in Panghulo, Obando, Bulacan, where an AM transmitter site, a two-storey building, a genset house, and an AM tower are situated;
- A 2,289 square meter property in Barangay Malued, Dagupan City, where the Regional radio and television studios are located;
- A 2,000 square meter property in Barangay Concepcion PequeNaga City, where a two-storey building which houses TV & Radio Studio and Offices, TV & FM transmitter building are situated;
- A 10,000 square meter property in La Trinidad, Benguet where an FM transmitter site and a one storey building are situated;
- A 2000 square meter property in Bayubay Sur, San Vicente, Ilocos Sur where a Regional TV studio is located;
- A 2,611 square meter property in San Lorenzo, San Nicolas, Ilocos Norte where a TV relay facility is situated;
- A 2,486 square meter property in Brgy. Lusuac, Penarrubia, Abra where a TV Relay facility is located; and
- A 1,000 square meter property in Santa Monica, Puerto Princesa City where a TV Relay facility is located and
- An 800 square meter land in Poblacion, Brooke's Point, Palawan where a TV Relay facility.

Visayas:

- A 23,176 square meters property located in Nivel Hills, Barangay Lahug, Cebu City, containing a multilevel building which houses radio and television operation facilities;
- A 12,798 square meters property located in Mambaling, Cebu where a transmitter is situated;
- A 3,713 square meters property in Alta Tierra, Jaro, Iloilo City where radio and television studios are located;
- Land in Barangay Tamborong, Jordan, Guimaras where an FM radio and television transmitter is located;
- A 1,000 square meters property in Barangay Bulwang, Numancia, Aklan where a television relay transmitter site and a building are located; and
- A 2,000 square meters property in Sibulan, Negros Oriental where a transmitter is located.

Mindanao:

- A 2,000 square meters property in Bo. Matina Hills, Davao City where an FM and television transmitter building and studio complex are located;
- A 1,000 square meters property in Barangay San Isidro, General Santos City where a television relay transmitter site and a building are located;
- A 23,154 square meters property in Barangay Cabatangan, Zamboanga City where a television relay transmitter site and a building are located.

- A 1,000 square meters property in Lipata, Surigao City where a transmitter site is located.

The properties owned by the Company are currently unencumbered and are free from any existing liens.

The Company also leases land, building and studio/office space in various locations around the Philippines under lease agreements for periods of between 3 and 25 years. The lease agreements may be cancelled at the Company's option. The rental expense of the Company amounted to P18.0 million for the year ended December 31, 2017.

Regional Broadcast Stations

The Company owns regional broadcast stations in various parts of the country. Originating TV stations are stand-alone transmitter, studio and production facilities capable of producing and airing live and/or taped programs as well as plugs and advertising within their (local) service area/s independent of, or in conjunction with the national feed. Satellite TV stations are similar to originating TV stations except that they are not equipped with live production capability outside of news bulletins. Satellite TV stations are also capable of broadcasting local plugs or advertising within their respective (local) service areas either independent of, or in conjunction with national program feeds. TV relay stations are limited to transmitter and signal receiving facilities and only re-broadcast programs/content received from originating or satellite TV stations with which they are associated; either via satellite or other receiving methods.

The following are the Company's television and radio stations throughout the Philippines:

LIST OF GMA's OPERATING TV STATIONS

NO.	STATION	ADDRESS	CONTACT NUMBER
	LUZON		
1	TV-7 Metro Manila (GMA)	Brgy. Culiat, Tandang Sora, Quezon City	(02) 8 931-9183
	TV-27 Metro Manila (GTV)	Brgy. Culiat, Tandang Sora, Quezon City	(02) 8 931-9183
	DTT- Ch.15 Metro Manila	Brgy. Culiat, Tandang Sora, Quezon City	(02) 8 931-9183

2	TV-5 Ilocos Norte (GMA)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
	TV-27 Ilocos Norte (GTV)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
3	TV-48 Ilocos Sur (GMA)	Mt. Caniao, Bantay, Ilocos Sur	0915-8632841
	DTT- Ch.15 Ilocos Sur	Mt. Caniao, Bantay, Ilocos Sur	0915-8632841
4	TV-7 Batanes (GMA)	Brgy. Kayvaluganan, Basco, Batanes	0915-6127197
5	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
6	TV-7 Tuguegarao, Cagayan (GMA)	No. 91 Mabini St., Tuguegarao City, Cagayan	0915-6127263
	TV-27 Tuguegarao, Cagayan (GTV)	No. 91 Mabini St., Tuguegarao City, Cagayan	0915-6127263
7	TV-7 Santiago City (GMA)	Heritage Commercial Complex, Maharlika Hi-way, Brgy. Malvar, Santiago City, Isabela	0915-2700063

8	TV-5 Baler (GMA)	Purok 3, Brgy. Buhangin, Baler, Aurora	0915-6127194
9	TV-10 Olongapo (GMA)	Upper Mabayuhan, Olongapo City	0915-6127265
	TV-26 Olongapo (GTV)	Upper Mabayuhan, Olongapo City	0915-6127265
10	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
	DTT- Ch.32 Batangas	Mt. Banoy, Bo. Talumpok East, Batangas City	0915-8632860
11	TV-44 Jalajala, Rizal (GMA)	Mt. Landing, Jalajala, Rizal	0915-8632874
12	TV-13 Occidental Mindoro (GMA)	Bonifacio St., San Jose, Occidental Mindoro	0915-6127199
	TV-26 Occidental Mindoro (GTV)	Bonifacio St., San Jose, Occidental Mindoro	0915-6127199
13	TV-6 Brooke's Point, Palawan (GMA)	Poblacion, Brooke's Point, Palawan	0915-6127181
14	TV-8 Coron, Palawan (GMA)	Tapias Hill, Coron, Palawan	0915-6127178
15	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
16	TV-7 Romblon (GMA)	Triple Peak, Sta. Maria, Tablas, Romblon	0915-6127225
17	TV-12 Legaspi (GMA)	Mt. Bariw, Estanza, Legaspi City	0915-8632867
	TV-27 Legaspi (GTV)	Mt. Bariw, Estanza, Legaspi City	0915-8632867
18	TV-8 Daet (GMA)	Purok 2, Brgy. Mancruz, Daet, Camarines Norte	0915-2700056
19	TV-7 Naga (GMA)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
	TV-28 Naga (GTV)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
20	TV-13 Catanduanes (GMA)	Brgy. Sto. Niño, Virac, Catanduanes	0915-6127174
21	TV-7 Masbate (GMA)	Brgy. Pinamurbuhan, Mobo, Masbate	0915-6127175
	TV-27 Masbate (GTV)	Brgy. Pinamurbuhan, Mobo, Masbate	0915-6127175
22	TV-2 Sorsogon (GMA)	Mt. Bintacan, Brgy. Maalo, Juban, Sorsogon	0915-2700192

23	TV-7 Abra (GMA)	Brgy. Lusuac, Peñarrubia, Abra	0915-6130512
24	TV-10 Benguet (GMA)	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
	TV-22 Benguet (GTV)	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
	DTT- Ch.38 Benguet	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
25	TV-5 Mountain Province (GMA)	Mt Amuyao, Barlig, Mountain Province	0915-2700124
	VISAYAS		
26	TV-2 Kalibo (GMA)	Brgy Bulwang, Numancia, Aklan	0915-6127216
	TV-27 Kalibo (GTV)	Brgy Bulwang, Numancia, Aklan	0915-6127216
27	TV-5 Roxas (GMA)	Mission Hills, Brgy. Milibili, Roxas City, Capiz	0915-6127217
	TV-27 Roxas (GTV)	Mission Hills, Brgy. Milibili, Roxas City, Capiz	0915-6127217
28	TV-6 Guimaras (GMA)	Brgy. Tamborong, San Lorenzo, Guimaras	0915-4417084
	TV-28 Iloilo (GTV)	Phase 5, Alta Tierra Subdivision, Jaro, Iloilo	0915-4417084
29	TV-13 Bacolod (GMA)	Isecure Bldg., Rizal St. cor. Locsin St., Bacolod City	0915-8632864

30	TV-30 Murcia, Negros Occidental (GMA)	Mt. Kanlandog, Brgy. Canlandog, Murcia, Negros Occidental	0915-2700132
31	TV-10 Sipalay (GMA)	Sipalay Old Municipal Building, Sipalay, Negros Occidental	0915-6127219
32	TV-11 Bohol (GMA)	Banat-I Hills, Bool District, Tagbilaran City	0915-6127214
33	TV-7 Cebu (GMA)	Bonbon, Cebu City City	0915-4417075
	TV-27 Cebu (GTV)	Bonbon, Cebu City	0915-4417075
	DTT- Ch.26 Cebu	Bonbon, Cebu City	0915-4417075
34	TV-5 Dumaguete (GMA)	Pancil Looc, Sibulan, Negros Oriental	0915-6131185
	TV-28 Dumaguete (GTV)	Pancil Looc, Sibulan, Negros Oriental	0915-6131185
35	TV-8 Borongan (GMA)	Songco, Borongan City, Eastern Samar	0915-6127177
36	TV-12 Ormoc (GMA)	Purok 1 Brgy. Alta Vista, Ormoc City	0915-6127213
37	TV-10 Tacloban (GMA)	Mt. Canlais, Brgy. Basper, Tacloban City	0915-6127208

	TV-26 Tacloban (GTV)	Mt. Canlais, Brgy. Basper, Tacloban City	0915-6127208
38	TV-5 Calbayog (GMA)	Purok 2 San Mateo St. Brgy. Matobato, Calbayog City, Western Samar	0915-6127176
	MINDANAO		
39	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
40	TV-3 Pagadian (GMA)	Mt. Palpalan, Pagadian City, Zamboanga del Sur	0915-6127245
	TV-26 Pagadian (GTV)	Mt. Palpalan, Pagadian City, Zamboanga del Sur	0915-6127245
41	TV-9 Zamboanga (GMA)	Brgy. Cabatangan, Zamboanga City	0915-8632870
	TV-21 Zamboanga (GTV)	Brgy. Cabatangan, Zamboanga City	0915-8632870
42	TV-12 Mt. Kitanglad, Bukidnon (GMA)	Mt. Kitanglad, Bukidnon	0915-8632863

43	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
44	TV-11 Iligan City (GMA)	Brgy. Del Carmen, Iligan City, Lanao del Norte	0915-6131202
45	TV-35 Cagayan de Oro (GMA)	Malasag Heights, Brgy. Cugman, Cagayan de Oro City	0915-8632875
	DTT- Ch.47 CDO	Malasag Heights, Brgy. Cugman, Cagayan de Oro City	0915-8632875
46	TV-26 Butuan (GMA)	Brgy. Bonbon, Butuan City, Agusan del Norte	0916-3178470
47	TV-5 Davao (GMA)	Shrine Hills, Matina, Davao City	0915-4417082
	TV-27 Davao (GTV)	Shrine Hills, Matina, Davao City	0915-4417082
	DTT-Ch.37 Davao	Shrine Hills, Matina, Davao City	0915-4417082
48	TV-12 Cotabato (GMA)	Regional Government Center, Cotabato City	0915-6131170

	TV-27 Cotabato (GTV)	Regional Government Center, Cotabato City	0915-6131170
49	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
50	TV-10 Surigao (GMA)	Lipata Hills, Surigao City, Surigao del Norte	0915-6131227
	TV-27 Surigao (GTV)	Lipata Hills, Surigao City, Surigao del Norte	0915-6131227
51	TV-2 Tandag (GMA)	Capitol Hill, Brgy. Telaje, Tandag, Surigao del Sur	0915-6127248
52	TV-12 Jolo, Sulu (GMA)	Ynawat Bldg., Hadji Butu St., Jolo, Sulu	0915-6131182
	TV-26 Jolo, Sulu (GTV)	Ynawat Bldg., Hadji Butu St., Jolo, Sulu	0915-6131182

GMA's RADIO STATIONS

AREA	FREQ.	CALL SIGN	AM / FM	POWER	ADDRESS
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LUZON

METRO MANILA	594 kHz	DZBB	AM	50kW	GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City
	97.1 MHz	DWLS	FM	25kW	
BAGUIO	92.7 MHz	DWRA	FM	10kW	2/F Baguio Midland Courier Bldg.,Kisad Road, Baguio City
DAGUPAN	1548 kHz	DZSD	AM	10kW	GMA TV 10 Compound, Claveria Road, Malued District, Dagupan City
	93.5 MHz	DWTL	FM	10kW	
LEGAZPI	96.3 MHz	DWCW	FM	10kW	3/L A. Bichara Silverscreen Entertainment Center, Magallanes St., Legazpi City
LUCENA	91.1 MHz	DWQL	FM	10kW	3/F Ancon Bldg., Merchan St., Lucena City
NAGA	101.5 MHz	DWQW	FM	5kW	GMA Complex (Beside Mother Seton Hospital), Diversion Road (Roxas Ave.), Naga City
PALAWAN	909 kHz	DYSP	AM	5kW	Solid Road, San Manuel, Puerto Princesa City, Palawan
	97.5 MHz	DYHY	FM	5kW	
TUGUEGARAO	89.3 MHz	DWWQ	FM	10kW	4/F Villablanca Hotel, Pattau St. cor, Pallua Rd., Ugac Norte, Tuguegarao City, Cagayan

VISAYAS

BACOLOD	1179 kHz	DYSB	AM	3kW	3/F Centroplex Mall, Gonzaga-Locsin St., Bacolod City
	107.1 MHz	DYEN	FM	10kW	
CEBU	999 kHz	DYSS	AM	10kW	GMA Skyview Complex, Nivel Hills, Lahug, Cebu City
	99.5 MHz	DYRT	FM	25kW	
ILOILO	1323 kHz	DYSI	AM	10kW	GMA Broadcast Complex Phase 5, Alta Tierra Village, Jaro, Iloilo City
	93.5 MHz	DYMK	FM	10kW	
KALIBO	92.9 MHz	DYRU	FM	5kW	Torres-Olivia Bldg., Roxas Ave. Extension, Kalibo, Aklan

MINDANAO

CAGAYAN DE ORO	100.7 MHz	DXLX	FM	10kW	2/F Centro Mariano Bldg., Osmena St., Cagayan De Oro City
DAVAO	1125 kHz	DXGM	AM	10kW	GMA Network Complex, Shrine Hills, Matina, Davao City
	103.5 MHz	DXRV	FM	10kW	
GENERAL SANTOS	102.3 MHz	DXCJ	FM	10kW	3/F PBC Bldg., Cagampang St., General Santos City
	1107 kHz (leased)	DXBB	AM	5KW	
ILIGAN (RGMA)	90.1 MHz	DXND	FM	10kW	3/F Kimberly Bldg. A. Bonifacio cor., Isidoro Emilia Ave., Iligan, Lanao del Norte

ZAMBOANGA	1287 kHz	DXRC	AM	5KW	Logoy Duitay, Talon-Talon, Zamboanga City
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PROPERTIES INTENDED FOR ACQUISITION

As of the present, the Company does not intend to acquire any predetermined real property within the next twelve (12) months.

Item 3. Legal Proceedings

The Company and its subsidiaries are involved, from time to time, as plaintiff or defendant in litigation arising from transactions undertaken in the ordinary course of its business. Described below are the pending material litigations of which the Company and its subsidiaries or their properties are involved. The Company believes that a judgment rendered against it in the cases indicated below will not have a material adverse effect on its operations or financial condition.

The Company's affiliate, Philippine Entertainment Portal, Inc. is not involved in any material pending litigation as of December 31, 2020.

By virtue of the complaint filed in the case of Isabel Cojuangco Suntay v. Emilio A.M. Suntay III, Nenita Sunday Tanedo, Civil Case No. R-QZN-15-06204 which involves a nullification of affidavits of settlement of the estate of Frederico Suntay, plaintiff Suntay caused the annotation of notice of lis pendens upon Mont-Aire Realty and Development Corporation's (Mont-Aire Realty's) TCT No. T-29046, whose parent title is subject of the affidavits sought to be nullified. Mont-Aire Realty then filed a motion to cancel the notice of lis pendens upon its title. The trial court in its Order dated August 30, 2019 granted Mont-Aire Realty's motion to cancel the notice of lis pendens and ordered the Register of Deeds of Tagaytay to cancel and delete such notice. The plaintiff filed a motion for reconsideration of the Order dated August 30, 2019. Mont-Aire Realty filed its comment to the motion for reconsideration. As the case was re-raffled to another court, the resolution of the motion remains pending.

Labor Cases

There is a case for illegal dismissal filed against GMA Marketing and Productions, Inc. ("GMPI"), then a wholly-owned subsidiary of the Company, and its officers, Lizelle Maralag and Leah Nuyda initiated by Corazon Guison, a former Sales Director of GMPI. The complainant claimed that she was unceremoniously terminated from her employment sometime in May 2010 and is entitled to reinstatement as well as payment of full backwages, unpaid commissions and salaries, moral and exemplary damages and attorney's fees. On January 31, 2011, the Labor Arbiter rendered a decision finding for complainant Guison and ordered the respondents to pay P807,007.50 as backwages and P1,691,000.00 as separation pay, as well as attorney's fees. On appeal, the National Labor Relations Commission (NLRC) reversed the decision of the Labor Arbiter and ordered the dismissal of complainant's complaint. Complainant filed a Petition with the Court of Appeals (CA) but the latter denied the same. Her motion for reconsideration was likewise denied.

There is a case for regularization and illegal dismissal (NLRC NCR Case No. 04-05664-13[22]) filed by Henry T. Paragele, Roland Elly C. Jaso, et al. against the Company. Complainants are relievers/pinch hitters whose services were no longer availed of by the Company. The Labor Arbiter rendered a decision

dismissing the complaint. Complainants filed an appeal to the NLRC. The NLRC rendered a decision dismissing the appeal. Complainants filed a motion for reconsideration which was also denied by the NLRC. Complainants filed a Petition with the CA and the Company filed its Comment/Opposition and Memorandum. The CA rendered the Decision dated March 3, 2017, denying complainants' Petition for Certiorari. Complainants filed a motion for reconsideration, which was also denied by the CA. Complainants filed a petition for review with the Supreme Court, to which the Company filed its Comment/Opposition. The Petition is now submitted for resolution.

There is also a case for illegal dismissal filed by Christian Bochee M. Cabaluna *et al.* against the Company. The Labor Arbiter rendered a decision declaring valid the termination as against the 15 complainants but held that the rest of the complainants were illegally dismissed and awarded backwages with reinstatement. The Company filed a Notice of Appeal with Memorandum of Appeal and posted a bond. Subsequently, it filed a Supplemental Memorandum of Appeal. The NLRC modified the Labor Arbiter's decision and dismissed the complaint for illegal dismissal filed by the 35 complainants. Complainants filed a motion for reconsideration but the same was denied by the NLRC for lack of merit. Cabaluna *et al.* filed a petition for certiorari with the CA, to which the Company already filed its comment. The CA reversed the NLRC and ruled that Cabaluna *et al.* were illegally dismissed and reinstated the Decision of the Labor Arbiter with regard to the 35 complainants while also declaring the 15 complainants as illegally dismissed and entitled to reinstatement and backwages. The Company filed a motion for reconsideration which was denied subsequently. The Company thus filed a Petition for Review with the the Supreme Court (SC).

There is another case against the Company *et al.* for regularization filed by Micholl P. Mabinta whose talent agreement was no longer renewed. The Labor Arbiter rendered a decision dismissing the complaint on June 8, 2015. Complainant filed an appeal which was dismissed by the NLRC in the Decision dated January 29, 2016. Complainant filed a motion for reconsideration which was denied by the NLRC in the Resolution dated March 31, 2016. Complainant filed a petition before the CA and the Company and the other respondents filed their comment/opposition thereto. The Court of Appeals rendered a decision denying the Petition for Review. Complainant filed a motion for reconsideration, but the same was denied by the CA in the Resolution dated February 21, 2019.

There is a case against GMA Network for illegal suspension, moral and exemplary damages and attorney's fees filed by Edmalynne Remillano *et al.* Complainants filed a Petition for Certiorari with the CA seeking to review and annul the decision of the NLRC affirming the decision rendered by the Labor Arbiter dismissing their complaint for illegal suspension, damages and attorney's fees. On January 22, 2018, the CA dismissed Remillano's Petition. No more action was taken by complainants and the case has since become final.

There is a case involving a complaint filed against the Company by Alfredo Lubrica Enoce for alleged illegal dismissal with a prayer for separation pay, backwages, moral and exemplary damages and attorney's fees. The Labor Arbiter rendered a decision finding illegal dismissal. However, the decision was reversed on appeal by the NLRC. Enoce's motion for reconsideration was likewise denied. Enoce filed a Petition for Certiorari with the CA, to which the Company filed its comment and memorandum as well. The CA dismissed the Petition for Certiorari. Enoce filed a motion for reconsideration with the CA but was also denied by the CA. Enoce filed a Petition for Review with the SC which has yet to issue a resolution requiring us to file comment.

There is a case for illegal dismissal, underpayment of benefits, damages and attorney's fees filed against the Company *et al.* by Jocelyn Bautista Pacleb. The Labor Arbiter rendered the Decision dated December 18, 2018. On appeal by Pacleb and partial appeal by the Company, the NLRC rendered the Decision dated March 28, 2019. The Company filed a motion for reconsideration dated April 20, 2019, which was granted by the NLRC in the Resolution dated May 25, 2019. Pacleb filed a Petition for Certiorari with the CA for which the Company filed its Comment. The CA rendered the Decision dated December 3, 2020, granting Pacleb P30,000.00 nominal damages. The Company filed a partial motion for reconsideration. Pacleb also filed a partial motion for reconsideration.

There is a case for illegal dismissal and money claims against the Company filed by Reynaldo delos Santos Aranas et al., under a talent agreement which was not renewed. In this case, the Company implemented a reorganization and streamlining of its operations and organizational structure which resulted in the reduction of personnel. Complainants were awarded backwages and ordered to be reinstated to their position. On appeal, the NLRC denied the Company's appeal and affirmed the Labor Arbiter's decision. The Company's motion for reconsideration was likewise denied; and hence, it filed a Petition for Certiorari with the CA assailing the NLRC Decision and Resolution. Respondents filed their comment. The Petition was denied as well as the motion for reconsideration in the Resolution dated December 12, 2019. Entry of Judgment was subsequently issued and the same has become final and executory on February 22, 2020. The parties filed their Joint Manifestation and Motion to Consider Case Closed and Terminated and To Release Bond on November 4, 2020.

There is a case against the Company filed by Junie D. Sioson *et al.*, for regularization of employment, increase in salary and other monetary benefits. The case was dismissed for lack of merit by the Labor Arbiter. In reaching its Decision, the Labor Arbiter found overwhelming evidence supporting the Company's assertion that complainants were regular employees of RGMA Network Inc, (RGMA) as a legitimate independent contractor. The claim of complainants for regularization and monetary benefits were also denied for lack of legal basis. Dissatisfied with the Labor Arbiter's Decision, complainants filed an appeal to the NLRC which was subsequently dismissed and their motion for reconsideration was likewise denied. Complainants then filed a petition for certiorari with the CA to which GMA Network filed its comment. The petition for certiorari is now submitted for decision.

There is a case filed by Jose G. Nacionales *et al.* against the Company and RGMA for regularization with monetary claims before the NLRC Regional Arbitration Branch VIII in Tacloban City. Since no settlement was reached, the mandatory conference was terminated and the parties were directed to file their respective position papers. On October 15, 2018, the Company received a copy of the Labor Arbiter's Decision declaring complainants its regular employees and granted monetary award in their favor. Upon appeal, the NLRC partially granted the Company's appeal by deleting the monetary award but affirming the decision insofar as it found that complainants are regular employees of the Company. The Company filed a partial motion for reconsideration. RGMA filed its motion for reconsideration. Complainants also filed their motion for reconsideration with respect to the deletion of the monetary award.

On April 2, 2019, the Company received the Resolution dated March 15, 2019 of the Seventh Division of the NLRC of Cebu City: 1) denying its partial motion for reconsideration; 2) denying RGMA's motion for reconsideration; and 3) partially granting complainants' motion for reconsideration. On June 3, 2019, the Company filed a petition for certiorari with the CA. After the comment of the respondents it is now submitted for resolution.

There is a case filed by Relly C. David *et al.* against the Company and RGMA for regularization with monetary claims before the NLRC Sub-regional Arbitration Branch VI in Iloilo City. On December 11, 2019, the Company received the Labor Arbiter's Decision dated October 8, 2019 declaring complainants as its regular employees, and directing both the Company and RGMA solidarily liable to pay complainants Php597,843.89, representing complainants' backwages, among others. On December 18, 2019, the Company filed its Memorandum of Appeal of the said decision with the NLRC. The appeal is pending resolution by the NLRC.

There is a case filed by Ronald C. Avelino for monetary claims with issuance of Certificate of Employment on August 30, 2018. On January 7, 2020, the Company received the Decision dated December 13, 2019, dismissing the complaint against it for lack of merit.

There is also a case filed by Regile C. Enrile et al. against the Company and RGMA for regularization. On May 28, 2019, The Company received the Labor Arbiter's Decision dated April 30, 2019 declaring RGMA as a labor only contractor and complainants as regular employees of the Company. On May 31, 2019, complainants filed their Memorandum of Appeal. On June 7 and June 10, 2019, the Company and RGMA filed their respective separate Memorandum of Appeal. On September 27, 2019, the Company received

the Decision of NLRC Cebu dated August 30, 2019 affirming the Decision of the Labor Arbiter and further declaring complainants as automatically covered by and entitled to the benefits in the Company's Collective Bargaining Agreement. The Company and RGMA were solidarily ordered to pay complainants the total amount of Php3,664,650.00. The Company filed its motion for reconsideration on October 3, 2019 while complainants filed their motion for partial reconsideration and manifestation on September 26, 2019. On January 22, 2020, the Company received the NLRC Decision dated December 20, 2019 denying its motion for reconsideration but granting complainants' motion for partial reconsideration.

The Company and RGMA were ordered to pay complainants the total amount of Php6,917,344.88. On December 3, 2020, the Company filed a petition for certiorari with the CA questioning the Resolution dated December 20, 2019 and Decision dated August 30, 2019 both of the NLRC. On October 1, 2020, the CA issued a resolution dismissing the Petition. On December 3, 2020, the Company and RGMA filed a motion for reconsideration of said resolution. The motion is pending resolution by the Court.

There are cases filed by Rudy Mariano *et al.*, Jameson B. Rieta *et al.*, and Christian V. Panlilio *et al.* against the Company and RGMA for regularization. On September 27, 2019, the Labor Arbiter promulgated a decision: 1) declaring the Company and RGMA to be engaged in labor only contracting; and 2) ordering the Company to pay complainants the monetary benefits under its 2009-2014 and 2017-2019 Collective Bargaining Agreements. The Company and RGMA filed their respective Memorandum of Appeal. On March 2, 2020, The Company received the Decision of NLRC Quezon City dated February 12, 2020 reversing the Decision of the Labor Arbiter and dismissing the complaints for lack of merit. The cases are now considered closed and terminated.

There are cases filed by Rodvillo R. Villarin *et al.*, and Virgilio G. Abud *et al.*, for regularization against the Company and RGMA. On July 25, 2019, a decision was promulgated declaring complainants as regular employees of the Company and entitled to the salaries and benefits as such. On September 9, 2019, The Company filed its Memorandum of Appeal. On August 26, 2020, with NLRC, but the same was dismissed and the decision of the Labor Arbiter was affirmed. On November 5, 2020, the Company filed a motion for reconsideration, which is now pending resolution.

There is a case filed by Vivian Aloj Tubice against the Company for illegal dismissal and payment of money claims. The parties filed their respective position papers and replies on November 15, 2019, respectively. The Labor Arbiter dismissed the complaint in its Decision dated July 16, 2020. Complainant filed her Memorandum of Appeal. We filed our Answer Memorandum on October 23, 2020.

There was a DOLE investigation on the incident involving the death of Eddie Garcia. In the Order dated December 2, 2019, the Company and some members of its Management were ordered to pay the administrative fine of Php890,000.00. The Company filed a Memorandum of Appeal with the Office of the Secretary of Labor and Employment on December 13, 2019, where the appeal remains pending.

There was a case filed by Carmelo R. Dizon for "Illegal Dismissal-Constructive, Non-payment-13th Month Pay-Pro rated, Illegal suspension, moral and exemplary damages, attorney's fees, and Re-instatement with full backwages." The Company filed its Position Paper last August 6, 2019 and the complainant filed his Reply on August 23, 2019. In the Decision dated March 11, 2020, the complaint for illegal dismissal was dismissed for lack of merit. However, the Company was directed to pay complainant Dizon his pro-rated 13th month pay for the year 2019 in the amount of P7,490.00. Dizon filed an appeal to the NLRC. The Company filed its Answer Memorandum to which Dizon filed a Reply. The appeal is still pending with NLRC.

There was a case filed by Ruby Gruezo Bautista who questioned the cessation of her employment arising from the expiration of her Project Employment Contract. The Company filed its position paper on November 8, 2019 and complainant Bautista filed her Reply on November 22, 2019. In the Decision dated February 27, 2020, the complaint for illegal dismissal was granted. The Company was enjoined to reinstate the complainant to her former position without loss of seniority and other privileges and ordered GMA Network to pay complainant the aggregate amount of P80,949,50. The Company filed a Notice of Appeal and

Appeal-Memorandum on August 24, 2020. Thereafter, respondent filed her answer to the appeal. The appeal is still pending with the NLRC.

There is a case filed by Jeoboy C. Enong *et al.* against the Company for regularization. Since no settlement was reached, complainants filed their formal complaint and the mandatory conference was set on December 13, 2018. Both parties filed their respective position papers. On March 20, 2019, a decision was promulgated dismissing the complaints for lack of merit. Without actually receiving complainants' Memorandum of Appeal, the Company received the Decision dated October 23, 2019 granting said appeal and setting aside the Decision dated March 20, 2019. Complainants were declared regular employees of the Company. On November 21, 2019, it filed its motion for reconsideration which motion was subsequently denied in the Resolution dated February 27, 2020. RGMA filed a petition for certiorari under Rule 65.

There was also a case filed by Dexter Delgado *et al.* for constructive dismissal, illegal dismissal, regularization and payment of money claims. This case consolidates 5 complaints by more than 40 complainants who are crew members of respondents CMB and Shoot Digital Video Company. The parties submitted their respective position papers. The simultaneous filing of the reply was made on January 30, 2020. On March 5, 2020, the Company received the Decision dated February 27, 2020 dismissing the complaint. The parties submitted their respective position paper and reply. The decision dismissing the complaints was promulgated on February 27, 2020. The NLRC then dismissed the appeal of complainants in a Resolution/Decision Dated December 29, 2020.

There was also a case filed by Ely B. Selincio *et al.* for regularization and payment of money claims against the Company and RGMA. Since the Company was not willing to settle, the SENA was terminated and the records have been referred for the filing of the appropriate complaint with the Labor Arbiter. On August 13, 2019, complainants filed their formal complaint. The conciliation and mediation failed, and hence, the parties were directed to file their position papers 15 days after receipt of the Order dated September 12, 2019 of the Labor Arbiter. The Company filed its position paper. RGMA also filed its separate position paper. The Labor Arbiter has yet to rule on complainants' Motion for Production of Documents, which motion was opposed by the Company. On January 29, 2021, a decision was rendered by the Labor Arbiter finding RGMA a labor only contractor and declaring complainants regular employees of the Company. On March 1, 2021, the Company and RGMA filed their respective Memorandum of Appeal. The appeal is now pending resolution.

There is a complaint for regularization with money claims filed by Peter R. Cuenco *et al.* against RGMA and the Company. In the Decision dated August 13, 2020, the Labor Arbiter dismissed the complaint. Complainants filed their Appeal Memorandum. The Company and RGMA, in turn, filed their respective Answer Memorandum. The appeal is pending resolution.

There is a complaint for regularization filed by Menandro A. Bantoto *et al.* for regularization with money claims against the Company and RGMA. On October 28, 2019, the Company filed its opposition to complainant's Motion for Inhibition. On December 5, 2019, respondents received the order denying complainants' Motion for Inhibition and directing parties to file their respective position papers within ten (10) days from receipt of the said order. On December 18, 2019, the Company filed its position paper. RGMA also filed its position paper. On January 3, 2020, the Company received complainants' position paper, to which the former replied on February 13, 2020. On June 2, 2020, respondents received the Decision dated February 28, 2020 of the Labor Arbiter dismissing the case. On August 19, 2020, complainants filed an appeal to the NLRC. The Company filed its Answer Memorandum on September 1, 2020. The case is now submitted for resolution.

There were complaints for regularization with money claims filed against the Company and RGMA by Pelagio A. Jumawan *et al.* and Premier D. Nayon before the NLRC Cotabato City and NLRC Dipolog City, respectively. Under the Decision dated March 6, 2019 the complaint filed by Jumawan *et al.* was dismissed. Similarly, under the Decision dated March 20, 2019, Nayon's complaint was likewise dismissed.

There was also a complaint for regularization filed against the Company and RGMA by Noel V. Gagate *et al.*. A decision was promulgated on June 28, 2019 granting complainants' motion for correction in the computation of wage increases, longevity pay, among others. The Company and RGMA filed their separate motions for reconsideration. On February 20, 2020, the Company received the decision of the NLRC Cebu City denying its and RGMA's motions for reconsideration. On July 1, 2020, the Company and RGMA filed a petition for certiorari separately with the Court of Appeals, which is now both pending resolution.

There is also a complaint for regularization filed by Eldrin S. Padillo *et al.* against the Company and RGMA. On October 16, 2019, the Labor Arbiter issued a decision declaring complainants as regular employees of GMA Network and ordering the latter to pay complainants all salaries and benefits granted to regular employees. On December 5, 2019, the Company filed its Memorandum of Appeal. RGMA also filed its Memorandum of Appeal. On August 26, 2020, NLRC issued a decision dismissing the appeal filed by the Company. On November 5, 2020, the Company filed a motion for reconsideration, which is now pending resolution.

There is also a case filed by Alan J. Atenta *et al.* against the Company and RGMA for regularization. On November 25, 2019, the Company received the Decision dated October 16, 2019 of the Labor Arbiter declaring complainants as regular employees of the Company and ordering the latter to pay complainants salaries and benefits granted to regular employees. The Company filed its Memorandum of Appeal on December 5, 2019. RGMA filed also its Memorandum of Appeal. On August 26, 2020, NLRC issued a decision denying both appeals and affirming the Decision dated October 16, 2019. On November 5, 2020, the Company filed a motion for reconsideration, which is now pending resolution.

There is a consolidated case of the complaints filed by Virgilio G. Abud *et al.*, Arnold N. Boniel *et al.* and Danilo S. Bernados *et al.* for regularization against the Company and RGMA before the NLRC Cagayan de Oro City (Regional Arbitration Branch X). A decision was promulgated on July 25, 2019 declaring complainants as regular employees of the Company and therefore entitled to receive salaries and benefits as such. The appeal was filed on September 9, 2019. On August 26, 2020, NLRC issued a decision denying the appeals filed by the Company and RGMA and affirming the decision of the Labor Arbiter. On November 5, 2020, the Company and RGMA filed their respective motion for reconsideration, which are now pending resolution.

There is a complaint for regularization and payment for salaries, overtime pay, rice allowance and bonuses filed by Roosevelt P. Calleja *et al.* against the Company and RGMA before NLRC Zamboanga City. On August 8, 2019, the Labor Arbiter promulgated a decision dismissing the complaint.

Finally, there is a complaint for illegal suspension by Roland Crisostomo Manipon. The complaint was dismissed by the Labor Arbiter in the Decision dated February 28, 2020. The decision was affirmed by the NLRC with modification awarding the complainant nominal damages of Php30,000.00. Both complainant and the Company filed their respective motion for partial reconsideration. The resolution of the motions is pending.

Infringement Cases

The Company's officers, Felipe L. Gozon, Gilberto R. Duavit, Jr., Marissa L. Flores, Jessica A. Soho, Grace dela Peña-Reyes, John Oliver Manalastas, John Does and Jane Does were named as respondents in a criminal case initiated by ABS CBN in June 2004 for copyright infringement before the City Prosecutor's

Office of Quezon City and the Department of Justice ("DOJ"). The case was subsequently consolidated with the Company's countercharge for libel.

The respondents were charged in their capacities as corporate officers and employees of the Company responsible for the alleged unauthorized airing of ABS-CBN's exclusive live coverage of the arrival in the Philippines of Angelo dela Cruz, a Filipino overseas worker previously held hostage in Iraq. Aside from seeking to hold the named respondents criminally liable for infringement and unfair competition, ABS-CBN sought damages from the respondents jointly and severally in the aggregate amount of P200 million.

On July 27, 2004, the Company and certain of its officers filed a case for libel against certain officers of ABS-CBN for statements made in their programs *Insider* and *Magandang Umaga Bayan* relative to the incident involving the Angelo dela Cruz feed. The Company also seeks damages in the aggregate amount of P100 million.

In the Resolution dated December 3, 2004, the DOJ dismissed the complaint for libel against the ABS-CBN officers and employees and dropped the charges against the Company's officers except for Ms. Dela Peña-Reyes and Mr. Manalastas against whom the DOJ found probable cause for violation of the Intellectual Property Code. ABS-CBN filed a motion for partial reconsideration of the resolution on the ground that the other named respondents were erroneously exonerated. The Company filed a petition for review with the DOJ with respect to the finding of probable cause against Ms. Dela Peña-Reyes and Mr. Manalastas and the dismissal of the case for libel which was denied. On August 1, 2005, the DOJ reversed the fiscal's resolution finding probable cause against Ms. Dela Peña-Reyes and Mr. Manalastas and directed the fiscal to withdraw the Information. ABS-CBN filed a motion for reconsideration. Meanwhile, the DOJ issued the Resolution dated September 15, 2005 denying the Company's petition for review and ruling that ABS-CBN's officers and employees did not commit libel. The Company filed a motion for reconsideration.

On June 29, 2010, the DOJ issued a resolution granting both the Company's and ABS-CBN's motions for reconsideration and directing among others the filing of Information against ABS-CBN's officers and employees for libel. ABS-CBN moved for reconsideration, which motion was denied. ABS-CBN then filed a petition for certiorari with the Court of Appeals. In the meantime, an Information for libel was filed by the Quezon City Prosecutor with the Regional Trial Court of Quezon City, Branch 88 which was later re-raffled to Branch 104. The prosecution has completed the presentation of its evidence and the defense has filed a motion for leave to file demurrer to evidence which the Company opposed. The motion is pending resolution by Branch 104.

With respect to the granting of the motion for reconsideration of ABS-CBN, the Company elevated the DOJ's June 29, 2010 Resolution directly to the Court of Appeals via a petition for certiorari docketed as CA-G.R. SP No. 115751. On November 9, 2010, the Court of Appeals issued a decision granting the Company's petition for certiorari and reversing the DOJ Resolution dated June 29, 2010 and reinstating the DOJ Resolution dated August 1, 2005 which ordered the withdrawal of Information for copyright infringement. ABS-CBN's petition with the Supreme Court was partially granted reversing the DOJ Resolution ordering the withdrawal of the Information for copyright infringement and sustaining the finding of probable cause for copyright infringement only as against Ms. Dela Peña-Reyes and Mr. Manalastas. The prosecution has completed the presentation of its evidence.

There is a complaint filed by Garry Granada against the Company and Rosario Unite with the Intellectual Property Office for copyright infringement and damages. The said complaint stemmed from an alleged unauthorized use of complainant's musical work entitled "Tipid Handog Edukasyon jingle". In the Decision dated November 25, 2020 the IPO dismissed the complaint of Garry Granada. Complainant Garry Granada appealed to the IPO-Office of the Director General Taguig City.

Civil Cases

On June 25, 2008, Mary the Queen Hospital filed a case for damages against the Company, Mike Enriquez as well as certain other members of the show, Imbestigador. The hospital alleged that the show damaged

its reputation by falsely accusing them of illegally detaining a patient for failure to settle hospital bills. The hospital claimed a total of ₱ 5.5 million in moral, exemplary and temperate damages, as well as costs of the suit. The Regional Trial Court (RTC) of Quezon City, Branch 95, has rendered a favorable decision dismissing plaintiff's complaint for damages.

Another case involving the Company and members of the show *Imbestigador* stemmed from a story involving police officer Police Chief Inspector Arwen De Silva Nacional for allegedly extorting money from arrested drug dependents, which ultimately led to his arrest. On September 4, 2008, the complainant sought to enjoin the airing of the story relating to his arrest by filing a case for injunction. However, the plaintiff's application for restraining order was denied by the RTC of Quezon City. Plaintiff then filed an amended complaint to include a claim for damages. The RTC of Quezon City, Branch 91 dismissed plaintiff's complaint for damages. On appeal, the CA denied plaintiff's appeal and affirmed the trial court's decision in favor of the Company. On October 29, 2020, plaintiff filed a petition for review on certiorari with the Supreme Court.

There is a case for libel filed by Andrea Gorriceta against GMA Iloilo Manager Jonathan Cabillon and News Anchor Charlene Belvis-Gador arising from the news reports made in GMA news programs *Ratsada* and *Arangkadaon* the progress of the criminal cases against Gorriceta before MCTC of Iloilo City. The Company completed the presentation of evidence for the defense and filed its formal offer, the documentary exhibits of which were admitted by the Court in an Order dated February 28, 2019, received by the Company only on June 3, 2020. On June 30, 2020, the Company filed its Memorandum for accused Belvis and Cabillon. On November 20, 2020, accused Belvis and Cabillon were found guilty beyond reasonable doubt of Libel. On December 4, 2020, the Company appealed to the Court of Appeals.

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

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

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market Price of and Dividend on Registrant's Equity and Related Stockholders Matters

Market Information

Average market prices per share for each quarter within the last two years and subsequent interim periods were as follows:

Stock Prices GMA7

Period in 2021	Highest Closing	Lowest Closing
1Q	8.95	5.82

Period in 2020	Highest Closing	Lowest Closing
1Q	5.50	4.50
2Q	5.90	4.70
3Q	6.65	4.91
4Q	6.09	4.94

Period in 2019	Highest Closing	Lowest Closing
1Q	5.99	5.41
2Q	5.98	5.10
3Q	5.47	5.20
4Q	5.37	5.15

Stock Prices GMAP

Period in 2021	Highest Closing	Lowest Closing
1Q	8.49	5.76

Period in 2020	Highest Closing	Lowest Closing
1Q	5.49	4.80
2Q	5.29	4.52
3Q	5.50	4.42
4Q	5.95	4.75

Period in 2019	Highest Closing	Lowest Closing
1Q	5.85	5.35
2Q	5.80	4.97
3Q	5.49	5.08
4Q	5.30	5.00

The Company's common shares and GMA Holdings, Inc.'s (GHI) Philippine Deposit Receipts (PDRs) have been listed with the Philippine Stock Exchange since 2007. The price information as of the close of

the latest practicable trading date April 26, 2021 are 7.80 per share for the Company's GMA7 common shares and 7.38 per PDR for GHI GMAP (PDRs).

Holders

There are 1,658 holders of common equity and 36 holders of preferred equity as of March 31, 2021.

The following are the top 20 holders of the common equity of the Company as of March 31, 2021 based on the records of the Company's stock transfer agent, Stock Transfer Services, Inc.:

Name of Shareholders	No. of Common Shares	Percentage of Ownership of Total Common Shares
Group Management Development Inc.	789,821,734	23.47%
GMA Holdings, Inc.	677,679,600	20.14%
FLG Management & Development Corp.	697,665,217	20.74%
M.A. Jimenez Enterprises, Inc.	453,882,095	13.49%
PCD Nominee Corp. (for the benefit of several qualified Philippine national stockholders holding the scripless shares of the Company)	354,770,233	10.54%
Television International Corp.	334,378,037	10.05%
Gozon Development Corp.	14,033,954	0.42%
Gozon Foundation, Inc.	5,144,361	0.15%
Gilberto R. Duavit, Jr.	4,007,005	0.12%
Miguel Enrique Singson Roa	2,566,400	0.09%
Ismael Gozon	3,036,400	0.08%
Jose Mari L. Chan	2,814,900	0.06%
Luisito C. Cirineo	1,750,500	0.05%
Felipe S. Yalong	1,025,000	0.03%
Alberto Tio Ong	1,000,000	0.03%

Judith Duavit Vazquez	588,000	0.02%
Jose P. Marcelo	501,498	0.01%
Jaime Javier Gana and/or Ma. Erlinda G. Gana	444,900	0.01%
Jose C. Laurel V	346,127	0.01%
Nita Laurel Yupangco	346,127	0.01%
Susana Laurel-Delgado	346,127	0.01%

The following are the top 20 holders of the Company's preferred shares as of March 31, 2021:

Name of Shareholders	No. of Preferred Shares	Percentage of Ownership of Total Preferred Shares
Group Management & Development Inc.	2,625,825,336	35.01%
FLG Management & Development Corp.	2,181,898,644	29.09%
M.A. Jimenez Enterprises	1,508,978,826	20.12%
Television International Corp.	1,111,661,610	14.82%
Gozon Development Corp.	46,245,306	0.62%
Gozon Foundation Inc.	15,020,670	0.20%
Alegria F. Sibal	2,623,806	0.03%
Jose P. Marcelo	1,203,594	0.02%
Sarah L. Lopez	830,706	0.01%
Nita Laurel Yupangco	830,706	0.01%
Jose C. Laurel V	830,706	0.01%
Juan Miguel Laurel	830,706	0.01%
Susana Laurel-Delgado	830,706	0.01%
Ma. Asuncion Laurel-Uichico	830,706	0.01%
Horacio P. Borromeo	784,164	0.01%
Francis F. Obana	105,120	0.00%
Eduardo Morato	38,028	0.00%

Antonio Gomez	30,420	0.00%
Jose N. Morales	30,420	0.00%
Paul Sim	30,420	0.00%

The information presented does not relate to an acquisition, business combination or other reorganization.

Dividend Information

Dividends shall be declared only from the surplus profits of the Company and shall be payable at such times and in such amounts as the Board of Directors shall determine, either in cash, shares or property of the Company, or a combination of the three, as said Board of Directors shall determine. The declaration of stock dividends, however, is subject to the approval of at least two-thirds of the outstanding capital stock. No dividend which will impair the capital of the Company shall be declared. The Company has no contractual restrictions which would limit its ability to declare any dividend.

On March 26, 2021, the Company's Board of Directors declared cash dividends amounting to Php 1.35 on all common and preferred shares issued and outstanding of stockholders of record as of April 22, 2021.

On June 15, 2020, the Company's Board of Directors affirmed and ratified the cash dividend declaration of the Executive Committee on June 8, 2020 amounting to Php 0.30 per share on all common and preferred shares issued and outstanding of stockholders of record as of June 24, 2020.

On March 29, 2019, the Company declared cash dividends amounting to Php 0.45 per share on all common and preferred shares issued and outstanding stockholders of record as of April 22, 2019.

On April 5, 2018, the Company declared cash dividends in amounting to Php 0.50 per share on all common and preferred shares issued and outstanding on stockholders of record as of April 23, 2018.

Dividend History of the Company

<u>Year</u>	<u>Amount</u>	<u>Date Declared</u>	<u>Type of Dividend</u>
2011	P 2,187,089,297	March 11, 2011	Cash
2012	P 1,944,079,375	April 16, 2012	Cash
2012	P 1,264,794,293	August 22, 2012	Cash
2013	P 1,215,049,609	March 21, 2013	Cash
2014	P 1,312,253,578	April 2, 2014	Cash
2015	P 1,215,049,609	March 30, 2015	Cash
2016	P-1,312,253,578	April 8, 2016	Cash
2017	P 3,547,944,859	March 27, 2017	Cash
2018	P 2,430,099,218	April 5, 2018	Cash
2019	P 2,187,089,297	March 29, 2019	Cash
2020	P 1,458,060,000	June 15, 2020	Cash
2021	P 6,561,267,890	March 26, 2021	Cash

The Company's Board of Directors has approved a dividend policy which will entitle holders of the Common Shares to receive annual cash dividends equivalent to a minimum of 50% of the prior year's net income based on the recommendation of the Board of Directors. Such recommendations will take into consideration factors such as the implementation of business plans, operating expenses, budgets, funding for new investments, appropriate reserves and working capital, among others. The cash dividend policy may be changed by the Company's Board of Directors at any time.

Recent Sales of Unregistered or Exempt Securities

No sale of unregistered or exempt securities of the Company has occurred within the past three years.

Description of Registrant's Securities

The following is general information relating to the Company's capital stock but does not purport to be complete or to give full effect to the provisions of law and is in all respects qualified by reference to the applicable provisions of the Company's amended articles of incorporation and amended by-laws.

The Company has 3,361,047,000 common shares and 7,499,507,184 preferred shares subscribed and outstanding as of March 31, 2021.

All Common Shares of the Corporation shall enjoy the same rights and privileges. Each Common Share entitles the holder to one vote. At each meeting of the Shareholders, every Shareholder entitled to vote on a particular question or matter involved shall be entitled to one vote for each share of stock standing in his name in the books of the Company at the time of the closing of the transfer books for such meeting.

All Preferred Shares shall be of equal rank, preference and priority and shall be identical in all respects regardless of series. Preferred Shares receive dividends at a rate of one-fifth of the dividend paid to Common Shares (which rate shall be adjusted proportionately by the Board of Directors consequent to any stock split or stock dividend declaration affecting the Common Shares and the Preferred Shares). Preferred Shares shall be convertible, at the option of the shareholder, at the rate of five Preferred Shares to one Common Share based on par value subject to the approval of the Board of Directors. Preferred Shares shall enjoy priority over Common Shares in the distribution of assets of the Corporation in the event of its dissolution and liquidation, at such rates and conditions as the Board of Directors may determine. Each Preferred Share shall be entitled to one vote and shall have the same voting rights as the Common Shares. The Board of Directors 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 Article Seven of the corporation's Amended Articles of Incorporation

Title X of the Revised Corporation Code of the Philippines grants to a shareholder the right to dissent and demand payment of the fair value of his share in certain instances, to wit: (1) in case any amendment to the corporation's articles of incorporation has the effect of changing and restricting the rights of any shareholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (2) in case of any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets; (3) in case of merger or consolidation; and (4) in case of investment corporate funds for any purpose other than the primary purpose or in another corporation or business.

Under Section 41 of the Revised Corporation Code of the Philippines, a stockholder is likewise given an appraisal right in cases where a corporation decides to invest its funds in another corporation or business or any other purpose.

The appraisal right may be exercised in accordance with Sections 81 and 82 of the Revised Corporation Code of the Philippines, viz.:

"SEC. 81. How Right is Exercised. – The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: *Provided*, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided*, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

SEC. 82. Effect of Demand and Termination of Right. – From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended in accordance with the provisions of this Code, except the right of such stockholder to receive payment of the fair value thereof: *Provided*, That if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediately be restored."

None of the proposed corporate actions for the Company qualifies as an instance for a possible exercise by security holders of their appraisal rights under Title X of the Revised Corporation Code of the Philippines.

Item 6. Management Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2020 and 2019

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, 2020

The year 2020 was a year like no other. In the midst of the global crises brought about by the COVID-19 pandemic, which nearly crippled even the strongest of nations and economies, GMA Network, Inc. and Subsidiaries (GMA/the Company) broke all records in terms of financial performance for the 12-month period ended December 31, 2020. With a very strong second half showing this year, the Company sealed full year 2020 with consolidated revenues of ₱19,336 million, ahead of year ago's top line by 17% or ₱2,842 million. The aforementioned feat was notwithstanding the impact of the world-wide pandemic which was heavily felt towards the end of the first quarter of the year and the absence of three fourths of a billion worth of non-recurring political advocacies and advertisements coming from the 2019 mid-term national elections.

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

For the year ended December 31, 2020, consolidated advertising revenues continued to take up the lion's share in the Company's revenue pie, measuring ₱17,727 million and posting a double-digit growth compared to a year ago. Advertising revenues across all platforms exhibited better-than-last year performances in their top line. The closure of biggest rival, ABS-CBN, due to the expiration of their broadcast franchise last May 5 and the subsequent denial last July 10 by the House Committee on Legislative Franchises of ABS's new application contributed to the extraordinary increase in sales from broadcast operations due to the shift in some advertising placements. This year also saw the Company's newest venture into the Digital Terrestrial Television (DTT) landscape with the launch of the DTT channels Heart of Asia (HoA) and Hallypop. Moreover, the successful distribution of the DTT set-top boxes, which was labeled GMA Affordabox, also made a noteworthy impact on the top line. Completing this year's remarkable achievement was the commercial introduction in December of GMA Now, a digital TV receiver for Android smartphones, which allowed viewers to enjoy digital free-to-air channels on-the-go. Meanwhile, consolidated top line generated by Sale of services other than advertising exhibited a reduction, tipping at ₱1,025 million, behind last year's ₱1,320 million by 22%.

In terms of operating costs, the Company sealed 12-month period this 2020 with consolidated operating expenses (OPEX) of ₱10,779 million, contracting by a huge ₱1,981 million or 16% from last year. Due to the imposition of the quarantine and related guidelines on mass gatherings, the Company had to realign programming to replays of entertainment programs and canned materials while rationalization of station-produced programs was made to ensure a safe environment for its employees and talents. Thus, Production and other direct costs were almost cut in half but was partly offset by the increase in consolidated general and administrative expenses (GAEX) by 8%. Meanwhile, the presence of inventory cost for the sale of GMA Affordabox and GMA Now also partly cushioned the abovementioned reduction.

Consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) ended the 12-month period this 2020 at an astounding ₱9,888 million, ₱4,496 million or 83% higher than last year. This resulted from the hefty increase in revenues by ₱2,842 million heightened by considerable reduction in cash OPEX by ₱2,006 million. With similar sterling performances since middle of this year, YTD Consolidated Net Income after Tax of the Company recorded a milestone, breaching the ₱6.0-billion mark at ₱6,007 million, thus, displaying a 128% or ₱3,368 million climb from year ago's bottom line -- a fitting achievement to cap the Network's 70 years of existence, notwithstanding the challenges that beset the country and the economy this 2020.

With this year's healthy financial performance, all financial indicators recorded improvements versus a year ago. Consolidated net income margin wrapped up at 31%, double last year's 16%. EBITDA margin stood

at 51% vs. 33% in 2019 while NIAT margin settled at 31%, higher by 15 percentage points against comparable period's NIAT margin of 16%. Return on asset was at 25% from 16% while return on equity ended at 47% from 28% a year ago.

Revenues

Consolidated revenues of the Company in 2020 nearly breached the ₱20.0-billion mark at ₱19,336 million, parading a ₱2,842 million or 17% hike from a year ago. Advertising revenues remained the lifeblood of the Company, taking up 92% of the total revenue pie. Airtime revenues from free-to-air platforms as well as online advertising sales primarily comprised this segment. Meanwhile, sale of services made up the second largest revenue source reaching ₱1,025 million. Last but not the least were fresh revenues coming from sale of goods, which boosted this year's consolidated top line of the Company.

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

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

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

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

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

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

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

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

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

Expenses

For the year just ended, consolidated total operating expenses (OPEX) of the Company sealed at ₱10,779, dropping by a double-digit percentage of 16% or ₱1,981 million compared to full year of 2019. Cash OPEX fell by 18% to ₱9,143 million while non-cash OPEX inched up by 2% versus a year ago.

Operating Expenses	2020 <i>(in millions PhP)</i>	2019 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Production costs	3,452.14	6,435.15	(2,983.02)	-46%
Cost of sales	479.42	-	479.42	-
Total Direct Costs	3,931.56	6,435.15	(2,503.60)	-39%
General and administrative expenses	6,847.82	6,325.46	522.36	8%
	10,779.37	12,760.61	(1,981.24)	-16%

Production costs which traditionally comprised half of the Company's consolidated OPEX took a back seat this year, finishing off at ₱3,452 million, considerably lower by 46% compared with prior year's ₱6,435 million. While quarantine restrictions were eased up somehow starting the third quarter, it still proved quite difficult for the Company's in-house station produced soaps to go full blast. Hence, during most part of the period, the Network continued to air a number of replays of high-rating and well-loved Entertainment shows. Only News and some Public Affairs programs continued to air fresh episodes year-long to fulfill the Network's responsibility of delivering comprehensive news and information nationwide. It was only during the 4th quarter wherein select in-house produced programs commenced tapings in a bubble set up. With this, Talent fees declined by ₱1,242 million or 42%. Rental of facilities and equipment also contracted by ₱602 million or 74% while other cash production costs decreased by ₱850 million or 56%. In terms of non-cash Production costs, Program rights amortization also slid by ₱285 million or 29% due to the mix in the titles shown this period vis-à-vis a year ago.

Production Costs	2020 <i>(in millions PhP)</i>	2019 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Talent fees	1,705.67	2,948.00	(1,242.33)	-42%
Rentals and outside services	210.24	812.01	(601.77)	-74%
Other program expenses	668.18	1,518.28	(850.10)	-56%
Sub-total - Cash Production Costs	2,584.08	5,278.28	(2,694.20)	-51%
Program rights amortization	703.42	988.70	(285.29)	-29%
Depreciation and amortization	164.64	168.17	(3.53)	-2%
Sub-total - Non-cash Production Costs	868.05	1,156.87	(288.82)	-25%
Total production costs	3,452.14	6,435.15	(2,983.02)	-46%

This year saw a new component in the Company's cost structure – cost of sales – mainly from the inventory cost of DTT set-top boxes and digital TV receivers. Since its mid-year launch in 2020, consolidated cost of sales amounted to ₱479 million.

General and Administrative Expenses	2020 <i>(in millions PhP)</i>	2019 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Personnel costs	4,525.10	4,127.12	397.98	10%
Facilities costs	379.84	490.80	(110.96)	-23%
Outside services	390.60	459.93	(69.32)	-15%
Taxes and licenses	182.10	174.36	7.74	4%
Others	601.78	618.64	(16.86)	-3%
Subtotal - Cash GAEX	6,079.42	5,870.84	208.58	4%
Depreciation and amortization	380.94	409.27	(28.34)	-7%
Provision for doubtful accounts	347.20	18.30	328.90	1798%
Amortization of software costs	40.26	27.05	13.21	49%
Subtotal - Non-cash GAEX	768.40	454.62	313.78	69%
Total GAEX	6,847.82	6,325.46	522.36	8%

Meanwhile, consolidated general and administrative (GAEX) finished the year at ₱6,848 million, edging last year by ₱522 million or 8%. Personnel costs, which represents 66% of the total GAEX, climbed by ₱398 million or 10% from ₱4,127 million in 2019 to ₱4,525 million by the end of the reporting period. The said growth resulted from higher provision for retirement benefits arising from the latest actuarial valuation reports plus the annual merit and CBA salary increases for confidential and rank and file employees, respectively. Likewise, the recording of provisions for Expected Credit Losses (for receivables) which climbed by ₱329 million further drove the hike in consolidated GAEX. The increase in the provision for doubtful accounts was due to the spike in the Trade Receivables balance as at end-December 2020 resulting from the considerable growth in revenues which was aggravated by the challenges in collection efforts especially during the 2nd to 3rd quarter of the year because of strict quarantine protocols and disruption in the operations of some business partners. Nonetheless, by the last quarter of the year, collection efforts have regained some normalcy. Mitigating the impact of the above were the reduction in Facilities cost and Outside services by ₱111 million or 23% and by ₱69 million or 15%, respectively. Facilities cost, which included utilities consumption, was the main driver for the contraction in GAEX. Apart from most studios not being utilized during the lockdown, most of the employees of the Company observed

a telecommuting work arrangement in compliance with the government's mandate on safety measures. This resulted in less consumption of utilities in general. There were also limited projects for repairs and maintenance during the year. For Outside services, promotional and other marketing campaigns and on-ground events were likewise put on hold due to the pandemic.

EBITDA

With the remarkable top line performance this year, coupled by lower cash operating costs, Earnings before interest, taxes, depreciation and amortization (EBITDA) reached an all-time high of ₱9,888 million, ₱4,496 million or 83% higher than last year's ₱5,392 million.

Net Income

In the same manner, year-to-date Net Income after Tax of GMA, recorded a first in the 70-year history of the Company, wrapping up at ₱6,007 million, more than double year ago's bottom line of ₱2,639 million and higher by ₱3,368 million or 128%.

Balance Sheet Accounts

GMA's total assets stood at ₱23,939 million as at end-2020, increasing significantly by 46% from December 31, 2019's balance of ₱16,347 million.

Cash and cash equivalents of ₱3,215 million grew by almost a million pesos at ₱960 million or 43% from 2019 peg of ₱2,255 million as cash generated from operations were higher than the cash used in investing and financing activities. Meanwhile, Trade and other receivables closed the year with a balance twice of last year's at ₱10,467 million, parallel with the spike in the Company's top line.

Total liabilities also climbed by 65% or ₱4,368 million as at end-December this year to ₱11,058 million from ₱6,690 million in 2019 mainly due to the escalation in the following accounts: (1) Pension liability as a result of the latest actuarial valuation; and (2) Income tax payable due the huge hike in the Company's taxable net income.

Equity attributable to Parent Company stockholders amounting to ₱12,809 million as at end-December 2020 increased by 34% or ₱3,223 million in between years, as a result of ₱5,985 million net income attributable to Parent Company earned in 2020, partially reduced by the dividends declared during the first half of 2020 amounting to ₱1,458 million.

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

Operating Activities

Net cash from operations registered at ₱2,507 million in 2020. This stemmed from income before income tax of ₱8,592 million, adjusted mainly by Program rights usage of ₱703 million, Pension expense of ₱646 million, Depreciation expense of ₱546 million, Provision for doubtful accounts of ₱347 million and Amortization of software costs of ₱40 million apart from the changes in working capital. The primary component of the changes in working capital included the ₱5,589 million and ₱1,095 million increase in Trade and other receivables and Prepaid and other current assets, respectively.

Investing Activities

Net cash used in investing activities amounted to ₱354 million, coming primarily from the acquisition of ₱421 million and ₱11 million worth of Property and equipment and Software costs, respectively. These were partially offset by the ₱56 million change in fair market value of Financial assets at FVOCI and ₱23 million proceeds from sale of property and equipment.

Financing Activities

Net cash used in financing activities amounted to ₱1,167 million due to payment of cash dividends and loans amounting to ₱1,475 million and ₱642 million, respectively, plus some ₱13 million in Interest expense netted by ₱984 million remaining proceeds from short-terms loans.

FINANCIAL AND OPERATIONAL RESULTS

For the Year Ended December 31, 2019

Buoyed by this year's extra-ordinary inflow from the mid-term elections held in May, GMA Network and Subsidiaries (GMA/the Company) sealed twelve-month consolidated revenues ahead by 8% versus a year ago. In absolute terms, consolidated top line for the full year reached ₱16,493 million, up by ₱1,257 million from 2018's ₱15,236 million. Political advocacies and advertisements during the year amounted to about three fourths of a billion pesos. Nonetheless, discounting the impact of aforesaid windfall, recurring sales for 2019 still managed to overtake last year's peg by 4% or a little over half a billion pesos.

Income Data	2019 (in millions PhP)	2018 (in millions PhP)	Incl/(Dec) (in millions PhP)	%
Revenues				
Advertising revenue	15,173.9	13,834.5	1,339.4	10%
Subscriptions and others	1,319.5	1,401.7	(82.1)	-6%
	16,493.5	15,236.2	1,257.3	8%
Total operating expenses	12,760.6	11,998.0	762.6	6%
EBITDA	5,392.3	4,823.9	568.4	12%
Net income	2,639.3	2,324.0	315.3	14%
Attributable to Equity Holders of Parent Co.	2,618.5	2,304.8	313.7	14%
Noncontrolling Interest	20.8	19.2	1.6	8%

For the year ended December 31, 2019, consolidated advertising revenues remained the lifeblood of the Company, wrapping up at ₱15,174 million and posting a double-digit growth compared to a year ago. Most airtime-revenue generating platforms surpassed prior year's top-line performance with the boost from this year's political advocacies and advertisements. Advertising revenues from online platforms also contributed to this year's incremental sales. Meanwhile, inflows from subscriptions, non-advertising operations and other businesses of ₱1,320 million, manifested a reduction of 6% versus a year ago.

Cost-wise, the Company continued to exercise prudent management of its operating costs. Total consolidated operating expenses (OPEX) for 2019 measured at ₱12,761 million from year ago's ₱11,998 million, translating into a single-digit hike of 6% -- or at a rate slower than the growth in its top line. Production and other direct costs in fact finished off at ₱6,435 million which was even a tad lower than prior year's ₱6,484 million by ₱49 million or 1%. This was nonetheless negated by the hike in the Company's general and administrative expenses (GAEX) by ₱811 million or 15%. Consolidated GAEX for the year 2019 stood at ₱6,325 million versus ₱5,514 million in the prior year.

With the sterling performance in this year' consolidated top line coupled with costs held at bay, consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) posted an improvement of more than half a billion ending at ₱5,392 million, or up by 12% from last year. Finally, consolidated Net Income after tax for the twelve-month period this 2019 settled at ₱2,639 million, ₱315 million or 14% better than 2018's bottom-line peg of ₱2,324 million.

Revenues

Consolidated revenues of the Company in 2019 aggregated to ₱16,493 million, manifesting a huge increase of ₱1,257 million or 8% from year ago's ₱15,236 million. Advertising revenues comprised the lion's share in the Company's consolidated revenue pie at 92%, inching up against last year's 91% share. In absolute terms, advertising revenues grew by 10% in between periods, with incremental sales amounting to ₱1,339 million. Without the non-recurring sales from political advocacies and advertisements, advertising revenues were still better off by 5% year-on-year. Airtime revenues from free-to-air platforms as well as online advertising sales primarily comprised this segment. Meanwhile, subscriptions revenues, sales of subsidiaries and other business concluded the past twelve months of 2019 at ₱1,320 million, down 6% from last year.

Revenues	2019 <i>(in millions PhP)</i>	2018 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Advertising revenues	15,173.9	13,834.5	1,339.4	10%
Subscriptions and others	1,319.5	1,401.7	(82.1)	-6%
	16,493.5	15,236.2	1,257.3	8%

Further segmenting airtime sales -- GMA-7 revenues for this year contributed more than three-fourths of consolidated advertising revenues, sealing twelve-month results higher by 9% versus same period in 2018. Providing the growth impetus for the channel were the incremental advertising load from the 2019 mid-term elections. Minus the aforesaid influx, Ch-7 still managed to outshine last year's recurring sales by 3% propelled by the increase in effective rates per minute.

Ratings-wise, GMA recorded 35.5% total day people audience share, in Urban Luzon, which accounted for 72% of all urban viewers in the country -- outscoring ABS-CBN's 30.4%. Building the momentum in the morning slot with 28.1%, GMA won against rival network's 25.8%. This continued in the afternoon slot with GMA's 36.7 % versus ABS' 30.9%. GMA further toppled its competitor in the evening block with 37.7 % while ABS-CBN only got 31.9%. Likewise, in Mega Manila, which accounted for 60% of all urban viewers in the country, the Network posted 36.5% total day people audience share compared to ABS-CBN's 27.9% based on official data from January to December.

Radio operations came in second in terms of airtime sales generation. The business unit bagged a 7% improvement in its top line inclusive of political advocacies and advertisements. In terms of recurring revenue growth, Radio business likewise recorded a 4% upswing in its top line. DWLS-FM was the biggest top-line gainer both percentage-wise and in absolute terms, equivalent to a 15% hike. DZBB-AM and Cebu and Provincial operations also pitched in sales increases in between years by 9% apiece.

Meanwhile, GMA News TV's (GNTV) top line was barely affected by this year's national elections with very minimal contribution from political advocacies and advertisements during the period. Compared to prior year, GNTV finished off with revenues down by 14%. Lastly, Regional TV operations sealed the twelve-month period with combined revenues from all stations up by 4%. Without the election boost, sales from Regional operations finished a hairline higher than a year ago.

Meanwhile, Advertising revenues from online sales, particularly from the websites of GMA News Online and GMA Entertainment, continued to be the catalyst for the Company in terms of revenue growth. For 2019, online advertisements grew by 78% compared to a year ago, coming from the improvements seen in both direct sales and programmatic buys. Finally, airtime advertising abroad through the Company's GMA Pinoy TV platform, sealed the period 9% more than a year ago.

In other non-advertising revenue sources, subscriptions income from international operations and other businesses which were not affected by the extraordinary influx from election placements concluded the year at ₱1,320 million, down 6% from a year ago. Taking up the biggest portion in this revenue category was GMA Pinoy TV's operations abroad. However, in terms of subscriber take up, the business unit recorded a decline in subscriber count averaging by 9% between its three channels offered internationally, thus resulting in revenue contraction by also 9%. The appreciation of the PhP against the USD by an average of 2% also influenced the aforementioned decline in Pinoy TV's top line this year. Revenues from non-linear sources abroad, albeit still at its starting stage has increased by more than three folds.

Expenses

Consolidated Total operating expenses (OPEX) of the Company measured at ₱12,761 million in 2019, climbing by ₱763 million or 6% compared to full year of 2018. Cash OPEX sealed 2019 at ₱11,149 million escalating by ₱742 million or 7% while non-cash OPEX finished off at about the same level as last year, inching up by only 1%.

Comprising half of the Company's total OPEX, consolidated Production cost, talent fees and other direct expenses summed up to ₱6,435 million, ending a tad lower by ₱49 million or 1% than year ago. Cash Production cost dipped by ₱132 million or 2% arising from the reduction in Talent fees by ₱90 million or 3% and Rental and outside services by ₱84 million or 9%. However, this was partly offset by the climb in non-cash direct cost, mainly Program rights amortization by ₱117 million or 13% more than a year ago. The hike in the account was due to airing of more expensive foreign movies. This was partly offset by the 17% or ₱34 million contraction in Depreciation and amortization of assets related to production.

Production Costs	2019 <i>(in millions PhP)</i>	2018 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Talent fees	2,948.0	3,038.3	(90.3)	-3%
Rentals and outside services	812.0	895.8	(83.8)	-9%
Other program expenses	1,518.3	1,475.8	42.5	3%
Sub-total - Cash Production Costs	5,278.3	5,409.9	(131.6)	-2%
Program rights amortization	988.7	871.5	117.3	13%
Depreciation and amortization	168.2	202.4	(34.2)	-17%
Sub-total - Non-cash Production Costs	1,156.9	1,073.8	83.1	8%
Total production costs	6,435.2	6,483.7	(48.5)	-1%

On the other hand, consolidated General and Administrative Expenses (GAEX) for the Company sealed the year 2019 at ₱6,325 million, higher by ₱811 million or 15% than last year. Personnel costs drove this year's growth, wrapping up at ₱4,127 million, up 26% and comprising 32% of total consolidated OPEX. The non-recurring/one-time signing and appreciation bonuses to rank and file and confidential employees this year significantly influenced the upturn in this expenditure. This year was also saddled by the surge in provisions for pension liabilities and long-term employee benefit (SL/VL), resulting from the latest actuarial valuations. The hike in the account was partly cushioned by the reduction in other GAEX accounts coming from Taxes and Licenses, which ended lower by ₱18 million or 10%. Non-cash GAEX netted a ₱62 million or 12% decline, mainly from the presence of some ₱110 million in Provision for Doubtful Accounts in 2018 versus only ₱18 million this year, resulting from the Estimated Credit Losses computation during the period. This was partly negated by the hike in Depreciation of GAEX-related assets by ₱25 million or 7% in between years.

General and Administrative Expenses	2019 <i>(in millions PhP)</i>	2018 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Personnel costs	4,127.1	3,284.8	842.3	26%
Outside services	459.9	408.2	51.7	13%
Facilities costs	490.8	465.7	25.1	5%
Taxes and licenses	174.4	192.8	(18.5)	-10%
Others	618.6	645.9	(27.2)	-4%
Subtotal - Cash GAEX	5,870.8	4,997.5	873.4	17%
Depreciation and amortization	409.3	384.1	25.2	7%
Provision for doubtful accounts	18.3	109.6	(91.3)	-83%
Amortization of software costs	27.1	23.2	3.9	17%
Subtotal - Non-cash GAEX	454.6	516.9	(62.3)	-12%
Total GAEX	6,325.5	5,514.3	811.1	15%

EBITDA

As the top line during the year enjoyed the boost from the mid-term election placements as well as improvements in recurring sales from regular clients, coupled with cash operating costs climbing at a slower pace than the growth in revenues, the Company's consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) this 2019 wrapped up at ₱5,392 million, ₱568 million or 12% better than a year ago.

Net Income

The Company's consolidated Net Income after Tax sealed the year ended 2019 at ₱2,639 million, recording a ₱315 million or 14% improvement vis-à-vis prior year's bottom line of ₱2,324 million.

Balance Sheet Accounts

The Company's total assets stood at ₱16,347 million as at end-2019, increasing by 6% from December 31, 2018's balance of ₱15,293 million.

Cash and cash equivalents of ₱2,255 million decreased by ₱304 million or 12% from 2018 balance of ₱2,559 million as cash generated from operations was lower than the cash needed for investing and financing activities such as cash dividends and loans payments. Trade and other receivables closed at ₱5,257 million, 9% higher than previous year.

Total liabilities also climbed by 15% or ₱855 million as at end-December this year to ₱6,690 million from ₱5,704 million in 2018 mainly due to the spike in Pension liability partly offset by the drop in short-term loans by ₱100 million.

Equity attributable to Parent Company stockholders amounting to ₱9,586 million as at December 31, 2019 increased by 1% or ₱61 million in between years, as a result of ₱2,618 million net income attributable to Parent Company earned in 2019, subsequently reduced by the dividends declared during the first half of 2019 amounting to ₱2,187 million.

Cash Flows	2019 <i>(in millions PhP)</i>	2018 <i>(in millions PhP)</i>
Net cash provided by operating activities	2,884.2	3,155.6
Net cash used in investing activities	(796.8)	(405.9)
Net cash used in financing activities	(2,365.5)	(2,472.3)
Effect of exchange rate changes on cash and cash equivalents	(26.0)	1.8
Net increase (decrease) in cash and cash equivalents	(304.1)	279.3
Cash and cash equivalents at beginning of year	2,559.1	2,279.8
Cash and cash equivalents at end of the year	2,255.0	2,559.1

Operating Activities

Net cash from operations registered at ₱2,884 million in 2019. This stemmed from income before income tax of ₱3,766 million, adjusted mainly by Program rights usage of ₱989 million, Depreciation expense of ₱578 million, Pension expense of ₱402 million, Interest expense and financing charges of ₱56 million, Net unrealized foreign currency exchange gain of ₱30 million, Gain on sale of property and equipment of ₱21 million and Amortization of software costs of ₱27 million apart from the changes in working capital. The primary component of the changes in working capital included the ₱493 million and ₱274 million increase in Trade and other receivables and Prepaid and other current assets, respectively.

Investing Activities

Net cash used in investing activities amounted to ₱797 million, coming primarily from the acquisition of ₱673 million and ₱65 million worth of Property and equipment and Software costs, respectively. These were partially offset by the ₱26 million proceeds from sale of property and equipment and investment properties.

Financing Activities

Net cash used in financing activities amounted to ₱2,366 million due to payment of cash dividends and loans amounting to ₱2,198 million and ₱1,618 million, respectively, plus some ₱46 million in Interest expense netted by ₱1,518 million remaining proceeds from short-terms loans.

FINANCIAL AND OPERATIONAL RESULTS

For the Year Ended December 31, 2018

Capping the twelve-month period in 2018, GMA Network and Subsidiaries (GMA/the Company) recorded consolidated sales of over ₱15.0 billion, ending shy by only 2% than a year ago -- despite the challenges during most part of the year brought about by the industry-wide contraction in advertising spending. Consolidated revenues of the Company sealed at ₱15,236 million, behind previous year's tally of ₱15,602 million, albeit by only a low single-digit percentage. The dramatic improvement in this year's fourth quarter sales was instrumental in bridging the gap in year-to-date topline.

Income Data	2018 (in millions PhP)	2017 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Revenues				
Advertising revenue	13,834.5	14,176.9	(342.3)	-2%
Subscriptions and others	1,401.7	1,425.4	(23.8)	-2%
	15,236.2	15,602.3	(366.1)	-2%
Total operating expenses	11,998.0	12,066.7	(68.7)	-1%
EBITDA	4,823.9	5,217.4	(393.5)	-8%
Net income	2,324.0	2,559.7	(235.7)	-9%
Attributable to Equity Holders of Parent Co.	2,304.8	2,543.9	(239.1)	-9%
Noncontrolling Interest	19.2	15.8	3.4	21%

For the year ended December 31, 2018, advertising sales sealed at ₱13,835 million, lower than last year by ₱342 million or 2%. Mixed results were seen in the various airtime-revenue generating platforms. Radio and Regional TV operations exhibited top-line improvements while Ch-7 and GMA News TV 11 finished with sales lower than prior year. On the other hand, other revenue sources, particularly from subsidiaries' operations and other businesses reflected a combined decrease of ₱24 million equivalent to 2%.

Meanwhile, the Company continued to put a tight rein on cost as total consolidated operating expenses (OPEX) for 2018 aggregating to ₱11,998 million manifested a reduction of ₱69 million or 1%. Production and other direct cost finished off at ₱6,484 million which was lower than year ago's ₱6,682 million by ₱199 million or 3%. This was partly offset by the hike in the Company's general and administrative expenses (GAEX) by ₱130 million or 2%. Consolidated GAEX stood at ₱5,514 million by the close of the twelve months period this 2018.

The drop in this year's top line drove consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) down to ₱4,824 million, lower than last year, albeit by still a single digit percentage of 8% or ₱393 million. Consolidated Net Income after tax for the twelve-month period this 2018 thus settled at ₱2,324 million, down by ₱236 million or 9% against last year's performance of ₱2,560 million.

Revenues

Consolidated revenues this 2018 cumulated to ₱15,236 million, sliding by ₱366 million or 2% from year ago's ₱15,602 million. The shortfall in advertising revenues of ₱342 million was moderately heightened by the cut in top-line contribution coming from subsidiaries and other businesses by ₱24 million.

Revenues	2018 (in millions PhP)	2017 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Advertising revenues	13,834.5	14,176.9	(342.3)	-2%
Subscriptions and others	1,401.7	1,425.4	(23.8)	-2%
	15,236.2	15,602.3	(366.1)	-2%

On a per platform basis, core channel, GMA-7 comprised the lion's share in the Company's revenue pie, pitching in more than three quarters of the consolidated top line. Compared to prior year's sales, the channel posted a reduction of 4% in airtime sales, arising from the contraction in advertising spending by

major business partners. In the same manner, leading news channel GMA News TV 11 also wrapped up the year 2018 with sales lower by 6%.

On the other hand, these were partly mitigated by the boost in revenues generated by the Radio business, which bagged the second largest share in airtime revenues. Radio operations nationwide, pitched in revenues higher by 11% versus 2017. Lastly, Regional TV operations also proved its mettle sealing the year with sales up by 5% from a year ago. Both national and local sales posted revenues higher by 6% and 3%, respectively. Meanwhile, partially netting the drop in advertising topline sales was the growth in on-line advertising via the Company's websites, GMA News Online and GMA Entertainment Online by 30% year-on-year.

Ratings-wise, GMA continued to win against ABS-CBN in the nationwide urban TV ratings (NUTAM) in 2018 with 40.8% average people audience share versus its main competitor's 37.5%. Excluding specials, 19 out of the overall top 30 programs nationwide were from GMA. Moreover, GMA's 47.6% people audience share average in Mega Manila was way ahead of its rival's 28.6%. The Network likewise posted a double-digit margin in TV audience share over ABS-CBN in Urban Luzon.

In other revenue sources, the combined growth of ₱61 million or 4% was a result of the net improvements from subsidiaries operations by 14%, while subscriptions from the Company's international channels GMA Pinoy TV, Life TV and News TV stood flat in between periods. The 4% hike in foreign exchange due to the depreciation of the Peso against the US dollar was counterweighed by the contraction in subscriber count for the channels mentioned above. Revenues from film distribution abroad also recorded a cut-back from last year.

Expenses

Total consolidated operating expenses for the full year of 2018 amounted to ₱11,998 million, declining by ₱69 million or 1% compared to last year. The dip in total cash OPEX by ₱91 million or 1% was partly offset by the slight increase in non-cash OPEX by ₱22 million.

	2018 (in millions PhP)	2017 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Production Costs				
Talent fees	3,038.3	3,113.6	(75.3)	-2%
Rentals and outside services	895.8	845.0	50.8	6%
Other program expenses	1,475.8	1,577.6	(101.8)	-6%
Sub-total - Cash Production Costs	5,409.9	5,536.1	(126.3)	-2%
Program rights amortization	871.5	905.3	(33.8)	-4%
Depreciation and amortization	202.4	240.9	(38.5)	-16%
Sub-total - Non-cash Production Costs	1,073.8	1,146.2	(72.3)	-6%
Total production costs	6,483.7	6,682.3	(198.6)	-3%

Production cost and talent fees which comprised 54% of total consolidated OPEX sealed the period at ₱ 6,484 million, even lower by 3% or ₱199 million than a year ago. Cash production cost ended at ₱5,410 million, down ₱126 million or 2% from last year's ₱5,536 million. Talent fees, which comprised the biggest chunk in this category contracted by ₱75 million or 2%. This was partly offset by the increase in Rentals and outside services which grew by ₱51 million or 6%. Other program expenses also registered a reduction by ₱102 million or 6% in between periods. Contributing to the decline were lower line-production fees paid

this year as well as less spending on tapes, sets and production supplies. Non-cash production expenses also netted a ₱72 million or 6% dip from last year coming from Program rights amortization by 4% and Depreciation by 16%.

General and Administrative Expenses	2018 <i>(in millions PhP)</i>	2017 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Personnel costs	3,284.8	3,284.3	0.5	0.02%
Outside services	408.2	376.5	31.8	8%
Facilities costs	465.7	449.6	16.1	4%
Taxes and licenses	192.8	182.7	10.1	6%
Others	645.9	669.1	(23.2)	-3%
Subtotal - Cash GAEX	4,997.5	4,962.2	35.3	1%
Depreciation and amortization	384.1	390.6	(6.5)	-2%
Provision for doubtful accounts	109.6	8.3	101.4	1228%
Amortization of software costs	23.2	23.4	(0.2)	-1%
Subtotal - Non-cash GAEX	516.9	422.2	94.7	22%
Total GAEX	5,514.3	5,384.4	129.9	2%

Meanwhile, consolidated general and administrative expenses (GAEX) accumulated to ₱5,514 million during the year, slightly ahead of last year by 2% or ₱130 million. Personnel cost which comprised the biggest chunk of this category ended at ₱3,285 million, at par with last year. While salary increases were accorded to both Confidential and Rank & File employees for 2018, this was fairly equalized by the presence of the non-recurring CBA signing bonus and appreciation bonus in 2017. Outside services which included Advertising expenses and Professional fees grew by ₱32 million or 8%, while Facilities cost hiked by ₱16 million or 4%, mainly from the rise in utilities payments. Lastly, non-cash GAEX spiked by ₱95 million this year, up 22% from a year ago, mainly due to the recording of ₱110 million as additional provision for doubtful accounts this year.

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) for the year 2018 sealed at ₱4,824 million, lower by ₱393 million or 8% compared with prior year's ₱5,217 million. The drop in EBITDA was attuned to this year's top line ending shy against last year's showing.

Net Income

The Company wrapped up the twelve-month period this 2018 with consolidated net income after tax reaching ₱2,324 million, down by P236 million, though nevertheless only a single-digit percentage lower equivalent to 9%.

Balance Sheet Accounts

As at end-2018, the Company's total assets stood at ₱15,293 million, exhibiting an increase of 3% from December 31, 2017's ₱14,793 million.

Cash and cash equivalents of ₱2,559 million increased by ₱279 million or 12% from 2017 balance of ₱2,280 million as a result of higher operating income netted by the dividends declared during the year and various investing activities. Trade and other receivables closed at ₱4,812 million, 2% lower than previous year.

Total liabilities also grew by 7% or ₱361 million as at end-December this year to ₱5,704 million from ₱5,343 million in 2017 primarily due to hike in Pension liability as a result of latest actuarial valuation report partially netted by the drop in Trade payables and other current liabilities by ₱226 million.

Equity attributable to Parent Company stockholders of ₱9,525 million as at December 31, 2018 decreased by 1% or ₱122 million in between years, as a result of dividends declared during the first half of 2018 amounting to ₱2,430 million, subsequently counterbalanced by the ₱2,305 million net income attributable to Parent Company earned in 2018 and by increase in revaluation increment in land as of December 31, 2018 in the amount of ₱693 million, net of tax.

Cash Flows	2018 <i>(in millions PhP)</i>	2017 <i>(in millions PhP)</i>
Net cash provided by operating activities	3,155.6	3,072.5
Net cash used in investing activities	(405.9)	(542.9)
Net cash used in financing activities	(2,472.3)	(3,733.5)
Effect of exchange rate changes on cash and cash equivalents	1.8	64.7
Net increase (decrease) in cash and cash equivalents	279.3	(1,139.2)
Cash and cash equivalents at beginning of year	2,279.8	3,419.0
Cash and cash equivalents at end of the year	2,559.1	2,279.8

Operating Activities

Net cash from operations registered at ₱3,156 million in 2018. This stemmed from income before income tax of ₱3,332 million, adjusted mainly by Program rights usage of ₱871 million, Depreciation expense of ₱586 million, Pension expense of ₱312 million, Provision for doubtful accounts of ₱110 million, Interest expense and financing charges of ₱36 million, Gain on sale of property and equipment of ₱20 million and Amortization of software costs of ₱23 million apart from the changes in working capital. The primary component of the changes in working capital included the ₱128 million increase in Trade and other receivables coupled by the ₱230 million decrease in Trade payables and other current liabilities.

Investing Activities

Net cash used in investing activities amounted to ₱406 million, coming primarily from the ₱519 million and ₱8 million net additions to Property and equipment and Software costs, respectively. These were partly offset by the increase in Other noncurrent assets by ₱88 million and by the ₱31 million proceeds from sale of property and equipment and investment properties.

Financing Activities

Net cash used in financing activities amounted to ₱2,472 million basically due to payment of cash dividends and loans amounting to ₱2,436 million ₱1,500 million, respectively, plus some ₱36 million in Interest expense netted by ₱1,000 million remaining proceeds from short-terms loans.

KEY VARIABLE AND OTHER QUALITATIVE OR QUANTITATIVE FACTORS

- i. Trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

As of December 31, 2020, there were no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

- ii. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration or an obligation.

As of December 31, 2020, there were no events which may trigger a direct or contingent financial obligation that is material to the Company.

- iii. Material off-balance-sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created during the reporting period.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relations of the company with unconsolidated entities or other persons created during the reporting period.

- iv. Material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

For 2021, the parent company has allotted ₱1,208 million for capital expenditures. This will be financed by internally-generated funds.

- v. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

GMA Network's results of operations depend largely on the ability to sell airtime for advertising. The Company's business may be affected by the general condition of the economy of the Philippines.

- vi. Significant elements of income or loss that did not arise from the Company's continuing operations.

As of December 31, 2020, there were no significant elements of income or loss that did arise from the issuer's continuing operations.

- vii. Causes for Material Changes in the Financial Statements
Balance Sheet (December 31, 2020 vs. December 31, 2019)

- Cash and cash equivalents of ₱3,215 million climbed by ₱960 million or 12% from 2019 balance of ₱2,255 million as cash generated from operations was higher than the cash used in investing and financing activities such as cash dividends and loans payments.
- Trade and other receivables almost doubled its balance to ₱10,467 million, parallel with the growth in sales.
- Prepaid and other current assets also grew in between periods from ₱919 million in 2019 to ₱2,014 million in 2020 as a result of higher Merchandise inventory and Prepaid production cost as of end-December 2020.
- Income tax payable skyrocketed to ₱1,777 million directly attributable to the spike in the Company's bottomline results.

- viii. Seasonal aspects that had a material effect on the financial condition or results of operations.

There are no seasonal aspects that had a material effect on the financial condition or results of operations.

Key Financial Ratios

Key Performance Indicators	2020 <i>(in millions PhP)</i>	2019 <i>(in millions PhP)</i>	Inc/(Dec) <i>(in millions PhP)</i>	%
Revenues	19,335.90	16,493.45	2,842.44	17%
Advertising revenues	17,727.49	15,173.93	2,553.57	17%
Cash operating expenses	9,142.92	11,149.12	(2,006.19)	-18%
EBITDA	9,887.84	5,392.33	4,495.50	83%
Net income before tax	8,591.75	3,766.45	4,825.31	128%
Net income after tax	6,007.33	2,639.28	3,368.16	128%

Key Performance Indicators	2020	2019	Inc/(Dec)	%
Current ratio	2.89	2.66	0.24	9%
Asset-to-Equity ratio	1.86	1.69	0.17	10%
Debt-to-Equity ratio	0.06	0.04	0.01	35%
Interest Rate Coverage Ratio	418.52	192.49	226.04	117%
Gross Profit Margin	80%	61%	0.19	31%
EBITDA Margin	51%	33%	0.18	56%
Net Income Margin	31%	16%	0.15	94%

Interim Periods

The Company currently cannot make available the financial information for the first quarter of 2021. The Company however, undertakes to submit its SEC Form 17-Q on or before May 15, 2021 and to make the same available upon written request therefor.

Item 7. Financial Statements

The consolidated financial statements including the attached schedules therein are filed as part of this Form 17-A. The statements were audited by Sycip Gorres Velayo & Co. and signed by Belinda T. Beng Hui. Please refer to attached copy of the Company's Audited Financial Statements (Annex "A").

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Audit and Risk Management Committee reviews the fee arrangements with the external auditor and

recommends the same to the Board of Directors. The Company's Audit Committee (now Audit and Risk Management Committee) was formed in 2007 and was formally organized during the latter portion of that year. The members of the Audit and Risk Management Committee are as follows:

Dr. Jaime C. Laya (Chairman)
Chief Justice Artemio V. Panganiban
Anna Teresa Gozon-Valdes
Laura J. Westfall
Judith R. Duavit-Vazquez

The Audit and Risk Management Committee has recommended the appointment of Sycip Gorres Velayo and Co., as the external auditor of the Company. The Sycip Gorres Velayo & Co. has acted as the Company's external auditors since 1994. The same accounting firm is being recommended for re-election at the scheduled annual meeting.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors during the two most recent fiscal years or any subsequent interim period.

Sycip Gorres Velayo & Co. has no shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

AUDIT AND AUDIT RELATED FEES

The aggregate fees billed for each of the last two years for the professional services rendered by SyCip Gorres Velayo & Co. amounted to P6.5 million in 2019 and P6.6 million in 2020 (these included the fees related to financial audit and services for general tax compliance).

TAX FEES

There was no specific engagement availed by the Company for purely tax accounting. The total audited related fees as stated above already included basic tax review.

ALL OTHER FEES

Other than the foregoing services, no other product or service was provided by the external auditor to the Company.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors, Officers and Senior Management

Under the Articles of Incorporation of the Company, the Board of Directors of the Company comprises nine (9) directors, two of whom are independent. The Board is responsible for the overall management and direction of the Company and meets regularly every quarter and other times as necessary, to be provided with updates on the business of the Company and consulted on the Company's material decisions. The Directors have a term of one (1) year and are elected annually at the Company's stockholders meeting. A director who was elected to fill a vacancy holds the office only for the unexpired term of his predecessor. As of March 31, 2021, the Company's Board of Directors and Senior Management are composed of the following:

Board of Directors				Senior Management		
Directors and Senior Management	Nationality	Position	Year Position was Assumed	Position	Year Position was Assumed	Age
Felipe L. Gozon	Filipino	Chairman/ Director	1975	Chief Executive Officer	2000	81
Judith R. Duavit-Vazquez	Filipino	Director	2019 (1988-2015)	N/A	N/A	58
Gilberto R. Duavit, Jr.	Filipino	Director	1999	President/Chief Operating Officer	2010	57
Anna Teresa M. Gozon-Valdes	Filipino	Director/Assistant Corporate Secretary	2000	N/A	N/A	49
Joel Marcelo G. Jimenez	Filipino	Director	2002	N/A	N/A	57

Laura J. Westfall	Filipino	Director	2002	N/A	N/A	53
Felipe S. Yalong	Filipino	Director/ Corporate Treasurer	2002	Executive Vice President/Chief Financial Officer	2011	64
Roberto Rafael V. Lucila	Filipino	Corporate Secretary	2017	Concurrently Compliance Officer	N/A	64
Marissa L. Flores	Filipino	N/A	N/A	Senior Vice President, News and Public Affairs	2004	57
Ronnie P. Mastrili	Filipino	N/A	N/A	Senior Vice President for Finance and ICT	2013	55
Lilybeth Rasonable G.	Filipino	N/A	N/A	Senior Vice President for Entertainment Group	2013	57
Artemio Panganiban V.	Filipino	Independent Director	2007	N/A	2007	84
Jaime C. Laya	Filipino	Independent Director	2008	N/A	2007	82
Elvis B. Ancheta	Filipino	N/A	N/A	Senior Vice President and Head, Engineering Group; Head, Transmission and Regional Engineering	2014	54

				Department		
Lizelle G. Maralag	Filipino	N/A	2016	Chief Marketing Officer	2016	55
Regie C. Bautista	Filipino	N/A	N/A	Senior Vice President, Corporate Strategic Planning and Business Development, and Concurrent Chief Risk Officer and Head, Program Support	2020	45

The members of the Board of Directors of the Corporation (including the Independent Directors) are elected at the annual stockholders' meeting to serve as such for the ensuing year and until the election and qualification of their successors. Once elected, the Independent Directors' term of office shall be deemed to be in compliance with Section 22, Title III of the Revised Corporation Code of the Philippines, in relation to SEC Memorandum Circular No. 4, Series of 2017 on the term limits for Independent Directors.

In the coming Annual Stockholders' Meeting Chief Justice Artemio Panganiban and Dr. Jaime C Laya will be serving their 9th year as independent directors reckoned from 2012 (as prescribed under SEC MC No. 4 Series of 2017). The Company is aware of the requirements under the said Circular, which states that in the instance that it "wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justifications and seek shareholders' approval during the annual shareholders' meeting;." In compliance thereto, on March 26, 2021 the Board of Directors of the Company convened in a Special Meeting and provided meritorious justifications for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya, subject to the Stockholders' Approval at the May 19, 2021 Stockholders' Meeting.

The Company's independent directors are Former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya. The nominee Independent Directors have also executed sworn Certifications on Independent Directors, attached herewith as Annex "H". The Independent Directors are elected in accordance with SRC Rule 38 on Independent Directors and pursuant to applicable rules and regulations issued by the Securities and Exchange Commission (SEC or Commission). SRC Rule 38 has been incorporated in the By-laws of the Company.

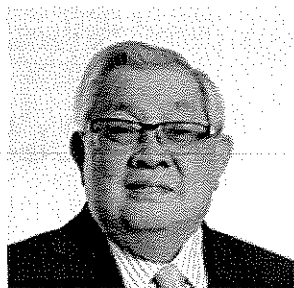
Pursuant to Section 22 of the Revised Corporation Code, the Company's Independent Directors will be elected by the shareholders present or entitled to vote in absentia during the election of directors. Independent Directors shall be subject to rules and regulations governing their qualifications,

disqualifications, voting requirements, duration of term and term limit, maximum number of board memberships and other requirements that the Commission will prescribe to strengthen their independence and align with international best practices”.

The Company’s officers are appointed/elected by the Board of Directors to serve as such for the ensuing year and until a successor shall have been elected, appointed, or shall have qualified.

The Company’s directors are expected to exercise discretion in accepting to be member of the Board of Directors of other companies. The directors are required notify the Company before accepting directorships in other companies.

The following are descriptions of the business experiences including board representations in other companies, of the Company’s directors, officers, and senior management:



Felipe L. Gozon, Filipino, 81 years old, is the Chairman of the Board of Directors and Chief Executive

Officer of GMA Network, Inc.

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He is also the Chairman of the Board/President/CEO of various companies including GMA Holdings, Inc., Citynet Network Marketing & Productions, Inc., RGMA Network, Inc., Alta Productions Group, Inc., GMA New Media, Inc., Media Merge Corporation, Digify, Inc., RGMA Marketing & Productions, Inc., Philippine Entertainment Portal, Inc., Script2010, Inc., FLG Management and Development Corporation, Gozon Development Corporation, Vista Montana Realty Development, Inc., Mont-Aire Realty and Development Corporation, BGE Holdings, Inc., Kenobe, Inc., Jeata Holdings and Management, Inc., Vitezon, Inc., Palawan Power Generation, Inc., Catanduanes Power Generation, Inc., Sycamore International Shipping Corp., Lex Realty, Inc., Justitia Realty & Management Corp., Gozon Foundation, Inc., GMA Kapuso Foundation, Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.

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

Atty. Gozon is a recipient of many awards for his achievements in law, media, public service, and business, including the prestigious Chief Justice Special Award given by the Chief Justice of the Philippines (1991), Presidential Award of Merit given by the Philippine Bar Association (1990 & 1993), CEO of the Year given by Uno Magazine (2004), Master Entrepreneur–Philippines (2004) by Ernst and Young, Outstanding Citizen

of Malabon Award for Legal and Business Management by the Kalipunan ng Samahan sa Malabon (KASAMA) (2005), People of the Year by People Asia Magazine (2005), Business Excellence Award given by BizNews Asia (2009), Outstanding Manilan Award in the field of Social Responsibility and Broadcasting given by the City Government of Manila (2011), Quezon City Gawad Parangal Most Outstanding Citizen given by the City Government of Quezon (2011), Tycoon of the Decade Award given by BizNews Asia (2011), Lifetime Achievement Award given by the UP Alumni Association (2012), Certificate of Recognition given by the Civil Aeronautics Board (2012), Platinum Business Icon Award given by BizNews Asia (2012), Personality of the Year for Broadcast Media given by SKAL International Makati (2013), Outstanding Member-Achiever given by Phi Kappa Phi UP Chapter (International Honor Society) (2013), Visionary Management CEO Award given by BizNews Asia (2013), Lifetime Achievement Award given by UP Preparatory High School Alumni (2014), Entrepreneurship Excellence Award and Best Broadcast CEO Award given by BizNews Asia (2014), The Rotary Golden Wheel Award for Corporate Media Management given by Rotary International District 3780 and Quezon City Government (2014), Global Leadership Award for Excellence in Media Sector (first Filipino to win the award) given by The Leaders International together with the American Leadership Development Association in Kuala Lumpur, Malaysia (2015), Visionary Management Excellence Award given by BizNews Asia (2015, 2016), Management Excellence Award given by BizNews Asia (2017, 2019), and Asia's Best Broadcast CEO given by BizNews Asia (2018). He is also listed among BizNews Asia's Power 100 (2003 to 2010).

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, 57 years old, is the President and Chief Operating Officer of the Network. He has been a Director of the Company since 1999 and is currently the Chairman of the Network's Executive Committee. Aside from GMA Network, Inc., he is the Chairman of the Board of GMA

Network Films, Inc. and GMA Worldwide, Inc. He also serves as President and CEO of GMA Holdings, Inc., RGMA Marketing and Productions, Inc., Film Experts, Inc., and Dual Management and Investments, Inc. He is the Chairman and President/CEO of Group Management and Development, Inc.; President and Director of MediaMerge Corp., Citynet Network Marketing and Productions, Inc.; Director of RGMA Network, Inc., GMA New Media, Inc., Alta Productions Group, Inc., Optima Digital, Inc., and Mont-Aire Realty and Development Corp. He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc. and a Trustee of the Guronasyon Foundation, Inc. and the HERO Foundation.

Duavit holds a Bachelor of Arts degree in Philosophy from the University of the Philippines



Joel Marcelo G. Jimenez, Filipino, 57 years old, has been a Director of the Company since 2002. He is currently the Vice-Chairman of the Executive Committee of GMA Network, Inc., President & CEO of Menarco Holdings, and the Chief Executive Officer of Alta Productions Group, Inc. He is a Director of RGMA Network, Inc., Executive Committee Chairman and Director of GMA New Media, Inc., Scenarios, Inc., GMA Worldwide, Inc., Citynet Network Marketing and Productions, Inc., Malayan Savings and Mortgage Bank, Unicapital Securities, Inc., and Nuvoland Philippines He is also a Trustee of GMA Kapuso Foundation, Inc.

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



Felipe S. Yalong, Filipino, 64 years old, is the Executive Vice President and Chief Financial Officer of GMA Network, Inc. He is also the Head of the Corporate Services Group of the Network. He has been a Director of the Company since 2002. Aside from GMA Network, Inc., he also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., and Majalco Finance and Investments, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer and a Trustee of GMA Kapuso Foundation, Inc.

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

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



Anna Teresa M. Gozon-Valdes, Filipino, 49 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 & Lucifa and is an Associate Professor at the University of the Philippines, College of Law where she taught Taxation and Legal History.

She is currently the Programming Consultant to the Chairman/CEO of GMA Network, Inc., the President of GMA Films, Inc. former GMA Worldwide, Inc. President, and Treasurer of Citynet Network Marketing & Productions, Inc. She is also a Trustee of the GMA Kapuso Foundation.



Judith R. Duavit-Vazquez, Filipino, 58 years old, has been a Director of the Company since 1988. She is a member of the following special committees: Audit & Risk Committee and Compensation & Remuneration Committee. Moreover, she sits on the boards of the following GMA7 subsidiaries: RGMA, Inc., GMA New Media, Inc., GMA Worldwide, Inc., and GMA Films, Inc. She is a member of the Board of Trustees of the GMA Kapuso Foundation, Inc.

Vazquez is an acknowledged visionary and industry mover in Philippine Information and Communication Technology space. In 1995, she laid the nation's first fiber in the Central Business District of Makati and developed the country's first ICT ready 24x7 intelligent skyscraper - 45-story 'The Peak Tower' and location of many 'Internet Firsts'.

She is the founder and chairman of PHCOLO, Inc. - the neutral interconnection site of telecommunications and Internet Service Provider companies on four platforms: fixed-line fiber, cable, wireless and satellite; founder and chairman of Vigil Investments Inc. and 107 Leviste Inc.

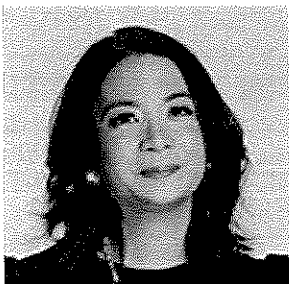
Her successful and visionary efforts in the field of Information and Communications Technology, have earned her the moniker "Godmother of the Philippine Internet," a position in Computerworld's list of "Philippines' Most Powerful in ICT" and "IT Executive of the Year" by the Philippine Cyber Press.

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

Her international organization memberships include the APNIC (Asia Pacific's IP Addressing Body), Pacific Telecommunications Council, IEEE, Young Presidents'/World Presidents' Organization (YPO), AFCEA, INSA, USGIF, and Harvard HBS Alumni Association Washington DC. She has served on the boards of the Management Association of the Philippines (MAP), Financial Executives Association of the Philippines (FINEX) and YPO Gold Washington DC - Baltimore.

Vazquez is a respected personality in Global Internet Governance circles. She was the first female Asian elected to an independent board seat at the Internet Corporation for Assigned Names and Numbers (ICANN) and remains the only Asian female who has held this honor to this day.

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 the Asian Institute of Management. She is a constant student and continuously grows her skills-base from TCP/IP networking, firewall/security architecture, to nascent and enterprise productivity technologies.



Laura J. Westfall, Filipino, 53 years old, has been a Director of the Company since 2000. She held the following positions in the Company Senior Vice President of Corporate and Strategic Planning and Senior Vice President for Finance. She has also served as Chairperson and President of GMA New Media. Before joining the Company, she worked for BDO Seidman–Los Angeles, an international audit and management consulting firm. She currently holds various positions in the Majent Menarco Group of Companies and serves as Board Member of Coffee Bean and Tea Leaf Philippines, and Museo Pambata. She is also President of the Yale Club of the Philippines.

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

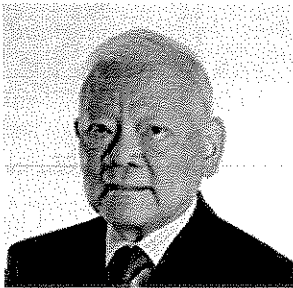


Chief Justice Artemio V. Panganiban, Filipino, 84 years old, has been an Independent Director of the Company since 2007. In 1995, he was named a Justice of the Supreme Court and was appointed Chief Justice of the Philippines in 2005 - a position he held until December 2006. At present, he is also an Independent Director of these listed firms: First Philippine Holdings Corp., Metro Pacific Investments Corp., Manila Electric Company, Robinsons Land Corp., GMA Holdings, Inc., Philippine Long Distance Telephone Co., Petron Corporation, Asian Terminals, and a non-Executive Director of Jollibee Foods Corporation. He is also an Adviser of Metropolitan Bank and Trust

Company and Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of DoubleDragon Properties Corp. and MerryMart Consumer Corp., Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Cathedral Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Board of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Council. He was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands, last August 2017 and is the designated Chairperson of the Philippine National Group. He also is a column writer of *The Philippine Daily Inquirer*.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by 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 nongovernment organizations, both local and international.

He obtained his Associate in Arts, "With Highest Honors" and later his Bachelor of Laws, as *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.



Jaime C. Laya, Filipino, 82 years old, has been an Independent Director of GMA Network, Inc. and GMA Holdings, Inc. since 2007. He is the Chairman and President of Philippine Trust Company (Philtrust Bank), Director of Manila Water Company, Inc., Philippine AXA Life Insurance Company, Inc., and Charter Ping An Insurance Corporation. He also serves as Chairman of Don Norberto Ty Foundation, Inc.; Trustee of St. Paul University - Quezon City, Cultural Center of the Philippines, Metropolitan Museum of Manila, Yuchengco Museum, Fundación Santiago, Inc., Ayala Foundation, Inc., and other organizations. He writes a weekly column for the *Manila Bulletin*.

He was Minister of 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; he 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; Master of Science in Industrial Management, Georgia Institute of Technology, 1960; Doctor of Philosophy in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.



Roberto Rafael V. Lucila, Filipino, 64 years old, is the co-managing partner/senior partner of the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He has been the Corporate Secretary of the GMA Network Inc. since March 27, 2017. He is also the Compliance Officer for the Company since 2018. He currently sits as director in the affiliates of certain European and American companies in the Philippines namely: eMerchant Asia Inc., Evonik (Philippines) Inc., Time-Life International (Phil.) Inc. and MeteoGroup Philippines Inc.. He is the Chairman and President of Lucilex, Inc., Chairman of H&WB Asia Pacific (Pte.

Ltd.) Corporation, and the President of Assetflex Development Corporation, Inc., and eMerchant Asia Inc. all local companies doing business in the Philippines. He is a Court of Appeals Mediator and serves as a Trainer for the Court of Appeals Mediation Training Program. He is presently a lecturer on Constitutional Law I and II at the University of the Philippines, College of Law and the University of Asia and the Pacific, Institute of Law. He was also a lecturer at the University of the Philippines College of Business Administration, San Sebastian College Institute of Law and Lyceum College of Law, as well as in local and international conferences such as the Integrated Bar of the Philippines (IBP) National Convention in 2010 (Subic), Avenue Capital Global Investor Conference in 2005 (New York City), The Law Association for Asia and the Pacific (LAWASIA) Conference in 1997 (Manila), and Global Best Practices for several years (Makati and Mandaluyong). He was OIC for the Legal Department of GMA Network, Inc. from 2001 to 2004 and for the Office of the President of Express Telecommunications, Inc. in 1998. He represented the Avenue Asia Capital Group and Avenue Capital Group in the Board of Directors of Citra Metro Manila Tollway Corporation (CMMTC) from 2004 thru 2012 and in East Asia Power Resources Corporation.

He served in the Office of the President of the Philippines as Assistant Executive Secretary for Legislation from 1990 to September 1992; Chairman of the Presidential Staff in 1991; Chairman of the Philippine Retirement Authority from 1991 to August 1992; Chairman of the South China Sea Fishery Disputes Committee from 1991 to July 1992; and Board Member of the Special Operations Team (now Bases Conversion Development Authority [BCDA]) in 1991. In the Department of Transportation and Communications, he was a Board Member of the Civil Aeronautics Board from 1990-1991 and of the Philippine National Railways from 1989-1991.

He holds Bachelor of Laws (1980) and Bachelor of Arts in Psychology (1976) degrees from the University of the Philippines. He was admitted to the Philippine Bar in 1981. He has completed the Strategic Business Economics Program (SBEP) from the University of Asia and the Pacific in 1999. He has contributed legal articles for the Supreme Court Reports Annotated (SCRA), The Lawyer's Review, IBP Law Journal and Magazine, World Bulletin, Clifford Chance's 2018 Asia Pacific Guide on Insolvency, Getting the Deal Done, and TheBicolBloc.com. He wrote the following books: "Corporate Rehabilitation in the Philippines," (2007), "The Benefit of the Doubt"(2020), and "Fundamental Powers of the State & Civil and Political Rights" (2021). Atty. Lucila has been recognized as one of the 2013 Asialaw Asia-Pacific Leading Lawyers in Dispute Resolution, and as a law professional actively engaged in the areas of Technology Media Telecommunications (TMT) and Insolvency in the Philippines. He sits in the Board of Regents of the Bicol University representing the private sector.



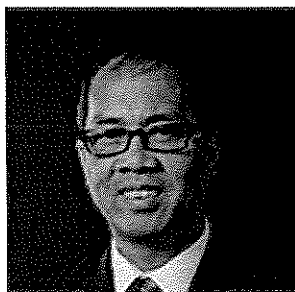
Marissa L. Flores, Filipino, 57 years old, is the Senior Vice President for News and Public Affairs since 2004. She joined the Company in 1987 as a researcher for public affairs documentaries and special reports and held the positions of Assistant Vice President for Public Affairs, Vice President for Production–News and Public Affairs before appointment to her current position. She is also a Trustee of GMA Kapuso Foundation.

The Rotary Club of Manila recognized her as Television News Producer of the Year in 1996. In 2004, she was awarded the prestigious TOYM (The Outstanding Young Men) for Broadcast Management. In 2012, she received the CEO Excel Award from the International Association of Business Communicators (IABC) Philippines. Ms. Flores was recognized for her work in the field of broadcast journalism by the University of the Philippines College of Mass Communication at the first Glory Awards in 2017.

The News and Public Affairs group under Flores continues to be the recipient of international awards, notably the New York Festivals, US International Film and Video Festival Awards, Asian TV Awards. GMA News and Public Affairs remains as the only Philippine broadcast network which has won the highly-coveted Peabody Award (four Peabody awards as of 2014) –widely considered as broadcasting and cable’s equivalent of the Pulitzer Prize.

Aside from overseeing news and public affairs programs in GMA Channel 7, Flores also led the creation of GMA News Online in 2007, and the launch of GMA News TV (GMA Network’s news and public affairs channel on free TV) in 2011.

Flores earned her Bachelor of Arts degree in Journalism at the University of the Philippines.



Ronaldo P. Mastrili, Filipino, 55 years old, is the Senior Vice President of GMA’s Finance and ICT Departments. He obtained his Bachelor of Science in Business and Economics, Major in Accounting from De La Salle University. He attended the Master in Business Administration Program from the same university and completed the Executive Development Program of the Asian Institute of Management.

Mr. Mastrili is a Certified Public Accountant with expertise in the fields of accounting, auditing, finance, taxation, and general management. He was formerly the Assistant Vice President of Controllership of ABS-CBN and also served as its Group Internal Auditor before joining GMA Network in March 2001. He also worked with SGV and Co. for 8 years in the early part of his career. Mr. Mastrili concurrently holds key positions in GMA Subsidiaries namely: Comptroller/Chief Accounting Officer of GMA Holdings, Treasurer of Alta Productions, Director of Script2010, Scenarios and GMA Kapuso Foundation, and Comptroller of

GMA Films, GMA Kapuso Foundation, and GMA Worldwide. He is also a Trustee of GMA Kapuso Foundation, Inc.



Lilybeth G. Rasonable, Filipino, 57 years old, is the Senior Vice President of the Entertainment Group of GMA Network, Inc. She heads the production of the Network's entertainment programs.

After earning her Bachelor of Arts degree in Broadcast Communication from the University of the Philippines, Ms. Rasonable immediately worked in the broadcasting industry, starting as a Production Assistant and later on, an Associate Producer of the Intercontinental Broadcasting Company. She likewise worked as Production Coordinator and Executive Producer of GMA Network, Inc.

Rasonable's work experience also included a post as Technical Consultant for Local Production with the Associated Broadcasting Company (ABC-5) and freelance Executive Producer for film and television. After a few years, she re-joined GMA as a Production Manager under its Sales and Marketing Group.

From Program Manager, she was promoted to Assistant Vice President for Drama in 2004. As AVP, she was a key figure in the growth of GMA's drama department and the creation of ground-breaking and phenomenal hits such as *Mulawin*, *Encantadia*, and *Darna*, which made the primetime block of GMA invincible. This contributed to GMA's unprecedented success in its quest for leadership in the Philippine broadcasting industry. It was also during her time as AVP for Drama when GMA produced programs that created the Network's superstars and afternoon dramas dramatically rose and established a strong presence in their time slots with breakthrough innovations.

In 2010, she was promoted to the position of Vice President, Drama Productions and tasked with the supervision of non-primetime and primetime drama programs of GMA. By February 2012, she was Officer-in-Charge of the Entertainment TV (ETV) Group. In December 2013, she received her promotion and appointment as ETV's Senior Vice President. In 2018, Rasonable was named as the Glory Awardee for Television Arts, a recognition given to alumni by the University of the Philippines College of Mass Communication. She is also a Trustee of GMA Kapuso Foundation.



Elvis B. Ancheta, Filipino, 54 years old, is GMA Network's Senior Vice President and Head of Engineering Group. He is concurrently the Head of Transmission and Regional Engineering Department of the Network.

He is a Professional Electronics Engineer and is a member of the Institute of Electronics and Communications Engineers of the Philippines. He was also GMA's principal representative to the Technical Working Group chaired by the National Telecommunications Commission for the drafting of the Digital Terrestrial Television Broadcasting—Implementing Rules and Regulations.

Engr. Ancheta earned his Bachelor of Science degree in Electronics and Communications Engineering from Saint Louis University in Baguio City.



Lizelle G. Maralag, Filipino, 55 years old, is GMA Network's Chief Marketing Officer. She is responsible for driving revenue growth and marketing innovation within all media platforms of the Network, including GMA's broadcast stations, both Philippine-based and international channels, as well as the other non-broadcast platforms. Under her leadership, GMA became the only Philippine broadcast company with the most number of local and global marketing awards. She is also 2019's Hildegard Individual Awardee for Women in Media and Communication under the category of Advertising.

She joined GMA Network in 2010, after a laudable career as an advertising media professional spanning more than two decades, where she drove to leadership position the top-ranked media agency in the market, Starcom Mediavest Group Phils. Co. Inc. as Managing Director, while concurrently serving as the Chairperson of Publicis Groupe Media Philippines and overseeing Zenith Optimedia Phils. She continues to hold the record in the media advertising industry for winning the most number of Media Agency of Record pitches when she was Managing Director of Starcom Mediavest Group Philippines, from 2000-2009. She is 2019's Hildegard Individual for Advertising by St. Scholastica's College Manila, which aims to recognize women media practitioners who served and paved the way in improving the welfare of the youth.

Maralag holds a Bachelor of Science degree in Statistics from the University of the Philippines, Diliman,

and took postgraduate studies at INSEAD in Singapore. She was Founding Co-Chairperson of the Media Specialists Association of the Philippines (2008-2009), Chairman of the Radio Research Council

Adjudication & Review Board, Director of the TV Research Council, part-time instructor at the University

of Asia and the Pacific, a global juror in the Starcom MediaVest Group Fuel Awards (2004), and a frequent jury member in local and regional advertising and marketing industry awards, the most recent of which is the Asia-Pacific Advertising Effectiveness Awards(Effies).



Regie C. Bautista, Filipino, 45 years old, is Senior Vice President for Corporate Strategic Planning and Business Development. She is also the Network's concurrent Chief Risk Officer and Head of Program Support. In 2020, Bautista led the successful development and market launch of GMA Affordabox, the Network's digital TV device which sold 1 million units within only seven (7) months.

She leads the Network's corporate strategic planning and business development process which fast-tracked the Network's end-to-end digital transformation, among others. As Chief Risk Officer, Bautista established the company's enterprise-wide risk management system, increasing the Network's ability to manage uncertainty, respond to risks and opportunities, and boost organizational resilience. She also instituted the network's sustainability reporting and enabled GMA Network to be the first media and broadcast company in the Philippines to sign with the United Nations (UN) Global Compact.

Bautista also manages the company's marketing communications, creative services, media, and on-air continuity, and digital media divisions. Her group is responsible for managing the media and on-air continuity of several of the Network's multi-media platforms and crafting Network promotions and campaigns that have garnered multiple recognitions from local and international award-giving bodies including PromaxBDA and the New York Festivals.

She established the Network's growing online community, registering millions of fans and followers across the different social media platforms. In conjunction with GMA News Online, her team also created the Network's online portal, GMANetwork.com, one of the country's leading websites.

She joined GMA in 2002, after working at L'Oreal Philippines, Inc. Bautista earned her Bachelor of Arts in Communications from the Ateneo De Manila University and completed the Senior Executive Programme from the London Business School.

Significant Employees

Although the Company and its key subsidiaries have relied on, and will continue to rely on, the individual and collective contributions of their executive officers and senior operational personnel, the Company and its key subsidiaries are not dependent on the services of any particular employee.

Family Relationships

Gilberto R. Duavit, Jr. is the brother of Judith Duavit-Vazquez. Joel Marcelo G. Jimenez and Laura J. Westfall are siblings. Anna Teresa Gozon-Valdes is the daughter of Felipe L. Gozon. Felipe L. Gozon's sister, Carolina L. Gozon-Jimenez, is the mother of Joel Marcelo G. Jimenez and Laura J. Westfall.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, during the past five years and up to date, there had been no occurrence of any of the following events which are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, or control person of the Company:

- Any filing of an insolvency or bankruptcy petition by or against any business of which such person was a general partner or executive officer, either at the time of the insolvency or within two years prior to that time;
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, or any pending criminal proceeding, domestic or foreign, of any such person, excluding traffic violations and other minor offenses;
- Any final and executory order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, against any such person, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and,
- Any final and executory judgment of any such person by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

Related Party Transactions with Subsidiaries and Affiliates

Please refer to the disclosures on certain relationships and related transactions are set forth on under Item 12.

Directors' Disclosures on Self-Dealing and Related Party Transactions

To the best of the Company's knowledge, there is no undisclosed transaction that was undertaken by the Company involving any director, executive officer, or any nominee for election as director with which such director, executive officer, or nominee for director was involved or had material interest.

Directors and members of the Management are required to disclose any business or family-related transactions with the Company to ensure that the Board of Directors and Management are apprised of any possible conflict of interest.

Appraisals and Performance Report of the Members of the Board of Directors

Director's Performance Evaluation Sheet

Under a prescribed form entitled *Director's Performance Evaluation Sheet*, the Company requires every member of the Board of Directors to provide a self-assessment of his/her performance based on enumerated standards, by indicating whether or not he or she is compliant with each of the standard. In case of non-compliance to a particular standard, the director is required to disclose the same and state the reason for the non-compliance. The duly accomplished *Director's Performance Evaluation Sheet* is submitted to the Company's Executive Committee through the Corporate Secretary.

All the members of the Company's Board of Directors indicated their compliance with the following standards set forth in the Director's Performance Evaluation Sheet for 2020:

DISCHARGE OF BOARD FUNCTIONS
1. Whether he or she possesses all the qualifications required of a director and do not possess any of the permanent and/or temporary disqualifications as set forth in the Corporation's Manual on Corporate Governance
2. Whether he or she attends the special/regular meetings of the Board of Directors and/or the Stockholders regularly.
3. Whether he or she provides and/or gives due consideration to independent views during Board Meetings.
4. Whether he or she recommends sound strategic advice on programs relating to the Corporation's business plans, operating budgets, and Management's overall performance.
5. Whether he or she participates on critical matters before the Board and the Board Committees of which he or she is a member.
6. Whether he or she maintains a harmonious working relationship with the other members of the Board of Directors.
7. Whether he or she has working knowledge on the Corporation's regulatory framework.
8. Whether he or she receives appropriate training (for his or her duties as Director and how to discharge the duties) by his or her regular attendance of a seminar on corporate governance.
9. Whether he or she observes confidentiality when required on matters relating to the business of the Corporation.
10. Whether he or she appoints qualified members of the Management and monitors their efficiency based on the results of the Corporation's annual financial and operational performance.

11. Whether he or she ensures that his or her personal interest does not bias his or her vote on matters submitted for the approval of the Board.
12. Whether he or she discloses all relevant information necessary to assess any potential conflict of interest that might affect his or her judgment on board matters.
13. Whether he or she recognizes and puts importance on the promotion of a mutually beneficial relationship that allows the Corporation to grow its business while contributing to the advancement of the society where it operates.

Resignation of Directors

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices.

Item 10. Executive Compensation

(a) CEO and Top 4 Compensated Executive Officers:

The following are the Company's highest compensated executive officers, in order:

Name and Position

Felipe L. Gozon	Chairman and CEO
Gilberto R. Duavit, Jr.	President and COO
Felipe S. Yalong	Executive Vice President and Concurrent Group Head, Corporate Services Group and Chief Financial Officer
Lizelle G. Maralag	Chief Marketing Officer, Sales and Marketing Group
Marissa L. Flores	Senior Vice President, News and Public Affairs

	Year	Annual Salaries (in thousands)	13th Month and Bonuses (in thousands)	Total
CEO and Top 4 Highest Compensated Officers	2018	196,578.2	168,429.1	365,007.3
	2019	274,809.1	174,287.0	449,096.0

	2020	371,667.1	255,050.1	626,717.2
	2021 (estimate)	390,250.4	267,802.7	658,053.1
<hr/>				
Top 4 most highly compensated officers as a group	2021 (estimate)	376,706.4	258,508.3	635,214.7
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Aggregate compensation paid to all officers and directors as a group	2018	303,840.3	207,742.4	511,582.7
	2019	408,173.3	232,237.7	640,411.1
	2020	524,038.6	313,805.4	837,844.0
	2021 (estimate)	545,000.1	326,357.6	871,357.7
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Aggregate compensation paid to all directors as a group	2018	-	64,350.0	64,350.0
	2019	-	74,650.0	74,650.0
	2020	-	183,608.9	183,608.9
	2021 (estimate)	-	190,953.2	190,953.2

(a) Directors and other Executive Officers

By way of compliance to Sections 29, 177(b)(1), 49(i) of the Revised Corporation Code, the Company has set forth above the aggregate compensation of the members of its Board of Directors. The annual compensation of each of the Company's directors is computed based on Section 8 of Article IV of the Company's By-Laws (as adopted on May 18, 2007) which provides that as compensation of the Directors, the Members of the Board shall receive and allocate yearly 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. Of the said 2.5%, one percent (1%) shall be allocated to the members of the Board of Directors to be distributed *share and share alike*. The remaining one and a half percent (1.5%) shall be allocated to the members of the Executive Committee to be distributed share and share alike (emphasis supplied).

Consistent with Section 29 of the Revised Corporation Code, the total yearly compensation of the Company's directors do not exceed ten percent (10%) of the net income before tax of the corporation during the preceding year.

Employee Stock Ownership Plan ("ESOP")

The Company has no outstanding options or warrants held by its CEO, the named executive officers, and all officers and directors as a group.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) The security ownership of certain record and beneficial owners of more than 5% as of March 31, 2021 are as follows:

Title Of class	Name and Address of Record Owner and relationship with issuer	Citizenship	Name of Beneficial Owner and Relationship with Record Owner	No. of Shares Held	Percent Owned
Common	Group Management & Development Inc. No. 5 Wilson St., San Juan, Metro Manila – Stockholder	Filipino	Record: Group Management and Development, Inc. ("GMDI") Gilberto R. Duavit, Jr. – relationship with record owner: 50.95% indirect equity ownership in GMDI through Dual Management Investments, Inc. and voting rights over GMDI's shares in GMA (to the extent of 50.95%)	789,821,734	23.49%
Common	GMA Holdings, Inc. Unit 5D Tower One, One McKinley Place, Bonifacio Global City (in the process of being amended to Unit 3K, North Wing, Fairways, Tower	Filipino	Record: GMA Holdings, Inc. ("GHI") Gilberto R. Duavit, Jr. and/or Felipe Gozon – relationship with record holder: direct and beneficial equity ownership of 33.3%	677,679,600	20.16%

	Condominium, 5 th Avenue corner McKinley Road, Fort Bonifacio, Taguig City, Philippines) – Stockholder		each and voting rights over GHI shares in GMA Joel Marcelo G. Jimenez-relationship with record holder: direct and beneficial equity ownership of 33.3%		
Common	FLG Management & Development Corporation 16/F Sagittarius Condo 1, HV Dela Costa Street, Salcedo Village, Makati City – Stockholder	Filipino	Record: FLG Management & Development Corporation (“FLGMDC”) Felipe L. Gozon – relationship to record holder: Chairman (control and direction) over FLGMDC.	697,665,217	20.75%
Common	M.A. Jimenez Enterprises, Inc. 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City – Stockholder	Filipino	Record: M. A. Jimenez Enterprises, Inc. (“M.A. Jimenez”) Joel Marcelo G. Jimenez – relationship with record holder: indirect equity ownership through Television International Corp., Majent Management and Development Corp. and Letras Y Figuras Holdings Inc. to the extent of 50% and voting rights over M.A. Jimenez shares in GMA. Menardo G. Jimenez, Jr. relationship with record holder: indirect equity ownership through Television International Corp., Majent Management and Development Corp. and Mandarin Tree Holdings, Inc. to the extent of 50%	453,882,095	13.50%

Common	Television International Corporation 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City - Stockholder	Filipino	Record: Television International Corp. Joel Marcelo G. Jimenez: relationship with record owner: indirect equity ownership through Majent Management & Development Corp., Menarco Holdings, Corp. and Letras Y Figuras Holdings, Inc. to the extent of 50% and voting rights over Television International Corp.'s shares in GMA. Menardo G. Jimenez, Jr.: relationship with record owner: indirect equity ownership through Majent Management & Development Corp., Menarco Holdings, Corp. and Mandarin Tree Holdings Inc. to the extent of 50% of Television International's shares in GMA	338,243,037	10.06%
Total Common Shares 2,957,291,683 87.99%					
Preferred	Group Management & Development Inc. No. 5 Wilson St., San Juan, Metro Manila – Stockholder	Filipino	Record: Group Management and Development, Inc. ("GMDI") Gilberto R. Duavit, Jr. – relationship with record owner: 50.95% indirect equity ownership in GMDI through Dual Management Investments, Inc. and voting rights over GMDI's shares in GMA (to the extent of 50.95%)	2,625,825,336	35.01%

Preferred	FLG Management & Development Corporation 16/F Sagittarius Condo 1, HV Dela Costa St., Salcedo Village, Makati City – Stockholder	Filipino	Record: FLG Management & Development Corporation (“FLGMDC”) <p>Felipe L. Gozon – relationship to record holder: Chairman (control and direction) over FLGMDC.</p>	2,181,898,644	29.09%
Preferred	M.A. Jimenez Enterprises, Inc. 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City – Stockholder	Filipino	Record: M. A. Jimenez Enterprises, Inc. (“M.A. Jimenez”) <p>Joel Marcelo G. Jimenez – relationship with record holder: indirect equity ownership through Television International Corp., Majent Management and Development Corp. and Letras Y Figuras Holdings Inc. to the extent of 50% and voting rights over M.A. Jimenez shares in GMA.</p> <p>Menardo G. Jimenez, Jr. relationship with record holder: indirect equity ownership through Television International Corp., Majent Management and Development Corp. and Mandarin Tree Holdings, Inc. to the extent of 50%</p>	1,508,978,826	20.12%
Preferred	Television International Corporation 2/F Sagittarius Condominium, H. V. De la Costa St., Salcedo Village, Makati City - Stockholder	Filipino	Record: Television International Corp. <p>Joel Marcelo G. Jimenez: relationship with record owner: indirect equity ownership through Majent Management & Development Corp., Menarco Holdings, Corp. and Letras Y Figuras Holdings, Inc. to the extent of 50% and voting rights over Television</p>	1,111,661,610	14.82%

			International Corp.'s shares in GMA. Menardo G. Jimenez, Jr.: relationship with record owner: indirect equity ownership through Majent Management & Development Corp., Menarco Holdings, Corp. and Mandarin Tree Holdings Inc. to the extent of 50% of Television International's shares in GMA		
Total Preferred Shares 7,428,344,388 99.04%					

GMA Holdings, Inc. is 99.9% owned by Gilberto R. Duavit, Jr., Felipe L. Gozon and Joel Marcelo G. Jimenez. The shares of the Company owned by GMA Holdings, Inc. are the underlying shares of the financial instruments called Philippine Deposit Receipts ("PDRs") which give the holder of each PDR the right to the delivery or sale of the underlying share (except to foreign nationals as prohibited by law) in accordance with the Philippine Deposit Receipt Instrument issued by GMA Holdings, Inc. as forming part of the Registration Statement filed with the Securities and Exchange Commission. The PDRs are listed with the Philippine Stock Exchange.

Group Management and Development, Inc., FLG Management and Development Corporation, M.A. Jimenez Enterprises, Inc. and Television International Corporation are significant shareholders of the Company.

(2) Security Ownership of Management as of March 31, 2021

As of March 31, 2021, the Company's directors and senior officers directly own an aggregate of 7,906,350 common shares of the Company based on the records of the Stock Transfer Service Inc. and/or the Corporate Secretary, equivalent to .23% of the Company's issued and outstanding common capital stock and 46,944 preferred shares based on the records of the Corporate Secretary equivalent to 0.00% of the Company's issued and outstanding preferred capital stock. The beneficial ownership/control (by virtue of direct, indirect/beneficial ownership/control or by having voting rights over the shares of the corporate stockholder in the Company) of the directors/senior officers represent 1,496,559,456 common shares of

the Company, equivalent to 44.53% of the Company's issued and outstanding common capital stock and 4,829,744,162 preferred shares equivalent to 64.40% of the Company's issued and outstanding preferred capital stock.

Stockholder Name	Position	Citizenship	Record/Beneficial Owner ² (Direct/Indirect)	No. of Common Shares Held	Percentage of Common Shares	No. of Preferred Shares Held	Percentage of Preferred Shares
Anna Teresa Gozon-Valdes	Director/Assistant Corporate Secretary	Filipino	Direct	3	0.00%	6	0.00%
Gilberto R. Duavit, Jr.	Director/President/COO	Filipino	Direct	4,007,005	0.11%	12	0.00%
			Indirect beneficial (through GMDI/Dual Management Investments)	402,414,173	11.97%	1,337,585,008	17.84%
Felipe L. Gozon	Director/Chairman and CEO	Filipino	Direct	3,181	0.00%	26,880	0.00%
			Indirect beneficial (control and direction over FLGMDC)	697,665,217	20.75%	2,181,898,644	29.09%
Joel Marcelo G. Jimenez	Director	Filipino	Direct	325,000	0.01%	6	0.00%
			Indirect beneficial (through M.A. Jimenez Enterprises, Television International Corp., Majent Management and Development Corp. and Letras y Figuras Holdings, Inc. and voting rights over M.A. Jimenez shares in GMA)	226,941,048	6.75%	754,489,413	10.06%
			Indirect beneficial (through Television International Corp. Majent International Corp., Majent	169,039,018	5.03%	555,830,805	7.41%

² as defined under SEC MC No. 15 Series of 2019

			Management and Development Corp. and Letras Y Figuras Holdings, Inc. and voting rights over Television International Corp.'s shares in GMA)				
Judith R. Duavit Vazquez	Director	Filipino	Direct	588,158	0.02%	378	0.00%
Laura J. Westfall	Director	Filipino	Direct	2	0.00%	6	0.00%
Felipe S. Yalong	Director	Filipino	Direct	1,025,000	0.03%	6	0.00%
Jaime C. Laya	Independent Director	Filipino	Direct	294,001	0.01%	0	0.00%
			Indirect beneficial (Dynawinds, Inc.)	500,000	0.01%	0	0.00%
Artemio V. Pangeniban	Independent Director	Filipino	Direct	401,000	0.01%	0	0.00%
Roberto Rafael V. Lucila	Corporate Secretary/Compliance Officer	Filipino	Direct	19,000	0.00%	0	0.00%
Marissa L. Flores	Senior Vice President-News and Public Affairs	Filipino	N/A	474,000	0.01%	0	0.00%
Ronaldo P. Mastrili	Senior Vice-President-Finance and ICT	Filipino	Direct	354,000	0.01%	0	0.00%
Lilybeth G. Rasonable	Senior Vice President – Entertainment TV	Filipino	Direct	158,000	0.00%	0	0.00%
Elvis B. Ancheta	Senior Vice President and Head, Engineering Group; Head Transmission and Regional Engineering Department	Filipino	N/A				
Lizelle G. Maralag	Chief Marketing Officer	Filipino	N/A				
Regie C. Bautista	Senior Vice-President, Corporate Strategic Planning and Business Development and Concurrent Chief Risk Officer and Head, Program Support	Filipino	Direct	258,000	0.01%	0	0.0%

(3) Voting Trust Holders of 5% or more

The Company has no notice of any person holding more than 5% of the outstanding shares of stock under a voting trust or similar agreement.

(4) Changes in Control

There are no existing provisions in the Articles of Incorporation or the By-Laws of the Company which will delay, defer or in any manner prevent a change in control of the

Company. There have been no arrangements which have resulted in a change in control of the Company during the period covered by this report.

- (5) The Philippine Constitution prohibits foreign ownership in mass media companies such as GMA Network, Inc.. Hence, any such transfer of the shares (common or preferred) of the capital stock of the corporation shall be deemed null and void and will neither be recognized or registered in the books of the Company. Thus, no part of the Company's equity (common or preferred) is owned by foreigners.

Item 12. Certain Relationships and Related Transactions

Advances to Affiliates

The Company has, from time to time, made advances to certain of its affiliates. The advances are non-interest bearing.

The Company made advances to Mont-Aire in the amount of P121.4 million as of December 31, 2004. Of such advances, the Company converted the amount of P38.3 million into P38.3 million worth of common shares of Mont-Aire. Simultaneously, the other shareholders of Mont-Aire, namely, Group Management and Development, Inc., Television International Corporation and FLG Management and Development Corporation converted advances in the aggregate amount of P23.5 million made by them to Mont-Aire into P23.5 million worth of common shares of Mont-Aire. The SEC approved the conversion of the advances into equity on February 17, 2006. The Company owns 49% of Mont-Aire, with the remaining 51% being owned by the Duavit family, Gozon family and Jimenez family. Mont-Aire is a real estate holding company whose principal property is a 5.3 hectare property located in Tagaytay, Cavite. Such property is not used in the broadcasting business of the Company. As of December 31, 2020 and 2019, Mont-Aire has had advances owing to the Company in the amount of P97.7 million and P97.1 million, respectively. Please see Note 20 of the Company's financial statements.

Agreements with RGMA Network, Inc. ("RGMA")

The Company has an existing agreement with RGMA for the latter to provide programming and research, events management, on-air monitoring of commercial placements and local sales service for the 25 radio stations of the Company. RGMA is paid marketing fees based on billed sales. Please see Note 20 of the Company's financial statements.

Agreements with GMA Marketing and Productions, Inc. ("GMA Marketing")

The Company entered into a marketing agreement with its wholly-owned subsidiary, GMA Marketing wherein GMA Marketing agreed to sell television advertising spots and airtime in exchange for which GMA Marketing will be entitled to a marketing fee and commission. Apart from this, the Company likewise engaged the services of GMA Marketing to handle and mount promotional events as well as to manage the encoding, scheduling of telecast/broadcast placements and subsequent monitoring of sales implementations for which GMA Marketing is paid a fixed monthly service fee. In 2016, GMA Marketing operations were integrated to the Company. Please see Note 20 of the Company's financial statements.

Belo Gozon Elma Parel Asuncion & Lucila Law Office

The Company and the law firm of Belo Gozon Elma Parel Asuncion & Lucila entered into a retainer agreement in 1993 under which Belo Gozon Elma Parel Asuncion & Lucila was engaged by the Company as its external counsel. As such external counsel, Belo Gozon Elma Parel Asuncion & Lucila handles all cases and legal matters referred to it by the Company. Other than Felipe L. Gozon, who is part of the Gozon Family, one of the principal shareholders of the Company, and director of the Company since 1975, some of the lawyers of Belo Gozon Elma Parel Asuncion & Lucila eventually assumed certain positions and functions in the Company either in their individual capacities or as part of the functions of Belo Gozon Elma Parel Asuncion & Lucila as the Company's external counsel. Please see Note 20 of the Company's financial statements.

Item 13. Corporate Governance

Please refer to the Integrated Annual Corporate Governance Report of the Company submitted on September 1, 2020 (Annex "B").

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports

(a) Reports attached as Annex to the Annual Report

Annex "A":	2020 Consolidated Audited Financial Statements
	Supplementary Schedules
	GMA Network, Inc. (Parent) Audited Financial Statements with Statement of Management's Responsibility for AFS
	GMA Network, Inc. Income Tax Return with Statement of Management's Responsibility for ITR
	Acknowledgement of eSubmission of AFS and ITR
	Statement of Management's Responsibility for Consolidated Audited Financial Statements.
Annex "B"	Latest Integrated Annual Corporate Governance Report of the Company is attached as Annex of this Annual Report
Annex "C"	Latest Sustainability Report is attached as Annex of this Annual Report

(b) Exhibits incorporated by reference

Exhibit 1 – Instruments defining the rights of Security Holders: The rights of the security holders are set forth under Article 7 of the Company's Amended Articles of Incorporation, among others, which may be viewed or downloaded from: https://aphrodite.gmanetwork.com/corporate/misc/_1595900785.pdf and discussed under page 54 of the Annual Report.

Exhibit 2 – Form 17-Q: The Company currently cannot make available the financial information for the first quarter of 2021. The Company however, undertakes to submit its SEC Form 17-Q on or before May 15, 2021 and to make the same available upon written request therefor by the Stockholder.

Exhibit 3 – Report Furnished to Security Holders; Other documents or statements to Security Holders: The Company's Latest Definitive Information Statement may be viewed at and downloaded from www.gmanetwork.com/asm2021

Exhibit 4 - Subsidiaries of the Registrant: The list of the subsidiaries of the registrant is incorporated in the Annual Report, kindly see page 6 of the Annual Report.

[Other Exhibits are not relevant/applicable].

(c) Reports on SEC Form 17-C

The following current reports have been reported by GMA Network, Inc during the year 2020:

- * Press Release "GMA statement on the fire incident" dated January, 14, 2020;
- * Notice of ASM (2019) dated January 23, 2020;
- * Press Release "GMA Network's 25 year franchise renewed prior to expiry" dated March 4, 2020;
- * Response to SEC Notice to the Publicly Listed Companies issued on March 12 – comprehensive assessment on the impact of Covid 19 dated March 16, 2020;
- * Results of Special Board Meeting dated April 13, 2020;
- * Notice of Postponement of ASM dated April 16, 2020;
- * Reply to Inquiry on Unusual Price Movement (CMIC) dated May 6, 2020;
- * Amended reply to Inquiry on Unusual Price Movement (CMIC) to attach the notarized document dated May 12, 2020;
- * Amended (1) Notice of ASM dated June 2, 2020;
- * Amended (2) Notice of ASM dated June 11, 2020;
- * Results of the Special BOD meeting dated June 15, 2020;

- * Press Release “ GMA Network Statement on the 50 Year Franchise issue dated June 19, 2020;
- * Press Release “ GMA Network unveils GMA Affordabox on its 70th anniversary” dated June 29, 2020;
- * Results of Annual Stockholders’ Meeting dated July 17, 2020;
- * Results of Organizational Meeting of the Board dated July 17, 2020;
- * Clarification of News Report - Manila Standard Online Edition dated July 21, 2020;
- * Clarification of News Report – Inquirer.net dated July 22, 2020;
- * Results of Special BOD Meeting dated August 10, 2020;
- * Reply to the Exchange Query – Additional Information requested by the Exchange in relation to the disclosure made on the Aug 10 dated August 12, 2020.

Item 15. Sustainability Report


Please see attached 2020 Sustainability Report of the Company (Annex “C”). The Sustainability Report may also be viewed at:
www.gmanetwork.com/sustainabilityreports<<http://www.gmanetwork.com/sustainabilityreports>>

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on April 22, 2021.

By:


FELIPE L. GOZON
Principal Executive Officer


RONALDO P. MASTRILI
Comptroller /Principal Accounting Officer


GILBERTO R. DUAVIT, JR.
Principal Operating Officer


FELIPE S. YALONG
Principal Financial Officer


ROBERTO RAFAEL V. LUCILA
Corporate Secretary

MAKATI CITY

APR 22 2021

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2021 affiants exhibiting to me their Passport/Driver's License Numbers, as follows:

Names	Government I.D.	Date of Issue	Place of Issue
Felipe L. Gozon	Passport No. P3551628A	July 3, 2017	DFA, Manila
Gilberto R. Duavit, Jr.	Passport No.5898410A	February 5, 2018	DFA, Manila
Felipe S. Yalong	Passport No. P2459589A	March 27, 2017	DFA, Manila
Ronaldo P. Mastrili	Driver's License N15-83-035933	until April 14, 2022	Manila
Roberto Rafael V. Lucila	P2374098B	June 29, 2019	DFA, Manila

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NOTARY PUBLIC

[Signature]
ATTY. GEORGE DAVID D. SITON

NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-392 / APR 31, 2021
ROLL NO. 68403 / MCLC COMPLIANCE NO. VI-09210365/3-29-2019
IBP O.R. No. 227586-11 / MCLC ORDER MAY. 8, 2017
PTR No. 8533079 / APR 11, 2017 MAKATI CITY
EXECUTIVE BLDG., CENTER MAKATI AVE., COR., ASPITER ST., MAKATI CITY.