COVER SHEET

SEC Registration Number

5	2	1	3							

COMPANY NAME

G M A   N E T W O R K   I N C .

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

G M A   N E T W O R K   C E N T E R   E D S A   C O R N E R
T I M O G   A V E N U E   D I L I M A N

SEC FORM 17-A (ANNUAL REPORT)

Form Type	Department requiring the report	Secondary License Type, If Applicable
17 A	M S R D	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
mail@bgepal.com	**88163716**	

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Anna Teresa M. Gozon-Valdes	annettegozon@yahoo.com; medemesa@bgepal.com rbarles@yahoo.com; mail@bgepal.com	**88163716**	**09278021064**

CONTACT PERSON's ADDRESS

15 F Sagittarius Building, 111 H.V. Dela Costa Street, Salcedo Village, Makati City

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

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

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, 2023**

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	3,364,692,000

(*Each Common Share entitles the holder to one vote)*

Preferred Stock	7,500,000,000

(*Each Preferred Shares shall be entitled to one vote and shall have the same voting rights as the Common Shares)*

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-affiliates[1] = P4.07 Billion (as of Mar 31, 2024)

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[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

15. The Company's Information Statements as filed pursuant to SRC Rule 20 are mentioned by reference in this report, particularly the Company's Information Statement for its 2024 Annual Stockholders' Meeting scheduled on May 15, 2024 under item I4 (Exhibits) of this Report.

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

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

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

Based on Nielsen TV Audience Measurement data from January to December 2023, GMA Network including GTV and other digital channels tallied a combined people net reach of 94 percent or 73 million viewers in Total Philippines. Headquartered in Quezon City, GMA operates a network of 108 TV stations and 21 radio stations throughout the country.

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

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, online 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, 2023:

COMPANY	OWNERSHIP	PRINCIPAL ACTIVITIES
Subsidiaries		
GMA New Media, Inc. (NMI) (registered with the SEC on July 5, 2000)	100%	GMA Network's innovation center and future- proofing agent in charge of digital media, technology convergence, R&D, software design and development, and systems integration.
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
GMA 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
GMA Ventures, Inc. (registered with the SEC on July 7, 2021)	100%	GMA's investment and diversification arm
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.*
***** Ceased commercial operation in 2020*
****** Ceased commercial operation in 2023*

PUBLICLY ANNOUNCED NEW PRODUCT OR SERVICE

GMA continued to invest heavily in ensuring that its broadcast reach—both via analog and digital terrestrial television (DTT)—remains unparalleled. It recognizes the importance of illuminating the vast majority of the archipelago as it endeavors to reach as many Filipino homes as it can. In 2023, we commissioned 12 DTT stations across key locations in Butuan City, Mt. Amuyao, Mt. Kitanglad in Bukidnon, Olongapo City, Iligan City, San Pablo City in Laguna, Mt. Banoy in Batangas, Antipolo, Zen Manila, Angeles City in Pampanga, Dumaguete in Negros Oriental, San Nicolas in Ilocos Norte, and Santiago City in Isabela.

GMA Pictures' return to the Metro Manila Film Festival with "Firefly" resulted in significant award wins, with continued success at the Manila International Film Festival in Los Angeles. “The Cheating Game”, GMA’s first film to debut on Netflix as a global offering, landed at the number one spot just two days after its premiere and remained among the top 10 Philippine movies list for five consecutive weeks. The partnership with Cornerstone Studios and Myriad on Five Breakups and a Romance achieved significant success.

With the intent to increase the digital audience of GMA programs, GMA New Media Inc. launched Kapuso Stream 2.0 – a simultaneous stream of GMA TV shows under one YouTube channel (GMA Network) from morning until late evening. In doing this, we achieved better discovery for GMA content and we were able to tap digital natives by offering fresh content through livestreaming.

GMA Ventures, Inc. (GVI) strategically expanded its investment portfolio, focusing on innovation and sustainability. GVI invested an additional USD 1.25M in the telehealth startup PX Ventures (ORA) and committed USD 250K to the Plastic Credit Exchange for environmental sustainability. The portfolio also includes investments in Wavemaker Three-Sixty, targeting early-stage healthcare innovations, and Cloudeats, a cloud kitchen business leveraging a multi-brand approach. Furthermore, GVI manages the Network's stake in TNB Aura, a venture capital fund investing in tech-enabled companies across Southeast Asia.

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		January-December 2023 Ratings & Audience Share TOTAL DAY (6AM-12MN) Mega Manila	Urban Luzon	Urban National
GMA		Household Ratings (%)	10.1	9.8	9.6
		Audience Share (%)	47.5	46.7	45.2
GTV	GTV is GMA Network's sister channel. It is programmed by GMA. GTV is the rebranded channel of GMA News TV (GNTV) which offers a variety of program genres, both news and entertainment shows. It was launched on February 22, 2021. [1] GMA News TV (GNTV) was launched on February 28, 2011. On June 5, 2019, GNTV's analog signal on Channel 11 was transferred to Channel 27 upon the expiration of GMA's block time agreement with Zoe Broadcasting Network which owns Channel 11.	Household Ratings (%)	2.4	2.4	2.2
		Audience Share (%)	11.2	11.3	10.5
HEART OF ASIA	Heart of Asia is one of the digital channels of GMA Network launched on June 29, 2020 offering K-drama titles, Asianovela series, GMA series and local/foreign movies. [2]	Household Ratings (%)	0.7	0.7	0.6
		Audience Share (%)	3.5	3.2	2.7
I HEART MOVIES	I Heart Movies is one of the digital channels of GMA Network launched on April 5, 2021 which features both local and international films. [3]	Household Ratings (%)	0.8	0.8	0.7
		Audience Share (%)	4.0	3.8	3.2

HALLYPOP	Hallypop is one of the digital channels of GMA Network launched on September 20, 2020 offering Asian pop culture and music programs. [4]	Household Ratings (%)	0.0	0.0	0.0
		Audience Share (%)	0.2	0.2	0.1
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. On March 8, 2021, through an expanded partnership between TV5/Cignal and ABS-CBN, TV5 started to air some of ABS-CBN entertainment shows. [5] This is after the denial of ABS-CBN's application for renewal of broadcast franchise on July 10, 2020.	Household Ratings (%)	2.5	2.5	2.8
		Audience Share (%)	11.8	11.7	13.0
A2Z	A2Z is the rebranding of Channel 11 following the partnership of Zoe Broadcasting Network with ABS-CBN. It was launched on October 10, 2020 and will air some of ABS-CBN's shows. [6] This is after the	Household Ratings (%)	2.2	1.8	1.5

	denial of ABS-CBN's application for renewal of broadcast franchise on July 10, 2020. A2Z Channel 11 was initially seen via analog broadcast in Metro Manila and nearby provinces and on cable/satellite TV. On November 12, 2020, A2Z announced its availability on digital TV boxes in Metro Manila and parts of Bulacan, Batangas, Cavite, Laguna and Pampanga. [7] On September 18, 2021, Zoe Broadcasting Network and Philippine Collective Media Corporation signed a partnership wherein some of A2Z's programs will be aired thru PRTV Channel 12 in Tacloban and other parts of Eastern Visayas. [8] On January 2022, A2Z expanded its digital coverage to parts of Rizal, Iloilo, Guimaras, and Negros Occidental. [9] It further expanded its digital coverage to Cagayan De Oro City and parts of Misamis Oriental on Feb 2022 [10] and to Cebu and Davao on Mar 2022 [11].	Audience Share (%)	10.2	8.5	7.0
CNN PHILIPPINES	CNN Philippines is owned and operated by Nine Media Corporation. It airs news-and-current affairs programs	Household Ratings (%)	0.0	0.0	0.0

	that are mostly in English. CNN Philippines airs in what used to be RPN 9. RPN or Radio Philippines Network (RPN 9) formerly 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. [12]	Audience Share (%)	0.2	0.2	0.1
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 (%)	0.4	0.4	0.5
IBC	Intercontinental Broadcasting Corporation (IBC-13) is a VHF TV station of the Government Communications Group launched in 1975 by Roberto Benedicto.IBC-13 started in 1960 as Inter-Island Broadcasting Corporation owned by then owner of San Miguel Corporation, Andres Soriano Sr. [13]	Household Ratings (%)	0.0	0.0	0.0
		Audience Share (%)	0.1	0.1	0.1
ETC / SOLARFLIX	ETC is a digital free TV channel that is also available in pay TV and is	Household Ratings (%)	0.1	0.1	0.1

	one of the channels owned by Solar Entertainment Corporation through its wholly-owned subsidiary Southern Broadcasting Network. [14] Starting July 11, 2022, ETC became SOLARFLIX, a Tagalog movie channel that showcases all-time favorite classic Filipino films, handpicked Indie movies, shorts and documentaries from local movie festivals. [15]	Audience Share (%)	0.5	0.5	0.3
RJ DIGI TV	RJTV is now known on-air as RJ DigiTV after fully transitioning to digital broadcast. RJTV is a 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-to-air and a decade of blocktime agreement with RJTV.	Household Ratings (%)	0.0	0.0	0.0
		Audience Share (%)	0.0	0.0	0.0
ALLTV	ALLTV launched on Sep 13, 2022. It airs on Channel 2 on free TV and Planet Cable; Channel 35 on Cignal TV and Sky Cable, Channel 32 on GSAT, Channel 23 on Cablelink and Channel 2 on other cable TV providers.[16]	Household Ratings (%)	0.0	0.0	0.0
		Audience Share (%)	0.2	0.2	0.2
PINOY HITS*	GMA Network launched its new digital channel, Pinoy	Household Ratings (%)	0.1	0.1	0.1

	Hits, which is also available on GMA Affordabox and other digital TV boxes. It went on test broadcast on January 2-15, 2023 and officially launched on January 16, 2023. Pinoy Hits simulcasts currently airing shows on GMA and GTV, airs repurposed and closed-captioned GMA and GTV replays, and reruns of classic produced top-rating Kapuso shows such as dramas, comedies, and child-friendly programs. [17]	Audience Share (%)	0.6	0.6	0.5
KAPAMILYA CHANNEL	Kapamilya Channel is a cable/satellite channel programmed by ABS-CBN launched on June 13, 2020. [17] This is following the expiration of ABS-CBN's broadcast franchise on May 4, 2020 and went off-the-air starting May 5, 2020 at 7:52 PM in compliance with the cease and desist order issued by the National Telecommunications Commission (NTC). 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 ABS-CBN's digital channels on TV Plus and SkyDirect (satellite). [18]	Household Ratings (%)	0.2	0.3	0.5
		Audience Share (%)	0.7	1.5	2.3

NOTE: Ratings data are based on Nielsen Television Audience Measurement (TAM).
** Nielsen released Pinoy Hits ratings starting Feb 1, 2023 only.*

Sources:

[1] https://www.gmanetwork.com/news/showbiz/chikaminute/776662/gma-news-tv-is-now-gtv/story/

[2] https://www.gmanetwork.com/news/showbiz/content/744301/gma-network-launches-new-digital-channel-heart-of-asia/story/

[3] https://www.gmanetwork.com/news/lifestyle/hobbiesandactivities/781660/watch-your-favorite-local-international-movies-for-free-through-this-digital-channel/story/

[4] https://www.gmanetwork.com/news/showbiz/chikaminute/755384/gma-network-launches-new-asian-pop-culture-digital-channel/story/

[5] https://news.abs-cbn.com/entertainment/03/05/21/tv5-to-simulcast-abs-cbns-primetime-bida-starting-march-8

[6] https://news.abs-cbn.com/entertainment/10/07/20/what-abs-cbn-shows-are-coming-to-a2z-channel-11

[7] https://news.abs-cbn.com/entertainment/11/12/20/a2z-now-available-on-digital-tv-boxes

[8] https://www.facebook.com/OfficialA2ZPH/photos/a.119133753285588/357505229448438/?type=3

[9] https://www.facebook.com/OfficialA2ZPH/posts/428411869024440?paipv=0&eav=AfYyHIAc6erF7flg RlmLYGXUU3Uf2WCZu2tF4BjU9oKRqewSZRYb8JtwrX_eZyYA4ps&_rdr

[10] https://www.facebook.com/OfficialA2ZPH/posts/446745293857764

[11] https://www.facebook.com/OfficialA2ZPH/posts/477997917399168

[12] https://philippines.mom-rsf.org/en/media/detail/outlet/cnn-philippines/

[13] https://philippines.mom-rsf.org/en/media/detail/outlet/ibc-13/

[14] https://philippines.mom-rsf.org/en/media/detail/outlet/etc/

[15] https://www.mysky.com.ph/cebu/updates/1581/2022/06/28/etc-rebrands-to-solarflix

[16] https://www.philstar.com/headlines/2022/09/13/2209260/ambs-launches-alltv

[17] https://www.gmanetwork.com/entertainment/tv/pinoy_hits/96622/gma-launches-new-digital-channel-pinoy-hits/story

[18] https://ent.abs-cbn.com/articles-news/how-loyal-viewers-love-and-support-fuel-abs-cbns-commitment-to-serve-via-kapamilya-channel-15054

[19] https://news.abs-cbn.com/spotlight/multimedia/slideshow/07/09/21/abs-cbn-franchise-rejection-timeline

RELATIVE SIZE AND FINANCIAL AND MARKET STRENGTH OF COMPETITORS

For the longest time, the Company considers ABS-CBN as its prime competitor in free-to-air (FTA) broadcasting, which is the core business of GMA. However, it can be recalled that ABS-CBN lost its franchise when the National Telecommunications Commission issued a cease-and-desist order against ABS-CBN's broadcast operations on May 5, 2020. Subsequently, on July 10 of the same year, the House Committee on Legislative Franchises adopted a resolution denying the media company's franchise application. Voting 70 to 11, the House committee rejected the application for a franchise renewal of ABS-CBN. Since then, ABS-CBN's content was no longer seen on Channel 2's free-to-air frequency. Nonetheless, ABS-CBN continued to operate and produce content, strengthening its presence in the digital landscape. It also forged partnerships with TV5 and Zoe Broadcasting Network. With this development, GMA's immediate competitors in FTA broadcasting remains to be TV5 and A2Z.

TV5 which was formerly known as ABC 5 ranked second in 2023 in the FTA broadcast industry. The channel 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 entertainment 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. On August 15, 2020, the network announced its partnership with sister company, Cignal TV as TV5's main content provider to handle its programming in order to bring back the glory days of TV5 to compete again with its rival TV network, GMA Network and other TV networks in the Philippines. In addition, shows from the foreclosed ABS-CBN were announced to be transferred to TV5 as the former implemented retrenchments following the non-renewal of the former's broadcast franchise. Since January 2021, TV5 carried selected programming produced by its former rival ABS-CBN. Moreover, on July 1, 2023, E.A.T. premiered on TV5 following the resignation of Tito Sotto, Vic Sotto, Joey De Leon, and other mainstay hosts of Eat Bulaga from TAPE Inc. which cemented its position as the second most-watched TV network in 2023. In terms of asset base, TV5 is about less than half that of GMA's. In terms of profitability, TV5 has been beset with net losses throughout the years accumulating to billions of Philippine pesos. In the same manner, a retained earnings deficit is reflected in TV's equity.

A third player in recent years was A2Z which is a free-to-air blocktime broadcast television network that serves as a flagship property of ZOE Broadcasting Network in partnership with ABS-CBN Corporation through a blocktime agreement. A2Z's flagship television station is DZOE-TV which carries the VHF Channel 11 (analog broadcast) and UHF Channel 20 (digital broadcast; since November 12, 2020). As reported, the network's name is an abbreviation derived from the first letter of the names of two parent companies, ABS-CBN and ZOE, the number of the now-recalled channel frequency of the former, and the Latin alphabet letters from the first letter A to the last letter Z. In 2022, A2Z expanded its digital coverage to parts of Rizal, Iloilo, Guimaras, and Negros Occidental in January 2022; to Cagayan De Oro City and parts of Misamis Oriental in February; and to Cebu and Davao in March. In 2023, its digital channel further reached North and Central Luzon starting Oct 1. Both TV5 and A2Z have enjoyed an uptick in their viewership shares with the ties forged with ABS-CBN.

GMA has proven its supremacy, emerging as the biggest and longest-running broadcasting company in the region. In terms of financial profitability, GMA has proven time and again its strength and consistency in providing the optimum results to its shareholders. In terms of ratings competitiveness, the Network grabbed the number one spot in nationwide TV ratings even when ABS-CBN was still operating with a franchise. To this day, 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 several ways. Through GMA International, the Network distributes subscription-based international linear channels – GMA Pinoy TV, GMA Life TV, and GMA News TV, alongside the associated catch-up Video on Demand (CVOD) and subscription Video on Demand (SVOD). Meanwhile, GMA New Media Inc. (a wholly-owned subsidiary of the Company) and GMA Worldwide Division also distribute non-linear content through Advertising Video On Demand (AVOD) service and syndication, respectively.

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 multiplatform distribution footprint for GMA Pinoy TV, GMA Life TV, GMA News TV and GMA On Demand, covers various territories in North America (US & Canada), APAC, MENA, Europe, the Caribbean Islands and South Pacific islands. Meanwhile, through GMA Worldwide Division, 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 pay-TV 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, GMA International's flagship channel, 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
In September 2011, GMA Network began distributing GMA News TV 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.

GMA NEW MEDIA, INC.

Since its inception in 2000, GMA NMI has positioned itself as a digital innovation hub, focusing on cutting-edge R&D, custom software solutions, and pioneering digital strategies. With a track record of launching groundbreaking projects across various digital platforms, it continuously pushes the boundaries of technology convergence to drive GMA Network's leadership in the digital era.

WEB DEVELOPMENT
At the forefront of GMA's digital evolution, NMI showcases its expertise in web development and systems integration by crafting dynamic online experiences for GMA's platforms, including the GMANetwork portal and GMA News Online. During pivotal Election coverages, NMI's proficiency in big data and systems integration ensures accurate and comprehensive reporting, setting new standards for digital journalism. Noteworthy achievements include powering the groundbreaking 360-degree livestream of the PiliPinas Debates 2016 and

introducing innovative features like Heat Maps and Vote Graphs for Eleksyon 2019. In anticipation of the 2025 election season, NMI continues to refine its strategies, embracing advancements like cloud migration with Amazon Web Services to maintain its competitive edge.

VIDEO-ON-DEMAND
NMI's video play began with strategic partnerships with Hooq, iFlix, and Daily Motion, which put GMA in the digital content game. The partnership with YouTube under the Player for Publishers Program in 2017 has shown impressive growth in the Advertising Video-on-Demand (AVOD) channel. With NMI's efforts focused on growing the subscriber base and increasing watch time, revenue has grown exponentially year-on-year through Programmatic Advertising, which brings brands to the right audiences with data-driven display, mobile, and video traffic platforms. In 2023, GMA reached the following YouTube Subscriber Milestones:

• GMA Network - 33M subscribers
• GMA Public Affairs – 22M subscribers
• GMA Playground – 2M subscribers
• YouLOL – 2M subscribers
• Family Feud – 800K subscribers
• ATM – 100K Subscribers

NMI STUDIOS
To aid the video-on-demand and livestreaming business, NMI Studios was created, an in-house multimedia and 3D-animation team in charge of creative storytelling and digital video production.

One of the highlights for the year is the BPI Anti-scam Campaign - The "Maging Listo, Huwag Magpaloko" an anti-scam campaign, a collaboration between BPI and GMA NMI. NMI Studios conceptualized and produced the videos for this campaign, which were recognized as Finalist in the category A3–Informational Films and Explanatory Videos of the 14th edition of the awards for 2023 recently held in Cannes, France.

Using AI technology to help uplift new delivery, NMI Studios created Marco and Maia – AI newscasters. The digital duo was unveiled by GMA Network on September 24, 2023, for their coverage of Season 99 of the National Collegiate Athletic Association (NCAA), alongside GMA's courtside human reporters.

Experimenting with Generative AI to produce content in half the time and cost, NMI Studios conceptualized and created Hiwaga, a collection of original fairytales found exclusively in the Kubo House YouTube channel, which launched in May 2023.

NMI SOLUTIONS
Early on, NMI also set its sights on emerging technologies focused on advertising digital solutions. They did their very first Augmented Reality executions on the covers of Top Gear and Preview in collaboration with Summit Publishing In 2014, through a partnership with Samsung, they powered Relative Realities, an AR exhibit at the Yuchengco Museum, and Propaganda, an immersive exhibit at the Lopez museum in 2015. They broadened their development expertise to mobile applications, working closely with SMG on sponsored apps such as Kapuso Milyonaryo and Del Monte Kitchenomics.

From this foundation, NMI Solutions was created in 2021 to cater to clients beyond the Network, including SM Supermalls and SM Cares, Mekeni, Ayala, and Ortigas. The business shifted from advertising-centric executions to a more holistic approach to digital solutions. In addition to customized platforms, NMI Solutions partnered with suppliers and solutions providers (such as Sophos, Microsoft, and Adobe, to name a few) to offer clients a one-stop shop for their digital transformation needs – hardware and software solutions (through reselling) as well as systems, digital infrastructure, and customized platforms (in-house).

R&D AND INNOVATION

NMI is defined largely by its R&D DNA. Its responsibility is to provide strategic advantages to NMI's, and even GMA's, business and operating units through the implementation of innovative tools, platforms, and process enhancements driven by the latest technological advancements such as, but not limited to, Artificial Intelligence.

NMI has developed several proofs-of-concept (POCs) combining existing platforms and AI to combat cybersecurity threats, block malware infections, and safeguard against script-based, fileless, memory, and external device-based attacks. This can lower the risk of GMA websites and apps being targeted by malware/ransomware network activity patterns and hacking attempts.

Other AI-based software development initiatives involve Video Meta tagging, which can help improve searchability, organization, and accessibility of video content across various platforms. It can also assist in content recommendation, content moderation, and content monetization efforts for video hosting and streaming services. We are also developing proprietary Generative AI tools installed locally on our servers to streamline our workflows and boost efficiencies.

GMA NETWORK FILMS, INC.

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 in 1998 followed by Muro Ami in 1999. These legacy films scored back-to-back wins for Best Picture at the Metro Manila Film Festival.

Repositioned as an entity that complements GMA Network's talent development initiatives, GMA Films was reactivated in late 2004 with Let the Love Begin followed by the blockbuster hits I Will Always Love You and Till I Met You. It went on to produce memorable titles like Moments of Love, Ouija, The Promise, My Bestfriend's Girlfriend, One True Love, When I Met You, Working Girls, Temptation Island, The Road, Of All the Things, My Lady Boss, and more.

In 2023, a rebranded GMA Films introduced itself as GMA Pictures to the cinema-going public with fresh and edgy titles like The Cheating Game, Video City (co-produced with Viva Films) and Five Breakups and a Romance (co-produced with Cornerstone Studios and Myriad). In the same year, GMA Pictures cemented its comeback with the hit movie Firefly which won back-to-back Best Picture awards at the MMFF and the first Manila International Film Festival in Los Angeles. GMA Pictures' triumphant launch demonstrates its vision of achieving box office success whilst creating new cinema classics.

GMA PRODUCTIONS, INC.

GMA 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 Records" label. Since resuming operations, GMA Records has leveraged the Company's talent and media resources, releasing music albums of various artists.

In January 2019, GMA Records changed its brand name to GMA Music to make it more up-to-date, given the transformation of the music business from physical to digital downloading and streaming.

GMA Music works with GMA New Media, local and international content providers, and aggregators to take advantage of new revenue streams, particularly in the market of digital music streaming.

In order to further boost content, GMA Music has re-activated its AltG Records sub-label and introduced GMA Playlist as a new sub-label being supervised by GMA Post Productions.

GMA Music publishes music and administers copyrights on behalf of composers as well as music works produced and commissioned by GMA Network. GMA Music is also actively pursuing publishing deals, building on its current catalog of original compositions. GMA Music serves as a clearing house 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, Philippine Association of the Recording Industry, and SoundsRight, with the Philippine Recorded Music Rights, Inc., both collecting society for sound recording and artists.

SCRIPT 2010, INC.

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 departments.

ALTA PRODUCTIONS GROUP, INC.

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 are 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 a 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.

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 30 agencies and advertisers comprise more than 70-80% 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.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES

Kindly refer to **Item 12** of the report (page 97).

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 2023

* The implementation of the network-wide Standard-Definition Full-Height Anamorphic (16:9 picture format) across all broadcast channels of the network commenced on February 27, 2023, followed by the adoption of said format in all regional studios airing local newscasts by July 10, 2023. The project cost was Php 140M (total approved)

* The building of the vital system infrastructure and upgrading the Media Management System (MAMS) core application for the Multi-Tiered Archiving System of the Network's High-value assets were completed. The project cost amounted to Php 11.83M (total approved)

* Enhancements and upgrades were made to the Media Asset Management System's (MAMS) sub-systems and sub-components, including Production Storage, Virtualized Systems, and Low-Res Storage systems. The project amounted to Php 40.59M.

	STATION	COMPLETED ON	APPROVED CAPEX (PhP)
1	TV-15 Butuan City	February 4, 2023	22,364,166.52
2	TV-29 Mt. Amuyao	March 13, 2023	54,615,485.73
3	TV-44 Mt. Kitanglad, Bukidnon	April 5, 2023	55,943,594.09
4	TV-38 Olongapo City	May 17, 2023	33,644,143.34
5	TV-33 Iligan City	May 29, 2023	29,860,194.94
6	TV-32 San Pablo City, Laguna (Part of Mt. Banoy, Batangas SFN)	June 10, 2023	69,596,384.29
7	TV-15 Antipolo, 15KW (Part of Mega Manila SFN)	August 16, 2023	131,275,331.23
8	TV-15 Zen Manila, 3KW (Part of Mega Manila SFN)	August 24, 2023	41,539,217.59
9	TV-15 Angeles City, Pampanga 5KW (Part of Mega Manila SFN)	August 29, 2023	74,228,354.05
10	TV-22 Dumaguete, Negros Oriental 1KW	September 15, 2023	53,272,621.72
11	TV-24 San Nicolas, Ilocos Norte 10KW	October 20, 2023	63,152,431.34

12	TV-27 Santiago City, Isabela 5KW	October 31, 2023	47,153,950.13
		Total	**676,645,874.97**

In 2022

- Approved Project "Rehabilitation of German Moreno Studio and Equipment Upgrade" for production taping of Entertainment Group programs - completed in June 2022 with the budget amount of PhP44.43M

- Build-up of the 4th Outside Broadcast Van Facility with an approved budget of PhP40M on August 08, 2022 - On-going project with pending items for delivery.

- Approved Project "News Automation System (NAS) and Media Asset Management System (MAMS) Database Upgrade" intended to update the Database Software to the latest applicable version due to End Of Life/Service/Support (EOL/S/S) – Completed on August 13 and November 8, respectively with a budgeted amount of PhP667K.

- Approved Project "Playout Server Input/Output (I/O) Mediaports Replacement/Upgrade" to replace EOL/S/S I/O hardware used by the Quick Turn-Around Server for content repurposing of international channels and by the On-air Playout – completed on August 28 with a budgeted amount of PhP9.82M

- Approved Project "MAMS Virtualized Hardware Node replacement" to replace EOL/S/S Virtualized hardware Nodes – completed on November 2 with a budgeted amount of PhP3.3M

- Approved Project "MAMS Low-Res Storage Expansion" to store MAMS Programs new Low-Res video contents for search/browsing and preview – completed on December 10 with a budgeted amount of PhP4.79M

- Approved Project "MAMS Viz One upgrade and Cloud Archive" to enable archive and back-up of on-air content in the cloud – completed on December 5 with a budgeted amount of P11.82M.

- Approved Project "Portable back-up On-Air External Playout" to enable the on-air playout of commercial contents in the event of a system-crippling disaster (prompting the disaster recovery protocol) – completed December 27 with a budgeted amount of PhP492K.

- Approved Project “Hard Disk File-based On-air external playout” to enable the use of external Hard Drive for on-air external playout operations during crucial situations – completed on December 27 with a budgeted amount of PhP3.84M.

- Completed the upgrade of Iloilo GTV station:

GTV Analog TV Station Upgrade	Completed Date	Approved CapEx
TV-28 Iloilo	05/1/2022	PhP116,709,143.95

- Commissioned the following DTT Stations:

New DTT Stations	Completed Date	Approved CapEx
TV-15 PBCOM, Makati (Part of Mega Manila SFN)	01/21/2022	PhP38,125,991.31
TV-15 Mt. Kanlandog	06/25/2022	PhP49,522,576.35
TV-41 Legaspi	09/28/2022	PhP26,101,747.68
TV-41 Zamboanga	10/12/2022	PhP24,299,931.54

In 2021

- Completed the Project “MAMS Apple ProRes 422 HQ 4K video format support” to enable Ingest, Editing, Publishing and Archiving of ProRes 4K video materials in MAMS – Engineering side” with actual cost of P28.71M

- Completed the Project “MAMS XAVC 4K and H.264 video format support” to enable Ingest, Editing, Publishing and Archiving of XAVC 4K and H.264 video materials in MAMS – Engineering side” with an actual cost of P10.73M

- Completed the Project “NAS Low-Res Storage Expansion” to store News Programs new Low-Res video contents for search/browsing and preview – Engineering side” with an actual cost of P3.56M

- Completed the Project “BAS Ingest server software and hardware upgrade” to upgrade BAS ingest system due to hardware and software end of life – Engineering side” with an actual cost of P3.67M

- Completed the Project “MAMS Firewall hardware replacement and security feature improvement” to replace end of life Firewall and improve MAMS network security with the implementation latest Next Generation Firewall – Engineering side” with an actual cost of P6M

- Completed the Project “NAS Firewall security feature upgrade” to improve NAS VPN network security – Engineering side” with an actual cost of P584K

- Completed the Project “MAMS VXRail hardware node expansion and memory upgrade” to handle migration of VM servers from end of life server hardware to the new VXRail cluster and enable resources for staging/development system – Engineering side” with an actual cost of P3.78M

- Completed the Project “MAMS Viz One and VSN integration” that provided MAMS the capability to automatically transfer airing materials to the DTT Channels VSN Channel In A Box playout system based on playlist schedule – Engineering side” with an actual cost of P3.53M

- Completed the Project “Disaster Recovery (DR) on-air playout expansion” to support DR on-air playout of four (4) additional DTT channels (HOA, HallyPop, DepEd1 and DepEd2) – Engineering side” with an actual cost of P2.05M

- Completed the “Relocation of the Master Control System for the Test Channel” to ensure proper manning of master control system for on-air broadcast operations. The project has a budget amount of P316K and completed on March 5, 2021.

- Acquisition of HD production equipment use for the live sports coverage of the National Collegiate Athletic Association [NCAA] Season ’96 - Php 54, 686,167.99 completed April 2021

- Completed the Project “NCAA On-air Graphics for Studio” with the budget amount of PHP 5.6 M on April 13, 2021

- Completed the Project “Disaster Recovery (DR) Extension for the DTT Headend” which was installed at the DR facility for on-air recovery of the DTT Headend – with the budget amount of P732K and was completed on November 9, 2021

- Completed the Project “TOA Recording System” with the budget amount of P954K – completed on December 7, 2021.

Completed the upgrade of the following GTV stations in 2021:

GTV Station Upgrade		
Station	**Completed Date**	**Actual Cost**
TV-27 Metro Manila	06/11/2021	Php 19,968, 056.56
TV-22 Mt. Santo Tomas, Benguet	07/07/2021	Php 34,289,171.09
TV-26 Mt. Banoy, Batangas	7/14/2021	Php 21,535,316.80
TV-27 Legaspi	8/29/2021	Php 29,052, 568.31
TV-28 Naga	08/03/2021	Php 29,331,572.63
TV-26 Tacloban	12/23/2021	Php 37,365,683.71
TV-26 General Santos	12/21/2021	Php 31,545,038.58
TV-21 Zamboanga	12/22/2021	Php 37, 909,624.08

Commissioned the following DTT Stations in 2021:

DTT	Completed Date	
TV-15 Mt. Caniao	2/5/2021	Php 18,568,654.54
TV-44 Bacolod	5/11/2021	Php 6,110,950.06
TV-29 Guimaras	8/2/2021	Php 8,002,248.41
TV-38 Naga	11/7/2021	Php 26, 200,021.42
TV-34 Gensan	12/2021	Php 19, 202,175.40
TV-34 Tacloban	12/2021	Php 17, 927,540.56

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 April 27, 2022 and received dated September 02, 2022 and costs around P 30,640.00 and is valid for five (5) years or until September 02, 2027. 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 2024 budget for the emission tests cost P 130,000.00 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 2023 budget for the disposal of hazardous waste is P 108,000.00. HazWaste ID was updated last 2021 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, expired pharmaceutical drugs and used personal protective equipment i.e. face masks, disposable PPEs and other COVID-19 prevention related kits 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. In November 23, 2021 GMA Network reconnected with the sewer line of the Manila Water Company. The permit was revalidated last August 4, 2023 and the processing fee of P 1,600.00 was paid to the LLDA. The permit is still valid up to August 7, 2024. A processing fee of P 5,000.00 will be paid for the renewal of the discharge permit. Laboratory testing of wastewater was also performed as a requirement for Self-Monitoring Report (SMR) and Compliance Monitoring Report (CMR) submission. The 2023 budget for the siphoning of sludge of the STP is P 395,000.00.

4. R.A. 9003 - The Company has an existing Environmental Permit to Operate (Environmental Clearance) from the Quezon City Environmental Protection and Waste Management Department pursuant to City Ordinance No. 1729 Series of 2006. The permit is valid until July 5, 2024 and the renewal will be processed by June 2024. The budget for the environmental inspection clearance fee for 2023 is P 600.00.

In addition, the Company incurred approximately P 596,086.99 in costs for other permits and licenses required by government regulations such as, but not limited to, special land use permits, DENR-EMB permits, QC Department of Building Official inspection fees, billboard permits etc.

EMPLOYEES

As of December 31, 2023, the Company has 3,305 regular and probationary employees. The Company also engaged 1,203 talents (on-cam and off-cam) in 2023. 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, 2023	****2024 ESTIMATED ADDITIONAL**	**TOTAL**
Rank & File *	1,380	8	1,388
Non-Rank and File & Managers	1,836	332	1,855
Officers	89	0	89
Total	**3,305**	27	3,332
**** Covered by Collective Bargaining Agreement (CBA)***			
***** Based on approved MRF and hired EEs as of January 31, 2024.***			

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

Our commitment to effective risk management

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

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

• Integrate risk management into its culture and operations

• Incorporate risk management into strategic planning, activity planning, performance management, and resource allocation decisions

• Manage risk in accordance with the adopted standard

• Periodically revisit and re-asses its risk profile and the effectiveness of risk treatments

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

Major risks relating to our operations

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

• Evolving and intensifying industry competition, amplified by globalization and rapid technological advancements

• Changing consumer habits driven primarily by innovations in content distribution platforms

• Failure to sustain lead in audience and market shares

• Failure to sustain lead in reach and technological superiority

• Unfavorable and volatile political and economic conditions in the Philippines and in territories where the Company and its subsidiaries operate

• Decline in advertising revenues and loss of significant advertisers

• Damages and attacks to the Company brand and its representing entities

• On-air and other operational disruptions brought about by equipment failures, pandemics, natural disasters, cyberattacks, malicious parties, and other threats

• Loss of key personnel or failure to attract and retain highly qualified personnel

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

Item 2. Properties

As of December 31, 2023, the Company's total property and equipment and real property amounted to P12,483.28 million. The property and equipment had a book value of P3,667.00 million, while its real property had a fair market value of P8,813.28 million. While the fair value of all the land was not determined as at December 31, 2023, the Company's management obtained an appraisal to their land situated in major cities around the country (e.g. Brgy. South Triangle, Quezon City and Tandang Sora, Quezon City) which covers the majority of the carrying values that needs to be revalued to reflect their current fair values.

The Company also leases land, building, and studio/office space in various locations around the Philippines under lease agreements for periods of between three and 25 years. The lease agreements may be cancelled at the Company's option. Rental expense of the Company related to this amounted to P20.32 million for the year ended December 31, 2023.

The following are the principal properties of the Company:

- The GMA Network's corporate headquarters located in Barangay South Triangle, Diliman, Quezon City with a lot area of 17,981 square meters. This compound contains offices and several buildings, including the GMA Network Center and GMA Network Studios;

- 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 TV and Radio 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 and 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 2,000 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.

- A 1,340 square meter land in Brgy. Sta. Cruz, Antipolo, Rizal where a TV relay station will be constructed

- A 1,036 square meter lot located at Brgy. San Francisco, San Pablo City, Laguna for our TV Relay facility.

- A 622square meter lot in Barrio Doqui, Virac, Catanduanez for our 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 AM transmitter facility 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.

MINDANAO:

- A 2,112 square meters property in Bo. Matina Hills, Davao City where Regional TV and Radio M 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.
- A 2,198 square meter lot in Brgy. Rosario Heights 5, Cotabato City for our upcoming transmitter.

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

Regional Broadcast Stations

GMA 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/(02) 8 924-2497
	TV-27 Metro Manila (GTV)	Brgy. Culiat, Tandang Sora, Quezon City	(02) 8 931-9183/(02) 8 924-2497
	DTT- Ch.15 Metro Manila	Brgy. Culiat, Tandang Sora, Quezon City	(02) 8 931-9183/(02) 8 924-2497
	TV-15 PBCOM (DTT-SFN)	PBCom Tower, 6795 Ayala Avenue corner V.A Rufino Street, Makati City 1226	0956-9187599/ 0917-6235191

	*TV-15 Antipolo (DTT-SFN)	Sumulong Hi-way Brgy. Sta. Cruz, Antipolo, Rizal	0995-5678832/7144
	*TV-15 Zen Towers (DTT-SFN)	1108 Natividad Lopez St. 659-A, Manila	0966-7838441/7122
	*TV-15 Angeles (DTT-SFN)	1108 Natividad Lopez St. 659-A, Manila	0966-7857029 / 7129
2	TV-5 San Nicolas, Ilocos Norte (GMA)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
	TV-27 San Nicolas, Ilocos Norte (GTV)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
	*TV-24 San Nicolas, Ilocos Norte (DTT)	Brgy. San Lorenzo, San Nicolas, Ilocos Norte	0916-6715439
3	TV-48 Bantay Ilocos Sur (GMA)	Mt. Caniao, Bantay, Ilocos Sur	0915-8632841
	TV-15 Bantay, Ilocos Sur (DTT)	Mt. Caniao, Bantay, Ilocos Sur	0915-8632841

4	TV-7 Basco, 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, Isabela (GMA)	Heritage Commercial Complex, Maharlika Hi-way, Brgy. Malvar, Santiago City, Isabela	0915-2700063
	*TV-15 Santiago City, Isabela (DTT)	Heritage Commercial Complex, Maharlika Hi-way, Brgy. Malvar, Santiago City, Isabela	0915-2700063
8	TV-5 Baler (GMA)	Purok 3, Brgy. Buhangin, Baler, Aurora	0915-6127194

9	TV-10 Olongapo (GMA)	Brgy. Mabayuan, Olongapo City	0915-6127265
	TV-26 Olongapo (GTV)	Brgy. Mabayuan, Olongapo City	0915-6127265
	*TV-38 Olongapo (DTT)	Brgy. Mabayuan, Olongapo City	0915-6127265
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
	TV-32 Batangas (DTT)	Mt. Banoy, Bo. Talumpok East, Batangas City	0915-8632860
11	TV-44 Jalajala, Rizal (GMA)	Mt. Landing, Jalajala, Rizal	0915-8632874
12	TV-13 San Jose, Occidental Mindoro (GMA)	Bonifacio St., San Jose, Occidental Mindoro	0915-6127199
	TV-26 San Jose, Occidental Mindoro (GTV)	Bonifacio St., San Jose, Occidental Mindoro	0915-6127199

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 Tablas, Romblon (GMA)	Triple Peak, Sta. Maria, Tablas, Romblon	0915-6127225
17	TV-12 Legazpi, Albay (GMA)	Mt. Bariw, Estanza, Legazpi City	0915-8632867
	TV-27 Legazpi, Albay (GTV)	Mt. Bariw, Estanza, Legazpi City	0915-8632867
	TV-41 Legazpi, Albay (DTT)	Mt. Bariw, Estanza, Legazpi City	0915-8632867
18	TV-8 Daet, Camarines Norte (GMA)	Purok 2, Brgy. Mancruz, Daet, Camarines Norte	0915-2700056

19	TV-7 Naga, Camarines Sur (GMA)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
	TV-28 Naga, Camarines Sur (GTV)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
	TV-38 Naga, Camarines Sur (DTT)	Brgy. Concepcion Pequeña, Naga City	0915-4417071
20	TV-13 Virac, Catanduanes (GMA)	Brgy. Sto. Niño, Virac, Catanduanes	0915-612717
21	TV-7 Masbate (GMA)	Brgy. Pinamurbuhan, Mobo, Masbate	0915-6127175
	TV-27 Masbate (GTV)	Brgy. Pinamurbuhan, Mobo, Masbate	0915-6127175
22	TV-2 Juban, 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

	TV-38 Benguet (DTT)	Mt. Sto. Tomas, Tuba, Benguet	0915-4417080
25	TV-5 Mountain Province (GMA)	Mt. Amuyao, Barlig, Mountain Province	0915-2700124
	*TV-29 Mountain Province (DTT)	Mt. Amuyao, Barlig, Mountain Province	0915-2700124
	*TV-32 San Pablo (DTT)	Brgy. San Jose, San Pablo City, Laguna	0966-7838438
		VISAYAS	
26	TV-2 Kalibo (GMA)	New Busuanga, Numancia, Aklan (GMA)	0915-6127216
	TV-27 Kalibo (GTV)	New Busuanga, Numancia, Aklan (GTV)	0915-6127216
27	TV-5 Roxas City, Capiz (GMA)	Mission Hills, Brgy. Milibili, Roxas City, Capiz	0915-6127217
	TV-27 Roxas City, Capiz (GTV)	Mission Hills, Brgy. Milibili, Roxas City, Capiz	0915-6127217

	TV-15 Roxas City, Capiz (DTT)	Brgy. Milibili, Roxas City, Capiz	0915-6127217
28	TV-6 Jordan, Guimaras (GMA)	Brgy. Tamborong, San Lorenzo, Guimaras	0915-4417084
	TV-29 Jordan, Guimaras (DTT)	Brgy. Tamborong, San Lorenzo, Guimaras	0915-4417084
	TV-28 Iloilo (GTV)	Alta Tierra Subdivision, Jaro, Iloilo	0956-918-7506
29	TV-13 Bacolod (GMA)	Isecure Bldg., Rizal St. cor. Locsin St., Bacolod City	0915-8632864
	TV-44 Bacolod (DTT)	Isecure Bldg., Rizal St. cor. Locsin St., Bacolod City	0915-8632864
30	TV-30 Murcia, Negros Occidental (GMA)	Mt. Kanlandog, Brgy. Canlandog, Murcia, Negros Occidental	0915-2700132
	TV-15 Murcia, Negros Occidental (DTT)	Mt. Kanlandog, Brgy. Canlandog, Murcia, Negros Occidental	0915-2700132

31	TV-10 Sipalay (GMA)	Sipalay Old Municipal Building, Sipalay, Negros Occidental	0915-6127219
32	TV-11 Tagbiliran, Bohol (GMA)	Banat-I Hills, Bool District, Tagbilaran City	0915-6127214
33	TV-7 Cebu (GMA)j	Bonbon, Cebu City	0915-4417075
	TV-27 Cebu (GTV)	Bonbon, Cebu City	0915-4417075
	TV-26 Cebu (DTT)	Bonbon, Cebu City	0915-4417075
34	TV-5 Dumaguete (GMA)	Barrio Looc, Sibulan, Negros Oriental	0915-6131185
	TV-28 Dumaguete (GTV)	Barrio Looc, Sibulan, Negros Oriental	0915-6131185
	*TV-22 Palinpinon (DTT)	Brgy. Palinpinon, Valencia, Negros Oriental	0915-6131185
35	TV-8 Borongan (GMA)	Poblacion, Borongan City, Eastern Samar	0915-6127177
36	TV-12 Ormoc, Leyte (GMA)	Brgy. Alta Vista, Ormoc City	0915-6127213

37	TV-10 Tacloban (GMA)	Basper, Tigbao, Tacloban City	0915-6127208
	TV-26 Tacloban (GTV)	Basper, Tigbao, Tacloban City	0915-6127208
	TV-34 Tacloban (DTT)	Basper, Tigbao, Tacloban City	0915-6127208
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
	TV-41 Zamboanga (DTT)	Brgy. Cabatangan, Zamboanga City	0915-8632870
42	TV-12 Mt. Kitanglad, Bukidnon (GMA)	Mt. Kitanglad, Bukidnon	0915-8632863
	*TV-44 Mt. Kitanglad, Bukidnon (DTT)	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

	*TV-32 Iligan City (DTT)	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
	TV-47 Cagayan De Oro (DTT)	Malasag Heights, Brgy. Cugman, Cagayan de Oro City	0915-8632875
46	TV-26 Butuan (GMA)	Brgy. Bonbon, Butuan City, Agusan del Norte	0916-3178470
	*TV-15 Butuan (DTT)	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
	TV-37 Davao (DTT)	Shrine Hills, Matina, Davao City	0915-4417082

48	TV-12 Cotabato (GMA)	Brgy. Rosary Heights V, Cotabato City, Maguindanao	0915-6131170
	TV-27 Cotabato (GTV)	Brgy. Rosary Heights V, Cotabato City, Maguindanao	0915-6131170
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
	TV-34 General Santos (DTT)	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 (GMA)	Ynawat Bldg., Hadji Butu St., Jolo, Sulu	0915-6131182
	TV-26 Jolo (GTV)	Ynawat Bldg., Hadji Butu St., Jolo, Sulu	0915-6131182

* *Additional*

GMA'S RADIO STATIONS

AREA	FREQ.	CALL SIGN	AM /FM	POWER	ADDRESS	CONTACT NUMBER
LUZON						
METRO MANILA	594 kHz	DZBB	AM	50kW	GMA Network Center, EDSA cor. Timog Ave., Diliman, Quezon City	8982-77-77
	97.1 MHz	DWLS	FM	25kW		
BAGUIO	92.7 MHz	DWRA	FM	10kW	2/F Baguio Midland Courier Bldg.,Kisad Road, Baguio City *FM Tx Site: Brgy. Lamut, Beckel, La Trinidad, Benguet*	0995-567-9196/0917-813-2986
DAGUPAN	93.5 MHz	DWTL	FM	10kW	GMA TV 10 Compound, Claveria Road, Malued District, Dagupan City	0917-813-3081/0998-845-2447
LEGAZPI	96.3 MHz	DWCW	FM	10kW	3rd level A. Bichara Silversceens Entertainment Center, Magallanes St., Legazpi City	0995-567-9193/0917-813-3189

LUCENA	91.1 MHz	DWQL	FM	10kW	3/F Ancon Bldg., Merchan St., Lucena City	0995-567-9189/0917-813-3563
NAGA	101.5 MHz	DWQW	FM	5kW	GMA Complex, Diversion Road (Roxas Ave.) Beside Mother Seton Hospital, Naga City	0995-567-9232/0917-813-3414
PALAWAN	909 kHz	DYSP	AM	5kW	Solid Road, San Manuel, Puerto Princesa City, Palawan	0995-567-9070/0917-802-1683
	97.5 MHz	DYHY	FM	5kW		
TUGUEGARAO	89.3 MHz	DWWQ	FM	10kW	4/F Villablanca Hotel, Pattaui St. cor, Pallua Rd., Ugac Norte, Tuguegarao City, Cagayan	0956-844-7845 / 0917-813-3720
VISAYAS						
BACOLOD	107.1 MHz	DYEN	FM	10kW	3/F Door # 10 Centroplex Mall Gonzaga-Locsin St. Brgy. 21 Bacolod City 6100	0956-844-7841 0917-813-3483
CEBU	999 kHz	DYSS	AM	10kW		AVAYA: 5106

	99.5 MHz	DYRT	FM	25kW	GMA Skyview Complex, Nivel Hills, Lahug, Cebu City	0956-844-7842 / 0917-813-4507
ILOILO	1323 kHz	DYSI	AM	10kW	GMA Broadcast Complex Phase 5, Alta Tierra Village, Jaro, Iloilo City	0956-844-7836 / 0917-813-3490
	93.5 MHz	DYMK	FM	10kW		
KALIBO	92.9 MHz	DYRU	FM	5kW	Torres-Olivia Bldg., Roxas Ave. Extension, Kalibo, Aklan	0956-844-7835 / 0917-813-3696
MINDANAO						
CAGAYAN DE ORO	100.7 MHz	DXLX	FM	5kW	2/F Centro Mariano Bldg., Osmena St., Cagayan De Oro City	0956-844-7829 / 0917-813-3729
DAVAO	1125 kHz	DXGM	AM	10kW	GMA Network Complex, Shrine Hills, Matina, Davao City	0956-844-7826 / 0917-813-3736
	103.5 MHz	DXRV	FM	10kW		
GENERAL SANTOS	102.3 MHz	DXCJ	FM	10kW	3/F PBC Bldg., Cagampang St., General Santos City	0956-844-7825 / 0917-813-3850

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

ROPERTIES 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, 2023.

In the case of Isabel Cojuangco Suntay vs. Emilio A.M. Suntay III and Nenita Suntay Tanedo, Civil Case No. R-QZN-15-06204, plaintiff Suntay seeks to nullify the affidavits of settlement of the estate of Frederico Suntay before the Regional Trial Court (RTC) of Quezon City. Thereafter, plaintiff Suntay caused the annotation of a notice of lis pendens upon the Tagaytay City property of Mont-Aire Realty and Development Corporation's and covered by TCT No. T- 29046. Mont-Aire Realty then filed a motion to cancel the notice of lis pendens upon its title. In an Order dated August 30, 2019, the trial court granted Mont- Aire Realty's motion to cancel the notice of lis pendens and ordered the Register of Deeds of Tagaytay City to cancel and delete such notice. Plaintiff Suntay filed a motion for reconsideration for which Mont-Aire Realty filed its comment thereto. In an Order dated February 12, 2021, plaintiff Suntay's motion for reconsideration of the said Order dated August 30, 2019 was denied for lack of merit. Plaintiff Suntay then filed a Petition for Certiorari with the Court of Appeals (CA) docketed as CA-G.R. SP No. 174602. Mont- Aire filed its Comment on the Petition on October 21, 2022. In a Decision dated February 16, 2023, the CA denied Suntay's Petition and affirmed the trial court's Orders dated August 30, 2019 and February 12, 2021 both in favor of Mont-Aire Realty. Petitioner Suntay filed a motion for reconsideration which was denied by the CA. Thereafter, Suntay filed a Petition for Review with the Supreme Court.

Labor Cases

There is a case for illegal dismissal filed against GMA Marketing and Productions, Inc. ("GMPI"), then a wholly-owned subsidiary of GMA Network, Inc. ("GMA") 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. We filed a Motion to Release Bond dated April 30, 2021 with the NLRC-Fifth Division.

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 GMA. Complainants are relievers/pinch hitters whose services were no longer availed of by GMA. 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 GMA 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 (SC), to which GMA filed its Comment/Opposition. The Petition was granted by the SC and reversed the decision of the CA affirming the decisions of the Labor Arbiter and the NLRC. GMA filed a motion for reconsideration but the same was also denied by the SC. The complainants then filed with the Labor Arbiter a motion for issuance of writ of execution. Eighteen (18) complainants agreed to settle the judgment award. They executed a Release, Waiver and Quitclaim and signed a Compromise Agreement with the assistance of counsel and in the presence of the Labor Arbiter. The remaining complainant refused to settle the judgment award. They are awaiting the official computation of the NLRC. On February 27. 2024, complainant Paragele agreed to settle his portion of the judgment award in the amount of P823,264.53 and P78,014.04 in attorney's fees, executed his RWQ and signed a Compromise Agreement with the assistance of counsel and in the presence of the Labor Arbiter.

There is a case for regularization (NLRC NCR Case No. 06-06683-14) filed by Christian Bochee M. Cabaluna et al. (142 total), against GMA. Complainants are creative talents of GMA. The Labor Arbiter rendered a decision finding the complainants as regular employees of GMA and entitled to the benefits as such. GMA filed an appeal with the NLRC. The NLRC rendered a decision affirming the decision of the labor arbiter. GMA filed a motion for reconsideration which was also denied by the NLRC. GMA filed a Petition for Certiorari with the CA. The CA rendered the Decision dated February 20, 2019, denying GMA's Petition. GMA filed a motion for reconsideration, which was also denied by the CA. GMA filed a Petition for Review with the SC. The SC has consolidated this regularization case with the illegal dismissal case likewise filed before it. No other incidents have occurred after the consolidation.

There is also a case for illegal dismissal (NLRC NCR Case No. 08-09480-15, 08-09499-15 and 08-09558-15) filed by Christian Bochee M. Cabaluna et al., against GMA. 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. GMA filed a Notice of Appeal with Memorandum of Appeal and posted a bond. Subsequently, GMA filed a Supplemental Memorandum of Appeal. The NLRC affirmed the valid dismissal of the 15 complainants but modified the Labor Arbiter's decision as to the rest of the 35 complainants dismissing their complaints for illegal dismissal. 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 and GMA filed its comment thereto. 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. GMA filed a motion for reconsideration but was denied. GMA thus filed a Petition for Review with the SC. The regularization case has been consolidated with this case likewise pending before it. No other incidents have occurred after the consolidation.

There is a case involving a complaint filed against GMA 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 GMA filed its comment and memorandum as well. The CA dismissed the Petition for Certiorari. Enoce filed a motion for reconsideration which was also denied by the CA. Enoce filed a Petition for Review with the SC which was denied in a Resolution dated December 6, 2021 and found that there was no illegal dismissal and not entitled to any backwages or claims.

There is a case for illegal dismissal, underpayment of benefits, damages and attorney's fees filed against GMA et al. by Jocelyn Bautista Pacleb. The Labor Arbiter rendered a Decision dated December 18, 2018 dismissing Pacleb's complaint except the claim for payment of midyear bonus. On appeal by Pacleb and partial appeal by GMA, the NLRC rendered a Decision dated March 28, 2019 in favor of complainant. GMA filed a motion for reconsideration which was granted by the NLRC in a Resolution dated May 25, 2019. Pacleb filed a Petition for Certiorari with the CA for which GMA filed its Comment while Pacleb filed her Reply. The CA rendered a Decision dated December 3, 2020, granting Pacleb P30,000.00 nominal damages. GMA filed a motion for partial reconsideration. Pacleb also filed a motion for partial reconsideration to which we filed our Comment dated February 16, 2021. In a Resolution dated May20, 2021, the CA denied Pacleb's motion for partial reconsideration for lack of merit. Pacleb then filed with the SC a Petition for Review on Certiorari dated July 5, 2021. The SC denied the Petition in a Resolution dated April 6, 2022 and thereafter Entry of Judgment was issued.

There is a case against GMA 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. Complainants then filed an appeal to the NLRC which was subsequently dismissed and their motion for reconsideration likewise denied. Complainants then filed a Petition for Certiorari with the CA to which GMA filed its comment. The Petition is now submitted for decision.

There is a case filed by Jose G. Nacionales et al. against GMA 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, GMA received the Labor Arbiter's Decision declaring complainants its regular employees and granted monetary award in their favor. Upon appeal, the NLRC partially granted GMA's appeal by deleting the monetary award but affirming the decision insofar as it found that complainants are regular employees of GMA. GMA filed a motion for partial reconsideration whereas RGMA filed its motion for reconsideration. Complainants also filed their motion for reconsideration with respect to the deletion of the monetary award. Thereafter, the NLRC denied the motion for reconsideration by GMA and RGMA. On June 3, 2019, GMA filed a Petition for Certiorari with the CA. Thereafter, on June 13, 2019, GMA received complainants' Petition for Certiorari docketed as CA GR SP No. 12841 which was consolidated with GMA's Petition docketed as CA GR SP No. 12838. On July 27, 2022, the CA issued a Resolution dismissing GMA's Petition in CA GR SP No. 12838 and partly granted complainant's Petition in CA GR SP No. 12841. GMA filed a motion for reconsideration on November 3, 2022 and a Comment/Opposition to complainant's motion for partial reconsideration on December 12, 2022. The motions for reconsideration are still pending with the CA.

There is a case filed by Relly C. David et al. against GMA and RGMA for regularization with monetary claims before the NLRC Sub-regional Arbitration Branch VI in Iloilo City. On December 11, 2019, GMA received the Labor Arbiter's Decision dated October 8, 2019 declaring complainants as its regular employees, and directing both GMA and RGMA solidarily liable to pay complainants Php597,843.89, representing complainants' backwages, among others. On December 18, 2019, GMA filed its Memorandum of Appeal of the said decision with the NLRC. In a Decision dated December 29, 2021, the NLRC denied GMA's appeal. On August 30, 2022, GMA filed a Petition for Certiorari with the CA. In a Resolution dated October 7, 2022, the CA dismissed GMA's Petition. On December 12, 2022, GMA filed a motion for reconsideration which is still pending with the CA.

On July 5, 2023, a Writ of Execution dated July 4, 2023 was issued by the LA, with the sum of P3,700,96891 being executed.

We have filed a Motion To Quash Writ of Execution and a Supplemental Motion to Quash with Urgent Motion for Early Resolution dated August 24, 2023, respectively. The said motions are still pending to date.

There is also a case filed by Regile C. Enrile et al. against GMA and RGMA for regularization. On May 28, 2019, GMA received the Labor Arbiter's Decision dated April 30, 2019 declaring RGMA as a labor only contractor and complainants as regular employees of GMA. On May 31, 2019, complainants filed their Memorandum of Appeal. On June 7 and June 10, 2019, GMA and RGMA filed their respective separate Memorandum of Appeal. On September 27, 2019, GMA received the NLRC Decision 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 GMA's Collective Bargaining Agreement (CBA). GMA and RGMA were solidarily ordered to pay complainants the total amount of Php3,664,650.00. GMA 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, GMA received the NLRC Decision dated December 20, 2019 denying GMA's motion for reconsideration but granting complainants' motion for partial reconsideration. GMA and RGMA were ordered to pay complainants the total amount of Php6,917,344.88. Thereafter, GMA 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 Court of Appeals-Cebu issued a Resolution dismissing the Petition. On December 3, 2020, GMA and RGMA filed a motion for reconsideration of said Resolution. On November 16, 2021, GMA received a Resolution dated

September 27, 2021 granting the motion for reconsideration and reinstating GMA's Petition for Certiorari. On November 22, 2021, GMA received complainants' Comment on the Petition for Certiorari dated November 9, 2021 to which GMA filed a Reply on December 1, 2021.

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

There are cases filed by Rodvillo R. Villarin et al., and Virgilio G. Abud et al., for regularization against GMA and RGMA. On July 25, 2019, a Decision was promulgated declaring complainants as regular employees of GMA and entitled to the salaries and benefits as such. On September 9, 2019, GMA filed its Memorandum of Appeal. On September 7, 2020, NLRC issued a Decision dismissing the appeals filed by GMA and RGMA and affirming the decision of the Labor Arbiter. On November 5, 2020, GMA filed a motion for reconsideration. The NLRC issued a Resolution dated February 24, 2021 denying the motion for reconsideration. On May 24, 2021, GMA filed with the CA a Petition for Certiorari. In a Resolution dated July 21, 2022, the CA dismissed GMA's Petition. On August 11, 2022, GMA filed motion for reconsideration which was denied by the Court of Appeals.

On October 14, 2022, we settled with the complainants after the decision of the Labor Arbiter became final. The complainants signed the compromise agreement, their respective quitclaims and waiver, and thereafter respectively received the checks containing the sum amount each of them have been awarded.

There is a case filed by Vivian Alojan Tubice against GMA for illegal dismissal and payment of money claims. The Labor Arbiter dismissed the complaint in its Decision dated July 16, 2020. Complainant filed her appeal, which was denied in a Decision dated July 27, 2021 by the NLRC. The complainant filed a motion for reconsideration to which respondents filed their comment on October 4, 2021. Complainant's motion for reconsideration was denied by the NLRC in a Resolution dated November 8, 2021.

There was a DOLE investigation on the incident involving the death of Eddie Garcia. In the Order dated December 2, 2019, GMA and some members of its Management were ordered to pay the administrative fine of Php890,000.00. GMA filed a Memorandum of Appeal with the Office of the Secretary of Labor and Employment on December 13, 2019. The DOLE Secretary partially granted the memorandum of appeal filed by GMA and Alpha Premier Transport Services; denied the appeal of CMB Film Services, Inc., Shoot Digital Video Company and Gapo Special Effects, Services Inc. and modified the Order dated December 2, 2019 of the Regional Director of the DOLE-NCR. On December 15, 2023, we filed our motion for reconsideration of the DOLE Resolution dated November 22, 2023.

There was a case filed by Carmelo R. Dizon for "Illegal Dismissal-Constructive, Non-payment-13th Month Pay-Prorated, Illegal suspension, moral and exemplary damages, attorney's fees, and re-instatement with full backwages." GMA filed its Position Paper last August 6, 2019 and the complainant filed his Reply on

August 23, 2019. In a Decision dated March 11, 2020, the Labor Arbiter dismissed the complaint for illegal for lack of merit. However, GMA 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. GMA filed its Answer Memorandum to which Dizon filed a Reply. In its Decision dated 26 March 2021, the NLRC granted Dizon's partial appeal and modified the arbiter's decision by declaring Dizon to have been illegally dismissed by GMA and ordering GMA to reinstate Dizon without backwages. GMA filed a motion for reconsideration which was denied by the NLRC Second Division in a Resolution dated 14 June 2021. GMA then filed a Petition for Certiorari with the CA on 02 September 2021. The Court of Appeals rendered a Decision dated 14 July 2022 in CA-G.R. SP No. 169897 which denied the Carmelo Dizon's Petition. No motion for reconsideration filed by petitioner Dizon. Subsequently, an Entry of Judgment was issued and that the Decision promulgated on July 14, 2022 has become final and executory on August 12, 2022.

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. In a Decision dated February 27, 2020, the Labor Arbiter found for illegal dismissal and directed GMA to reinstate the complainant to her former position without loss of seniority and other privileges and ordered GMA to pay complainant the aggregate amount of P80,949,50. GMA filed a Notice of Appeal and Appeal-Memorandum on August 24, 2020.

In a Decision dated December 29, 2020, GMA's appeal was denied by the NLRC. GMA's motion for reconsideration was likewise denied in a Resolution dated 31 May 2021. GMA filed a Petition for Certiorari with the CA on 02 September 2021.

There is a case filed by Joeboy C. Enong et al., against GMA for regularization. Since no settlement was reached, complainants filed their formal complaint and the mandatory conference was set on December 13, 2018. On March 20, 2019, a decision was promulgated by the Labor Arbiter dismissing the complaints for lack of merit. Without actually receiving complainants' Memorandum of Appeal, GMA received the Decision dated October 23, 2019 granting said appeal and setting aside the Decision dated March 20, 2019. GMA filed its motion for reconsideration which was denied in a Resolution dated February 27, 2020. GMA did not file a Petition with the CA while RGMA filed a Petition for Certiorari under Rule 65. In a Resolution dated March 30, 2022, the CA denied the petition of RGMA and, on October 12, 2022, GMA received the Entry of Judgement dated September 19, 2022.

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 crewmembers of respondents CMB and Shoot Digital Video Company. On March 5, 2020, GMA received the Decision dated February 27, 2020 dismissing the complaint. The complainants filed their appeal, which was denied by the NLRC in the Decision dated December 29, 2020. The complainants then filed their motion for reconsideration, which was also denied for lack of merit in a Resolution dated May 31, 2021. An Entry of Judgment dated September 7, 2021 was issued certifying that the Resolution dated May 31, 2021 became final and executory on July 4, 2021.

There was also a case filed by Ely B. Selincio et al. for regularization and payment of money claims against GMA and RGMA. Since GMA was not willing to settle, the SENA was terminated and the records were 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. GMA 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 respondent GMA. On January 29, 2021, a Decision was rendered by the Labor Arbiter finding RGMA a labor only contractor and declaring complainants as regular employees of GMA. On March 1, 2021, GMA and RGMA filed their respective separate Memorandum of Appeal. In a Decision dated December 29, 2021, the NLRC reversed and set aside the Decision dated January 29, 2021 by the Labor Arbiter, and the complaint against GMA was dismissed. GMA filed Comment/Opposition to complainants' motion for reconsideration. On May 31, 2022, the NLRC denied complainants' motion for reconsideration.

On August 22, 2022, GMA received complainants' Petition for Certiorari with the CA. GMA then filed its Comment/Opposition dated October 11, 2022.

There is a complaint for regularization with money claims filed by Peter R. Cueno et al. against RGMA and GMA. In a Decision dated August 13, 2020, the Labor Arbiter dismissed the complaint. Complainants filed their Appeal Memorandum. GMA and RGMA, in turn, filed their respective Answer Memorandum. In the Decision dated May 21, 2021, the NLRC granted the appeal of complainants and reversed and set aside the Labor Arbiter's Decision dated August 13, 2020. GMA filed its Motion for Reconsideration dated July 5, 2021. On the other hand, the complainants filed a motion for partial reconsideration, which was granted by the NLRC in the Resolution dated September 14, 2021. GMA filed on December 6, 2021 a Petition for Certiorari with the CA. Subsequently, GMA filed a Manifestation with Motion to Consolidate GMA's Petitions for Certiorari dated December 1, 2021 in CA-G.R. SP No. 10674-MIN granting complainant's motion for reconsideration to include complainants Jumawan and Odong; and January 31, 2021 in CA-G.R. SP No. 10740-MIN denying GMA's motion for reconsideration reversing and setting aside the NLRC Decision dated May 21, 2021, affirming the Arbiter's decision and dismissing the Notice of Appeal with Appeal Memorandum of complainants-appellants. The said consolidation was granted in a Resolution dated July 11, 2022. On January 23, 2023, complainants filed a motion for execution with the NLRC and on February 15, 2023, GMA filed its Opposition to the Proposal for Settlement. In a Resolution dated May 10, 2023, complainants' Motion for Execution and Urgent Motion to Issue Subpoena Duces Tecum was denied. Thus, no monetary award was granted to complainants.

There is a complaint for regularization filed by Menandro A. Bantoto et al. for regularization with money claims against GMA and RGMA. On October 28, 2019, GMA filed its opposition to complainant's Motion for Inhibition. On December 5, 2019, respondents received the Order denying complainants' Motion for Inhibition and directing the parties to file their respective Position Papers. Thus, both GMA and RGMA filed their respective Position Paper. On June 2, 2020, respondents received the Decision dated February 28, 2020 by the Labor Arbiter dismissing the case. On August 19, 2020, complainants filed an appeal to the NLRC. GMA filed its Answer Memorandum on September 1, 2020.

In a Decision dated November 13, 2020, the NLRC granted complainants' appeal and declaring RGMA as labor only contractor and complainants as regular employees of GMA. On December 26, 2020, GMA filed a motion for reconsideration. Thereafter, complainants filed a Motion to Clarify Decision to which GMA filed a Comment and/or Opposition on February 15, 2021. In a Resolution dated May 14, 2021, the NLRC denied GMA's motion for reconsideration and partly granted complainants' Motion to Clarify Decision. On August 5, 2021, GMA filed with the CA a Petition for Certiorari. On August 30, 2022, GMA filed its Memorandum with the CA. In a Decision dated July 27, 2023, the CA denied our Petition. On September 8, 2023, GMA filed its Motion for Reconsideration in the CA Decision dated July 27, 2023.

There was also a complaint for regularization filed against GMA and RGMA by Noel V. Gagate et al. The NLRC rendered a Decision dated June 28, 2019 granting complainants' motion for correction in the computation of wage increases, longevity pay, among others. GMA and RGMA filed their separate motions for reconsideration which were both denied by the NLRC. On July 1, 2020, GMA and RGMA filed with the CA separate Petitions for Certiorari.

On April 4, 2022, we received a Notice of Consolidated Decision together with the Decision dated February 18, 2022 of the Court of Appeals – Eighteenth Division of Cebu City which affirmed with modification the NLRC's Decision dated June 28, 2019 and Decision dated December 20, 2019 in NLRC Case No. VAC-06-000254-2019 that the NLRC's computation of the monetary awards of Peralta et al. is subject to three-year prescriptive period of money claims. The case is remanded to the NLRC for the re-computation of the total monetary awards due to the named employees of GMA.

On May 4, 2022, GMA and Gozon filed a motion for reconsideration of the CA Decision dated February 18, 2022. On May, 11, 2022, we received Peralta et al.'s motion for partial reconsideration in CA-G.R. SP No. 13640.

There is also a complaint for regularization filed by Eldrin S. Padillo et al. against GMA and RGMA. On October 16, 2019, the Labor Arbiter issued a Decision declaring complainants as regular employees of GMA and ordering the latter to pay complainants all salaries and benefits granted to regular employees. On December 5, 2019, GMA 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 GMA. On November 5, 2020, GMA filed a motion for reconsideration. In a Resolution dated April 29, 2021, the NLRC denied the motion for reconsideration. On July 26, 2021, GMA filed with the CA a Petition for Certiorari. In a Resolution dated October 27, 2023 issued by the Court of Appeals, GMA petition for a TRO and writ of Preliminary Injunction was denied. On December 5, 2022, GMA filed its Memorandum dated November 17, 2022.

There is also a case filed by Alan J. Atenta et al. against GMA and RGMA for regularization. In a Decision dated October 16, 2019, the Labor Arbiter declared complainants as regular employees of GMA and ordered the latter to pay complainants salaries and benefits granted to regular employees. GMA filed its Memorandum of Appeal on December 5, 2019. RGMA filed also its Memorandum of Appeal. On August 26, 2020, the NLRC issued a Decision denying GMA's appeal and affirming the Decision dated October 16, 2019. On November 5, 2020, GMA filed a motion for reconsideration which was denied in a Resolution dated April 29, 2021 by the NLRC. On July 26, 2021, GMA filed with the CA a Petition for Certiorari under Rule 65 of the Rules of Court seeking reversal of the NLRC Decision dated which denied GMA's appeal by Labor Arbiter Arnold G. Larena. GMA's motion for reconsideration is likewise denied.

In a Resolution dated September 27, 2022, CA Cagayan De Oro – Twenty third Division denied the petitioner's prayer for a TRO and/or writ of preliminary injunction. The parties are directedto simultaneously file their respective memoranda.GMA filed its Memorandum on December 5, 2022. On September 15, 2023, an Order was issued by LA Larena ordering GMA to pay the monetary award as partially computed. On November 13, 2023, complainants filed their Petition for Extraordinary Remedy with the NLRC assailing a greater amount than what was awarded by the LA. We filed our Answer to the Petition last December 11, 2023.

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 GMA filed their own motion for partial reconsideration. In the Resolution dated April 30, 2021, the NLRC granted GMA's motion for partial reconsideration and modified the Decision dated December 29, 2020 to delete the award of nominal damages. Complainant Manipon filed a Petition for Certiorari with the CA. The CA reversed the decision of NLRC and ruled that petitioner was illegally suspended and ordered that the case be remanded to the Labor Arbiter for determination of the exact amount of backwages owing to petitioner and any other lost benefits during the period of his unjustified suspension. GMA filed a motion for reconsideration, which the CA denied in its Resolution dated September 19, 2022. On November 14, 2022, GMA filed with the SC its Petition for Review on Certiorari. Respondent filed its comment thereto on October 23, 2023.

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 Branch104. The prosecution has completed the presentation of its evidence and the defense has filed a motion for leave to file demurrer to evidence which was granted over the Company's opposition. In an Order dated February 10, 2022,the court granted the accused's demurrer to evidence upon its conclusion that there was no element of identification and that the utterances are a fair report of what transpired on July 22, 2004. We filed a motion for reconsideration which was denied by the trial court. We then filed a Petition for Certiorari with the Court of Appeals (CA), at the same time requesting the Office of the Solicitor General (OSG), through the Prosecutor General of the Department of Justice (DOJ), to endorse the Petition and/or signify its conformity thereto as counsel for the People of the Philippines. In a Manifestation and Motion dated January 4, 2022 filed with the CA, the OSG expressed its conformity to the said Petition initiated by private complainants.

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. However, ABS-CBN filed a Petition for Review with the Supreme Court which ruled in its Decision dated March 11, 2015 partially granting the Petition by 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.

Trial ensued for the charge of copyright infringement against Ms. Dela Peña- Reyes and Mr. Manalastas. In the Decision dated September 29, 2021, the Regional Trial Court of Quezon City, Branch 93 acquitted both Ms. Dela Peña- Reyes and Mr. Manalastas from the charge of copyright infringement.

There is a complaint filed by Gary Granada against GMA 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 a Decision dated November25, 2020 the IPO dismissed the complaint of Gary Granada. Complainant Gary Granada appealed to the IPO-Office of the Director General Taguig City.

Civil Cases

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 dismissing the complaint. On October 29, 2020, plaintiff filed a Petition for Review on Certiorari with the Supreme Court. The Supreme Court denied the Petition in a Resolution dated April 27, 2022. Plaintiff filed a motion for reconsideration which is still pending 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 Arangkada on the progress of the criminal cases against Gorriceta before MCTC of Iloilo City. GMA 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. On June 30, 2020, GMA filed its Memorandum for accused Belvis and Cabillon. On November 20, 2020, the trial court promulgated judgment finding accused Belvis and Cabillon guilty beyond reasonable doubt of Libel. On December 4, 2020, GMA filed a Notice of Appeal which was granted by the trial court. On May 31, 2022, we filed our Appellant's Brief. Appellee filed its brief on August 4, 2022. On September 19, 2022, we filed our reply brief.

In a Decision dated February 28, 2023, the Court of Appeals reversed the trial court's decision and rendered judgment acquitting both accused Cabillon and Belvis and deleted the award of nominal damages. We now consider this case closed and terminated.

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

There were no matters submitted to a vote of security holders, through solicitation of proxies or otherwise.

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 2024	Highest Closing	Lowest Closing
1Q	9.08	8.52

Period in 2023	Highest Closing	Lowest Closing
1Q	13.16	11.18
2Q	12.16	8.02
3Q	9.20	8.09
4Q	8.40	8.08

Period in 2022	Highest Closing	Lowest Closing
1Q	15.90	13.66
2Q	16.08	9.76
3Q	11.24	10.04
4Q	11.22	10.16

Stock Prices GMAP

Period in 2024	Highest Closing	Lowest Closing
1Q	9.00	7.77

Period in 2023	Highest Closing	Lowest Closing
1Q	12.70	11.00
2Q	11.90	8.00
3Q	9.00	7.34
4Q	8.90	7.43

Period in 2022	Highest Closing	Lowest Closing
1Q	15.00	13.10
2Q	15.00	10.04
3Q	11.36	10.04
4Q	11.06	9.90

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 12, 2024 are PhP8.90 for the Company's GMA7 common shares and PhP8.50 for GHI GMAP (PDRs).

Holders

There are 1,624 holders of common equity and 37 holders of preferred equity as of March 30, 2024.

The following are the top 20 holders of the common equity of the Company as of March 30, 2024 based on the records of the Company's stock transfer agent, Stock Transfer Services, Inc. and/or corporate records:

Name of Shareholders	No. of Common Shares	Percentage of Ownership of Total Common Shares
FLG Management & Development Corporation	848,784,742	25.23%
Group Management Development Inc.	789,821,734	23.47%
PCD Nominee Corp. (for the benefit of several qualified Philippine national stockholders holding the scripless shares of the Company)	470,948,144	14.00%
M.A. Jimenez Enterprises, Inc.	453,882,095	13.49%
GMA Holdings, Inc.	397,378,559	11.81%
Television International Corporation	338,243,037	10.06%
James L. Go	17,988,100	00.53%
Gozon Development Corp	14,033,954	00.42%
Gozon Foundation Inc.	5,644,361	00.17%
Gilberto R. Duavit, Jr.	4,007,005	00.12%
Miguel Enrique Singson Roa	3,036,400	00.09%
Ismael Gozon	2,814,900	00.08%

Jose Mari L. Chan	2,092,900	00.06%
Luisito Calimlim Cirineo	1,720,500	00.05%
Felipe S. Yalong	1,663,002	00.04%
Vitezon, Inc.	942,725	0.03%
Judith Duavit Vazquez	588,158	00.02%
Jose P. Marcelo	501,498	00.01%
Nita Laurel Yupangco	346,127	00.01%
Susana Laurel-Delgado	346,127	00.01%

The following are the top 20 holders of the Company's preferred shares as of March 30, 2024:

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 April 3, 2024, the Company's Board of Directors declared cash dividends amounting to Php 0.60 on all common and preferred shares issued and outstanding of stockholders of record as of April 24, 2024.

On March 31, 2023, the Company's Board of Directors declared cash dividends amounting to Php 1.10 on all common and preferred shares issued and outstanding of stockholders of record as of April 21, 2023.

On March 25, 2022, the Company's Board of Directors declared cash dividends amounting to Php 1.45 on all common and preferred shares issued and outstanding of stockholders of record as of April 25, 2022.

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

Year	**Amount**	**Date Declared**	**Type of Dividend**
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 1,944,079,375	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 1,458,059,531	June 15, 2020	Cash
2021	P 6,561,267,890	March 26, 2021	Cash
2022	P 7,053,803,400	March 25, 2022	Cash

2023	P5,351,161,200	March 31, 2023	Cash
2024	P2,918,815,200	April 3, 2024	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 3,364,692,000 common shares and 7,500,000,000 preferred shares subscribed and outstanding as of March 31, 2024.

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 Shares 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.

B. Management Discussion and Analysis of Financial Condition and Results of Operations for the Years Ended December 31, 2023 and 2022

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

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

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

Ratings

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

Load Factor

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

Signal reach/coverage

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

Subscriber count

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

Cost control

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

FINANCIAL AND OPERATIONAL RESULTS

For the Year Ended December 31, 2023

GMA Network and Subsidiaries (GMA/the Company) registered consolidated revenues of ₱18,637 million for the twelve-months ended December 31, 2023. This was an 86% attainment of prior year's consolidated revenues of ₱21,564 million, which was heavily boosted by the presence of political advocacies and advertisements coming from the 2022 national and local elections. Carving out the aforementioned non-recurring sales, the Company inched up against prior period's consolidated top line.

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

GMA Network and Subsidiaries (GMA/the Company) made a last-ditch effort to close the gap in the top line for the year 2023, with a stronger performance in the 2nd half of the year which partly mitigated the slow start during the first semester. However, the absence of a little over ₱3.0-billion worth of political advocacies and advertisements made a huge dent on the company's top line. Nonetheless, carving out this non-recurring activity, GMA was able to post a modest growth of ₱89 million or 0.5% in its consolidated top line in 2023. Mitigating the lack of election-related placements were the contributions from emerging businesses which included online/digital advertising as well as over-the-top licensing activities. These revenue sources saw considerable improvements in 2023, which were crucial in addressing the challenges faced by traditional advertising segment of the company. Moreover, with GMA's renewed focus on film production via GMA Pictures, inflows from this segment also added to this year's revenues.

Meanwhile, the Company's consolidated direct cost and operating expenses for the year sealed at ₱14,592 million, only a percentage point more than last year. Despite economic challenges, management made a deliberate effort to control expenses while ensuring the

Company's commitment to providing high-quality entertainment and responsible news delivery to its viewers remains a priority. Production and other direct expenses grew in between periods but was cushioned by the reduction in general and administrative costs. Cost of sales ended at about the same level as a year ago.

Consolidated Earnings before interest, taxes, depreciation, and amortization (EBITDA) after four quarters this 2023 reached ₱6,326 million, behind previous year's robust figure of ₱8,951 million.

Finally, consolidated Net Income After Tax settled at ₱3,162 million this year despite the dearth in political advocacies and advertisements compared to the strong showing in 2022 which sealed with a bottom line of ₱5,457 million.

Revenues

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

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

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

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

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

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

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

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

In other sources, consumer sales recorded a net increase of 9% with close to ₱1,500 million in total sales by the end of twelve months this year. Biggest chunk of this revenue segment came from subscription revenues from GMA's international channels GMA Pinoy TV, Life TV, and News TV, albeit finishing lower compared to same period last year. The churn in subscriber count was the primary factor in the revenue drop in this business segment. Meanwhile, following the popularity of over-the-top (OTT) platforms, particularly subscription video on demand (SVOD), GMA has geared towards leveraging its content to penetrate this market. Along with other content licensing deals, sales of this category saw dramatic improvement versus the top line generated last year. Emerging business, OTT SVOD propelled the growth. These were comprised mainly of licensing deals with Viu and Netflix for the following programs: *Unbreak My Heart*, *The Write One*, *Love Before Sunrise*, and *Maria Clara at Ibarra*. Apart from this, production revenues, which mainly consists of external sales from subsidiaries, also grew in between periods. The hike mainly came from the top line generated from New Media, Alta, and GMA Music.

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

Finally, Sale of merchandise which generated annual sales of ₱312 million this 2023 finished lower than last year's ₱341 million. This was due to fewer number of units sold for GMA Affordabox (set-top box) and GMA Now (dongle). As at end-December 2023, total quantity sold for GMA Affordabox since launch in mid-2020 already reached close to three million units.

Expenses

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

Meanwhile, the Company's total consolidated costs and operating expenses (OPEX) for the past twelve months reached ₱14,592 million, only a notch ahead of the ₱14,425 million cost incurred last year. The increase in production cost was to a large extent offset by the reduction in general and administrative expenses as well as cost of goods sold aligned with the decline in quantity sold of the set-top box and dongle this year.

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

Consolidated Production costs comprised 56% of the Company's total spending after twelve months this 2023, settling at ₱8,173 million, 9% or ₱691 million more than a year ago. Cash production cost sealed at ₱6,417 million, ₱296 million or 5% higher than a year ago. Driving the growth was the mega-production of *Voltes V: Legacy* as well as the generally higher cost of the afternoon programs featured this 2023. Also contributing to the increase was the charges for the production cost of movies embarked on this period. For non-cash production cost, another ₱395 million or 29% increase was posted after four quarters this year, from ₱1,756 million to P1,361 million. On a year-to-date note, program and other rights amortization closed at ₱1,191 million, ₱323 million or 37% ahead vis-à-vis ₱869 million last year. This was primarily due to the higher straight-line amortization of various rights as well as airing of more expensive and popular titles in the Network's various channels. Depreciation also settled higher at ₱565 million, ahead by 15% or ₱72 million against last year mainly due to the continuous roll out of DTT sites across the country in addition to other facility and equipment upgrades.

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

The Company's consolidated general and administrative expenses (GAEX) by the end of December this year settled lower by 8% or ₱520 million. Personnel cost which comprised the bulk of this account finished 7% or ₱268 million less than a year ago. While there were annual salary adjustments in between years plus an increase in manpower base, these were offset by the presence of last year's Collective Bargaining Agreement (CBA) signing and appreciation bonuses given to qualified employees. Taxes and licenses also posted a decline of ₱160 million this year ending at ₱236 million. Outside services this 2023 wrapped up at ₱469 million, down by 4% from a year ago due to lower management and professional fees while Facilities costs also saw a reduction of ₱22 million or 4%.

EBITDA

As the drop in consolidated revenues by ₱2,927 million was higher than the decline in cash operating expenses by ₱264 million, Consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) wrapped up at ₱6,326 million this 2023, lower by ₱2,624 million or 29% versus a year ago.

Net Income

Twelve months into the year, the Company's bottom line sealed at ₱3,162 million, ₱2,295 million or 428% less than the bottom line of ₱5,457 million recorded a year ago. The drop was mainly due to the absence of the windfall from election-related placements during the first half of 2022.

Balance Sheet Accounts

As at end-December 2023, the Company's total consolidated assets stood at ₱26,255 million, up 6% from December 31, 2022's ₱24,729 million.

Noncurrent assets finished higher at ₱13,818 million as at the close of 2023 from ₱11,189 million a year ago due to the subsequent hike in Land at revalued amount by ₱2,193 million. The increase in the account balance was due to the climb in land's market value based on the latest appraisal report. This was counterbalanced by the reduction in Cash and cash equivalents by 52% or ₱1,480 million from the 2022 balance of ₱2,855 million as a result of cash dividend and short-term loan payments during the reporting year. Additionally, Inventories settled 21% less, at ₱1,164 million versus end-2022's ₱1,469 million ensuing from the continuous sales of merchandise inventories in year 2023.

Meanwhile, total consolidated liabilities grew by 21% or ₱2,054 million as at end of 2023 to ₱11,317 million from ₱9,263 million as at end-December in 2022 as a result of the higher short-term loans from ₱27 million in 2022 to ₱1,527 million in 2023. Pension liability also increased in between years to ₱5,155 million in 2023 from ₱4,767 million last year as employees' annual cost was higher than the contributions made to the funds. On the other hand, Income tax payable dropped to ₱257 million vs. ₱556 million, parallel with the reduction in the Company's bottom line.

Equity attributable to Parent Company stockholders of ₱14,882 million as at December 31, 2023 went down by 3% or ₱507 million from December 31, 2022, mainly due to subsequent decline in Retained earnings from ₱6,611 million in 2022 to ₱4,430 million as of end of reporting period due to lower net income after tax this year. This was offset by the already discussed increase in revaluation in land.

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

Operating Activities

Net cash provided by operating activities amounted to ₱3,699 million in 2023. This stemmed from income before income tax of ₱4,177 million, adjusted mainly for Program rights usage of ₱1,191 million, Depreciation expense of ₱821 million, Pension expense of ₱701 million, Contribution to retirement plan assets of ₱282 million, Interest expense and financing charges equivalent to ₱131 million, Amortization of software costs of ₱41 million, Gain on sale of property and equipment of ₱40 million, and Interest income amounting to ₱34 million, apart from the changes in working capital. The primary component of the changes in working capital included the ₱403 million increase in Trade and other receivables due to less collections made during the covering period as compared to pay-before-broadcast payments during the election year of 2022, coupled by the ₱131 million decrease in Other long-term benefits.

Investing Activities

Net cash used in investing activities accumulated to ₱1,170 million, coming primarily from the ₱1,105 million additions to Property and equipment. There were also ₱50 million and ₱49 million increase in Financial assets at fair value through other comprehensive income and Other noncurrent assets, respectively. These were partly offset by the ₱48 million proceeds from property sales.

Financing Activities

Net cash used in financing activities measured at ₱4,008 million basically due to payment of dividends and loans amounting to ₱5,360 million and ₱2,027 million, respectively. These were partly offset by Company's availment of short-term loans which amounted to ₱3,527 million during the reporting year.

For the Year Ended December 31, 2022

GMA Network and Subsidiaries (GMA/the Company) sealed the year with consolidated revenues reaching ₱21,564 million, once again breaching the ₱20.0-billion mark – a back-to-back feat from 2021. However, compared to a year ago, a decline of 4% was recorded in the top line following the slowdown in recurring sales during the second half of 2022.

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

While the nation and the rest of the world have been slowly recovering and adapting to the new normal alongside the lingering presence of the Coronavirus disease, the year 2022 was beset with new challenges as Russia, one of the most powerful nations in the world, invaded Ukraine towards the end of February – the repercussions of which were felt across the globe. This conflict caused ripple effects particularly in disrupting the global supply chain and aggravating the rise in cost of commodities. Fuel prices saw unprecedented increases, with the prices of gasoline and diesel skyrocketing to ₱80.0+

per liter during the year. Rising inflation was yet another issue that confronted the economic landscape alongside the devaluation of the Philippine peso against the US dollar with the exchange rate nearly hitting the PhP60 to USD1 conversion in September. Towards the end of the year, some tapering in fuel prices and forex were manifested, but still at relatively higher levels than before.

The confluence of these took a toll on various industries and heavily impacted the advertising spending of the Company's major clients resulting in considerable cutbacks in their budgets. The effect was not as heavily felt in the Company's total top line due to the presence of political advocacies and advertisements aligned with this year's national and local elections which generated a windfall of about ₱3 billion revenues.

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

Consolidated advertising revenues (airtime, online, and international) continued to grab the lion's share at 94% of the Company's total revenue pie, which was similar to last year's percentage share. Wrapping up with total revenues of ₱20,230 million, advertising sales posted a shortfall of ₱785 million or 4% versus a year ago. While political advocacies and advertisements generated by these platforms amounted to a considerable amount, it was not enough to mitigate the reduction in recurring sales which ended 15% lower in between periods. Meanwhile, sale of services, which included subscriptions revenues, subsidiaries' operations and others, closed the year settling at ₱ 993 million, 9% or ₱86 million ahead versus a year ago. Finally, Sale of goods – mainly of GMA Affordabox – concluded the year with a reduction amounting to ₱187 million, from ₱528 million in 2021 to ₱341 million by the end of 2022.

The Company's total consolidated cost and operating expenses (OPEX) have already returned to pre-pandemic levels, cumulating to ₱14,425 million by the close the year. Both Production and other direct costs, as well as general and administrative expenses, recorded increases versus same period in 2021. These were partially offset by the reduction in the cost of goods sold during this period, aligned with the decline in units sold of the set-top box.

Consolidated Earnings before interest, taxes, depreciation, and amortization (EBITDA) after twelve months this year settled at ₱8,951 million, behind by 23% compared to year ago's ₱11,644 million. The slight reduction in the top line aggravated by rising costs were the main drivers for the said decline. In the same manner, consolidated Net Income After Tax (NIAT) by the close of the year 2022 wrapped up at ₱5,457 million, 28% less versus 2021's ₱7,569 million, which was the highest bottom line generated by the Company by far.

Revenues

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

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

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

Meanwhile, sister channel Good TV or GTV registered remarkable advancements both in terms of revenues and ratings. GTV garnered 20.8% people net reach in the aforesaid *Eleksyon 2022* special and election-related shows/newscasts. This brought GMA and GTV's combined net reach up to 50.8% which is substantially higher compared to the net reach of TV5 with 19.6%, A2Z & Kapamilya Channel combined with 14.3%, and CNN Philippines with only 2% for the said election -related shows/newscasts. In the 4th quarter of 2022, GTV held on as the second most-watched TV channel nationwide with a 10.3% people audience share and a people rating of 1.3%. Revenue-wise, GTV also displayed a strong showing this year following ratings improvement, particularly in its primetime movie offerings. This year, the rebranded channel recorded a milestone by grabbing second spot in terms of airtime contribution for the whole Network. GTV packed sales higher by a whopping 83% compared to full year of 2021. More than the incremental sales from this year's elections, it was recurring placements which propelled the growth in the channel's top line, hiking by 86%.

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

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

The Company's Digital Terrestrial TV (DTT) channels was not as affected by the cutdown on recurring sales, posting a combined top-line growth of 51% in between years. Taking the top spot in this category was Heart of Asia which settled with sales higher by 11% than a year ago while Hallypop edged 2021 revenues by 2%. Meanwhile, I Heart Movies was the main source of the top-line improvement for the DTT channels coming from a 2nd quarter launch in 2021. On the other hand, the partnership with the Department of Education for the free use of GMA's digital channel to strengthen television-based instruction (TVBI) as an aid to distance learning concluded in July 2022.
Moving to the online arena, GMA Network continued to solidify its presence across various digital platforms, growing online followers, with more than 28 million subscribers

on YouTube. Revenue inflows from online sources has become vital to the Company's consolidated top line. Advertising revenues from this platform sealed twelve months' sales results this 2022 at par with last year despite stiff competition in this segment.

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

In terms of broadening its business horizon, GMA Ventures, Inc. (GVI), the wholly-owned diversification arm of the Network, signed a Simple Agreement for Future Equity (SAFE) Note with CloudEats, a cloud kitchen and restaurant business that utilizes a house of brands model. The SAFE Note worth USD250 thousand (or about ₱13 million) was finalized with CloudEats in October 2021. GVI has also so far invested a total of USD2M (or ₱107 million) in PX Ventures (ORA), a regional direct-to-patient telehealth startup that provides affordable access to quality healthcare for men and women. In March 2022, GVI committed to invest a total of USD1M in Wavemaker Three-Sixty Health II A, L.P., a leading California-based, seed and early-stage venture capital firm focused on the US healthcare industry. As of date, GVI has invested USD255 thousand (or about ₱14 million) out of the total commitment in the Wavemaker Fund.

Finally, Sale of merchandise which generated annual sales of ₱341 million this 2022 finished lower than last year's ₱528 million. This was due to fewer number of units sold this year for GMA Affordabox (set-top box) and GMA Now (dongle). As at end-December 2022, total quantity sold for GMA Affordabox since launch in mid-2020 already exceeded two million units.

Expenses

Meanwhile, the Company's total consolidated costs and operating expenses (OPEX) for the past twelve months reached ₱14,425 million, up by 15% or ₱1,870 million. Both Production cost and General and administrative expenses posted increases versus last year. These were partially offset by the reduction in cost of goods sold this period, aligned with the decline in quantity sold of the set-top box and dongle.

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

Consolidated Production costs composed of cash and non-cash direct costs measured at ₱7,483 million for the year 2022, higher by 25% from ₱5,993 million during the same period in 2021. Cash production costs rose by 33% or ₱1,513 million from ₱4,608 million to ₱6,121 million owing to 2021 which aired several replays particularly in the afternoon prime block. This was in contrast to 2022 line-up which were generally fresh episodes and with some offerings incurring higher costs to mount, particularly in the *Telebabad* block (e.g*. Start Up PH, Lolong, My First Lady*). Furthermore, this year's weekend offering also showcased programs with bigger budget/costs such as the Philippine adaptation of the hit Korean variety show *Running Man PH.* For GTV, there was likewise a climb in production cost mainly from the presence of two seasons of *NCAA (Seasons 97 and 98)* in contrast to only *Season 96* last 2021. Lastly, this year also included production cost to stage the two-day concert in the US, *Together Again* as well as the non-recurring *Eleksyon 2022*-related expenses. Meanwhile, non-cash direct costs finished at about the same level as last year at ₱1,361 million compared to ₱1,384 million in 2021. This was due to the rise in Depreciation and amortization by ₱116 million or 31%, attuned to the Company's aggressive capital investment and expansion, particularly of its digital terrestrial TV (DTT) facilities and infrastructure nationwide, as well as additional broadcast equipment for the recent elections. This was counterbalanced by the decline in Amortization of Program Rights by ₱139 million or 14%, owing to the lower average cost per title featured this period, coupled with a reduction in the number of titles shown.

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

The Company's consolidated general and administrative expenses (GAEX) tipped at ₱6,640 million, outpacing last year's ₱6,145 million by 8% or ₱496 million. Personnel cost, which comprised the biggest chunk of this category, grew by 4% or ₱154 million. The increase was aligned with the annual adjustments provided in the Collective Bargaining Agreement (CBA) for rank and file employees as well as merit increase for confidential employees. Additionally, this year also included the signing bonus in relation to the recently concluded Y2022-Y2024 CBA. Another source of the escalation this year came from Facilities cost, ending higher by ₱112 million or 23%, mainly from electricity caused by the spike in generation charges coupled with additional billings for fuel cost recovery as an adverse effect of the on-going fuel supply crisis. Taxes and Licenses for the entire year surpassed last year's ₱236 million by ₱160 million or 68% to ₱395 million. The substantial increase primarily resulted from the payment this year to the Bureau of Internal Revenue (BIR) for the deficiency taxes covering Y2016 to Y2018 coupled with higher franchise taxes aligned with the growth in the revenue base used in 2022 versus 2021. Outside services also climbed by 10% or ₱46 million as Advertising and promotions grew by 45% versus a year ago with the presence of more promotions and on ground events during the year. There were several events held abroad such as the participation in GMA International's Stronger Together GPTV @ EXPO 2022 in Dubai, Asian Journal, Philippine Expo in Tokyo, Japan and Philippine Independence Day in New York and Canada Community events. The staging of RTV's Masterclass Series and heightened presence in the local scene across the country also influenced the growth in spending.

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

EBITDA

Consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) wrapped up at ₱8,951 million, a decline of ₱2,694 million or 23% versus a year ago. This resulted from the drop in consolidated revenues by ₱886 million, aggravated by the hike in cash operating expenses by ₱2,049 million.

Net Income

Meanwhile, twelve months into the year and despite the windfall from election-related placements during the first half of this year, the Company's bottom line sealed at ₱5,457 million, ₱2,113 million or 28% less than the record-high bottom line of ₱7,569 million recorded a year ago.

Balance Sheet Accounts

As at end-December 2022, the Company’s total consolidated assets stood at ₱24,729 million, up 3% from December 31, 2021’s ₱24,076 million.

Noncurrent assets finished higher at ₱11,189 million as at the close of 2022 from ₱7,738 million a year ago due to the subsequent hike in Land at revalued amount by ₱3,675 million. The increase in the account balance was due to the climb in land’s market value based on the latest appraisal report. This was counterbalanced by the reduction in Cash and cash equivalents by 40% or ₱1,938 million from the 2021 balance of ₱4,794 million as a result of cash dividend payments during the first half of the year. Additionally, Trade and other receivables settled 25% less, at ₱5,862 million versus end-2021's ₱7,785 million ensuing from the improved collections buoyed by the presence of pay-before-broadcast terms for election-related placements earlier during the year.

Meanwhile, total consolidated liabilities declined by 3% or ₱242 million as at end of 2022 to ₱9,263 million from ₱9,505 million as at end-December in 2021 as a result of the decline in short-term loans from ₱739 million in 2021 to only ₱27 million in 2022. Income tax payable dropped to ₱556 million vs. ₱1,076 million, parallel with the reduction in the Company's bottom-line. These were partly cushioned by the growth in Trade payables and other current liabilities due to normal trade transactions, as well as from the rise in Pension liability in between periods due to higher accruals.

Equity attributable to Parent Company stockholders of ₱15,389 million as at December 31, 2022 went up by 6% or ₱919 million from December 31, 2021, mainly due to already discussed increase in revaluation in land. This was offset by the decline in Retained earnings from ₱8,223 million in 2021 to ₱6,611 million as of end of reporting period due to lower net income after tax this year.

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

Operating Activities

Net cash provided by operating activities measured at ₱7,062 million in 2022. This stemmed from income before income tax of ₱7,320 million, adjusted mainly for Program rights usage of ₱869 million, Depreciation expense of ₱699 million, Pension expense of ₱661 million, Contribution to retirement plan assets of ₱261 million, Amortization of software costs of ₱58 million, Gain on sale of property and equipment of ₱32 million, Interest expense and financing charges equivalent to ₱25 million, and Interest income amounting to ₱21 million, apart from the changes in working capital. The primary component of the changes in working capital included the ₱1,948 million decrease in Trade and other receivables due to significant collections made during the covering period, coupled by the ₱321 million increase in Trade payables and other current liabilities.

Investing Activities

Net cash used in investing activities amounted to ₱1,186 million, coming primarily from the ₱1,050 million additions to Property and equipment and ₱169 million increase in Financial assets at fair value through other comprehensive income. These were partly offset by the ₱38 million proceeds from property sales and ₱36 million decline in other noncurrent assets.

Financing Activities

Net cash used in financing activities amounted to ₱7,800 million basically due to payment of dividends and loans amounting to ₱7,101 million and ₱1,686 million, respectively. These were partly offset by Company's availment of short-term loan amounting to ₱1,027 million during the reporting year.

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

Notwithstanding the protracted pandemic which continued to hamper the full recovery of the economy due to the country's intermittent lockdowns, limited mobility and restricted business operations, GMA Network, Inc. and Subsidiaries (GMA/the Company) remained unwavering and once again broke all financial records for the twelve months this 2021. Consolidated revenues of the Company ramped up to an all-time high of ₱22,450 million posting a double-digit growth of 16% and translating into an absolute increase of ₱3,114 million. Apart from maintaining dominance in the free-to-air broadcasting arena, this year's exceptional top line was further boosted by the presence of political advocacies amounting to more than three quarters of a billion pesos. Minus the non-recurring election-related placements, the growth in consolidated recurring sales still stood at a commendable 12%.

GMA was determined to confront the challenge ahead, unceasingly finding ways to continue its service to the Filipino audience – more so, as the Network was regarded as the primary source of news and information across the country. During the year, additional digital terrestrial television (DTT) channels saw commercial broadcasts (DepEd TV and I Heart Movies), thus bringing the DTT channels to a total of six (6). Fortifying the DTT signal and transmission across the county has likewise been the focus of the Company with additional DTT sites already commissioned and with some others for completion in 2022. Meanwhile, the Company's DTT set-top box GMA Affordabox, continued to post steady sales this year. This 2021 also saw the rebranding of the Company's UHF station Channel 27, from GMA News TV to Good TV or simply GTV. Lastly, as part of the Company's effort to expand its reach and service to our countrymen, a new regional TV (RTV) station, RTV Zamboanga, was launched in Q4 this year. This station functions as RTV's Western Mindanao hub and becomes the fourth regional station of GMA in Mindanao and the 10th overall in the country. Finally, during the year, the first ever partnership of the Company with the oldest collegiate athletic association in the country NCAA also came to fruition. The collaboration aired its maiden broadcast in GMA's Good TV (GTV) in mid-June via *Rise Up Stronger: NCAA Season 96*.

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

For the twelve months ended, consolidated advertising revenues (airtime, online, international) which comprised 94% of the Company's revenue pie, sealed at an unprecedented level of ₱21,015 million, overshadowing prior year's ₱17,727 million top line by a whopping ₱3,288 million or 19%. It can be recalled that it was in early May of last year when closest rival ABS-CBN's free-to-air Channel 2 went off air, following the issuance of a cease and desist order to operate by the National Telecommunications Commission (NTC) upon the expiration of ABS's 25-year franchise. From then on, the

Network's revenues were buoyed by the shift in advertising placements from the defunct channel. All airtime-revenue generating platforms yielded upbeat sales versus same period last year. Even without the boost from political advocacies, GMA's regular advertising revenues still grew by 14% year-on-year. Meanwhile, Sale of services which included subscription revenues, subsidiaries' operations and others wrapped up the year with a top-line of ₱907 million, contracting by ₱117 million or 11% versus last year's ₱ 1,025 million. The Company's venture into the sale of merchandise also pitched in revenues of ₱528 million.

Meanwhile, the Company concluded 2021 with consolidated operating expenses (OPEX) of ₱12,556 million, 16% or ₱1,776 million greater than prior year. The increase in spending was buoyed by the Network's resumption in terms of producing fresh programs during most parts of the year in contrast to airing mostly replays in 2020 due to the onset of the COVID-19 outbreak. Thus, production-related expenses propelled this year's increase by as much as 32%. In the same manner, general and administrative expenses also climbed by 7% in between periods following increased operating activities of the Company.

With the sterling performance in the top line, partly trimmed down by the rise in expenditures, consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) ended the 12-month period this 2021 pass the ₱10-billion mark at ₱11,644 million, 18% better than last year. Similarly, YTD consolidated Net Income after Tax of the Company once again broke all records at ₱7,569 million, a huge ₱1,562 million ahead of last year.

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

Revenues

Capping the year 2021, consolidated revenues of the Company measured at ₱22,450 million, exhibiting a noteworthy increase of 16% from ₱19,336 million a year ago. Advertising revenues propelled the growth mainly from the upbeat sales coming from almost all airtime-generating platforms. Online advertising was likewise on track, picking up its pace and cementing its presence in terms of revenue contribution. Meanwhile, sale of services made up the second largest revenue source reaching ₱907 million. Finally, sale of goods added more than half a billion to the Company's coffers this year.

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

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

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

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

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

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

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

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

the moderate drop in average forex in between years to ₱49.38 to USD1 from ₱49.49 to USD1.
Lastly, Merchandise sales this year reached ₱528 million mainly from GMA Affordabox. Entire units sold for the set-top box since it launched in May last year already reached 1.7 million units amounting to over a billion pesos.

Expenses

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

After twelve months in 2021, consolidated total operating expenses (OPEX) of the Company measured at ₱12,556 million, escalating by 16% or ₱1,776 million versus Y2020's ₱10,779 million. Both cash and non-cash OPEX hiked by 18% and 10%, respectively compared with prior year.

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

The increase in spending in consolidated production cost by 32% or ₱1,444 million was attuned to the revival of in-house produced programs which was put on hold during most part of 2020. Even with sporadic lockdowns this 2021, the Company has managed to adjust into the new normal set up. Last year, with the outbreak of the pandemic in late

March, the Network ceased production of fresh and original episodes and aired mostly reruns except for some News programs. During the last quarter of 2020, fresh episodes were gradually introduced but only on a limited scale. In contrast, for this 2021 there were more original episodes in the programming grid with only few replays aired. As such, total production cost (cash and non-cash) amounting to ₱5,993 million grew by over a billion by the end of 2021. Cash production cost climbed by ₱1,092 million or 31% mainly from higher program cost and talent fees while non-cash direct cost hiked by ₱353 million or 34% owing to the spike in amortization of program rights following the increase in the number of rented materials shown in GTV, I Heart Movies and Heart of Asia channels. These increases were partly cushioned by the decline in cost of sales of merchandise by ₱61 million in between years.

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

Meanwhile, consolidated general and administrative expenses (GAEX) accumulated to ₱ 6,115 million, ahead of last year by ₱393 million or up by 7%. Personnel cost propelled the rise in this category, edging last year by ₱264 million or 7%. This was mainly due to the annual increases in salary coming from merit increases and from the collective bargaining agreement. Most overhead expenses surpassed last year's balances as operations have stabilized within the Company following a new normal set-up. Facilities cost grew by ₱115 million or by 30% as Repairs and Maintenance last year were put on hold when the pandemic struck and stricter government protocols were imposed. There were also major repairs done this year particularly in the GMA Network Center and in refurbishing the Company's broadcast facilities and equipment. Similarly, Utility charges last year were lower due to limited operations - apart from most studios not being utilized during the lockdown, the telecommuting work scheme also resulted in less office areas being used. While a work-from-home set up was still observed, more areas within the Network premises were now utilized. Apart from higher generation charges per kWh, there was also an increase in the utilities consumption in the GMA Network and Fleet Centers. Outside services climbed by 20% this year versus last year partly due to the engagement of additional consultants. Taxes and Licenses similarly outpaced last year's results by 29% due to higher franchise tax payments which was based on prior year's revenues.

EBITDA

While both direct cost and general and administrative expenses registered increases, they were nonetheless much lower than the absolute improvement in the top line. Hence, after end of this year, consolidated Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) soared to ₱11,644 million, considerably higher than year ago's ₱ 9,888 million by ₱1,757 million or 18%.

Net Income

In like manner, Net Income after Tax (NIAT) finished off this year at a record-breaking ₱ 7,569 million, soaring by ₱1,562 million or 26% over last year's already solid bottom line of ₱6,007 million. The improvement in this year's NIAT was also buoyed by the reduction in the regular corporate income tax rate from 30% to 25% following the passing into law of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act last April 15, 2021.

Balance Sheet Accounts

GMA's total assets stood at ₱24,076 million as at end-2021, a tad higher than December 31, 2020's balance of ₱23,939 million.

Cash and cash equivalents of ₱4,794 million grew by more than ₱1.5-billion at ₱1,579 million or 49% from 2020 peg of ₱3,215 million. This resulted from a combination of higher sales from previous months which have become due for collection this period coupled with improved collection efforts. Meanwhile, despite the increase in revenues, Trade and other receivables closed the year with a balance of ₱7,785 million, 26% or ₱ 2,682 million less than last year, resulting from increased collections over the recent months.

Total liabilities declined by 14% or ₱1,553 million as at end-December this year to ₱9,505 million from ₱11,058 million in 2020 mainly due to the reduction in the following accounts: (1) Pension liability as a result of recognition of remeasurement gains using the latest actuarial valuation; and (2) Income tax payable due lower rate of 25% this year vs. 30% in 2020 due to passing of CREATE Law.

Equity attributable to Parent Company stockholders amounting to ₱14,470 million as at end-December 2021 increased by 13% or ₱1,661 million in between years, as a result of ₱5,975 million net income attributable to Parent Company earned in 2021, partially reduced by the dividends declared during the first quarter of 2021 amounting to ₱6,561 million.

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

Operating Activities

Net cash from operations registered at ₱9,362 million in 2021. This stemmed from income before income tax of ₱9,947 million, adjusted mainly by Program rights usage of ₱1,007 million, Pension expense of ₱640 million, Depreciation expense of ₱608 million, Provision for doubtful accounts of ₱143 million and Amortization of software costs of ₱50 million apart from the changes in working capital. The primary component of the changes in working capital included the ₱2,564 million decrease in Trade and other receivables partially offset by increase in Inventories by ₱900 million.

Investing Activities

Net cash used in investing activities amounted to ₱1,147 million, coming primarily from the acquisition of ₱999 million, ₱142 million and ₱51 million worth of Property and equipment, Land and Software costs, respectively. These were partially offset by the ₱ 58 million proceeds from sale of property and equipment.

Financing Activities

Net cash used in financing activities amounted to ₱6,679 million due to payment of cash dividends and loans amounting to ₱6,549 million and ₱4,543 million, respectively, plus some ₱38 million in Interest expense netted by ₱4,479 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, 2023, 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, 2023, 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 2024, the parent company has allotted ₱ 950 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, 2023, 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, 2023 vs. December 31, 2022)

- Cash and cash equivalents of ₱1,375 million dropped by ₱1,480 million or 52% from 2022 balance of ₱2,855 million. This primarily resulted from a combination of lower sales from previous year aggravated by payments of short-term loans from August to December 2023.
- Trade and other receivables grew to ₱6,276 million from ₱5,862 million as total sales generated for the current reporting period exceeded collections for the year.

- Inventories declined in between periods from ₱1,469 million in 2022 to ₱1,164 million in 2023 as a result of continuous sales of Merchandise inventory for the year 2023.
- Income tax payable also decreased to ₱257 million attributable to lower taxable income for Y2023 due to lesser sales and higher operating expenses.

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	**2023** (in millions PhP)	2022 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Revenues	**18,637.21**	21,564.01	(2,926.80)	-14%
Advertising revenues	**17,184.56**	17,214.10	(29.55)	0%
Cash operating expenses	**12,533.95**	12,797.61	(263.66)	-2%
EBITDA	**6,326.45**	8,950.84	(2,624.39)	-29%
Net income before tax	**4,176.60**	7,319.92	(3,143.32)	-43%
Net income after tax	**3,161.85**	5,456.51	(2,294.66)	-42%

Key Performance Indicators	**2023**	2022	Inc/(Dec)	%
Current ratio	**2.30**	3.45	(1.14)	-33%
Asset-to-Equity ratio	**1.76**	1.60	0.16	10%
Interest Coverage Ratio	**32.59**	291.44	(258.85)	-89%
Gross Profit Margin	**55%**	64%	(0.09)	-15%
EBITDA Margin	**34%**	42%	(0.08)	-18%
Net Income Margin	**17%**	25%	(0.08)	-33%

Interim Periods

Attached to this report is the SEC Form 17-Q and the Interim Financial Statements as of March 31, 2024..

Item 7. Financial Statements

The consolidated financial statements including the attached schedules therein are filed as part of this report. The statements were audited by Sycip Gorres Velayo & Co. and signed by Julie Christine O. Mateo. Please **refer to attached copy of the Company's 2023 Audited Financial Statements.**

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 current members of the Audit and Risk Management Committee are as follows:

- Dr. Jaime C. Laya (Chairman)
- Chief Justice Artemio V. Panganiban
- Joel Marcelo G. Jimenez
- 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 2024 Annual Stockholders' Meeting on May 15, 2024.

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 P7 million in 2023 and also P7 million in 2022. 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 annual 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, 2024, 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	Chairman/Adviser (Adviser as of Jan 1, 2024)	2000	84
Judith R. Duavit-Vazquez	Filipino	Director	2019 (1988-2015)	N/A	N/A	61

Gilberto R. Duavit, Jr.	Filipino	Director	1999	President and Chief Executive Officer (CEO as of Jan. 1, 2024)	2010	60
Anna Teresa M. Gozon-Valdes	Filipino	Director	2000	Senior Vice President, Programming, Talent Management, Worldwide, and Support Group/ Corporate Secretary	2022/2021	52
Joel Marcelo G. Jimenez	Filipino	Director	2001	Executive Committee Chairman	2024	60
Laura J. Westfall	Filipino	Director	2002	N/A	N/A	56
Felipe S. Yalong	Filipino	Director	2002	Executive Vice President/Chief Financial Officer/ Corporate Treasurer	2011	67
Eduardo P. Santos	Filipino	N/A	N/A	Internal Audit Head/ Data Protection Officer/Compliance Officer	2002 IA/2017 DPC/2021 CO	67
Ronaldo P. Mastrili	Filipino	N/A	N/A	Senior Vice President for Finance and ICT	2013	58

Lilybeth G. Rasonable	Filipino	N/A	N/A	Senior Vice President for Entertainment Group	2013	60
Artemio V. Panganiban	Filipino	Independent Director	2007	N/A	N/A	87
Jaime C. Laya	Filipino	Independent Director	2008	N/A	N/A	85
Elvis B. Ancheta	Filipino	N/A	N/A	Senior Vice President and Head, Engineering Group; Head, Transmission and Regional Engineering Department	2014	57
Lizelle G. Maralag	Filipino	N/A	N/A	Chief Marketing Officer	2016	58
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	48
Oliver Victor B. Amoroso	Filipino	N/A	N/A	Senior Vice President and Head, GMA Integrated News,	2023	43

				Regional TV and Synergy		
Maria Theresa E. de Mesa	Filipino	N/A	N/A	Assistant Corporate Secretary	2021	47

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.

The Corporation'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 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, 84 years old, is the Chairman/Adviser of GMA Network, Inc.

Atty. Gozon is a Senior Partner at the Law Firm of Belo Gozon Elma Parel Asuncion & Lucila. He is also the Chairman of the Board/President/CEO of various companies including GMA Holdings, Inc., GMA Ventures, Inc., Citynet Network Marketing & Productions, Inc., RGMA Network, Inc., Alta Productions Group, Inc., GMA New Media, Inc., Media Merge Corporation, Digify, Inc., GMA Productions, Inc. (Formerly RGMA Marketing & Production 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., Cardinal Agri Products, Inc., Lex Realty, Inc., Justitia Realty & Management Corp., Gozon Foundation, Inc., GMA Kapuso Foundation, Kapwa Ko Mahal Ko Foundation, Inc., and The Potter and Clay Christian School Foundation, Inc.

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

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

Management Excellence Award given by BizNews Asia (2015, 2016), Management Excellence Award given by BizNews Asia (2017, 2019), and Asia's Best Broadcast CEO given by BizNews Asia (2018). He is listed among BizNews Asia's Power 100 (2003 to 2010) and is a recipient of a Doctor of Humanities degree (Honoris Causa) from the Angeles University Foundation (2008) and a Doctor of Laws degree (Honoris Causa) from the Wesleyan University Philippines (2022).

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

Gilberto R. Duavit, Jr., Filipino, 60 years old, is the President and Chief Executive Officer of the Network.

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

Mr. Duavit is also the Chairman of the Board of GMA Network Films and serves as President and CEO of GMA Holdings, Inc., GMA Productions, Inc. (Formerly RGMA Marketing and Production Inc.), and Chairman, President, and CEO of Group Management and Development, Inc., and Dual Management and Investments, Inc. Duavit is the Vice Chairman of GMA Ventures, Inc.
He also serves as the President and a Trustee of GMA Kapuso Foundation, Inc., a Trustee of the Guronasyon Foundation, Inc., and Board Advisor of the HERO Foundation.

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

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

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

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

Felipe S. Yalong, Filipino, 67 years old, is the Executive Vice President and Chief Financial Officer of GMA Network, Inc. He is also the Head of the Corporate Services Group of the Network. He has been a Director of the Company since 2002. Aside from GMA Network, Inc., he also serves as Director and Corporate Treasurer of GMA Holdings, Inc., Scenarios, Inc., and GMA Network Films, Inc.; Director of Unicapital, Inc., and Unicapital Finance and Investments, Inc.; Corporate Treasurer of RGMA Network, Inc., MediaMerge Corp.; Executive Vice President of RGMA Marketing and Productions, Inc.; and Corporate Treasurer and a Trustee of GMA Kapuso Foundation, Inc.

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

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

Anna Teresa M. Gozon-Valdes, Filipino, 52 years old, has been a Director of the Company since 2000. She graduated valedictorian from grade school and high school at Colegio San Agustin. She graduated cum laude, with a Bachelor of Science degree in Management Engineering from Ateneo de Manila University. She obtained her Bachelor of Laws degree from the University of the Philippines where she graduated valedictorian and cum laude. She later obtained her Master of Laws from Harvard University.

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

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

Judith R. Duavit-Vazquez, Filipino, 61 years old, has served on the board of directors since 1988.

Judith is an acknowledged visionary and industry mover in Philippine Information and Communication Technology space. In 1995, she laid the nation's first fiber in the Central Business District of Makati and developed the country's first ICT-ready 24x7x365 intelligent skyscraper - 45-story The Peak Tower and location of many Internet Firsts. In 2000, she founded PHCOLO INC. - the nation's pioneer neutral Telecommunications and Internet Service Provider interconnection site on four platforms: fiber, cable, wireless and satellite; respected for its 99.9999% historical 23-year record, PEZA and ISO certifications.

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

Judith was the first female Asian elected to an independent board seat at the Internet Corporation for Assigned Names and Numbers (ICANN), governance oversight body of the Public Internet domain name registry and registrar space, the only Asian female who has held this honor to this day. She continues to be a respected elder at APNIC, the Asia-Pacific Numbers Registry. APNIC oversees the continent's internet protocol numbers space. (Note: An IP address makes network traffic routing and termination possible.) APNIC is composed of 56 economies with a total population of 4.7 Billion people. It covers world's largest nations China and India to its smallest, Nauru.

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

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

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

Judith holds a Bachelor of Science degree in Business Economics from the University of the Philippines. She is an alumna of Harvard Business School, University of Michigan (Ann Arbor) and Asian Institute of Management. She is a constant student and continuously grows her skills-base, which include SAP FICO & CRM, CISCO TCP/IP networking, CheckPoint firewall security certifications; and today, advanced education at Harvard Kennedy School for nonprofit, public policy and public leadership.

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

Laura J. Westfall, Filipino, 56 years old, has been a Director of the Company since 2000. She held the following positions in the Company Senior Vice President of Corporate and Strategic Planning and Senior Vice President for Finance. She has also served as Chairperson and President of GMA New Media. Before joining the Company, she worked for BDO Seidman–Los Angeles, an international audit and management consulting firm. She currently holds various positions in the

Majent Menarco Group of Companies. She is also President of the Yale Club of the Philippines.

Westfall holds a Master of Science degree in Public and Private Management from Yale University and 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, 87 years old, has been an Independent Director of the Company since 2007. In 1995, he was named Justice of the Supreme Court and was appointed Chief Justice of the Philippines in 2005—a position he held until December 2006. At present, he is also an Independent Director of these listed firms: Meralco, GMA Holdings, Inc., PLDT, Inc., Petron Corporation, JG Summit Holdings, Inc., Asian Terminals, Inc., RL Commercial Reit, Inc., and a non-Executive Director of Jollibee Foods Corporation. He is also a Senior Adviser of Metropolitan Bank and Trust Company and a member of the Advisory Council of Bank of the Philippine Islands (BPI), Chairman, Board of Advisers of Metrobank Foundation, Adviser of DoubleDragon Properties Corp. and MerryMart Consumer Corp., Chairman of the Board of the Foundation for Liberty and Prosperity, President of the Manila Metropolitan Cathedral-Basilica Foundation, Chairman Emeritus of Philippine Dispute Resolution Center, Inc., and Member, Advisory Group of the World Bank (Philippines) and of the Asian Institute of Management Corporate Governance Center. He was a Member of the Permanent Court of Arbitration based in The Hague, The Netherlands from August 2017 to August 2023. He also is a column writer of The Philippine Daily Inquirer.

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

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

Jaime C. Laya, Filipino, 85 years old, has been an Independent Director of GMA Network, Inc. and GMA Holdings, Inc. since 2007. He is President of Philippine Trust Company (Philtrust Bank). He also serves as Chairman of the Cultural Center of the Philippines; Chairman of Don Norberto Ty Foundation, Inc. and Filipinas Opera Society Foundation, Inc.; Trustee of St. Paul University - Quezon City, Metropolitan Museum of Manila, Yuchengco Museum, Museo del Galeón, Inc., Ayala Foundation, Inc., Fundación Santiago, Inc., Philippine-British Association, Inc.; and other organizations. He writes a weekly column for the Manila Bulletin.

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

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

Eduardo P. Santos, Filipino, 67 years old, is a CPA-Lawyer with more than 40 years of professional experience, more than 30 years of which is in the media industry, having served various roles in audit and finance. Concurrently, Atty. Santos is the Internal Audit Head of GMA Network, Inc. since 2002. He is responsible for providing assurance and consulting services meant to add value and improve the operations of the Network by evaluating and improving the effectiveness of its corporate governance, risk management, and internal control processes. Among other functions, he monitors compliance with the established policies, systems, controls and procedures of the Company. His vast experience in audit, as well as in the media industry, best complement his role as the Compliance Officer of the Network. He also serves as the Network's Data Protection Officer.

Atty. Santos obtained his Bachelor of Science degree in Business Administration, Major in Accounting from the Philippine School of Business Administration, and later earned his Bachelor of Laws degree from Arellano University School of Law.

Ronaldo P. Mastrili, Filipino, 58 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 degree 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 extensive experience 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: Chief Accounting Officer of GMA Holdings, Treasurer of Alta Productions, Director of GMA Music, Scenarios and GMA Kapuso Foundation, and Comptroller of GMA Films, GMA Kapuso Foundation, and GMA Ventures. He is also a Trustee of GMA Kapuso Foundation, Inc.

Lilybeth G. Rasonable, Filipino, 60 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, Rasonable immediately worked in the broadcasting industry, starting as a Production Assistant and later on, as 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 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 was 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. Under Rasonable's leadership, the Entertainment Group produced even more groundbreaking and hit TV programs such as My Husband's Lover, the Philippine adaptation of Descendants of the Sun, Maria Clara at Ibarra, Voltes V: Legacy, Abot Kamay na Pangarap, The Clash, Family Feud, and Running Man Philippines, among many others.

In 2018, Rasonable was named a Glory Awardee for Television Arts, a recognition given to alumni by the University of the Philippines College of Mass Communications. She is also a Trustee of the GMA Kapuso Foundation.

Elvis B. Ancheta, Filipino, 57 years old, is GMA Network's Senior Vice President and Head of Engineering Group of the Network which is composed of the Production Engineering Department, the Content Management & On-Air Systems Department and the Transmission & Regional Engineering Department which he concurrently heads.

As head of the Transmission & Regional Engineering Department, Engr. Ancheta oversees the technical operation of all the Regional Originating and Satellite Stations of GMA in Luzon, Visayas and Mindanao operation and likewise, the management of the operations and upkeep of GMA's various analog TV, digital TV, as well as FM and AM radio transmitter stations nationwide. He leads the planning for all of GMA's Digital Terrestrial Television Broadcasting needs in support of the network's strategic shift from analog to digital TV broadcasting.

Engr. Ancheta is a Professional Electronics Engineer and is a member of the Institute of Electronics and Communications Engineers of the Philippines. He earned his Bachelor of Science degree in Electronics and Communications Engineering from Saint Louis University in Baguio City.

Lizelle G. Maralag, Filipino, 58 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 – the award aims to recognize women media practitioners who served and paved the way in improving the welfare of the youth.

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.

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, 48 years old, is the President and Chief Operating Officer of GMA Ventures, Inc. and GMA Network's 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.

Under the Office of the CEO, 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, and continuously ensures that corporate strategies support the Network's objectives and sustainability. 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, under Program Support, 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 also established the Network's growing online community, registering millions of fans and followers across 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.

As President and Chief Operating Officer of GMA Ventures, she leads the diversification efforts of the GMA Group by identifying, investing in, and building companies from expanding, sunrise, and emerging industries that have innovative/disruptive business models and offer products and services that make lives easier.

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

Oliver Victor B. Amoroso, Filipino, 43 years old, is the Senior Vice President for GMA Integrated News, Regional TV, and Synergy. He earned his Bachelor's degree in Mass Communication, with honors, from Silliman University. He was a recipient of various academic and co-curricular awards including the 'University Outstanding Student of the Year' during his freshman, sophomore and senior years. He was also one the youngest editors of the campus paper 'the Weekly Sillimanian' and yearbook 'the Portal' in the university's 100 years history. He was also bestowed the 'distinguished alumnus in public service' award by Central Mindanao University.

Mr. Amoroso led the successful integration of GMA News Manila, GMA Regional TV, GMA News Online, and GMA Radio into GMA Integrated News, solidifying its position as the Philippines' top multimedia news source and the "News Authority of the Filipino," living up to its commitment to bring top-notch reportage across all platforms. With him at the helm, GMA Integrated News, Regional TV, and Synergy won local and international awards including the 'Journalism of the Year for TV News Reporting' distinction at the Pro Patria Journalism Awards, the New York Festivals TV and Film Awards Silver World Medal, Excellence honors at the Philippine Quill Awards, and received the 'Best Regional TV Network,' for 6 consecutive years, at the Platinum Stallion National Media Awards, among others.

Under Mr. Amoroso's leadership, the Network's flagship weekday newscast, '24 Oras,' is the highest-rating program in Total Philippines (Urban + Rural), based on Nielsen's TV Audience Measurement people ratings in 2023. GMA Integrated News has evolved into a dynamic multimedia mega newsroom while staying true to journalism principles and facing the challenges of media organizations in this Digital Age. On television, aside from '24 Oras,' GMA has a formidable line-up of award-winning and top-rating national and local newscasts, while online, GMA Integrated News has had over 5.3 billion views on its social platforms this year. It is also among the top publishers worldwide on average viewership. Mr. Amoroso also grew Regional TV news, heeding the clamor from viewers in urban and rural areas, RTV launched the #LocalNewsMatters campaign which gives importance to community news.

Mr. Amoroso also oversees the Network's regional operations, content and production, and business development, which include 12 TV stations strategically located across the Philippines and handles the Network's various initiatives and partnerships including sports production of the National Collegiate Athletic Association (NCAA). He is also a member GMA Kapuso Foundation's Board of Trustees.

Maria Theresa E. de Mesa, Filipino, 47 years old, is the Assistant Corporate Secretary of the GMA Network, Inc. since 2021. She graduated cum laude with a Bachelor's degree in Political Science from the University of the Philippines – Diliman. She earned her Juris Doctor degree from the Ateneo de Manila University – School of Law. She was admitted to the Philippine bar in 2002.

Prior to her appointment as Assistant Corporate Secretary, she previously assisted Atty. Roberto Rafael V. Lucila as the Corporate Secretary and Compliance Officer from May 17, 2017 up to 2021, and Atty. Roberto O. Parel as Corporate Secretary, of GMA Network Inc.. She is the current appointed/elected Corporate Secretary of Assetlex Development Corporation Inc. (business development), GMA Network Films, Inc. (film and movie production), Citynet Network Marketing & Productions, Inc. (entertainment program production and marketing), and GMA Kapuso Foundation, Inc. (the corporate social responsibility arm of GMA Network, Inc.). She is also the current Assistant Corporate Secretary of Palawan Power Generation, Inc. and Catanduanes Power Generation, Inc. (energy).

Atty. de Mesa is presently a Junior Partner of Belo Gozon Elma Parel Asuncion & Lucila Law Offices. Her areas of practice include corporate and commercial law, special projects involving foreign investments, acquisitions, divestments, merger/de-merger, real estate and estate planning, litigation and corporate rehabilitation/insolvency. While practicing law, Atty. de Mesa also obtained further trainings in corporate governance and compliance, securities, real estate brokerage, appraisal and consultancy, financial and estate planning, and environmental planning from 2014 to present.

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 2023:

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 Company'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 Company'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 Company .
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/Adviser
Gilberto R. Duavit, Jr.	President and CEO
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
Anna Teresa M. Gozon-Valdes	Senior Vice President, Programming, Talent Management, Worldwide, and Support Group and President and CEO of GMA Network Films

	Year	Annual Salaries (in thousands)	13th Month and Bonuses (in thousands)	**Total**
CEO and Top 4 Highest	2021	381,629.5	302,576.5	**684,205.9**
	2022	409,192.61	347,853.2	**757,045.8**

Compensated Officers	2023	463,768.6	192,064.0	**655,832.6**
	2024 (estimate)	482,319.4	199,746.6	**682,065.9**
Aggregate compensation paid to all officers and directors as a group	2021	545,210.9	567,062.9	**1,112,273.8**
	2022	559,370.5	473,863.7	**1,033,234.2**
	2023	623,812.8	235,764.6	**859,577.4**
	2024 (estimate)	648,765.3	245,195.1	**893,960.5**
Aggregate compensation paid to all directors as a group	2021	-	252,377.7	**252,377.7**
	2022	-	180,334.5	**180,334.5**
	2023	-	115,192.7	115.192.7
	2024 (estimate)		119,800.4	119,800.4

As part of the aggregate amount paid to all directors (under fourth column of the table above), the per diem received by each of the members of the Board of Directors from 2021 to 2023 are set forth hereunder:

BOD Per diem				
Directors	**2021**	**2022**	**2023**	**Total**
DUAVIT, GILBERTO JR R.	1,050,000	750,000	750,000	2,550,000
GOZON, FELIPE L.	1,050,000	750,000	900,000	2,700,000
JIMENEZ, JOEL MARCELO G.	1,050,000	750,000	900,000	2,700,000
LAYA, JAIME C.	1,050,000	750,000	900,000	2,700,000
PANGANIBAN, ARTEMIO V.	1,050,000	750,000	900,000	2,700,000
VALDES, ANNA TERESA	1,050,000	750,000	900,000	2,700,000
VAZQUEZ, JUDITH D.	1,050,000	750,000	900,000	2,700,000
WESTFALL, LAURA J.	1,050,000	750,000	900,000	2,700,000
YALONG, FELIPE S.	1,050,000	750,000	900,000	2,700,000
	9,450,000	**6,750,000**	**7,950,000**	**24,150,000**

(b) 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 (adopted by the Company on April 10, 2006 and approved by the SEC on April 20, 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 does 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

The security ownership of certain record and beneficial owners of more than 5% as of March 30, 2024 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	FLG Management & Development Corporation 16/F Sagittarius Condo 1, HV Dela Costa Street, Salcedo Village, Makati City – Stockholder	Filipino	Felipe L. Gozon – relationship to record holder: Chairman (control and direction) over FLGMDC and voting rights over FLGMDC's shares in GMA	848,784,742	25.23%
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	789,821,734	23.47%
Common	M.A. Jimenez Enterprises, Inc. 8th Floor The Infinity Tower, 26th St., Bonifacio Global City,	Filipino	Record: M. A. Jimenez Enterpises, Inc. ("M.A. Jimenez") Joel Marcelo G. Jimenez – relationship with record	453,882,095	13.49%

	Taguig – Stockholder		holder: 50% indirect equity ownership in MA Jimenez through Television International Corp., and through equity ownership in related corporations, and voting rights over M.A. Jimenez shares in GMA Menardo G. Jimenez, Jr. relationship with record holder: 50% indirect equity ownership in M.A. Jimenez through Television International Corp., and through equity ownership in related corporations		
Common	GMA Holdings, Inc. Unit 3K, North Wing, Fairways, Tower Condominium, 5th Avenue corner McKinley Road, Fort Bonifacio, Taguig City, Philippines – Stockholder	Filipino	Record: GMA Holdings, Inc. ("GHI") Gilberto R. Duavit, Jr. and/or Felipe Gozon – relationship with record holder: having direct and beneficial equity ownership of 33.3% each and voting rights over GHI shares in GMA	397,378,559	11.81%

			Joel Marcelo G. Jimenez- relationship with record holder: direct and beneficial equity ownership of 33.3%		
Common	Television International Corporation 8th Floor The Infinity Tower, 26th St., Bonifacio Global City, Taguig - Stockholder	Filipino	Record: Television International Corp. Joel Marcelo G. Jimenez: relationship with record owner: 50% indirect equity ownership in Television International Corp. through equity ownership in related corporations, and voting rights over Television International Corp.'s shares in GMA Menardo G. Jimenez, Jr.: relationship with record owner: 50% indirect equity ownership in Television International Corp. through equity ownership in related corporations	338,243,037	10.06%
Total Common Shares 2,828,110,167 84.05%					

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	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”) Felipe L. Gozon – relationship to record holder: Chairman (control and direction) over FLGMDC and voting rights over FLGMDC’s shares in GMA	2,181,898,644	29.09%

Preferred	M.A. Jimenez Enterprises, Inc. 8th Floor The Infinity Tower, 26th St., Bonifacio Global City, Taguig – Stockholder	Filipino	Record: M. A. Jimenez Enterpises, Inc. ("M.A. Jimenez") Joel Marcelo G. Jimenez – relationship with record holder: 50% indirect equity ownership in MA Jimenez through Television International Corp., and through equity ownership in related corporations, and voting rights over M.A. Jimenez shares in GMA Menardo G. Jimenez, Jr. relationship with record holder: 50% indirect equity ownership in M.A. Jimenez through Television International Corp., and through equity ownership in related corporations	1,508,978,826	20.12%

Preferred	Television International Corporation 8th Floor The Infinity Tower, 26th St., Bonifacio Global City, Taguig – Stockholder	Filipino	Record: Television International Corp. Joel Marcelo G. Jimenez: relationship with record owner: 50% indirect equity ownership in Television International Corp. through equity ownership in related corporations, and voting rights over Television International Corp.'s shares in GMA Menardo G. Jimenez, Jr.: relationship with record owner: 50% indirect equity ownership in Television International Corp. through equity ownership in related corporations	1,111,661,610	14.82%
Total Preferred Shares 7,428,364,416 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 30, 2024

As of March 30, 2024, the Company's directors and senior officers directly own an aggregate of 8,639,156 common shares of the Company based on the records of the Stock Transfer Service Inc. and/or the Corporate Secretary, equivalent to 0.26% of the Company's issued and outstanding common capital stock and 27,294 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 1,656,368,137 common shares of the Company, equivalent to 49.22% of the Company's issued and outstanding common capital stock and 4,829,831,164 preferred shares equivalent to 64.40% of the Company's issued and outstanding preferred capital stock.

	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 / Corporate Secretary	Filipino	Direct	3	0.00%	6	0.00%

[2] As defined under SEC MC No. 15, s. of 2019.

Gilberto R. Duavit, Jr.	Director / President / CEO	Filipino	Direct	4,007,005	0.12%	12	0.00%
			Indirect beneficial (through GMDI/Dual Management Investments, Inc.)	402,414,173	11.96%	1,337,585, 008	17.83%
Felipe L. Gozon	Director / Chairman	Filipino	Direct	3,181	0.00%	26,880	0.00%
			Indirect beneficial (control and direction over FLGMDC)	848,784,742	25.23%	2,181,898, 644	29.09%
Joel Marcelo G. Jimenez	Director	Filipino	Direct	325,003	0.01%	6	0.00%
			Indirect beneficial in MA Jimenez (through Television International Corp., and through equity ownership in related corporations, and voting rights over M.A. Jimenez	226,941,048	6.74%	754,489,41 3	10.06%

			shares in GMA)				
			Indirect beneficial in Television International Corp. (through equity ownership in related corporations, and voting rights over Television International Corp.'s shares in GMA)	169,039,018	5.02%	555,830,805	7.41%
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	1,663,002	0.04%	6	0.00%
Jaime C. Laya	Independent Director	Filipino	Direct	294,001	0.01%	0	0.00%

			Indirect beneficial (Dynawinds, Inc.)	550,000	0.02%	0	0.01%
Artemio V. Panganiba n	Independent Director	Filipino	Direct	831,801	0.02%	0	0.00%
Eduardo P. Santos	Compliance Officer	Filipino	Direct	150,000	0.00%	0	0.00%
Maria Theresa E. De Mesa	Assistant Corporate Secretary	Filipino	Direct	7,000	0.00%	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%
Oliver Victor B. Amoroso	Senior Vice President and Head, GMA Integrated News, Regional TV and Synergy	Filipino	N/A				

(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, 2023 and 2022, Mont-Aire owes the Company advances totaling P99.6 million in both years. Please see Note 20 of the Company's financial statements.

Belo Gozon Elma Parel Asuncion & Lucila Law Office

he 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 for the year 2022 submitted on May 30, 2023 (Annex "B")

Item 14. Exhibits and Reports

(a) Reports attached as Annex to the Annual Report

Annex "A": 2023 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 and may be viewed at https://www.gmanetwork.com/corporate/cgr/annualreport/

Annex "C" Latest Sustainability Report is attached as Annex of this Annual Report and may be viewed at https://www.gmanetwork.com/corporate/disclosures/sustainabilityreports/

Exhibits incorporated by reference

Exhibit 1 – Instruments defining the rights of Security Holders: The rights of the security holders are set forth under Article SEVENTH 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.

Exhibit 2 – Form 17-Q: Attached to this report is the SEC Form 17-Q and the Interim Financial Statements as of March 31, 2024

Exhibit 3 – Report Furnished to Security Holders; Other documents or statements to Security Holders: The Company's Latest Information Statement may be viewed at and downloaded from www.gmanetwork.com/asm2024

Exhibit 4 - Subsidiaries of the Registrant: The list of the subsidiaries of the registrant is incorporated in the Annual Report, kindly see page 5 of the Annual Report.

[Other Exhibits are not relevant/applicable].

(b) Reports on SEC Form 17-C

The following current reports have been reported by GMA Network, Inc during the year 2023.

- SEC approval – Amendments to our By-Laws – January 3
- Press Release "GMA Network joins forces with Wavemaker Three-Sixty Health to advance global health-tech innovation in the Philippines – January 24
- Results of Board Meeting – January 26
- Notice of Annual Stockholders' Meeting for 2023 – January 26
- Declaration of Cash Dividends – March 31
- Results of Special Board Meeting – March 31
- Press Release " GMA Pinoy TV, GMA Life TV, and GMA News TV on IWantTFC in select regions starting May 1 – April 26
- Results of Annual Stockholders' Meeting – May 17
- Results of Organizational Meeting of Board of Directors – May 17
- Promotion of Senior Officer (Oliver Victor B. Amoroso) – June 1
- Results of Special Board Meeting – December 9
- Retirement (Atty. Felipe L. Gozon) and Appointment of the Company's Chief Executive Officer (Mr. Gilberto R. Duavit, Jr.) – December 9
- Amendments to By-Laws – December 9

Item 15. Sustainability Report

Please see attached 2023 Sustainability Report of the Company (Annex "C"). The Sustainability Report may also be viewed at:
https://www.gmanetwork.com/corporate/disclosures/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 CITY on 15 APR 2024

By:

FELIPE L. GOZON
Chairman/
Principal Executive Officer
Until December 31, 2023

RONALDO P. MASTRILI
Comptroller /Principal Accounting Officer

GILBERTO R. DUAVIT, JR.
Principal Executive Officer
As of January 1, 2024

FELIPE S. YALONG
Principal Financial Officer

ANNA TERESA M. GOZON-VALDES
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 15 day of APR 2024 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	[redacted]		
Gilberto R. Duavit, Jr.			
Felipe S. Yalong			
Ronaldo P. Mastrili			
Anna Teresa M. Gozon-Valdes			

MAXIMILIAN CHUA
Commission No. M-245
NOTARY PUBLIC FOR MAKATI CITY
Until December 31, 2025
15th Floor, Sagittarius Building
H.V. dela Costa Street, Salcedo Village
Makati City 1227
Roll of Attorney No. 57166/05-05-09
PTR No. 10089054/01-11-24/ Makati City
IBP No. 386565/ 01-02- 24/Quezon City

NOTARY PUBLIC

Doc. No. 124
Page No. 26
Book No. I
Series of 2024.

ANNEX "A"

GMA

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

April 3, 2024

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

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

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

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

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

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

FELIPE L. GOZON
Chairman of the Board

GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer

FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 04 2024 day of ____ at QUEZON CITY, affiants exhibited to me their (Felipe L. Gozon) TIN 106-174-605, (Gilberto R. Duavit, Jr.) TIN 158-147-748 and (Felipe S. Yalong) TIN 102-874-052.

Doc. No. 241
Page No. 54
Book No. 03
Series of 2024

ATTY. MARIPER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 390487-Jan. 3, 2024
MCLE Compliance No.VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 5555049 Jan. 2, 2024 Quezon City
Quezon City Roll No. 73209
28 Baker St., Fairmont Subd. Brgy.
North Fairview, Quezon City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

							5	2	1	3

COMPANY NAME

G M A   N E T W O R K ,   I N C .   A N D   S U B S I D I A R I E S

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

G M A   N e t w o r k   C e n t e r ,   T i m o g   A v e n u e   c o r n e r   E D S A ,   Q u e z o n   C i t y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A C F S	CMD	Not Applicable

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,632	3rd Wednesday of May	12/31

CONTACT PERSON INFORMATION

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

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

CONTACT PERSON's ADDRESS

GMA Network Center, Timog Avenue corner EDSA, Quezon City

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

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

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Building a better working world

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Revenue Recognition

The Group derives a significant portion of its revenue from advertising, which represents 92% of the consolidated revenues for the year ended December 31, 2023. Proper recognition of revenue from advertising is significant to our audit given the large volume of transactions processed daily and the highly automated airtime revenue process with multiple information technology (IT) interfaces from initiation to reporting. Further, there are different rates applicable depending on the time slot when the advertisements are aired which are adjusted by discounts granted by the Group on a case-by-case basis as indicated in the telecast orders. Lastly, there are variations in the timing of billings which are made depending on when the advertisements are aired.

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

Audit Response

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

Adequacy of Allowance for Expected Credit Losses on Trade Receivables

The Group applies the simplified approach in calculating expected credit losses (ECL) on trade receivables. Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Allowance for ECL as of December 31, 2023 amounted to ₱913.4 million. The use of ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: definition of default for trade receivables, grouping of instruments for losses measured on collective basis and incorporation of forward-looking information in calculating ECL.

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

Audit response

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

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

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

We recalculated impairment provisions on a sample basis.

Valuation of Land at Revalued Amounts

The Group accounts for its land at revalued amounts using the fair value model. Land at revalued amounts represent 34% of the consolidated assets as at December 31, 2023. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as asking price of the comparable land located within the vicinity and adjustments to asking price based on internal and external factors. Thus, we considered the valuation of land at revalued amounts as a key audit matter.

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

Audit response

We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We evaluated the methodology and assumptions used in the valuation of the land at revalued amounts. We assessed the methodology adopted by referencing common valuation models and inspected the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price. For the land that were not appraised during the year, we referred the fair values to published comparable prices.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

SYCIP GORRES VELAYO & CO.

Julie Christine O. Mateo

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

April 3, 2024

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

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 31 and 32)	**₱1,374,983,407**	₱2,855,467,214
Trade and other receivables (Notes 7, 21, 31 and 32)	**6,275,604,966**	5,862,065,892
Program and other rights (Note 8)	**1,789,577,336**	1,246,572,181
Inventories (Note 9)	**1,164,269,440**	1,469,193,884
Prepaid expenses and other current assets (Note 10)	**1,831,589,912**	2,106,378,864
Total Current Assets	**12,436,025,061**	13,539,678,035
Noncurrent Assets		
Property and equipment:		
At cost (Note 13)	**3,669,998,218**	3,361,149,279
At revalued amounts (Notes 14 and 32)	**8,813,281,439**	6,619,895,148
Program and other rights - net of current portion (Note 8)	**429,707,160**	232,446,242
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 31 and 32)	**349,899,892**	282,614,107
Investments and advances (Notes 12 and 21)	**166,128,767**	175,705,006
Right-of-use assets (Note 28)	**140,666,823**	159,900,385
Investment properties (Notes 15 and 32)	**30,722,673**	32,105,060
Deferred tax assets - net (Note 29)	**–**	128,356,573
Other noncurrent assets (Notes 16, 31 and 32)	**218,082,008**	197,278,059
Total Noncurrent Assets	**13,818,486,980**	11,189,449,859
TOTAL ASSETS	**₱26,254,512,041**	₱24,729,127,894
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 17, 31 and 32)	**₱3,202,679,780**	₱3,084,848,543
Short-term loans (Notes 18, 31 and 32)	**1,527,307,000**	27,125,200
Income tax payable	**257,034,723**	556,448,496
Dividends payable (Notes 20, 31 and 32)	**39,687,211**	30,526,306
Current portion of lease liabilities (Notes 28, 31 and 32)	**43,848,796**	21,155,761
Current portion of obligations for program and other rights (Notes 19, 31 and 32)	**325,503,020**	209,171,643
Total Current Liabilities	**5,396,060,530**	3,929,275,949
Noncurrent Liabilities		
Pension liability (Note 27)	**5,154,803,946**	4,767,249,209
Other long-term employee benefits (Note 27)	**240,752,386**	371,615,932
Lease liabilities - net of current portion (Notes 28, 31 and 32)	**112,790,005**	145,955,243
Dismantling provision (Note 28)	**50,872,484**	49,009,014
Obligations for program and other rights - net of current portion (Notes 19, 31 and 32)	**9,157,895**	–
Deferred tax liabilities - net (Note 29)	**352,227,764**	–
Total Noncurrent Liabilities	**5,920,604,480**	5,333,829,398
Total Liabilities	**11,316,665,010**	9,263,105,347

(Forward)

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

See accompanying Notes to Consolidated Financial Statements.

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

	Years Ended December 31		
	2023	2022	2021
REVENUES (Note 22)	**₱18,637,213,847**	₱21,564,011,070	₱22,450,323,397
PRODUCTION COSTS (Note 23)	**(8,173,434,050)**	(7,482,897,793)	(5,992,645,035)
COST OF SALES (Note 9)	**(297,863,633)**	(302,137,704)	(418,141,643)
GROSS PROFIT	**10,165,916,164**	13,778,975,573	16,039,536,719
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	**(6,120,348,230)**	(6,640,369,182)	(6,144,833,670)
OTHER INCOME (EXPENSE) - NET			
Foreign currency exchange gain (loss) (Note 18)	**(1,203,300)**	39,930,883	(51,861,281)
Interest expense (Notes 18 and 28)	**(131,129,984)**	(25,132,083)	(48,692,493)
Interest income (Note 6)	**34,239,643**	20,547,986	16,235,317
Equity in net losses of a joint venture (Note 12)	**(10,343,259)**	(9,031,836)	(1,045,954)
Others - net (Note 26)	**239,464,833**	154,996,747	137,857,160
	131,027,933	181,311,697	52,492,749
INCOME BEFORE INCOME TAX	**4,176,595,867**	7,319,918,088	9,947,195,798
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)			
Current	**1,096,163,757**	1,989,254,621	2,400,634,670
Deferred	**(81,417,353)**	(125,844,848)	(22,585,153)
	1,014,746,404	1,863,409,773	2,378,049,517
NET INCOME	**3,161,849,463**	5,456,508,315	7,569,146,281
OTHER COMPREHENSIVE INCOME (LOSS) - net of tax			
Items not to be reclassified to profit or loss in subsequent periods:			
Revaluation increment on land (Note 29)	**1,645,039,718**	2,737,718,063	122,178,941
Remeasurement gain (loss) on retirement plans (Note 27)	**19,214,447**	(205,306,815)	575,619,706
Net changes in the fair market value of financial assets at FVOCI (Note 11)	**14,732,056**	(2,353,849)	(70,236,040)
	1,678,986,221	2,530,057,399	627,562,607
TOTAL COMPREHENSIVE INCOME	**₱4,840,835,684**	₱7,986,565,714	₱8,196,708,888
Net income attributable to:			
Equity holders of the Parent Company	**₱3,170,179,282**	₱5,442,339,314	₱7,530,114,246
Non-controlling interests (Note 2)	**(8,329,819)**	14,169,001	39,032,035
	₱3,161,849,463	₱5,456,508,315	₱7,569,146,281
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**₱4,844,128,372**	₱7,972,657,010	₱8,160,335,453
Non-controlling interests (Note 2)	**(3,292,688)**	13,908,704	36,373,435
	₱4,840,835,684	₱7,986,565,714	₱8,196,708,888
Basic / Diluted Earnings Per Share (Note 30)	**₱0.652**	₱1.119	₱1.549

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

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

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plans - net of tax (Note 27)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Treasury Stocks (Note 20)	Underlying Shares of the Acquired Philippine Deposit Receipts (Note 20)	Total	Non-controlling Interests (Note 2)	Total Equity
Balances at January 1, 2022	₱4,864,692,000	₱1,686,556,623	₱1,832,684,129	(₱2,018,678,742)	(₱117,945,532)	₱8,222,610,450	₱–	₱–	₱14,469,918,928	₱101,081,305	₱14,571,000,233
Net income	–	–	–	–	–	5,442,339,314	–	–	5,442,339,314	14,169,001	5,456,508,315
Other comprehensive income (loss)	–	–	2,737,718,063	(205,046,518)	(2,353,849)	–	–	–	2,530,117,696	(260,297)	2,530,057,399
Total comprehensive income (loss) for the year	–	–	2,737,718,063	(205,046,518)	(2,353,849)	5,442,339,314	–	–	7,972,657,010	13,908,704	7,986,565,714
Cash dividends – ₱1.45 a share (Note 20)	–	–	–	–	–	(7,053,803,400)	–	–	(7,053,803,400)	–	(7,053,803,400)
Cash dividends to non-controlling interests (Note 2)	–	–	–	–	–	–	–	–	–	(37,740,000)	(37,740,000)
Balances at December 31, 2022	₱4,864,692,000	₱1,686,556,623	₱4,570,402,192	(₱2,223,725,260)	(₱120,299,381)	₱6,611,146,364	₱–	₱–	₱15,388,772,538	₱77,250,009	₱15,466,022,547
Balances at January 1, 2021	₱4,864,692,000	₱1,659,035,196	₱1,710,505,188	(₱2,596,957,048)	(₱47,709,492)	₱7,253,764,093	(₱28,483,171)	(₱5,790,016)	₱12,809,056,750	₱72,357,870	₱12,881,414,620
Net income	–	–	–	–	–	7,530,114,246	–	–	7,530,114,246	39,032,035	7,569,146,281
Other comprehensive income (loss)	–	–	–	758,694,632	(70,236,040)	–	–	–	688,458,592	(2,658,600)	685,799,992
Change in tax rate	–	–	122,178,941	(180,416,326)	–	–	–	–	(58,237,385)	–	(58,237,385)
Total comprehensive income (loss) for the year	–	–	122,178,941	578,278,306	(70,236,040)	7,530,114,246	–	–	8,160,135,453	36,373,435	8,196,708,888
Contribution to the retirement fund (Notes 20, 21 and 33)	–	27,521,427	–	–	–	–	28,483,171	5,790,016	61,794,614	–	61,794,614
Cash dividends - ₱1.35 a share (Note 20)	–	–	–	–	–	(6,561,267,889)	–	–	(6,561,267,889)	–	(6,561,267,889)
Cash dividends to non-controlling interests (Note 2)	–	–	–	–	–	–	–	–	–	(7,650,000)	(7,650,000)
Balances at December 31, 2021	₱4,864,692,000	₱1,686,556,623	₱1,832,684,129	(₱2,018,678,742)	(₱117,945,532)	₱8,222,610,450	₱–	₱–	₱14,469,918,928	₱101,081,305	₱14,571,000,233

See accompanying Notes to Consolidated Financial Statements.

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

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

(Forward)

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

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The summarized financial information of RGMA Network are provided below.

Summarized Statements of Comprehensive Income

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

Summarized Statements of Financial Position

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

Summarized Cash Flows Information

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

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

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

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

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

**Under liquidation*
***Indirectly owned through Citynet*
****Ceased operations in 2023*
*****Indirectly owned through GNMI, ceased commercial operations in 2022*
******Indirectly owned through GNMI; ceased commercial operations in 2020*
*******Indirectly owned through Alta; ceased commercial operations in 2004*

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

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

  The amendments to the Practice Statement provide non-mandatory guidance. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

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

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

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

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2024

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

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments do not have impact on the Group's consolidated financial statements since the Group has no long-term borrowings but may have an impact in future long-term borrowings.

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

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

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

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

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

3. Summary of Material Accounting Policy Information

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

An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

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

All other liabilities are classified as noncurrent.

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

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

Cash and Cash Equivalents

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

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

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

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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

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

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

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

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

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

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

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

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

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

The Group's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and refundable deposits (included under "Other noncurrent assets" account in the consolidated statement of financial position) as at December 31, 2023 and 2022 (see Notes 6, 7, 16 and 31).

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

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

The Group elected to classify irrevocably under this category its listed and non-listed equity instruments and investment in quoted club shares as at December 31, 2023 and 2022 (see Notes 11 and 31).

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

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

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

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

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

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

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

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

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

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

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

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

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

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

Derecognition of Financial Liabilities

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

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Investments in an Associate and Joint Ventures

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

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

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

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

Equity

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

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

Treasury Stocks and Underlying Shares of the Acquired Philippine Deposit Receipts (PDRs)

The Parent Company's own reacquired equity instruments, if any, are deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

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

Revenue Recognition

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

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

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

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

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

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

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

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

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

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

Revenue from Distribution and Content Provisioning. Revenue is recognized upon delivery of the licensed content to customers.

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

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

b. Revenue Recognition Outside the Scope of PFRS 15

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

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

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

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

Contract Balances

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>Leases</u>

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

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

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

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

  Right-of-use assets are subject to impairment.

- *Lease Liabilities.* At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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

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

Foreign Currency-denominated Transactions

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

Taxes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Earnings Per Share (EPS)

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

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

Segment Reporting

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

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

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

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

4. Significant Accounting Judgments, Estimates and Assumptions

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

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

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

Assessment of Significant Influence over the Investee. The Parent Company holds 25% ownership interest in Optima Digital, Inc. as at December 31, 2023 and 2022. Even with more than 20% voting rights, management assessed that the Parent Company does not have the power to participate in the policy-making processes, including decisions to affect its returns in the form of dividends. Further, the Parent Company does not have the ability to participate in the financial and operational policies decision-making of the investee to affect its relevant activities as the Group has only one (1) board seat out of the total five (5) board seats. The investment is presented as a financial asset at FVOCI amounting to ₱0.56 million and ₱0.66 million as at December 31, 2023 and 2022, respectively.

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

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group did not include the renewal period as part of the lease term for its leases as these are subject to mutual agreement and are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term because they are reasonably certain not to be exercised.

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

Total rental income amounted to ₱7.73 million, ₱5.65 million, and ₱6.19 million in 2023, 2022 and 2021, respectively (see Note 26).

Estimates and Assumptions

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

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

The Group's lease liabilities amounted to ₱156.64 million and ₱167.11 million as at December 31, 2023 and 2022, respectively (see Note 28).

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

- Simplified approach for trade receivables

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

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

- Definition of default for trade receivables

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

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

- Grouping of instruments for losses measured on collective basis

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

- Incorporation of forward-looking information

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

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

  The Group identifies and documents key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

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

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

Provision for ECL amounted to ₱4.74 million, ₱1.46 million and ₱142.58 million in 2023, 2022 and 2021, respectively (see Notes 7 and 24). The allowance for ECL amounted to ₱913.40 million and ₱908.67 million as at December 31, 2023 and 2022, respectively. The carrying amounts of trade and other receivables amounted to ₱6,275.60 million and ₱5,862.07 million as at December 31, 2023 and 2022, respectively (see Note 7).

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

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

Program and other rights usage amounted to ₱1,191.48 million, ₱868.74 million and ₱1,007.35 million in 2023, 2022 and 2021, respectively (see Notes 8 and 23). Program and other rights, net of accumulated impairment in value of ₱2.70 million, amounted to ₱2,219.28 million and ₱1,479.02 million as at December 31, 2023 and 2022, respectively (see Note 8).

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

The carrying value of merchandise inventory and materials and supplies inventory in the consolidated statement of financial position amounted to ₱1,164.27 million and ₱1,469.19 million as at December 31, 2023 and 2022, respectively (see Note 9). There were no provisions for inventory losses in 2023, 2022 and 2021.

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

There has been no change in the Group's estimate of useful lives of its property and equipment, software costs and investment properties in 2023 and 2022.

Total depreciation and amortization expense for the years ended December 31, 2023, 2022 and 2021, amounted to ₱861.48 million, ₱757.60 million and ₱657.48 million, respectively (see Notes 13, 15, 16, 23 and 24).

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

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

In 2023 and 2022, the Group assessed those certain parcels of land at revalued amounts, comprising majority of the balance of the account, have significant movements in its current carrying values and obtained updated appraisals as at December 31, 2023 and 2022. For the land that were not appraised, the Group referred to the published comparable prices for the fair values. Total additional revaluation increment, net of tax, recognized in 2023 and 2022 amounted to ₱1,645.04 million and ₱2,737.72 million, respectively.

In 2021, there was no additional revaluation increment on land due to insignificant movements in the fair value of the land. The revalued amount of land, which is classified under "Property and equipment" account in the statements of financial position, amounted to ₱8,813.28 million and ₱6,619.90 million as at December 31, 2023 and 2022, respectively (see Notes 14 and 32).

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

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

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

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

As at December 31, 2023 and 2022, the Group did not identify any indicator of impairment on its nonfinancial assets, hence, no impairment tests were carried out.

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

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

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

Recognized deferred tax assets amounted to ₱1,756.13 million and ₱1,709.36 million as at December 31, 2023 and 2022, respectively, while unrecognized deferred tax assets amounted to ₱12.28 million and ₱6.07 million as at December 31, 2023 and 2022, respectively (see Note 29).

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

Pension liability amounted to ₱5,154.80 million and ₱4,767.25 million as at December 31, 2023 and 2022, respectively (see Note 27).

Determination of Fair Value of Financial Assets at FVOCI. Financial assets at FVOCI are carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. When the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The fair value of financial assets at FVOCI are enumerated in Note 32.

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

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

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

5. Segment Information

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

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

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

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

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

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

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

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

Measurement Basis

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

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

6. Cash and Cash Equivalents

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

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

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

7. Trade and Other Receivables

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

Trade Receivables

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

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

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

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

Nontrade Receivables

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

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

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

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

8. Program and Other Rights

Details and movement in this account are as follows:

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

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

9. Inventories

This account consists of the following:

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

The following are the details of merchandise inventory account:

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

Merchandise inventory consists mainly of set-top boxes, digital TV mobile receiver and other merchandises for sale by the Group. In 2020, the Group launched the GMA Affordabox, a digital box which allows users to receive clear pictures and sounds in their television sets through digital transmission. Cost of sales related to digital boxes amounted to ₱297.86 million, ₱302.14 million and ₱418.14 million in 2023, 2022 and 2021, respectively.

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

10. Prepaid Expenses and Other Current Assets

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

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

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

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

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

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

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

11. Financial Assets at Fair Value Through Other Comprehensive Income

This account consists of the following:

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

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

The movement of financial assets at FVOCI are as follows:

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

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

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

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

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

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

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

Of the ₱50.00 million airtime credits, ₱22.00 million has not been implemented at the date of exchange and therefore was recognized by the Group as unearned revenue presented as "Contract liabilities", included as part of "Trade payables and other current liabilities" in 2023 and 2022 (see Note 17).

12. Investments and Advances

The following are the details of this account:

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

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

	2023	2022
Acquisition cost -		
Balance at beginning and end of year	**₱131,722,056**	₱131,722,056
Accumulated equity in net losses:		
Balance at beginning of year	**(57,817,272)**	(48,785,436)
Equity in net losses during the year	**(10,343,259)**	(9,031,836)
Balance at end of year	**(68,160,531)**	(57,817,272)
	₱63,561,525	₱73,904,784

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

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

The ownership interests in joint ventures and an associate, which were all incorporated in the Philippines, and are accounted for under the equity method, as at December 31, 2023 and 2022 follows:

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

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

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

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

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

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

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

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

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

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

Gamespan has not started its commercial operations since its establishment. In 2014, the Group and MJC agreed to terminate its shareholder's agreement and to close Gamespan. As at December 31, 2023 and 2022, the joint venture is not yet operating since they have a pending registration with the Bureau of Internal Revenue (BIR). However, Gamespan is taking actions to amend their GIS and reactivate their doormant bank accounts. Since Gamespan has yet to start its operations, the Group did not recognize any share in net earnings in 2023, 2022 and 2021.

INQ7
Losses of INQ7 recognized under the equity method in excess of the Group's carrying value of investment were applied against its advances to the Parent Company thereby reducing both advances and investments to zero as at December 31, 2023 and 2022. INQ7 ceased operations in 2007. In 2013, INQ7 submitted a request to liquidate its assets to SEC. The liquidation is still ongoing as at December 31, 2023.

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

13. Property and Equipment

This account consists of the following:

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

	2022						
	Land, buildings, towers and improvements	Antenna and transmitter systems and broadcast equipment	Communication and mechanical equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in progress and equipment for installation	Total
Cost							
At January 1, 2022	₱3,127,301,539	₱7,934,286,179	₱1,596,296,384	₱660,566,915	₱171,513,060	₱482,634,909	₱13,972,598,986
Additions	32,253,953	284,043,388	133,575,795	100,735,360	3,618,312	495,372,919	1,049,599,727
Disposals	(11,413,997)	(25,941,714)	(2,675,996)	(60,761,897)	(548,730)	–	(101,342,334)
Reclassifications (see Note 16)	164,663,301	275,515,287	57,685,043	–	–	(499,393,834)	(1,530,203)
At December 31, 2022	3,312,804,796	8,467,903,140	1,784,881,226	700,540,378	174,582,642	478,613,994	14,919,326,176
Accumulated Depreciation							
At January 1, 2022	2,501,423,300	6,452,783,289	1,371,279,188	499,899,395	161,710,262	–	10,987,095,434
Depreciation (see Notes 23 and 24)	95,431,592	372,655,918	125,212,908	68,319,739	4,414,851	–	666,035,008
Disposals	(11,080,250)	(25,156,862)	(2,675,996)	(55,630,481)	(409,956)	–	(94,953,545)
At December 31, 2022	2,585,774,642	6,800,282,345	1,493,816,100	512,588,653	165,715,157	–	11,558,176,897
Net Book Value	₱727,030,154	₱1,667,620,795	₱291,065,126	₱187,951,725	₱8,867,485	₱478,613,994	₱3,361,149,279

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

The reclassification relates to the software that were transferred to other noncurrent assets amounting to nil and ₱1.53 million in 2023 and 2022, respectively.

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

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

As at December 31, 2023 and 2022, no property and equipment have been pledged as collateral or security for any of the Group's liabilities.

14. Land at Revalued Amounts

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

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

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

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

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

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

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

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

As at December 31, 2023 and 2022, no land has been pledged as collateral or security for any of the Group's liabilities and the Group has no restrictions on the realizability of its land and no contractual obligation to purchase, construct or develop land or for repairs, maintenance and enhancements.

15. Investment Properties

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

	2022		
	Land and Improvements	Buildings and Improvements	Total
Cost:			
Balance at beginning and end of year	₱23,761,823	₱72,276,684	₱96,038,507
Accumulated depreciation:			
Balance at beginning of year	–	58,698,419	58,698,419
Depreciation during the year (see Note 24)	–	1,382,387	1,382,387
Balance at end of year	–	60,080,806	60,080,806
Accumulated impairment:			
Balance at beginning and end of year	–	3,852,641	3,852,641
	₱23,761,823	₱8,343,237	₱32,105,060

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

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

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

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

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

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

As at December 31, 2023 and 2022, no investment properties have been pledged as collateral or security for any of the Group's liabilities and the Group has no restriction on the realizability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

16. Other Noncurrent Assets

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

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

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

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

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

(Forward)

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

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

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

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

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

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

17. Trade Payables and Other Current Liabilities

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

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

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

Contract liabilities pertain to payments received before broadcast and before delivery of goods and services amounting to ₱179.89 million and ₱369.73 million as at December 31, 2023 and 2022, respectively. These are recognized as revenue when the Group performs the obligation under the contract. The total beginning balance of contract liabilities in 2023 amounting to ₱369.73 million was recognized as revenue for the year ended December 31, 2023. This account also includes contract liabilities of ₱22.00 million from airtime credits that have not been implemented resulting from the exchange of the Group's interests in X-Play in 2015 (see Note 11).

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

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

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

18. Short-term Loans

The Group obtained unsecured short-term peso and US dollar-denominated loans from local banks in 2023 and 2022. Details and movements of the short-term loans are as follows:

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

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

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

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

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

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

19. Obligations for Program and Other Rights

Obligations for program and other rights represent liabilities to foreign and local film suppliers for program and other rights purchased by the Group. Outstanding unpaid balance as at December 31, 2023 and 2022 are as follows:

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

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

20. Equity

a. Capital Stock

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

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

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

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

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

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

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

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

On October 4, 2021, the Parent Company's BOD approved to contribute its treasury common and preferred shares and PDRs to the Group's retirement plan. The contribution of the 3,645,000 treasury common shares and 492,816 treasury preferred shares was executed on December 31, 2021 at a transaction price of ₱13.90 per share and ₱2.77 per share, respectively. As the preferred shares are unlisted, the transaction price was based on the market price of the Parent Company's listed common shares on the transaction date, with the value of the treasury preferred shares computed based on the ratio of 1:5 preferred shares to common shares. The contribution of the 750,000 PDRs was executed on December 20, 2021 at a transaction price of ₱13.02 per share, which resulted to additional paid-in capital amounted to ₱27.52 million.

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

b. Retained Earnings

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

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

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

The balance of retained earnings includes Parent Company's accumulated equity in net earnings of subsidiaries and associates which are not currently available for dividend declaration until declared by the respective subsidiaries and associates amounting to ₱219.17 million and ₱84.18 million as at December 31, 2023 and 2022, respectively.

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

21. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

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

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For years ended December 31, 2023 and 2022, the Group has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

The transactions and balances of accounts as at and for the years ended December 31, 2023 and 2022 with related parties are as follows:

Account Name and Category	Related Party	Year	Amount/ Volume of Transactions	Receivables (Payables)	Terms	Conditions
Advances (see Note 12)	**Associate:**					
	Mont-Aire	**2023**	**₱821,084**	**₱100,439,293**	Noninterest-	Unsecured;
		2022	86,481	99,618,209	bearing	not impaired
	Joint ventures:					
	Gamespan	**2023**	–	**1,959,670**	Noninterest-	Unsecured;
		2022	–	1,959,670	bearing	not impaired
	PEP	**2023**	–	**168,279**	Noninterest-	Unsecured;
		2022	–	222,343	bearing	not impaired
	INQ7	**2023**	–	**11,544,000**	Noninterest-	Unsecured;
		2022	–	11,544,000	bearing	fully impaired
	Total	**2023**	**₱821,084**	**₱114,111,242**		
		2022	₱86,481	₱113,344,222		

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

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

Compensation of Key Management Personnel

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

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

Equity Investments of the Retirement Fund

The Group's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱555.39 million and ₱6.23 in 2023, respectively, and ₱757.31 million and ₱7.95 million in 2022, respectively (see Note 27).

22. Revenues

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

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

23. Production Costs

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

24. General and Administrative Expenses

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

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

Depreciation

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

25. Personnel Costs

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

The above amounts were distributed as follows:

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

26. Others - Net

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

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

Others includes reversal of provision for accounts written-off on Trade Receivables (see Note 7).

27. Pension and Other Employee Benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The plan assets consist of the following:

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

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

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

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

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

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

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

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

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

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

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

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

	2023	2022
Less than one year	**₱1,321,599,735**	₱718,887,410
More than 1 but less than 5 years	**1,852,913,199**	14,145,502,437
More than 5 years but less than 10 years	**4,067,586,456**	7,843,916,762

Other Long-Term Employee Benefits
Other long-term employee benefits consist of accumulated and unexpired employee sick and vacation leave entitlements. Noncurrent portion of other employee benefits amounted to ₱240.75 million and ₱371.62 million as at December 31, 2023 and 2022, respectively, while current portion of other employee benefits recorded in "Accrued payroll and talent fees" included under "Trade and other current liabilities" account amounted to ₱12.76 million and ₱5.73 million as at December 31, 2023 and 2022, respectively (see Note 17).

28. Agreements

Lease Agreements

Group as a Lessee

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

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

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

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

	2022		
	Right-of-use: Land	Right-of-use: Buildings, studio and office spaces	Right-of-use: Total
Cost			
Balance at beginning of year	₱120,680,584	₱83,347,302	₱204,027,886
Additions	68,260,130	8,732,592	76,992,722
Termination	–	(10,926,996)	(10,926,996)
Balance at the end of year	188,940,714	81,152,898	270,093,612
Accumulated Depreciation			
Balance at beginning of year	41,652,745	38,451,355	80,104,100
Depreciation (see Note 24)	19,036,104	12,878,471	31,914,575
Termination	–	(1,825,448)	(1,825,448)
Balance at the end of year	60,688,849	49,504,378	110,193,227
Net Book Value	₱128,251,865	₱31,648,520	₱159,900,385

The rollforward analysis of lease liabilities follows:

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

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

The rollforward analysis of dismantling provision follows:

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

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

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

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

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

Total rental expense on short-term leases amounted to ₱813.19 million, ₱547.20 million and ₱365.81 million in 2023, 2022 and 2021, respectively (see Notes 23 and 24).

Group as Lessor. The Group leases out certain properties for a period of one year, renewable annually. The leased-out properties include investment properties, and broadcasting equipment. Total rental income amounted to ₱7.73 million, ₱5.65 million and ₱6.19 million in 2023, 2022 and 2021, respectively (see Note 26).

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

Total subscription revenue amounted to ₱728.40 million, ₱774.87 million and ₱786.47 million in 2023, 2022 and 2021, respectively (see Note 22).

Purchase Agreement for Set-top Boxes
In 2023, 2022 and 2021, the Parent Company entered into several contracts with Ablee Electronic Company Limited for the supply of set-top boxes with complete accessories. Total purchases amounted to nil, ₱644.34 million and ₱1,377.00 million in 2023, 2022 and 2021, respectively.

29. Income Taxes

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

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

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

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

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

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

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

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

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

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

The unrecognized deferred tax assets from the above deductible temporary differences amounted to ₱12.28 million and ₱6.07 million as at December 31, 2023 and 2022, respectively.

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

As at December 31, 2023, the Group's MCIT is as follows:

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

The movements of MCIT is as follows:

	2023	2022
Balance at beginning of year	**₱445,738**	₱82,122
Additions	**–**	392,491
Expirations	**(50,577)**	(28,875)
Applications	**(382,401)**	–
	₱12,760	₱445,738

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

As at December 31, 2023, the Group has incurred NOLCO after taxable year 2021 and 2020, which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

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

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

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

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

Former President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Reduction in the RCIT rate from 30% to 20% for entities with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding the value of land on which the business entity's office, plant and equipment are situated);
- Reduction in the RCIT from 30% to 25% for all other corporations;
- Reduction in the MCIT rate from 2% to 1% of gross income for 3 years or until June 30, 2023; and
- Repeal of the imposition of 10% improperly accumulated earnings tax (IAET).

Applying the provisions of the CREATE Act, the Group has been subjected to the lower RCIT rate of 25% of taxable income or the reduced MCIT rate of 1% of gross income, effective July 1, 2020.

The Group recognized in its consolidated financial statements as at and for the year ended December 31, 2021, a reduction in Provision for income tax (current and deferred), Deferred tax on comprehensive income directly charged to Equity and Deferred tax assets - net amounting to ₱223.2 million, ₱58.2 million, and ₱109.9 million, respectively, pertaining to the change in tax rate for the year ended December 31, 2020. This includes the effect on the revaluation increment on land amounting to ₱122.2 million recognized in the statement of comprehensive income in 2021.

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

30. EPS Computation

The computation of basic and diluted EPS follows:

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

31. Financial Risk Management Objectives and Policies

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

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

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

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

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

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

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

	2022				
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	Total
Financial assets at amortized cost:					
Cash and cash equivalents	₱2,170,723,381	₱684,743,833	₱–	₱–	₱2,855,467,214
Trade receivables:					
Television and radio airtime	2,794,702,040	2,688,876,934	–	–	5,483,578,974
Subscriptions	23,464,258	179,101,057	–	–	202,565,315
Others	26,261,063	90,809,774	–	–	117,070,837
Nontrade receivables:					
Advances to officers and employees	1,831,678	1,864,612	–	–	3,696,290
Others	29,292,643	16,828,845	–	–	46,121,488
Refundable deposits*	–	–	–	26,501,499	26,501,499
Financial assets at FVOCI	–	–	–	282,614,107	282,614,107
	5,046,275,063	3,662,225,055	–	309,115,606	9,017,615,724
Loans and borrowings:					
Trade payables and other current liabilities**	133,560,646	1,247,487,387	38,660,959	–	1,419,708,992
Short-term loans***	–	3,260,000	23,865,200	–	27,125,200
Obligations for program and other rights	–	137,630,803	71,540,840	–	209,171,643
Lease liabilities***	–	6,074,285	20,546,481	194,923,503	221,544,269
Dividends payable	30,526,306	–	–	–	30,526,306
	164,086,952	1,394,452,475	154,613,480	194,923,503	1,908,076,410
Liquidity Portion (Gap)	₱4,882,188,111	₱2,267,772,580	(₱154,613,480)	₱114,192,103	₱7,109,539,314

**Included under "Other noncurrent assets" account in the consolidated statement of financial position (see Note 16).*
***Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,242.81 million, ₱369.73 million and ₱52.60 million, respectively (see Note 17).*
****Gross contractual payments.*

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

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

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

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

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

	Appreciation/ (Depreciation) of Peso	USD	CAD	SGD	AUD	AED	EUR	GBP	Total
2023	**0.50**	**₱7,577,119**	**₱447,760**	**₱144,766**	**₱10,364**	**₱22,541**	**₱570,853**	**₱1,235**	**₱8,774,638**
	(0.50)	**(7,577,119)**	**(447,760)**	**(144,766)**	**(10,364)**	**(22,541)**	**(570,853)**	**(1,235)**	**(₱8,774,638)**
2022	0.50	₱6,154,529	₱322,589	₱100,480	₱11,474	₱22,322	₱39,451	₱–	₱6,650,845
	(0.50)	(6,154,529)	(322,589)	(100,480)	(11,474)	(22,322)	(39,451)	–	(6,650,845)

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

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

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

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

**Excluding cash on hand amounting to ₱202.22 million and ₱437.10 million as at December 31, 2023 and 2022, respectively.*
***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 16).*

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

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

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

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

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

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

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

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

2022				
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial assets at amortized cost				
Cash and cash equivalents*	₱2,398,015,725	₱–	₱–	₱2,398,015,725
Nontrade receivables:				
Advances to officers and employees	1,831,678	–	–	1,831,678
Others	29,292,643	–	–	29,292,643
Refundable deposits**	26,501,499	–	–	26,501,499
	₱2,455,641,545	₱–	₱–	₱2,455,641,545

Excluding cash on hand amounting to ₱437.10 million as at December 31, 2022.
***** Included under "Other noncurrent assets" account in the consolidated company statement of financial position.***

Credit Quality of Trade Receivables

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

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

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

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

Capital Management

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

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

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

No changes were made in the objectives, policies or processes for each of the three years ended December 31, 2023, 2022 and 2021.

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

32. Fair Value Measurement

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

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

	2022			
		Fair Value		
	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Assets Measured at Fair Value				
Land at revalued amount	₱6,619,895,148	₱–	₱–	₱6,619,895,148
Financial assets at FVOCI	282,614,107	–	12,186,842	270,427,265
Assets for which Fair Values are Disclosed				
Investment properties	32,105,060	–	–	203,902,548
	₱6,934,614,315	₱–	₱12,186,842	₱7,094,224,961

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

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

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

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

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

Fair Value Determination

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

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

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

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

Financial assets at FVOCI

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

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

33. Supplemental Cash Flow Information

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

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

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

	January 1, 2022	Additions	Payments	Others*	December 31, 2022
Short-term loans	₱739,485,500	₱1,027,125,200	(₱1,685,850,000)	(₱53,635,500)	₱27,125,200
Lease liabilities	119,385,902	–	(28,506,823)	86,283,167	177,162,246
Dividends payable	39,589,204	–	(7,100,606,298)	7,091,543,400	30,526,306
Accrued interest expense**	511,796	–	(12,418,277)	11,906,481	–
Total liabilities from financing activities	₱898,972,402	₱1,027,125,200	(₱8,827,381,398)	₱7,136,097,548	₱234,813,752

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

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

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

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 3, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Julie Christine O. Mateo

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

April 3, 2024

GMA NETWORK, INC. AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2023

Annex 68 - J

A. Financial Assets	Attached
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	Not applicable
C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	Attached
D. Long-term Debt	Not applicable
E. Indebtedness to Related Parties (Long-term Loans from Related Companies)	Not applicable
F. Guarantees of Securities of Other Issuers	Not applicable
G. Capital Stock	Attached

Additional Components

i) Reconciliation of Retained Earnings Available for Dividend Declaration	Attached
ii) Map of Relationships of the Companies within the Group	Attached

GMA NETWORK, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
DECEMBER 31, 2023

Schedule A. Financial Assets

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotation at end of Reporting Period	Income Received and Accrued
Cash and cash equivalents				
Cash on hand	₱–	₱202,218,699	₱–	₱–
Cash in banks	–	895,530,255	–	2,456,982
Peso Placements:				
Abacus Capital & Investment Corporation	–	51,328,125	–	9,374,115
Amalgamated Investment Bancorporation	–	8,488,070	–	396,319
Banco De Oro		–	–	355,556
Bank of Commerce		6,685,726	–	–
Bank of the Philippine Islands	–	–	–	4,256,991
Charter Ping An	–	6,224,872	–	25,218
CTBC Bank	–	5,586,259	–	968,508
Land Bank of the Philippines	–	22,300,380	–	786,779
Malayan Bank	–	12,992,295	–	4,377,286
Metrobank	–	152,461,582	–	6,524,296
Philippine Business Bank	–	–	–	–
Philippine Bank of Communications	–	–	–	104,677
Philippine National Bank	–	–	–	–
Unicapital, Inc.	–	–	–	452,200
United Coconut Planters Bank	–	–	–	–
Union Bank of the Philippines	–	11,167,144	–	4,160,716
Total Placements	–	277,234,453		31,782,661
	₱–	₱1,374,983,407	₱–	₱34,239,643
Financial Assets at Fair Value Through Other Comprehensive Income				
IP E Games Ventures, Inc.	13,000,000,000	₱18,625,941	₱–	₱–
TNB Aura	400,000	65,632,963	–	–
PX Ventures Pte. Ltd.	1,443,468	120,605,500	–	–
Wavemaker Three-Sixty Health II-A, L.P.	–	24,552,788	–	–
Cloudeats	12,550,000	12,550,000	–	–
Unicapital, Inc.	778,504	65,052,239	–	–
Mabuhay Philippine Satellite	405,666	235,338	–	–
PCX Singapore Pte Ltd.	13,711,750	13,711,750		
Optima Digital, Inc.	–	558,606	–	–
Ayala Alabang Country Club - A	1	12,000,000	12,000,000	–
Baguio Country Club	1	6,000,000	6,000,000	–
Metropolitan Club (Metroclub) A	7	2,050,000	2,050,000	–
Manila Southwoods A	1	7,000,000	7,000,000	–
Camp John Hay Golf Club	1	300,000	300,000	–
Reefpoint Picture	–	216,925	–	–
Royale Tagaytay	3	720,000	720,000	–
Fortune Island Resort	1	86,842	86,842	–
Others	–	1,000	–	–
		₱349,899,892	₱28,156,842	₱–

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023

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

Not Applicable: The Group has no amounts receivable from directors, officers, employees, related parties and principal stockholders as at December 31, 2023 other than those for purchases subject to usual terms, for ordinary travel and expense advances, and for other such items arising in the ordinary course of business.

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2023

Alta Productions Company, Inc. (Alta)

			Deductions				
Account	January 1, 2023	Additions	Amount Collected	Amount written off/ Reclassified	Current	Noncurrent	December 31, 2023
Receivables – Non-Trade	₱186,874	₱–	(₱186,874)	₱–	₱–	₱–	₱–
Payables – Trade	(12,582,027)	(₱105,410,352)	114,672,892	–	(₱3,319,487)	–	(₱3,319,487)
Payables – Non-Trade	–	(21,536)	–	–	(21,536)	–	(21,536)
Total	**(₱12,395,153)**	**(₱105,431,888)**	**₱114,486,018**	**₱–**	**₱3,341,023**	**₱–**	**₱3,341,023**

Citynet Network Marketing and Productions, Inc. (Citynet)

			Deductions				
Account	January 1, 2023	Additions	Amount Collected	Amount written off/ Reclassified	Current	Noncurrent	December 31, 2023
Advances to Citynet	**₱118,934,402**	**₱–**	**₱–**	**₱–**	**₱–**	**₱118,934,402**	**₱118,934,402**

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2023

GMA Marketing and Productions, Inc. (GMPI)

Account	January 1, 2023	Additions	Deductions		Current	Noncurrent	December 31, 2023
			Amount Collected	Amount written off/ Reclassified			
Receivables - Non-Trade	₱34,361	₱–	₱–	₱–	₱–	₱34,361	₱34,361
Payables - Trade	(106,549,948)	–	96,836,866	–	–	(9,713,082)	(9,713,082)
Payables - Nontrade	(33,200)	–	–	–	–	(33,200)	(33,200)
Total	**(₱106,548,787)**	**₱–**	**₱96,836,866**	**₱–**	**₱–**	**(₱9,711,921)**	**(₱9,711,921)**

GMA New Media, Inc. (GNMI)

Account	January 1, 2023	Additions	Deductions		Current	Noncurrent	December 31, 2023
			Amount Collected	Amount written off/ Reclassified			
Receivables - NonTrade	₱65,152	₱2,442,148	₱–	₱–	₱2,442,148	₱65,152	₱2,507,300
Receivables - Trade	139,382,923	413,949,877	(458,250,343)	17,867,043	(26,433,423)	139,382,923	112,949,500
Payables - Trade	(136,547,967)	(157,105,410)	224,305,217	–	67,199,807	(136,547,967)	(69,348,160)
Total	**₱2,900,108**	**₱259,286,615**	**₱233,945,126**	**₱17,867,043**	**₱43,208,532**	**₱2,900,108**	**₱46,108,640**

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2023

GMA Worldwide (Philippines), Inc. (GWI)

Account	January 1, 2023	Additions	Deductions: Amount Collected	Deductions: Amount written off/ Reclassified	Current	Noncurrent	December 31, 2023
Receivables - Non-Trade	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Payables - Trade	(3,925,824)	–	–	–	–	(3,925,824)	(3,925,824)
Total	**(₱3,925,824)**	**₱–**	**₱–**	**₱–**	**₱–**	**(₱3,925,824)**	**(₱3,925,824)**

RGMA Marketing & Productions, Inc. (GMA Records)

Account	January 1, 2023	Additions	Deductions: Amount Collected	Deductions: Amount written off/ Reclassified	Current	Noncurrent	December 31, 2023
Advances to GMA Records	₱1,268,033	₱–	₱–	(₱1,268,033)	₱–	₱–	₱–
Receivables - Trade	16,582,914	14,820,400	(29,454,000)	1,987,200	(12,646,400)	16,582,914	3,936,514
Receivables - Nontrade	6,090,258	312,523	(8,451,109)	2,191,737	(5,946,849)	6,090,258	143,409
Payables - Trade	(1,335,306)	(1,899,296)	3,219,296	(998,487)	321,513	(1,335,306)	(1,013,793)
Total	**₱22,605,899**	**₱13,233,627**	**(₱34,685,813)**	**₱1,912,417**	**(₱18,271,736)**	**(₱21,337,866)**	**₱3,066,130**

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2023

Scenarios, Inc. (Scenarios)

			Deductions				
Account	January 1, 2023	Additions	Amount Collected	Amount written off/ Reclassified	Current	Noncurrent	December 31, 2023
Advances to Scenarios	₱1,014,090	₱–	₱–	₱–	₱–	₱1,014,090	₱1,014,090
Receivables – Trade	5,508,645	–	–	(1,500)	–	5,507,145	5,507,145
Payables – Nontrade	(435,000)	–	–	–	–	(435,000)	(435,000)
Total	**₱6,087,735**	**₱–**	**₱–**	**(₱1,500)**	**₱–**	**₱6,086,235**	**₱6,086,235**

Script2010, Inc. (Script2010)

			Deductions				
Account	January 1, 2023	Additions	Amount Collected	Amount written off/ Reclassified	Current	Noncurrent	December 31, 2023
Receivables - Nontrade	₱26,190,705	₱1,435,421	₱–	₱–	₱1,435,421	₱26,190,705	₱27,626,126
Payables - Trade	(31,943,752)	(132,153,651)	122,596,133	–	(9,557,518)	(31,943,752)	(41,501,270)
Payables - Nontrade	(1,878,486)	–	–	–	–	(1,878,486)	(1,878,486)
Total	**(₱7,631,533)**	**(₱130,718,230)**	**₱122,596,133**	**₱–**	**(₱8,122,097)**	**(₱7,631,533)**	**(₱15,753,630)**

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements (cont.)
December 31, 2023

Media Merge Corporation (MM)

			Deductions				
Account	January 1, 2023	Additions	Amount Collected	Amount written off/ Reclassified	Current	Noncurrent	December 31, 2023
Receivables - Trade	₱1,296,876	₱–	(₱1,296,876)	₱–	₱–	₱–	₱–
Payables - Trade	(3,198,847)	–	3,198,847	–	–	–	–
Total	**(₱1,901,971)**	**₱–**	**₱1,901,971**	**₱–**	**₱–**	**₱–**	**₱–**

RGMA Network, Inc. (RGMA Network)

			Deductions				
Account	January 1, 2023	Additions	Amount Collected	Amount written off/ Reclassified	Current	Noncurrent	December 31, 2023
Receivables - Nontrade	₱300,485	₱167,602	₱–	₱–	₱167,602	₱300,485	₱468,087
Payables - Trade	(35,919,562)		35,919,562	–	35,919,562	(35,919,562)	–
Total	**(₱35,619,077)**	**₱167,602**	**₱35,919,562**	**₱–**	**₱36,087,164**	**(₱35,619,077)**	**₱468,087**

Schedule D. Long-Term Debt
December 31, 2023

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-term debt" in related balance sheet
Not Applicable: The Group has no long-term debt as at December 31, 2023.			

Schedule E. Indebtedness to Related Parties (Long-Terms from Related Companies)
December 31, 2023

Name	Balance, January 1, 2023	Balance, December 31, 2023
Not Applicable: The Group has no noncurrent indebtedness to a related party as at December 31, 2023.		

Schedule F. Guarantees of Securities of Other Issuers
December 31, 2023

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which the Statement is Filed	Nature of Guarantee
Not Applicable: The Group has no guarantees of securities of other issuers as at December 31, 2023.				

Schedule G. Capital Stock
December 31, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statements of financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common	5,000,000,000	3,364,692,000	N/A	2,843,293,582	9,957,156	511,441,262
Preferred	7,500,000,000	7,500,000,000	N/A	7,489,630,392	27,294	10,342,314

GMA NETWORK, INC.

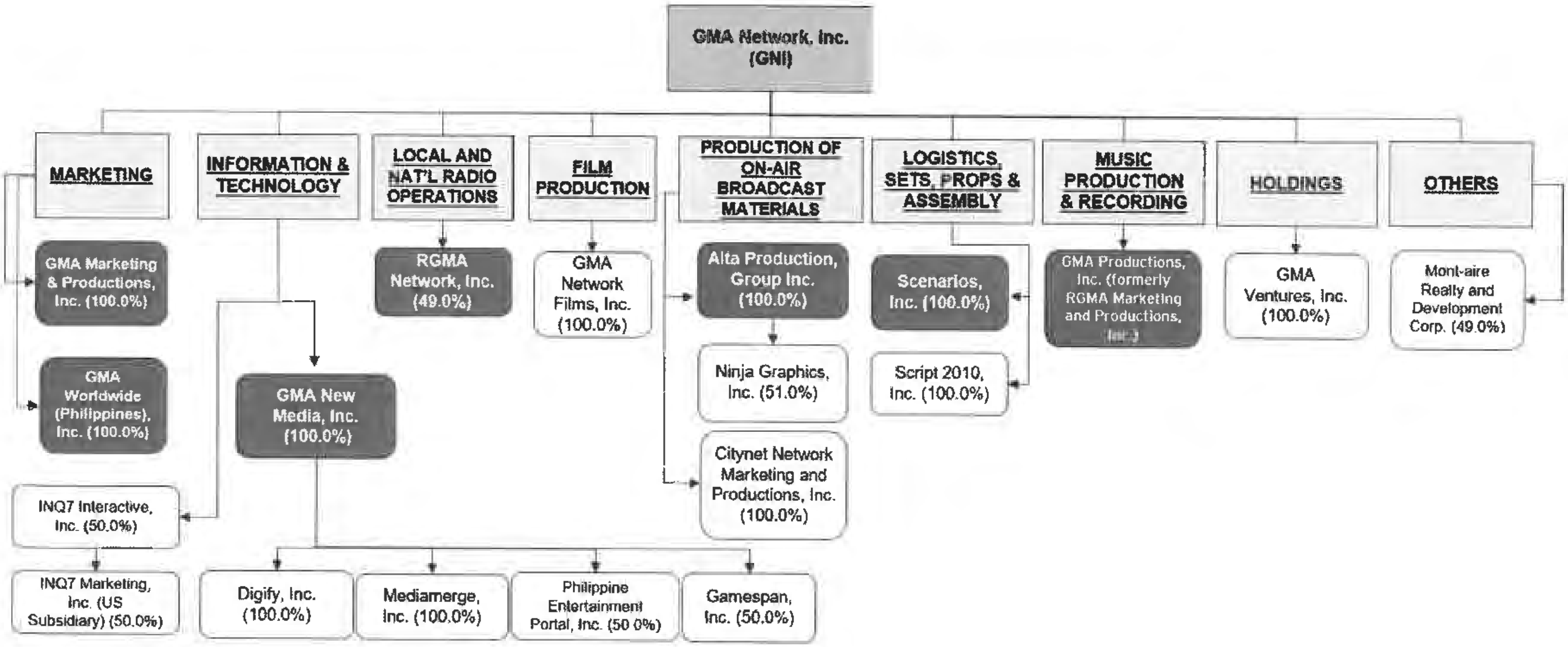
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE YEAR ENDED DECEMBER 31, 2023

The table below presents the retained earnings available for dividend declaration as at December 31, 2023:

Unappropriated retained earnings as at December 31, 2022		₱6,526,961,716
Deferred tax assets, charged to profit or loss (net of deferred tax liabilities on right-of-use assets)		(811,856,769)
Unappropriated retained earnings, as at December 31, 2022, as adjusted		5,715,104,947
Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period		(5,351,161,200)
Add: adjusted net income		
Net income during the year closed to retained earnings	₱3,042,378,741	
Unrealized forex gain, net of tax	(12,897,570)	3,029,481,171
Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, i.e., set up of right of use of asset and lease liability		(67,694,955)
Unappropriated retained earnings as at December 31, 2023 available for dividend declaration		₱3,325,729,963

GMA NETWORK, INC. AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP



SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GMA Network, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 3, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Julie Christine O. Mateo

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

April 3, 2024

GMA NETWORK, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Financial Ratios	Formula		2023	2022
Current/liquidity ratio	**Current assets over current liabilities**		**2.30:1**	3.45:1
	Total current assets	12,436,025,061		
	Divided by:			
	Total current liabilities	5,396,060,530		
	Current ratio	2.30		
Acid Test Ratio	**Quick assets over current liabilities**		**2.09:1**	3.07:1
	Total current assets	12,436,025,061		
	Less:			
	Inventory	1,164,269,440		
	Other current assets	1,668,486		
		11,270,087,135		
	Divided by:			
	Total current liabilities	5,396,060,530		
	Acid test ratio	2.09		
Solvency ratio	**Net income plus non-cash expenses over total liabilities**		**0.46:1**	0.76:1
	Net income	3,161,849,463		
	Add:			
	Non-cash expenses	2,057,696,574		
	Total	5,219,546,037		
	Divided by:			
	Total liabilities	11,316,665,010		
	Solvency ratio	0.46		
Asset-to-equity ratio	**Total asset over total equity**		**1.76:1**	1.60:1
	Total assets	26,254,512,041		
	Divided by:			
	Total equity	14,937,847,031		
	Asset-to-equity ratio	1.76		
Debt-to-equity ratio	**Short-term loans over total equity**		**0.10:1**	0.002:1
	Total short-term loans	1,527,307,000		
	Divided by:			
	Total equity	14,937,847,031		
	Asset-to-equity ratio	0.10		

Financial Ratios	Formula		2023	2022
Net debt to equity ratio	**Interest-bearing loans and borrowings less cash and cash equivalents over total equity**		**0.01:1**	(0.18):1
	Total short-term loans	1,527,307,000		
	Less:			
	Cash and cash equivalents	1,374,983,407		
		152,323,593		
	Divided by:			
	Total equity	14,937,847,031		
	Net debt-to-equity ratio	0.01		
Interest rate coverage ratio	**Earnings before interest, tax over interest expense**		**32.59:1**	291.44:1
	Net income	3,161,849,463		
	Add:			
	Interest	131,129,984		
	Tax	1,014,746,404		
	Less:			
	Interest income	34,239,643		
		4,273,486,208		
	Divided by:			
	Interest	131,129,984		
	Interest rate coverage ratio	32.59		
Gross profit margin	**Gross profit over net revenues**		**54.55%**	63.90%
	Gross profit	10,165,916,164		
	Divided by:			
	Net revenue	18,637,213,847		
	Gross profit margin	54.55%		
Net income margin	**Net income over net revenues**		**16.97%**	25.30%
	Net income	3,161,849,463		
	Divided by:			
	Net revenue	18,637,213,847		
	Net income margin	16.97%		
Return on equity	**Net income over average total stockholder's equity**		**20.80%**	36.33%
	Net income	3,161,849,463		
	Divided by:			
	Average equity	15,201,934,789		
	Return on equity	20.80%		

Financial Ratios	Formula		2023	2022
Return on assets	**Net income over average total assets**		**12.40%**	22.36%
	Net income	3,161,849,463		
	Divided by:			
	Average asset	25,491,819,968		
	Return on asset	12.40%		

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

April 3, 2024

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

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

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

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

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

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

FELIPE L. GOZON
Chairman of the Board

GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer

FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this ____ day of APR 0 4 2024 at QUEZON CITY affiants exhibited to me their (Felipe L. Gozon) TIN 106-174-605, (Gilberto R. Duavit, Jr.) TIN 158-147-748 and (Felipe S. Yalong) TIN 102-874-052.

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Book No. 03
Series of 2024

ATTY. MARIPER R. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 3[illegible]7-Jan. 3, 2024
MCLE Compliance No.VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 5555049 Jan. 2, 2024 Quezon City
Quezon City Roll No. 73209
28 Baker St., Fairmont Subd. Brgy.
North Fairview, Quezon City

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of GMA Network, Inc. (the Company), which comprise the parent company statements of financial position as at December 31, 2023 and 2022, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

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

Julie Christine O. Mateo

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

April 3, 2024

GMA NETWORK, INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 30 and 31)	**₱1,119,752,053**	₱2,506,292,527
Trade and other receivables (Notes 7, 21, 30 and 31)	**6,343,678,625**	6,018,896,726
Program and other rights (Note 8)	**1,789,577,336**	1,246,572,181
Inventories (Note 9)	**1,154,327,193**	1,459,297,539
Prepaid expenses and other current assets (Note 10)	**1,632,165,571**	1,941,433,140
Total Current Assets	**12,039,500,778**	13,172,492,113
Noncurrent Assets		
Property and equipment:		
At cost (Note 13)	**3,599,333,426**	3,299,421,592
At revalued amounts (Notes 14 and 31)	**8,813,283,135**	6,619,895,148
Investments and advances (Notes 12 and 21)	**640,634,864**	831,757,394
Program and other rights - net of current portion (Note 8)	**429,707,160**	232,446,242
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 30 and 31)	**156,509,189**	129,758,984
Right-of-use assets (Note 28)	**140,112,255**	159,345,818
Investment properties (Notes 15 and 31)	**19,570,276**	20,952,663
Deferred tax assets - net (Note 29)	**–**	5,659,347
Other noncurrent assets (Notes 16, 30 and 31)	**221,259,931**	214,654,859
Total Noncurrent Assets	**14,020,410,236**	11,513,892,047
TOTAL ASSETS	**₱26,059,911,014**	₱24,686,384,160
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 17, 21, 30 and 31)	**₱3,130,436,517**	₱3,222,478,958
Short-term loans (Notes 18, 30 and 31)	**1,500,000,000**	–
Income tax payable	**229,415,888**	525,915,896
Dividends payable (Notes 20, 30 and 31)	**34,686,856**	30,525,952
Current portion of lease liabilities (Note 28)	**43,580,639**	21,146,569
Current portion of obligations for program and other rights (Notes 19, 30 and 31)	**347,903,020**	209,171,643
Total Current Liabilities	**5,286,022,920**	4,009,239,018
Noncurrent Liabilities		
Pension liability (Note 26)	**5,130,296,483**	4,730,284,079
Other long-term employee benefits (Note 26)	**235,460,684**	347,489,172
Lease liabilities - net of current portion (Notes 28, 30 and 31)	**112,375,697**	145,281,971
Dismantling provision (Note 28)	**50,872,484**	49,009,014
Obligations for program rights - net of current portion (Notes 19, 30, and 31)	**9,157,895**	–
Deferred tax liabilities - net (Note 29)	**466,054,000**	–
Total Noncurrent Liabilities	**6,004,217,243**	5,272,064,236
Total Liabilities	**11,290,240,163**	9,281,303,254

(Forward)

	December 31	
	2023	2022
Equity		
Capital stock (Note 20)	**₱4,864,692,000**	₱4,864,692,000
Additional paid-in capital	**1,686,556,624**	1,686,556,624
Revaluation increment on land - net of tax (Note 14)	**6,215,441,910**	4,570,402,192
Remeasurement loss on retirement plan - net of tax (Note 26)	**(2,141,643,446)**	(2,156,878,184)
Net unrealized loss on financial assets at FVOCI - net of tax (Note 11)	**(73,555,494)**	(86,653,442)
Retained earnings (Note 20)	**4,218,179,257**	6,526,961,716
Total Equity	**14,769,670,851**	15,405,080,906
TOTAL LIABILITIES AND EQUITY	**₱26,059,911,014**	₱24,686,384,160

See accompanying Notes to Parent Company Financial Statements.

GMA NETWORK, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2023	2022
REVENUES (Note 22)	**₱18,299,115,788**	₱21,249,764,183
PRODUCTION COSTS (Note 23)	**8,048,949,631**	7,620,434,932
COST OF SALES (Note 9)	**297,239,767**	293,953,632
GROSS PROFIT	**9,952,926,390**	13,335,375,619
GENERAL AND ADMINISTRATIVE EXPENSES (Note 24)	**6,225,258,864**	6,414,883,105
OTHER INCOME (EXPENSE) - NET		
Dividend income (Note 21)	**136,650,000**	164,309,999
Net foreign currency exchange gain (loss) (Note 18)	**(4,922,388)**	32,949,236
Interest expense (Notes 18 and 28)	**(130,380,675)**	(24,111,406)
Interest income (Note 6)	**32,143,283**	19,832,994
Others - net (Note 27)	**242,212,996**	148,834,968
	275,703,216	341,815,791
INCOME BEFORE INCOME TAX	**4,003,370,742**	7,262,308,305
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 29)		
Current	**1,045,014,876**	1,927,570,165
Deferred	**(84,022,875)**	(129,257,206)
	960,992,001	1,798,312,959
NET INCOME	**3,042,378,741**	5,463,995,346
OTHER COMPREHENSIVE INCOME (LOSS) - net of tax		
Items not to be reclassified to profit or loss in subsequent periods:		
Revaluation increment on land (Note 29)	**1,645,039,718**	2,737,718,063
Remeasurement gain (loss) on retirement plan (Note 26)	**15,234,738**	(205,211,461)
Net changes in the fair market value of financial assets at FVOCI (Note 11)	**13,097,948**	(6,578,422)
	1,673,372,404	2,525,928,180
TOTAL COMPREHENSIVE INCOME	**₱4,715,751,145**	₱7,989,923,526
Basic / Diluted Earnings Per Share (Note 32)	**₱0.625**	₱1.123

See accompanying Notes to Parent Company Financial Statements.

GMA NETWORK, INC.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Capital Stock (Note 20)	Additional Paid-in Capital	Revaluation Increment on Land - net of tax (Note 14)	Remeasurement Loss on Retirement Plan - net of tax (Note 26)	Net Unrealized Loss on Financial Assets at FVOCI - net of tax (Note 11)	Retained Earnings (Note 20)	Total Equity
Balances at January 1, 2023	**₱4,864,692,000**	**₱1,686,556,624**	**₱4,570,402,192**	**(₱2,156,878,184)**	**(₱86,653,442)**	**₱6,526,961,716**	**₱15,405,080,906**
Net income	–	–	–	–	–	**3,042,378,741**	**3,042,378,741**
Other comprehensive income	–	–	**1,645,039,718**	**15,234,738**	**13,097,948**	–	**1,673,372,404**
Total comprehensive income for the year	**4,864,692,000**	**1,686,556,624**	**6,215,441,910**	**(2,141,643,446)**	**(73,555,494)**	**9,569,340,457**	**20,120,832,051**
Cash dividends - ₱1.10 a share (Note 20)	–	–	–	–	–	**(5,351,161,200)**	**(5,351,161,200)**
Balances at December 31, 2023	**₱4,864,692,000**	**₱1,686,556,624**	**₱6,215,441,910**	**(₱2,141,643,446)**	**(₱73,555,494)**	**₱4,218,179,257**	**₱14,769,670,851**
Balances at January 1, 2022	₱4,864,692,000	₱1,686,556,624	₱1,832,684,129	(₱1,951,666,723)	(₱80,075,020)	₱8,116,769,771	₱14,468,960,781
Net income	–	–	–	–	–	5,463,995,346	5,463,995,346
Other comprehensive income (loss)	–	–	2,737,718,063	(205,211,461)	(6,578,422)	–	2,525,928,180
Total comprehensive income for the year	4,864,692,000	1,686,556,624	4,570,402,192	(2,156,878,184)	(86,653,442)	13,580,765,117	22,458,884,307
Cash dividends - ₱1.45 a share (Note 20)	–	–	–	–	–	(7,053,803,401)	(7,053,803,401)
Balances at December 31, 2022	₱4,864,692,000	₱1,686,556,624	₱4,570,402,192	(₱2,156,878,184)	(₱86,653,442)	₱6,526,961,716	₱15,405,080,906

See accompanying Notes to Parent Company Financial Statements.

GMA NETWORK, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱4,003,370,742**	₱7,262,308,305
Adjustments to reconcile income before income tax to net cash flows		
Program and other rights usage (Notes 8 and 23)	**1,191,479,396**	868,739,716
Depreciation (Notes 13, 15, 23, 24 and 28)	**797,101,534**	672,324,407
Pension expense (Notes 25 and 26)	**679,722,616**	646,917,398
Contributions to retirement plan assets (Note 26)	**(259,000,000)**	(259,000,000)
Dividend income (Note 21)	**(136,650,000)**	(164,309,999)
Interest expense (Notes 18 and 28)	**130,380,675**	24,111,406
Provision for impairment of investment subsidiary (Note 24)	**126,323,324**	–
Amortization of software costs (Notes 16 and 24)	**55,299,467**	73,027,822
Net gain on sale of property and equipment (Notes 13 and 27)	**(38,766,322)**	(29,713,807)
Interest income (Note 6)	**(32,143,283)**	(19,832,993)
Net unrealized foreign currency exchange gain - net	**(10,204,126)**	(65,311,683)
Operating income before working capital changes	**6,506,914,023**	9,009,260,572
Working capital changes:		
Decreases (increases) in:		
Program and other rights	**(1,776,582,336)**	(1,359,236,512)
Trade and other receivables	**(372,259,108)**	1,884,494,528
Prepaid expenses and other current assets	**309,267,569**	(227,769,460)
Inventories	**304,970,346**	(329,661,781)
Increases (decreases) in:		
Other long-term employee benefits	**(112,028,488)**	–
Trade payables and other current liabilities	**(94,054,941)**	330,037,562
Net cash generated from operations	**4,766,227,065**	9,307,124,909
Income taxes paid	**(1,341,514,884)**	(2,443,067,293)
Interest received	**32,543,391**	20,509,196
Benefit paid out of Company's own funds (Note 26)	**(397,227)**	(25,000,000)
Net cash flows from operating activities	**3,456,858,345**	6,859,566,812
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 13)	**(1,071,570,155)**	(1,017,407,174)
Land at revalued amounts (Note 14)	**(1,696)**	(24,307,384)
Software costs (Note 16)	**(10,811,872)**	(19,777,437)
Cash dividends received (Note 21)	**193,650,000**	126,309,999
Proceeds from sale of property and equipment (Note 13)	**44,324,133**	32,627,551
Investments in:		
Financial assets at FVOCI (Note 11)	**(11,340,854)**	(15,458,400)
Subsidiary (Notes 12 and 21)	**(35,647,742)**	(136,750,000)

(Forward)

	Years Ended December 31	
	2023	2022
Return of investment (Note 12)	**₱100,000,000**	₱–
Collection of advances from subsidiaries (Notes 12 and 21)	**1,268,033**	–
Advances to associate and joint venture (Notes 12 and 21)	**(821,086)**	(86,482)
Decrease (increase) in other noncurrent assets	**(51,092,667)**	12,883,300
Net cash flows used in investing activities	**(842,043,906)**	(1,041,966,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Cash dividends (Notes 20 and 33)	**(5,347,000,296)**	(7,048,866,299)
Short-term loans (Notes 18 and 33)	**(2,000,000,000)**	(1,685,850,000)
Interest expense (Note 33)	**(117,534,738)**	(12,907,341)
Principal portion of lease liabilities (Notes 28 and 33)	**(29,827,245)**	(27,184,532)
Proceeds from availments of short-term loans (Notes 18 and 33)	**3,500,000,000**	1,000,000,000
Net cash flows used in financing activities	**(3,994,362,279)**	(7,774,808,172)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,379,547,840)**	(1,957,207,387)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(6,992,634)**	7,885,057
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,506,292,527**	4,455,614,857
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱1,119,752,053**	₱2,506,292,527

See accompanying Notes to Parent Company Financial Statements.

GMA NETWORK, INC.
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

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

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

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

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

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

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

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

The accompanying parent company financial statements were approved and authorized for issuance by the BOD on April 3, 2024.

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

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

Statement of Compliance
The parent company financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

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

  The amendments to the Practice Statement provide non-mandatory guidance. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates* introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  The amendments had no impact on the Company's financial statements.

- Amendments to Philippine Accounting Standards (PAS) 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction,* narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

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

  The amendments had no impact on the Company's parent company financial statements.

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

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development, including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The amendments had no impact on the Company's financial statements as the Company has no subsidiaries incorporated in other jurisdictions.

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

Effective beginning on or after January 1, 2024

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

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments do not have impact on the Company's financial statements since the Company has no long-term borrowings but may have an impact in future long-term borrowings.

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

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

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

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

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

3. Summary of Material Accounting Policy Information

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

An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

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

All other liabilities are classified as noncurrent.

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

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

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

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

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

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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

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

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

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

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

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

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

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

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

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

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

The Company's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and refundable deposits (included under "Other noncurrent assets" account in the parent company statement of financial position) as at December 31, 2023 and 2022 (see Notes 6, 7, 16 and 30).

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

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

The Company elected to classify irrevocably under this category its listed and non-listed equity instruments and investment in quoted club shares as at December 31, 2023 and 2022 (see Notes 11 and 30).

Derecognition of Financial Assets

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

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

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

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

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

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

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

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

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

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

Financial Liabilities
Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

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

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

Derecognition of Financial Liabilities

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

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

Program and Other Rights

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

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

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

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

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

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

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

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

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

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

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

The ownership interests in subsidiaries, associate and joint venture, which are all incorporated in the Philippines, consist of the following in 2023 and 2022:

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

**Under liquidation*
***Indirectly owned through Citynet*
****Ceased operations in 2023*
*****Indirectly owned through GNMI*
******Indirectly owned through GNMI; ceased commercial operations in 2020*
*******Indirectly owned through Alta; ceased commercial operations in 2004*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue Recognition

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

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

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

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

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

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

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

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

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

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

Revenue from Distribution and Content Provisioning. Revenue is recognized upon delivery of the licensed content to customers.

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

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

b. Revenue Recognition Outside the Scope of PFRS 15

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

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

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

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

Contract Balances

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

  Right-of-use assets are subject to impairment.

- *Lease Liabilities.* At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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

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

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

Taxes

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

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

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

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except:

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

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

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

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

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

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

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

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

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

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

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

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

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

Earnings Per Share (EPS)

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

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

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

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

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

4. Significant Accounting Judgments, Estimates and Assumptions

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

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

Investment in RGMA. The Company considers that it controls RGMA Network even though it owns less than 50% of the voting rights. This is because the Company is the single largest shareholder of RGMA Network with a 49% equity interest. The remaining 51% of the equity shares in RGMA Network are owned by several parties. Since September 27, 1995, which is the date of incorporation of RGMA Network, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Company.

Investment in RGMA amounted to ₱41.68 million and ₱168.00 million as at December 31, 2023 and 2022, respectively (see Note 12).

Assessment of Significant Influence over the Investee. The Company holds 25% ownership interest in Optima Digital, Inc. as at December 31, 2023 and 2022. Even with more than 20% voting rights, management assessed that the Company does not have the power to participate in the policy-making processes, including decisions to affect its returns in the form of dividends. Further, the Company does not have the ability to participate in the financial and operational policies decision-making of the investee to affect its relevant activities as the Company has only one (1) board seat out of the total five (5) board seats. The investment is presented as a financial asset at FVOCI amounting to ₱0.56 million and ₱0.66 million as at December 31, 2023 and 2022, respectively.

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

The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for its leases as these are subject to mutual agreement and are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term because they are reasonably certain not to be exercised.

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

Total rental income amounted to ₱7.07 million and ₱5.68 million in 2023 and 2022, respectively (see Note 27).

Estimates and Assumptions

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

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

The Company's lease liabilities amounted to ₱155.96 million and ₱166.43 million as at December 31, 2023 and 2022, respectively (see Note 28).

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

- Simplified approach for trade receivables

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

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

- Definition of default for trade receivables

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

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

- Grouping of instruments for losses measured on collective basis

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

- Incorporation of forward-looking information

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

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

  The Company identifies and documents key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

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

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

Provision for ECL amounted to nil in 2023 and 2022. The allowance for ECL amounted to ₱833.34 million as at December 31, 2023 and 2022. The carrying amounts of trade and other receivables amounted to ₱6,343.68 million and ₱6,018.90 million as at December 31, 2023 and 2022, respectively (see Note 7).

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

The Company estimates the amortization of program and other rights with finite lives using straight line method up to the date of expiry and those with no definite expiration of up to ten years, which is the manner and pattern of usage of the acquired rights.

In addition, estimation of the amortization of program and other rights is based on the Company's experience with such rights. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Program and other rights usage amounted to ₱1,191.48 million and ₱868.74 million in 2023 and 2022, respectively (see Notes 8 and 23). Program and other rights, net of accumulated impairment in value of ₱2.70 million, amounted to ₱2,219.28 million and ₱1,479.02 million as at December 31, 2023 and 2022, respectively (see Note 8).

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

The carrying value of merchandise inventory and materials and supplies inventory in the parent company statement of financial position amounted to ₱1,154.33 million and ₱1,459.30 million as at December 31, 2023 and 2022, respectively (see Note 9). There were no provisions for inventory losses in 2023 and 2022.

Estimating Useful Lives of Property and Equipment, Software Costs and Investment Properties. The Company estimates the useful lives of property and equipment, software costs and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, software costs and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property and equipment, software costs and investment properties are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment, software costs and investment properties would increase the recorded general and administrative expenses and decrease noncurrent assets.

There has been no change in the Company's estimate of useful lives of its property and equipment, software costs and investment properties in 2023 and 2022.

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

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

In 2023 and 2022, the Company assessed those certain parcels of land at revalued amounts, comprising majority of the balance of the account, have significant movements in its current carrying values and obtained updated appraisals as at December 31, 2023 and 2022. For the land that were not appraised, the Company referred to the published comparable prices for the fair values. Total additional revaluation increment, net of tax recognized in 2023 and 2022 amounted to ₱1,645.04 million and ₱2,737.72 million, respectively.

The revalued amount of land, which is classified under "Property and equipment" account in the parent company statements of financial position, amounted to ₱8,813.28 million and ₱6,619.90 million as at December 31, 2023 and 2022, respectively (see Notes 14 and 31).

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

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

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

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

As at December 31, 2023 and 2022, the Company did not identify any indicator of impairment on its nonfinancial assets, hence, no impairment tests were carried out.

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

	2023	2022
Land at revalued amounts (see Note 14)	**₱8,813,283,135**	₱6,619,895,148
Property and equipment - at cost (see Note 13)	**3,599,333,426**	3,299,421,592
Program and other rights (see Note 8)	**2,219,284,496**	1,479,018,423
Investments and advances (see Note 12)	**640,634,864**	831,757,394
Prepaid production costs (see Note 10)	**650,402,531**	778,903,854
Right-of-use assets (see Note 28)	**140,112,255**	159,345,818
Software costs (see Note 16)	**59,373,091**	103,860,686
Investment properties (see Note 15)	**19,570,276**	20,952,663
Investments in artworks (see Note 16)	**9,454,000**	9,454,000
Tax credits (see Note 10)	**6,162,083**	48,070,848

Estimating Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Recognized deferred tax assets amounted to ₱1,640.79 million and ₱1,585.29 million as at December 31, 2023 and 2022, respectively (see Note 29).

Pension and Other Employee Benefits. The determination of the Company's obligation and cost of pension benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 26 and include, among others, discount rate and salary increase rate. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability amounted to ₱5,130.30 million and ₱4,730.28 million as at December 31, 2023 and 2022, respectively (see Note 26).

Determination of Fair Value of Financial Assets at FVOCI. Financial assets at FVOCI are carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. When the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The fair value of financial assets at FVOCI are enumerated in Note 31.

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

The Company used the services of an independent professional appraiser in estimating the fair value of properties. The appraisers conducted an actual inspection of the property and considered the following in the study and analyses in arriving at the estimate of fair value: (a) extent, character and utility of the property; (b) sales and holding prices of similar properties; and (c) highest and best use of the property.

The description of valuation techniques used and key inputs to fair valuation of investment properties are enumerated in Note 15 of the parent company financial statements.

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

5. Segment Information

Business Segments

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

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

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

Geographical Segments

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

The Company's revenues are mostly generated in the Philippines, which is the Company's country of domicile. Revenues from external customers attributed to foreign countries from which the Company derives revenue are individually and in aggregate immaterial to the parent company financial statements.

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

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

Inter-segment Transactions

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

Measurement Basis

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the parent company financial statements, which is in accordance with PFRS.

Geographical Segment	Local		International			
Business Segment	Advertising and Others		International Subscriptions		Total	
	2023	2022	**2023**	2022	**2023**	2022
Revenues	**₱17,488,323,405**	₱20,387,701,312	**₱810,792,383**	₱862,062,871	**₱18,299,115,788**	₱21,249,764,183
Results						
Segment results	**3,155,894,636**	6,297,879,036	**571,772,890**	622,613,478	**3,727,667,526**	6,920,492,514
Dividend income from investments	**136,650,000**	164,309,999	**–**	–	**136,650,000**	164,309,999
Interest expense	**(130,380,675)**	(24,111,406)	**–**	–	**(130,380,675)**	(24,111,406)
Net foreign currency exchange gain (loss)	**(11,999,511)**	13,102,473	**7,077,123**	19,846,763	**(4,922,388)**	32,949,236
Interest income	**32,143,283**	19,832,994	**–**	–	**32,143,283**	19,832,994
Others - net	**242,212,996**	148,834,968	**–**	–	**242,212,996**	148,834,968
Provision for income tax	**(816,279,498)**	(1,637,697,899)	**(144,712,503)**	(160,615,060)	**(960,992,001)**	(1,798,312,959)
Net income	**₱2,608,241,231**	₱4,982,150,165	**₱434,137,510**	₱481,845,181	**₱3,042,378,741**	₱5,463,995,346
Assets and Liability						
Segment assets	**₱25,217,143,640**	₱23,678,077,910	**₱302,571,804**	₱271,775,751	**₱25,519,715,444**	₱23,949,853,661
Investments in subsidiaries	**501,907,227**	692,582,809	**–**	–	**501,907,227**	692,582,809
Investments in associates and interest in joint venture - at cost	**38,288,343**	38,288,343	**–**	–	**38,288,343**	38,288,343
Deferred tax assets - net	**–**	5,659,347	**–**	–	**–**	5,659,347
Total assets	**₱25,757,339,210**	₱24,414,608,409	**₱302,571,804**	₱271,775,751	**₱26,059,911,014**	₱24,686,384,160
Segment Liabilities	**10,579,877,934**	9,054,718,937	**244,308,229**	226,584,317	**10,824,186,163**	9,281,303,254
Deferred tax liabilities - net	**466,054,000**	–	**–**	–	**466,054,000**	–
Total liabilities	**₱11,045,931,934**	₱9,054,718,937	**₱244,308,229**	₱226,584,317	**₱11,290,240,163**	₱9,281,303,254
Other Segment Information						
Capital expenditures:						
Property and equipment	**₱1,069,496,376**	₱1,018,547,199	**₱2,073,779**	₱390,178	**₱1,071,570,155**	₱1,018,937,377
Land	**1,696**	24,307,384	**–**	–	**1,696**	24,307,384
Program and other rights and software costs	**1,942,557,341**	1,360,427,833	**–**	–	**1,942,557,341**	1,360,427,833
Depreciation and amortization	**2,043,107,859**	1,609,471,311	**772,538**	4,620,634	**2,043,880,397**	1,614,091,945

6. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	**₱868,420,493**	₱1,851,265,273
Short-term deposits	**251,331,560**	655,027,254
	₱1,119,752,053	₱2,506,292,527

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

Interest income earned from bank deposits and short-term deposits amounted to ₱32.14 million and ₱19.83 million in 2023 and 2022, respectively.

7. Trade and Other Receivables

	2023	2022
Trade:		
Television and radio airtime	**₱6,768,425,725**	₱6,287,232,600
Subscriptions	**186,254,984**	231,894,197
Others (see Note 21)	**111,983,332**	155,965,837
Nontrade:		
Related parties (see Note 21)	**79,796,980**	71,192,786
Others (see Note 21)	**30,558,474**	105,952,176
	7,177,019,495	6,852,237,596
Less allowance for ECL	**833,340,870**	833,340,870
	₱6,343,678,625	₱6,018,896,726

Trade Receivables

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

Television and radio airtime receivables include unbilled airtime receivables, arising when advertisements have been aired but billing or acceptance by the customer has been delayed due to time lag in completing all required documents. As of December 31, 2023 and 2022, the total unbilled airtime receivables, assessed as contract assets, amounted to ₱300.51 million and ₱20.70 million, respectively.

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

Other Trade Receivables. These are unsecured, noninterest-bearing and are generally on 60-90 day terms upon receipt of invoice by the customers.

Nontrade Receivables

Related Parties. Terms and conditions of receivables from related parties are discussed in Note 21.

Other Nontrade Receivables. Other nontrade receivables include dividends receivable and receivables from insurance. These are noninterest-bearing and are normally collected within the next financial year (see Note 21).

Allowance for ECL on Trade Receivables

The allowance for ECL as at December 31, 2023 and 2022 are as follows:

	Corporate	**Individual**	**Total**
Balance at beginning and end of year	**₱823,031,332**	**₱10,309,538**	**₱833,340,870**

8. Program and Other Rights

Details and movement in this account are as follows:

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

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

9. Inventories

This account consists of the following:

	2023	2022
Merchandise inventory	**₱1,144,275,233**	₱1,443,352,533
Materials and supplies inventory	**10,051,960**	15,945,006
	₱1,154,327,193	₱1,459,297,539

The following are the details of merchandise inventory account:

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

Merchandise inventory consists mainly of set-top boxes and digital TV mobile receiver for sale by the Company. In 2020, the Company launched the GMA Affordabox, a digital box, which allows users to receive clear pictures and sounds in their television sets through digital transmission. Cost of sales related to digital boxes amounted to ₱297.24 million and ₱293.95 million in 2023 and 2022, respectively.

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

10. Prepaid Expenses and Other Current Assets

	2023	2022
Advances to suppliers	**₱688,450,592**	₱850,756,615
Prepaid production costs	**650,402,531**	778,903,854
Input VAT	**157,631,519**	152,527,879
Prepaid expenses	**129,518,846**	111,173,944
Tax credits	**6,162,083**	48,070,848
	₱1,632,165,571	₱1,941,433,140

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

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

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

Prepaid expenses include prepayments for rental, interest, insurance and subscriptions.

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

11. Financial Assets at Fair Value Through Other Comprehensive Income

This account consists of the following:

	2023	2022
Non-listed equity instruments	**₱145,047,071**	₱114,032,540
Listed equity instruments	**11,462,118**	15,726,444
	₱156,509,189	₱129,758,984

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

The movement of financial assets at FVOCI are as follows:

	2023	2022
Balance at beginning of year	**₱129,758,984**	₱122,039,903
Additions during the year	**11,340,854**	15,458,400
Net unrealized gain (loss) on fair value changes during the year	**15,409,351**	(7,739,319)
Balance at end of year	**₱156,509,189**	₱129,758,984

In 2023 and 2022, the Company purchased additional investments in TNB Aura fund 2 Ltd., totaling ₱11.34 million and ₱15.46 million, respectively. Dividend income from financial assets at FVOCI amounted to nil in 2023 and 2022.

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

	2023	2022
Balance at beginning of year - net of tax	**(₱86,653,442)**	(₱80,075,020)
Net unrealized gain (loss) on fair value changes during the year	**15,409,351**	(7,739,319)
Tax effect of the changes in fair market values	**(2,311,403)**	1,160,897
Balance at end of year	**(₱73,555,494)**	(₱86,653,442)

<u>IP E-Games Ventures, Inc.</u>
In 2015, IP E-Games Ventures, Inc. (IPE) issued 13,000.00 million of its own common shares to the Company and GNMI, 8,000.00 million to the Company and 5,000.00 million to GNMI, in exchange of GNMI's investment in X-Play Online Games Incorporated (X-Play), ₱50.00 million airtime credits granted by the Company and in settlement of ₱30.00 million advances to X-Play. At initial recognition, the Company recognized at fair value the IPE shares amounting to ₱80.00 million. The carrying values of investment in IPE amounted to ₱11.46 million and ₱15.73 million as at December 31, 2023 and 2022, respectively.

Of the ₱50.00 million airtime credits, ₱22.00 million has not been implemented at the date of exchange and therefore was recognized by the Company as unearned revenue presented as "Contract liabilities" included as part of "Trade payables and other current liabilities" in 2023 and 2022 (see Note 17).

12. **Investments and Advances**

As at December 31, the carrying value of the Company's investments and advances are as follows:

	2023		
	Investments	**Advances (see Note 21)**	**Total**
Subsidiaries:			
GVI	**₱185,647,742**	**₱–**	**₱185,647,742**
RGMA	**168,000,000**	**–**	**168,000,000**
GMPI	**165,141,346**	**–**	**165,141,346**
Citynet	**937,500**	**118,934,402**	**119,871,902**
GNMI	**76,500,000**	**–**	**76,500,000**
GNFI	**1,250,000**	**44,511,314**	**45,761,314**
Scenarios	**20,000,000**	**1,014,090**	**21,014,090**
Alta	**10,855,176**	**–**	**10,855,176**
GWI	**2,500,000**	**–**	**2,500,000**
GMA Music	**1,875,000**	**–**	**1,875,000**
	632,706,764	**164,459,806**	**797,166,570**
Allowance for impairment of investments and advances	**(130,799,537)**	**(164,459,806)**	**(295,259,343)**
	501,907,227	**–**	**501,907,227**
Associate - Mont-Aire	**38,288,343**	**100,439,294**	**138,727,637**
Joint Venture - INQ7			
Cost	**50,000,000**	**11,544,000**	**61,544,000**
Allowance for impairment of investments and advances	**(50,000,000)**	**(11,544,000)**	**(61,544,000)**
	–	**–**	**–**
	₱540,195,570	**₱100,439,294**	**₱640,634,864**

	2022		
	Investments	Advances (see Note 21)	Total
Subsidiaries:			
GVI	₱150,000,000	₱–	₱150,000,000
RGMA	168,000,000	–	168,000,000
GMPI	265,141,346	–	265,141,346
Citynet	937,500	118,934,402	119,871,902
GNMI	76,500,000	–	76,500,000
GNFI	1,250,000	44,511,314	45,761,314
Scenarios	20,000,000	1,014,090	21,014,090
Alta	10,855,176	–	10,855,176
GWI	2,500,000	–	2,500,000
GMA Music	1,875,000	1,268,033	3,143,033
	697,059,022	165,727,839	862,786,861
Allowance for impairment of investments and advances	(4,476,213)	(164,459,805)	(168,936,018)
	692,582,809	1,268,034	693,850,843
Associate - Mont-Aire	38,288,343	99,618,208	137,906,551
Joint Venture - INQ7			
Cost	50,000,000	11,544,000	61,544,000
Allowance for impairment of investments and advances	(50,000,000)	(11,544,000)	(61,544,000)
	–	–	–
	₱730,871,152	₱100,886,242	₱831,757,394

The movements in the account are as follows:

	2023	2022
Investments in subsidiaries:		
Acquisition costs		
Balance at beginning of year	**₱697,059,022**	₱560,309,022
Return of investment	**(100,000,000)**	–
Additional investments during the year	**35,647,742**	136,750,000
Balance at end of year	**632,706,764**	697,059,022
Allowance for impairment in value		
Balance at beginning of year	**(4,476,213)**	(4,476,213)
Impairment loss on investment in subsidiary (see Note 24)	**(126,323,324)**	–
Balance at end of the year	**(130,799,537)**	(4,476,213)
	501,907,227	692,582,809
Investments in associate and joint venture:		
Acquisition costs		
Balance at beginning and end of year	**88,288,343**	88,288,343
Allowance for impairment in value		
Balance at beginning and end of year	**(50,000,000)**	(50,000,000)
	38,288,343	38,288,343
Advances to subsidiaries:		
Balance at beginning of year	**165,727,839**	165,727,839
Collection of advances	**(1,268,033)**	–
Balance at end of year	**164,459,806**	165,727,839
Allowance for ECL		
Balance at beginning and end of year	**(164,459,806)**	(164,459,806)
	–	1,268,033
Advances to associate and joint venture:		
Balance at beginning of year	**111,162,208**	111,075,726
Additional advances during the year (see Note 21)	**821,086**	86,482
Balance at end of year	**111,983,294**	111,162,208
Allowance for impairment loss		
Balance at beginning and end of year	**(11,544,000)**	(11,544,000)
	100,439,294	99,618,208
Total investments and advances	**₱640,634,864**	₱831,757,393

On January 1, 2016, GMPI's operations was integrated into the Company's operations. The Company absorbed all of GMPI's employees and assumed the obligation to settle the post-employment benefits of these employees upon their retirement. The post-employment benefit obligation assumed by the Company amounting to ₱259.14 million was recognized as an addition to the investment in GMPI.

In 2023, GMPI returned investment amounting to ₱100.00 million to the Company after partial payment of post-employment obligation on March 27, 2023. As at December 31, 2023, the Company's remaining investment in GMPI amounted to ₱165.14 million.

On January 1, 2023, RGMA ceased operations. As a result, the Company recognized impairment loss for its investment in RGMA amounting to ₱126.32 million. As at December 31, 2023 and 2022, investment in RGMA amounted to ₱41.68 million and ₱168.00 million, respectively.

13. Property and Equipment at Cost

2023	Buildings, towers and improvements	Antenna and transmitter systems and broadcast equipment	Communication and mechanical equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in progress and equipment for installation	Total
Cost							
At January 1, 2023	₱3,295,105,394	₱8,441,865,161	₱1,733,711,058	₱597,358,222	₱148,331,805	₱478,603,692	₱14,694,975,332
Additions	15,290,756	387,956,782	158,453,410	78,796,001	3,965,719	427,107,487	1,071,570,155
Disposals	–	(120,586,694)	(17,355,361)	(82,412,621)	(2,255,572)	–	(222,610,248)
Reclassifications	167,809,265	324,902,084	26,040,138	3,853,482	949,502	(523,554,471)	–
At December 31, 2023	3,478,205,415	9,034,137,333	1,900,849,245	597,595,084	150,991,454	382,156,708	15,543,935,239
Accumulated Depreciation							
At January 1, 2023	2,575,671,624	6,778,949,996	1,448,333,608	451,400,502	141,198,010	–	11,395,553,740
Depreciation (see Notes 23 and 24)	102,631,032	448,379,777	150,195,536	61,418,109	3,476,056	–	766,100,510
Disposals	–	(120,586,697)	(17,318,030)	(76,892,139)	(2,255,571)	–	(217,052,437)
At December 31, 2023	2,678,302,656	7,106,743,076	1,581,211,114	435,926,472	142,418,495	–	11,944,601,813
Net Book Value	₱799,902,759	₱1,927,394,257	₱319,638,131	₱161,668,612	₱8,572,959	₱382,156,708	₱3,599,333,426

2022	Buildings, towers and improvements	Antenna and transmitter systems and broadcast equipment	Communication and mechanical equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in progress and equipment for installation	Total
Cost							
At January 1, 2022	₱3,109,722,644	₱7,909,745,591	₱1,547,898,258	₱572,157,533	₱145,844,776	₱478,220,877	₱13,763,589,679
Additions	27,101,000	279,557,560	130,734,557	79,274,218	2,493,393	499,776,649	1,018,937,377
Disposals	(6,381,551)	(22,953,277)	(2,606,800)	(54,073,529)	(6,364)	–	(86,021,521)
Reclassifications (see Note 16)	164,663,301	275,515,287	57,685,043	–	–	(499,393,834)	(1,530,203)
At December 31, 2022	3,295,105,394	8,441,865,161	1,733,711,058	597,358,222	148,331,805	478,603,692	14,694,975,332
Accumulated Depreciation							
At January 1, 2022	2,491,597,047	6,433,447,781	1,328,343,928	446,744,089	138,152,572	–	10,838,285,417
Depreciation (see Notes 23 and 24)	90,456,128	368,190,118	122,596,480	56,081,572	3,051,802	–	640,376,100
Disposals	(6,381,551)	(22,687,903)	(2,606,800)	(51,425,159)	(6,364)	–	(83,107,777)
At December 31, 2022	2,575,671,624	6,778,949,996	1,448,333,608	451,400,502	141,198,010	–	11,395,553,740
Net Book Value	₱719,433,770	₱1,662,915,165	₱285,377,450	₱145,957,720	₱7,133,795	₱478,603,692	₱3,299,421,592

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

The reclassification relates to the software costs that were transferred to other noncurrent assets amounting to nil and ₱1.53 million in 2023 and 2022, respectively (see Note 16).

The Company leases out a portion of its property and equipment at cost. Total rental income recognized for the leased portion amounted to ₱2.20 million and ₱2.56 million in 2023 and 2022, respectively (see Note 27).

The Company disposed various property and equipment in 2023 and 2022 resulting to the recognition of gain on sale amounting to ₱38.77 million and ₱29.71 million, respectively (see Note 27).

As at December 31, 2023 and 2022, no property and equipment have been pledged as collateral or security for any of the Company's liabilities.

14. Land at Revalued Amounts

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

	2023			2022		
	Cost	**Revaluation Increment**	**Total**	Cost	Revaluation Increment	Total
At beginning of year	**₱526,025,559**	**₱6,093,869,589**	**₱6,619,895,148**	₱501,718,175	₱2,443,578,839	₱2,945,297,014
Additions during the year	**1,696**	**2,193,386,291**	**2,193,387,987**	24,307,384	3,650,290,750	3,674,598,134
At end of year	**₱526,027,255**	**₱8,287,255,880**	**₱8,813,283,135**	₱526,025,559	₱6,093,869,589	₱6,619,895,148

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

The fair value from the 2023 and 2022 appraisals were determined using the "Market Data Approach" as determined by independent professionally qualified appraisers and based on its highest and best use. The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation in accordance with International Valuation Standards. The fair value is categorized under Level 3 of the fair value hierarchy.

As of December 31, 2023 and 2022, the fair value of land is directly proportional to the asking price of the comparable land and adjusted according to the following appraisal considerations:

Significant unobservable input	Range	
	2023	2022
Asking price per square meter	**₱270 to ₱350,000**	₱270 to ₱350,000
Sales price adjustment	**5% to 10%**	5% to 10%
Lot size adjustment	**5% to 20%**	5% to 10%

Significant increases (decreases) in asking price per square meter would result to significantly higher (lower) fair value of the properties. Significant increases (decreases) in the sales price adjustment and lot size adjustment would result in a significantly lower (higher) fair value.

Management believes that the fair value of certain land acquired in 2022 and 2021 approximates the fair values as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, no land has been pledged as collateral or security for any of the Company's liabilities and the Company has no restrictions on the realizability of its land and no contractual obligation to purchase, construct or develop land or for repairs, maintenance and enhancements.

15. Investment Properties

	2023		
	Land and Improvements	**Buildings and Improvements**	**Total**
Cost			
Balance at beginning and end of year	**₱12,388,088**	**₱52,357,238**	**₱64,745,326**
Accumulated depreciation			
Balance at beginning of year	–	**42,409,287**	**42,409,287**
Depreciation during the year (see Note 24)	–	**1,382,387**	**1,382,387**
Balance at end of year	–	**43,791,674**	**43,791,674**
Accumulated impairment			
Balance at beginning and end of year	–	**1,383,376**	**1,383,376**
	₱12,388,088	**₱7,182,188**	**₱19,570,276**

	2022		
	Land and Improvements	Buildings and Improvements	Total
Cost			
Balance at beginning and end of year	₱12,388,088	₱52,357,238	₱64,745,326
Accumulated depreciation			
Balance at beginning of year	–	41,026,900	41,026,900
Depreciation during the year (see Note 24)	–	1,382,387	1,382,387
Balance at end of year	–	42,409,287	42,409,287
Accumulated impairment			
Balance at beginning and end of year	–	1,383,376	1,383,376
	₱12,388,088	₱8,564,575	₱20,952,663

The fair value of investment properties amounted to ₱205.31 million and ₱141.24 million as at December 31, 2023 and 2022, respectively. As at December 31, 2023 and 2022, the land used in operations was last appraised on December 31, 2023 and November 19, 2018, respectively, by an accredited firm of appraisers and is valued in terms of its highest and best use.

The fair value was determined using the "Market Data Approach". The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation and is categorized under Level 3 of the fair value hierarchy.

The description of the valuation techniques used and key inputs to fair valuation as of December 31, 2023 and 2022 is as follows:

	Significant Unobservable Inputs	Range 2023	2022
Land	Price per square meter	**₱1,400-₱11,700**	₱1,400-₱3,500
Buildings for lease	Price per square meter	**₱22,000-₱117,000**	₱22,000-₱117,000

Rental income and the directly related expense arising from these investment properties follow:

	2023	2022
Rental income (see Note 27)	**₱4,870,327**	₱2,555,236
Depreciation expense (see Note 24)	**(1,382,387)**	(1,382,387)
	₱3,487,940	₱1,172,849

As at December 31, 2023 and 2022, no investment properties have been pledged as collateral or security for any of the Company's liabilities and the Company has no restriction on the realizability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

16. Other Noncurrent Assets

	2023	2022
Refundable deposits	**₱89,476,868**	₱26,149,295
Software costs	**59,373,091**	103,860,686
Restricted cash	**51,393,686**	52,722,572
Investments in artworks	**9,454,000**	9,454,000
Deferred input VAT	**9,323,351**	20,229,371
Guarantee deposits	**2,162,420**	2,162,420
Others	**76,515**	76,515
	₱221,259,931	₱214,654,859

Refundable deposits pertain to the deposits made to various electric companies across the country.

Software costs relate to software applications and website development costs, which provide an edge on the Company's online presence and other software issues.

The movements in software costs follows:

	2023	2022
Cost:		
Balance at beginning of year	**₱678,384,108**	₱658,606,671
Additions during the year	**10,811,872**	18,247,234
Reclassifications during the year (see Note 13)	**–**	1,530,203
Balance at end of year	**689,195,980**	678,384,108
Accumulated amortization:		
Balance at beginning of year	**₱574,523,422**	₱501,495,600
Amortization during the year (see Note 24)	**55,299,467**	73,027,822
Balance at end of year	**629,822,889**	574,523,422
	₱59,373,091	₱103,860,686

Restricted cash pertains to time deposits under the custody of the courts as collateral for pending litigation.

Investment in artworks are paintings and other works of art usually displayed in the Company's hallways.

Deferred input VAT pertains to the VAT on the Company's acquisitions of capital goods exceeding ₱1.00 million in any given month which are to be amortized over the 60 months or the life of the asset whichever is shorter.

Guarantee deposits pertain to deposits to telephone companies as well as building/office rental deposits to be used for the Company's programs. Also included are deposits to the satellite providers.

17. Trade Payables and Other Current Liabilities

	2023	2022
Payable to government agencies	**₱1,127,098,307**	₱1,198,076,152
Accrued expenses:		
Utilities and other accrued expenses	**397,712,231**	230,920,238
Production costs	**222,531,535**	178,901,372
Payroll and talent fees	**219,160,229**	107,605,655
Ploughback	**155,292,745**	154,257,660
Commissions	**66,103,288**	52,482,407
Trade:		
Suppliers	**544,576,573**	516,509,613
Related parties (see Note 21)	**121,431,832**	332,003,232
Contract liabilities	**179,847,077**	369,438,827
Customers' deposits	**61,439,738**	52,596,783
Others	**32,682,360**	27,340,333
Due to related parties (see Note 21)	**2,560,602**	2,346,686
	₱3,130,436,517	₱3,222,478,958

Payable to government agencies is composed of the Company's statutory compensation-related contributions to government agencies and net VAT and withholding taxes payable to the Bureau of Internal Revenue (BIR). The difference between the accrual accounting under the accounting standards and cash-basis accounting as prescribed by the BIR for service-related companies caused the Company to normally incur deferred output VAT which forms a substantial part of the Company's payable to government agencies. These payables are remitted within 30 days after reporting period.

Accrued expenses and other payables are noninterest-bearing and are generally settled within the next financial year.

Trade payables to suppliers are noninterest-bearing and are normally settled on terms ranging from seven to 60 days. The terms and conditions of trade payables to related parties are discussed in Note 21.

Contract liabilities pertain to payments received before broadcast and before delivery of goods and services. These are recognized as revenue when the Company performs the obligation under the contract. The total beginning balance of contract liabilities amounting to ₱369.44 million was recognized as revenue for the year ended December 31, 2023. This account also includes contract liabilities of ₱22.00 million resulting from airtime credits that have not been implemented resulting from the exchange of the Company's interests in X-Play in 2015.

Customers' deposits include guaranty deposits from advertising agencies to secure payment of bills by advertisers. These deposits are noninterest-bearing and normally refunded once the related broadcasts are paid by the advertisers. It also includes deposits from the Company's lessees upon inception of the lease agreements.

Others include unpaid subscriptions and retention payables. These are noninterest-bearing and are normally settled within one year.

18. Short-term Loans

The Company obtained unsecured short-term peso and United States Dollar (USD) denominated loans from local banks in 2023 and 2022. Details and movements of the short-term loans are as follows:

	2023	2022
Balance at beginning of year	**₱–**	₱739,485,500
Availments	**3,500,000,000**	1,000,000,000
Payments	**(2,000,000,000)**	(1,685,850,000)
Revaluation	**–**	(53,635,500)
Balance at end of year	**₱1,500,000,000**	₱–

The outstanding loans as at December 31, 2023 consist of fixed rate notes with the following details:

Lender	Currency	Interest Rate (per annum)	Terms	**2023**	2022
BPI	Php	6.30%	Availed in 2023; payable in 330 days	**₱500,000,000**	₱–
BPI	Php	6.30%	Availed in 2023; payable in 300 days	**₱500,000,000**	₱–
BDO	Php	6.30%	Availed in 2023; payable in 273 days	**₱500,000,000**	₱–

There is no outstanding loan as at December 31, 2022.

Interest expense amounted to ₱119.55 million and ₱9.56 million for peso denominated loans in 2023 and 2022, respectively, and nil and ₱2.78 million for USD denominated loans in 2023 and 2022, respectively.

19. Obligations for Program and Other Rights

Obligations for program and other rights represent liabilities to foreign and local film suppliers for program and other rights purchased by the Company. Outstanding unpaid balance as at December 31, 2023 and 2022 are as follows:

	2023	2022
Obligations for program and other rights	**₱357,060,915**	₱209,171,643
Less: Current portion	**347,903,020**	209,171,643
Noncurrent portion of obligations for program and other rights	**₱9,157,895**	₱–

Obligations for program and other rights are generally payable in equal monthly or quarterly installments.

20. Equity

a. Capital Stock

Details of capital stock as at December 31, 2023 and 2022:

	No. of Shares	Amount
Common - ₱1.00 par value		
Authorized	5,000,000,000	₱5,000,000,000
Subscribed and issued	3,364,692,000	₱3,364,692,000
Preferred - ₱0.20 par value		
Authorized	7,500,000,000	₱1,500,000,000
Subscribed and issued	7,500,000,000	₱1,500,000,000

The cumulative preferred shares are of equal rank, preference and priority and are identical in all respect regardless of series. Preferred shares are participating at the rate of one fifth (1/5) of the dividends paid to common shares, the rate of which is adjusted proportionately by the Company's BOD consequent to any stock split or stock dividend declaration affecting the common shares and preferred shares. Preferred shares are convertible at the option of the shareholders at the ratio of five preferred shares to one common share, based on par value.

Preferred shares enjoy priority over common shares in the distribution of assets of the Company in the event of dissolution and liquidation, at such rates, terms and conditions as the BOD may determine. Each preferred share is entitled to one vote and shall have the same voting rights as the common shares.

The Company's BOD may specify other terms and conditions, qualifications, restrictions and privileges of the preferred shares or series/classes thereof, insofar as such terms, conditions, qualifications, restrictions and privileges are not inconsistent with the articles of incorporation and any applicable law or regulation.

The following summarizes the information on the Company's registration of securities with the SEC, which was approved on June 20, 2007, as required by Revised Securities Regulation Code (SRC) Rule 68:

Securities	Authorized and issued shares	Issue/Offer Price
Initial public offering	91,346,000	₱8.50
Underlying common shares of PDRs	945,432,000	8.50
Over-allotment common shares	13,701,000	8.50
Common shares covering employee stock option plan	57,000,000	8.50

In prior years, the Company has acquired 750,000 PDRs issued by GMA Holdings, Inc. at acquisition cost of ₱5.79 million. In as much as each PDR share grants the holder, upon payment of the exercise price and subject to certain other conditions, the delivery of one (1) Company share or the sale and delivery of the proceeds of such sale of Company share, such PDRs held by the Company is being treated similar to a treasury shares.

On October 4, 2021, the Company's BOD approved to contribute its treasury common and preferred shares and PDRs to the Company's retirement plan. The contribution of the 3,645,000 treasury common shares and 492,816 treasury preferred shares was executed on December 31, 2021 at a transaction price of ₱13.90 per share and ₱2.77 per share, respectively. As the preferred shares are unlisted, the transaction price was based on the market price of the Company's listed common shares on the transaction date, with the value of the treasury preferred shares computed based on the ratio of 1:5 preferred shares to common shares. The contribution of the 750,000 PDRs was executed on December 20, 2021 at a transaction price of ₱13.02 per share, which resulted to additional paid-in capital amounted to ₱27.52 million.

The total number of shareholders is 1,632 and 1,643 as at December 31, 2023 and 2022, respectively.

b. Retained Earnings

The BOD of the Company approved the declaration of the following cash dividends:

Year	Declaration Date	Record Date	Cash Dividend Per Share	Total Cash Dividend Declared
2023	**March 31, 2023**	**April 21, 2023**	**₱1.10**	**₱5,351,161,200**
2022	March 25, 2022	April 25, 2022	₱1.45	₱7,053,803,401

The Company's outstanding dividends payable amounts to ₱34.69 million and ₱30.53 million as at December 31, 2023 and 2022, respectively.

On April 3, 2024, the Parent Company's BOD approved the declaration and distribution of cash dividends amounting to ₱0.60 per share totaling ₱2,918.82 million to all stockholders of record as at April 24, 2024 and will be paid starting May 14, 2024.

21. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables.

For years ended December 31, 2023 and 2022, the Company has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Company transacts with subsidiaries, affiliate, joint venture and other related parties on advances, reimbursement of expenses, and future stock subscriptions.

The transactions and balances of accounts as at and for the years ended December 31, 2023 and 2022 with related parties are as follows:

Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
Trade payables and other current liabilities (see Note 17)					
Subsidiaries					
RGMA	Production cost/service fees	**2023**	**₱–**	**₱–**	30-60 day noninterest-bearing;
		2022	249,729,986	(35,919,562)	unsecured
GMPI	Marketing fees and commissions	**2023**	–	–	60-day noninterest-bearing;
		2022	–	(106,549,948)	unsecured
GNMI	Technical support and website administration	**2023**	**157,105,410**	**(63,799,364)**	30-60 day noninterest-bearing;
		2022	121,065,697	(136,547,967)	unsecured
Media Merge	Share in digital income	**2023**	–	–	30-60 day noninterest-bearing;
		2022	–	(3,198,846)	unsecured
Script2010	Production cost/service fees	**2023**	**132,153,651**	**(33,692,858)**	On demand, noninterest-bearing;
		2022	121,365,011	(31,943,752)	unsecured
Alta	Production cost/service fees	**2023**	**105,410,352**	**(18,999,993)**	Noninterest-bearing;
		2022	78,021,478	(12,582,027)	unsecured
GWI	Management fee and distribution expenses	**2023**	–	**(3,925,824)**	30-day noninterest-bearing;
		2022	–	(3,925,824)	unsecured
GMA Music	Production cost/service fees	**2023**	**1,899,296**	**(1,013,793)**	30-60 day noninterest-bearing
		2022	1,335,306	(1,335,306)	unsecured
		2023	**₱396,568,709**	**(₱121,431,832)**	
		2022	₱571,517,478	(₱332,003,232)	
Nontrade payables (see Note 17)					
Subsidiaries					
Script2010	Reimbursable charges	**2023**	**₱–**	**(₱1,878,486)**	Noninterest-bearing;
		2022	–	(1,878,486)	unsecured
RGMA	Reimbursable charges	**2023**	–	**(247,116)**	Noninterest-bearing;
		2022	–	–	unsecured
Scenarios	Reimbursable charges	**2023**	–	**(435,000)**	Noninterest-bearing;
		2022	–	(435,000)	unsecured
GMPI	Reimbursable charges	**2023**	**33,200**	–	Noninterest-bearing;
		2022	–	(33,200)	unsecured
		2023	**₱33,200**	**(₱2,560,602)**	
		2022	₱–	(₱2,346,686)	

(Forward)

Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
Other related parties					
Belo, Gozon, Elma Law	Legal, Consulting fee and others	**2023**	**₱15,252,469**	**(₱414,000)**	On demand, noninterest-bearing; unsecured
		2022	15,416,907	–	
GMA Kapuso Foundation	Donations	**2023**	**2,984,581**	–	On demand, noninterest-bearing; unsecured
		2022	672,065	–	
		2023	**₱18,237,050**	**(₱414,000)**	
		2022	₱16,088,972	₱–	
Other trade receivables (see Note 7)					
Subsidiaries					
GNMI	Online advertising	**2023**	**₱413,949,877**	**₱109,292,886**	30-60 day; noninterest-bearing; unsecured; not impaired
		2022	351,684,824	139,382,923	
GMA Music	Sale of Affordabox and Now	**2023**	**14,820,400**	**2,690,446**	30-60 day; noninterest-bearing; unsecured; not impaired
		2022	10,102,400	16,582,914	
		2023	**₱428,770,277**	**₱111,983,332**	
		2022	₱361,787,224	₱155,965,837	
Nontrade receivables (see Note 7)					
Subsidiaries					
Script2010	Reimbursable charges	**2023**	**₱2,681,488**	**₱28,872,192**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	1,674,610	26,190,705	
GNFI	Reimbursable charges	**2023**	**12,182,205**	**41,351,983**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	619,121	29,169,778	
GMA Music	Reimbursable charges	**2023**	**312,523**	**143,409**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	175,154	6,090,258	
Scenarios	Reimbursable charges	**2023**	–	**5,507,145**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	5,508,645	
Media Merge	Reimbursable charges	**2023**	–	–	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	1,296,875	
Alta	Reimbursable charges	**2023**	–	–	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	186,874	
RGMA	Reimbursable charges	**2023**	–	**81,513**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	300,485	
GMPI	Reimbursable charges	**2023**	–	**34,362**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	34,362	
GVI	Reimbursable charges	**2023**	–	–	On-demand, noninterest-bearing; unsecured; not impaired
		2022	359,227	311,271	
GNMI	Reimbursable charges	**2023**	**2,436,048**	**2,501,200**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	65,152	65,152	
Other related parties					
GMA Kapuso Foundation	Reimbursable charges	**2023**	**1,305,176**	**1,305,176**	On demand, noninterest-bearing; unsecured; not impaired
		2022	960,433	2,038,381	
		2023	**₱18,917,440**	**₱79,796,980**	
		2022	₱3,853,697	₱71,192,786	
Other nontrade receivables (see Note 7)					
Subsidiaries					
GNMI	Dividend income	**2023**	**₱110,000,000**	**₱1,700,000**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	110,000,000	56,700,000	
Alta	Dividend income	**2023**	**6,500,000**	–	On-demand, noninterest-bearing; unsecured; not impaired
		2022	3,500,000	–	

(Forward)

Related Party	Category	Year	Amount/Volume of Transaction	Outstanding Receivable (Payable)	Terms and Conditions
RGMA	Dividend income	**2023**	**₱17,150,000**	**₱–**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	36,260,000	–	
GMA Music	Dividend income	**2023**	**3,000,000**	**–**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	550,000	–	
Citynet	Dividend income	**2023**	**–**	**6,000,000**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	14,000,000	8,000,000	
			₱136,650,000	**₱7,700,000**	
			₱164,310,000	₱64,700,000	
Advances to investees (see Note 12)					
Subsidiaries					
Citynet	Advances	**2023**	**₱–**	**₱118,934,402**	60-day noninterest-bearing; fully impaired
		2022	–	118,934,402	
GNFI	Advances	**2023**	**–**	**44,511,314**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	44,511,314	
GMA Music	Advances	**2023**	**–**	**–**	On-demand, noninterest-bearing; unsecured; not impaired not
		2022	–	1,268,033	
Scenarios	Advances	**2023**	**–**	**1,014,090**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	–	1,014,090	
Associate					
Mont-aire	Advances	**2023**	**821,086**	**100,439,294**	On-demand, noninterest-bearing; unsecured; not impaired
		2022	86,482	99,618,208	
Joint venture					
INQ7	Advances	**2023**	**–**	**11,544,000**	On-demand, noninterest-bearing; unsecured; fully impaired
		2022	–	11,544,000	
			₱821,086	**₱276,443,100**	
	Allowance for impairment	**2023**	**–**	**(176,003,806)**	
			₱821,086	**₱100,439,294**	
			₱86,482	₱276,890,047	
	Allowance for impairment	2022	–	(176,003,805)	
			₱86,482	₱100,886,242	

The following table provides the summary of outstanding balances, before any allowance for impairment, for the years ended December 31, 2023 and 2022 in relation with the table above for the transactions that have been entered into with related parties:

	2023	2022
Advances to investees (see Note 12)	**₱276,443,100**	₱276,890,047
Trade payables and other current liabilities (see Note 17)	**121,431,832**	332,003,232
Other trade receivables (see Note 7)	**111,983,332**	155,965,837
Nontrade receivables (see Note 7)	**79,796,980**	71,192,786
Other nontrade receivables (see Note 7)	**7,700,000**	64,700,000
Nontrade payables (see Note 17)	**2,560,602**	2,346,686

The advances made by the Company to Mont-Aire in previous years are intended for future capital subscription.

Accumulated impairment loss on advances amounted to ₱176.00 million as at December 31, 2023 and 2022.

Compensation of Key Management Personnel
The compensation of key management personnel of the Company, by benefit type, are as follows:

	2023	2022
Salaries and other long-term benefits (see Note 24)	**₱859,577,375**	₱960,150,503
Pension benefits (see Notes 23 and 24)	**188,852,247**	185,678,420
	₱1,048,429,622	₱1,145,828,923

Pension costs under OCI amounted to ₱5.77 million and ₱323.82 million as at December 31, 2023 and 2022, respectively.

Equity Investments of the Retirement Fund
The Company's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱551.63 million and ₱6.23 million in 2023, respectively, and ₱757.31 million and ₱7.95 million in 2022, respectively (see Note 26).

22. Revenues

Set out below is the disaggregation of the Company's revenues from contract with customers for the year ended December 31:

	2023	2022
Revenue source:		
Sale of service		
Advertising revenue	**₱15,690,735,602**	₱19,366,722,294
Digital Income	**1,276,227,292**	624,352,804
Subscription revenue (see Note 28)	**728,396,019**	774,865,805
Production revenue	**120,896,337**	122,693,060
Revenue from distribution and content provisioning	**177,122,824**	34,131,054
Sale of goods	**305,737,714**	326,999,166
Total revenue from contracts with customers	**₱18,299,115,788**	₱21,249,764,183
Geographical markets		
Local	**₱17,488,323,405**	₱20,387,701,312
International	**810,792,383**	862,062,871
Total revenue from contracts with customers	**₱18,299,115,788**	₱21,249,764,183
Timing of revenue recognition		
Goods/services transferred at a point in time	**₱17,427,300,003**	₱20,474,898,378
Services transferred over time	**871,815,785**	774,865,805
Total revenue from contracts with customers	**₱18,299,115,788**	₱21,249,764,183

23. Production Costs

	2023	2022
Talent fees and production personnel costs (see Note 25)	**₱4,013,489,058**	₱3,751,864,553
Program and other rights usage (see Note 8)	**1,191,479,396**	868,739,716
Facilities and production services	**923,866,640**	1,340,112,509
Rental (see Note 28)	**788,464,890**	520,268,872
Depreciation (see Notes 13 and 24)	**564,756,003**	492,742,402
Tapes, sets and production supplies	**417,349,242**	338,185,858
Transportation and communication	**149,544,402**	308,521,022
	₱8,048,949,631	₱7,620,434,932

24. General and Administrative Expenses

	2023	2022
Personnel costs (see Note 25)	**₱3,625,417,913**	₱3,739,934,007
Communication, light and water	**387,600,551**	388,575,788
Professional fees	**278,591,020**	332,373,337
Repairs and maintenance	**272,103,703**	273,385,291
Depreciation (see Notes 13, 15 and 28)	**232,345,531**	179,582,005
Taxes and licenses	**218,861,583**	376,758,783
Advertising	**185,497,062**	168,896,071
Software maintenance	**149,121,985**	123,428,128
Provision for impairment of investment (see Note 12)	**126,323,324**	–
Research and surveys	**113,900,352**	99,517,215
Security services	**75,869,177**	71,201,924
Facilities related expenses	**58,600,492**	65,892,695
Amortization of software costs (see Note 16)	**55,299,467**	73,027,822
Transportation and travel	**51,513,103**	49,069,975
Marketing expense	**45,097,087**	72,645,411
Insurance	**36,422,124**	30,026,844
Dues and subscription	**33,528,660**	31,486,231
Rental (see Note 28)	**19,699,158**	22,195,653
Materials and supplies	**11,901,799**	11,510,420
Entertainment, amusement and recreation	**8,137,955**	7,807,389
Others	**239,426,818**	297,568,116
	₱6,225,258,864	₱6,414,883,105

Others include expenses incurred for other manpower, janitorial and messengerial services, freight charges, donations and other miscellaneous expenses.

Depreciation

	2023	2022
Property and equipment (see Notes 13 and 23)		
Production costs	**₱544,466,614**	₱474,023,369
General and administrative expenses	**221,633,896**	166,352,731
	766,100,510	640,376,100
Right-of-use assets (see Notes 23 and 28)		
Production costs	**20,289,389**	18,719,033
General and administrative expenses	**9,329,248**	11,846,886
Investment properties (see Note 15)		
General and administrative expenses	**1,382,387**	1,382,387
	₱797,101,534	₱672,324,406

25. Personnel Costs

	2023	2022
Talent fees and production personnel costs (see Note 23)	**₱4,013,489,058**	₱3,751,864,553
Salaries and wages	**2,116,885,918**	1,920,542,757
Employee benefits and allowances	**821,057,370**	1,057,048,964
Pension expense (see Note 26)	**679,722,616**	646,917,398
Sick and vacation leaves expense (see Note 26)	**7,752,009**	115,424,888
	₱7,638,906,971	₱7,491,798,560

The above amounts were distributed as follows:

	2023	2022
Production costs (see Note 23)	**₱4,013,489,058**	₱3,751,864,553
General and administrative expenses (see Note 24)	**3,625,417,913**	3,739,934,007
	₱7,638,906,971	₱7,491,798,560

26. Pension and Other Long-term Employee Benefits

As at December 31, pension and other employee benefits consist of:

	2023	2022
Pension liability	**₱5,130,296,483**	₱4,730,284,079
Vacation and sick leave accrual	**235,460,684**	347,489,172
	₱5,365,757,167	₱5,077,773,251

Pension Benefits

The Company has non-contributory defined benefit retirement plan. The Company's latest actuarial valuation report is as at December 31, 2023.

Pension benefits recognized in the parent company statements of comprehensive income are as follows (see Note 25):

	2023	2022
Current service cost	**₱337,111,657**	₱445,095,454
Net interest cost	**342,610,959**	201,821,944
	₱679,722,616	₱646,917,398

Net pension liability recognized in the parent company statements of financial position is as follows:

	2023	2022
Present value of defined benefit obligation	**₱6,338,044,815**	₱6,568,114,469
Fair value of plan assets	**1,207,748,332**	1,837,830,390
	₱5,130,296,483	₱4,730,284,079

The changes in the present value of the defined benefit obligation are as follows:

	2023	2022
Balance at beginning of year	**₱6,568,114,469**	₱6,212,877,770
Current service cost	**337,111,657**	445,095,454
Interest cost	**474,217,865**	306,294,874
Benefits paid:		
from plan assets	**(289,193,513)**	(437,066,820)
from Company's own funds	**(397,227)**	(25,000,000)
Remeasurement loss (gain):		
Changes in financial assumptions	**493,857,635**	65,913,191
Changes in demographic assumptions	**(184,682,078)**	–
Experience adjustment	**(1,060,983,993)**	–
Balance at end of year	**₱6,338,044,815**	₱6,568,114,469

The changes in the fair value of plan assets are as follows:

	2023	2022
Balance at beginning of year	**₱1,837,830,390**	₱2,119,126,369
Contribution during the year	**259,000,000**	259,000,000
Interest income	**131,606,906**	104,472,930
Benefits paid	**(289,193,513)**	(437,066,820)
Remeasurement loss - return on plan assets	**(731,495,451)**	(207,702,089)
Balance at end of year	**₱1,207,748,332**	₱1,837,830,390

Remeasurement gain (loss) on retirement plans amounting to ₱15.23 million and (₱205.21 million) in 2023 and 2022 respectively, is reported under the statement of comprehensive income, net of deferred tax.

At each reporting period, the Company determines its contribution based on the performance of its retirement fund. The Company expects to contribute ₱259.00 million to the fund in 2024.

The funds are managed and supervised by Trustee banks for the benefits of the plan members. However, the general administration of the funds is vested in a Retirement Committee.

The following table presents the carrying amounts and estimated fair values of the plan assets:

	2023 Carrying Value/ Fair Value	2022 Carrying Value/ Fair Value
Cash and cash equivalents	**₱10,507,410**	₱287,528,641
Equity instruments (see Note 21):		
GMA Network, Inc.	**551,633,955**	757,308,887
GMA PDRs	**6,225,000**	7,950,000
Debt instruments:		
Government securities	**180,075,276**	298,811,570
Investment in Unit Investment Trust Funds (UITFs)	**286,598,679**	310,985,475
Others	**172,708,012**	175,245,817
	₱1,207,748,332	₱1,837,830,390

The plan assets consist of the following:

- Cash and cash equivalents consist of regular savings and time deposits.
- Investments in equity instruments consist of listed shares of GMA Network, Inc. and GMA PDRs (see Note 21). Changes in the fair market value of these investments resulted to a ₱327.65 million loss and ₱140.72 million loss in 2023 and 2022, respectively.
- Investments in debt instruments bear interest ranging from 3.0% to 6.8% and have maturities from May 2024 to April 2032. Equity and debt instruments held have quoted prices in active market.
- Investment in UITFs are measured at their net asset value per unit.
- Others consist of loans and receivables which are collectible within the next twelve months.

The person who exercises voting rights over shares is within the powers of the Trustee, who do not have any relationship with the directors or officers of the Company.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Board of Trustees invests at least the equivalent amount of actuarially computed expected compulsory retirement benefit payments for the year to liquid/semi-liquid assets such as treasury notes, treasury bills, and savings and time deposits with commercial banks.

The Company performs an Asset-Liability Matching Study (ALM) annually. The principal technique of the Company's ALM in order to minimize the portfolio liquidation risk is to ensure the expected return on assets will be sufficient to support the desired level of funding arising from the defined benefit plans.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the Philippine Stock Exchange. In order to effectively manage price risk, the Board of Trustees continuously assesses these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

However, in the event a benefit claim arises under the retirement plan and the retirement fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable to the retirement fund from the Company.

The principal assumptions used in determining pension liability for the Company's plans are shown below:

	2023	2022
Discount rate	**6.07%**	7.22%
Expected rate of salary increase	**4.00%**	4.00%
Turn-over rates		
19-24 years old	**16.20%**	12.38%
25-29 years old	**13.78%**	10.94%
30-34 years old	**8.82%**	9.31%
35-39 years old	**5.84%**	4.23%
40-44 years old	**3.57%**	2.55%
≥45 years old	**4.24%**	2.24%

The sensitivity analysis below has been determined by remeasuring the defined benefit obligation at the reporting period after first adjusting one of the current assumption that were reasonably possible at the valuation date while all other assumptions remained unchanged. It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation 2023	2022
Discount rate	50	**(₱223,760,509)**	(₱283,725,573)
	(50)	**238,975,534**	308,662,593
Expected rate of salary increase	50	**242,688,422**	326,240,688
	(50)	**(229,133,546)**	(306,266,768)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2023:

Less than one year	₱1,309,810,611
More than 1 year to 3 years	887,958,699
More than 3 years to 5 years	924,157,092
More than 5 years to 10 years	4,010,178,525

Other Long-Term Employee Benefits

Other long-term employee benefits consist of accumulated and unexpired employee sick and vacation leave entitlements amounting to ₱235.46 million and ₱347.49 million as at December 31, 2023 and 2022. Expense related to cash conversion of leaves, included under personnel cost in the statements of comprehensive income, amounted to ₱7.75 million and ₱115.42 million in 2023 and 2022, respectively (see Note 25).

27. **Others - Net**

	2023	2022
Commission from Artists	**₱176,350,038**	₱104,475,309
Net gain on sale of property and equipment (see Note 13)	**38,766,322**	29,713,807
Music royalty	**7,948,128**	6,499,544
Rental income (see Notes 13, 15 and 28)	**7,073,647**	5,681,335
Merchandising license fees and others	**13,564,234**	3,846,755
Bank charges	**(1,489,373)**	(1,381,782)
	₱242,212,996	₱148,834,968

Merchandising license fees and others include income from mall shows, sale of DVDs and integrated receiver-decoders and income from events. Music royalty increased in 2023 due to remittance received from Filipino Society of Composers, Authors and Publishers (FILSCAP) for the use of the Company's music rights.

28. **Agreements**

Lease Agreements

Company as a Lessee. The Company entered into various lease agreements for land, building and studio spaces that it presently occupies and uses for periods ranging from two to 25 years. The lease agreements can be renewed subject to mutual agreement. Most of the lease agreements can be terminated at the option of the Company.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the "short-term lease" recognition exemptions for these leases.

The rollforward analysis of right-of-use assets follows:

		2023	
	Right-of-use: Land	**Right-of-use: Office Space**	**Right-of-use: Total**
Cost			
Balance at beginning of year	**₱188,940,713**	**₱79,263,564**	**₱268,204,277**
Additions	**4,080,531**	**6,304,543**	**10,385,074**
Balance at end of year	**193,021,244**	**85,568,107**	**278,589,351**
Accumulated Depreciation			
Balance at beginning of year	**60,688,848**	**48,169,611**	**108,858,459**
Depreciation (see Notes 23 and 24)	**13,782,735**	**15,835,902**	**29,618,637**
Balance at end of year	**74,471,583**	**64,005,513**	**138,477,096**
Net Book Value	**₱118,549,661**	**₱21,562,594**	**₱140,112,255**

	2022		
	Right-of-use: Land	Right-of-use: Office Space	Right-of-use: Total
Cost			
Balance at beginning of year	₱120,680,583	₱70,530,973	₱191,211,556
Additions	68,260,130	8,732,591	76,992,721
Balance at end of year	188,940,713	79,263,564	268,204,277
Accumulated Depreciation			
Balance at beginning of year	41,652,744	36,639,796	78,292,540
Depreciation (see Notes 23 and 24)	19,036,104	11,529,815	30,565,919
Balance at end of year	60,688,848	48,169,611	108,858,459
Net Book Value	₱128,251,865	₱31,093,953	₱159,345,818

The rollforward analysis of lease liabilities follows:

	2023	2022
Balance at beginning of year	**₱166,428,540**	₱107,816,054
Additions	**10,385,074**	76,992,722
Accretion of interest	**8,969,967**	8,804,296
Payments	**(29,827,245)**	(27,184,532)
Balance at end of year	**₱155,956,336**	₱166,428,540

The rollforward analysis of dismantling provision follows:

	2023	2022
Balance at beginning of year	**₱49,009,014**	₱46,097,449
Accretion of interest	**1,863,470**	2,911,565
Balance at end of year	**₱50,872,484**	₱49,009,014

The following are the amounts recognized in the parent company statement of comprehensive income:

	2023	2022
Depreciation expense of right-of-use assets (see Notes 23 and 24)	**₱29,618,637**	₱30,565,919
Interest expense on lease liabilities	**8,969,967**	8,804,296
Interest expense on dismantling provision	**1,863,470**	2,911,565
Expense relating to short-term leases (included in "Production costs") (see Note 23)	**788,464,890**	520,268,872
Expense relating to short-term leases (included in "General and administrative expenses") (see Note 24)	**19,699,158**	22,195,653

Shown below is the maturity analysis of the undiscounted lease payments:

	2023	2022
1 year	**₱25,608,023**	₱26,289,659
more than 1 year to 2 years	**23,679,499**	24,155,689
more than 2 years to 3 years	**18,377,136**	22,190,081
more than 3 years to 4 years	**16,151,332**	16,803,585
More than 5 years	**122,403,595**	131,368,309

Total rental expense on short-term leases amounted ₱808.16 million and ₱542.46 million in 2023 and 2022, respectively (see Notes 23 and 24).

Company as Lessor. The Company leases out certain properties for a period of one year, renewable annually. The leased-out properties include investment properties and broadcasting equipment.

Total rental income amounted to ₱7.07 million and ₱5.68 million in 2023 and 2022, respectively (see Note 27).

Subscription Agreements

The Company entered into various subscription agreements with international cable providers for the airing of its programs and shows abroad. The agreements generally have terms of three to five years and are based on certain agreed service package rates.

Total subscription income amounted to ₱728.40 million and ₱774.87 million in 2023 and 2022, respectively (see Note 22).

Purchase Agreement for Set-top Boxes

In 2022, the Company entered into several contracts with Ablee Electronic Company Limited for the supply of set-top boxes with complete accessories. Total purchases amounted to ₱644.34 million in 2022.

29. Income Taxes

Current Income Tax

The current income tax consists of the following:

	2023	2022
Current - RCIT	**₱1,045,014,876**	₱1,927,570,165
Deferred	**(84,022,875)**	(129,257,206)
	₱960,992,001	₱1,798,312,959

The reconciliation between the statutory income tax rate and effective income tax rates on income before income tax is shown below:

	2023	2022
Statutory income tax	**25.00%**	25.00%
Additions (deductions) in income tax resulting from:		
Dividend income from investments	**(0.85)**	(0.57)
Nondeductible tax deficiency payments	**–**	0.35
Interest income already subjected to final tax	**(0.14)**	(0.03)
Nondeductible interest expense	**0.04**	0.01
Others - net	**(0.04)**	–
Effective income tax	**24.01%**	24.76%

Deferred Taxes

The components of the Company's net deferred tax assets are as follows:

	2023	2022
Deferred tax assets:		
Pension liability	**₱1,224,441,738**	₱1,124,438,637
Allowance for ECL	**208,335,218**	208,335,218
Other long-term employee benefits	**52,212,217**	80,219,339
Contract liabilities	**44,961,769**	92,359,707
Allowance for impairment of investments and advances	**43,021,160**	11,440,329
Lease liabilities	**38,989,084**	41,607,135
Unrealized loss on financial assets at FVOCI	**12,327,098**	14,638,501
Dismantling provision	**12,718,121**	12,252,253
Unrealized foreign exchange loss	**3,781,629**	–
	1,640,788,034	1,585,291,119
Deferred tax liabilities:		
Revaluation increment in land	**(2,071,813,970)**	(1,523,467,397)
Right-of-use assets	**(35,028,064)**	(39,836,454)
Unrealized foreign exchange gain	**–**	(16,327,921)
	(2,106,842,034)	(1,579,631,772)
Deferred tax assets (liabilities) - net	**(₱466,054,000)**	₱5,659,347

The components of net deferred tax liabilities pertaining to accounts presented under equity in the parent company statements of financial position are as follows:

	2023	2022
Deferred tax assets:		
Remeasurement loss on retirement plan	**₱713,881,149**	₱718,959,395
Unrealized loss on financial assets at FVOCI	**12,327,098**	14,638,501
	726,208,247	733,597,896
Deferred tax liability -		
Revaluation increment in land	**(2,071,813,970)**	(1,523,467,397)
	(₱1,345,605,723)	(₱789,869,501)

30. Financial Risk Management Objectives and Policies

The Company's principal financial instruments include cash and cash equivalents. The main purpose of these financial instruments includes raising financing for the Company's operations and managing identified financial risks. The Company has other financial assets and liabilities such as trade and other receivables, refundable deposits, trade payables and other current liabilities (excluding payable to government agencies, customers' deposits, contract liabilities, and advances from customers), short-term loans, obligations for program and other rights, dividends payable, other long-term employee benefits and lease liabilities which arise directly from its operations, and financial assets at FVOCI. The main risks arising from the use of financial instruments are liquidity risk, foreign currency exchange risk and credit risk. The Company is not exposed to interest rate risk as most of its financial assets and financial liabilities have fixed rates.

The BOD reviews and approves the Company's objectives and policies.

Liquidity Risk. The Company is exposed to the possibility that adverse changes in the business environment and/or its operations would result in substantially higher working capital requirements and subsequently pose difficulty in financing the additional working capital.

The Company manages liquidity risk by using its cash and cash equivalents from operations to meet its short-term liquidity needs. The Company likewise regularly evaluates other financing instruments and arrangements to broaden the Company's range of financing sources.

The tables below summarize the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments as at December 31:

	2023				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**More than 1 year**	**Total**
Financial assets at amortized cost:					
Cash and cash equivalents	**₱868,420,493**	**₱251,331,560**	**₱–**	**₱–**	**₱1,119,752,053**
Trade receivables:					
Television and radio airtime	**1,807,187,980**	**4,150,214,778**	–	–	**5,957,402,758**
Subscriptions	–	**163,937,081**	–	–	**163,937,081**
Others	–	**111,983,332**	–	–	**111,983,332**
Nontrade receivables:					
Due from related parties	–	**79,796,980**	–	–	**79,796,980**
Others	–	**30,558,474**	–	–	**30,558,474**
Refundable deposits*	–	–	–	**89,476,868**	**89,476,868**
	2,675,608,473	**4,787,822,205**	–	**89,476,868**	**7,522,907,546**
Financial assets at FVOCI	–	–	–	**156,509,189**	**156,509,189**
	₱2,675,608,473	**₱4,787,822,205**	**₱–**	**₱245,986,057**	**₱7,709,416,735**
Loans and borrowings:					
Trade payables and other current liabilities**	**₱529,045,725**	**₱1,190,937,557**	**₱42,068,113**	**₱–**	**₱1,762,051,395**
Short-term loans	–	**1,500,000,000**	–	–	**1,500,000,000**
Obligations for program and other rights	–	**347,903,020**	–	–	**347,903,020**
Lease liabilities***	–	**19,624,120**	**5,983,903**	**180,611,563**	**206,219,586**
Dividends payable	**34,686,856**	–	–	–	**34,686,856**
	563,732,581	**3,058,464,697**	**48,052,016**	**180,611,563**	**3,850,860,857**
Liquidity portion (Gap)	**₱2,111,875,892**	**₱1,729,357,508**	**(₱48,052,016)**	**₱65,374,494**	**₱3,858,555,878**

**Included under "Other noncurrent assets" account in the parent company statements of financial position (see Note 16).*
***Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱596.98 million which are not considered as financial liabilities. (see Note 17)*
****Gross contractual payments.*

	2022				
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	Total
Financial assets at amortized cost:					
Cash and cash equivalents	₱1,851,265,273	₱655,027,254	₱–	₱–	₱2,506,292,527
Trade receivables:					
Television and radio airtime	2,794,657,864	2,688,876,933	–	–	5,483,534,797
Subscriptions	23,508,436	178,742,694	–	–	202,251,130
Others	–	155,965,837	–	–	155,965,837
Nontrade receivables:					
Due from related parties	–	71,192,786	–	–	71,192,786
Others	–	105,952,176	–	–	105,952,176
Refundable deposits*	–	–	–	26,149,296	26,149,296
	4,669,431,573	3,855,757,680	–	26,149,296	8,551,338,549
Financial assets at FVOCI	–	–	–	129,758,984	129,758,984
	₱4,669,431,573	₱3,855,757,680	₱–	₱155,908,280	₱8,681,097,533

(Forward)

	2022				
	On Demand	Less than 3 Months	3 to 12 Months	More than 1 year	Total
Loans and borrowings:					
Trade payables and other current liabilities**	₱512,273,823	₱1,055,775,984	₱34,317,390	₱–	₱1,602,367,197
Obligations for program and other rights	–	209,171,642	–	–	209,171,642
Lease liabilities***	–	8,052,461	18,237,198	194,517,664	220,807,323
Dividends payable	30,525,952	–	–	–	30,525,952
	542,799,775	1,273,000,087	52,554,588	194,517,664	2,062,872,114
Liquidity portion (Gap)	₱4,126,631,798	₱2,582,757,593	(₱52,554,588)	(₱38,609,384)	₱6,618,225,419

**Included under "Other noncurrent assets" account in the parent company statements of financial position (see Note 16).*

***Excluding payable to government agencies, contract liabilities and customer deposits amounting to ₱1,620.11 million which are not considered as financial liabilities. (See Note 17)*

****Gross contractual payments.*

Foreign Currency Exchange Risk. Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company's exposure to foreign currency exchange risk results from certain business transactions denominated in foreign currencies. It is the Company's policy to ensure that capabilities exist for active but conservative management of its foreign currency exchange risk.

The Company's foreign currency-denominated monetary assets and liabilities are as follows:

	2023		2022	
Assets	**Foreign Currency**	**Local Currency**	Foreign Currency	Local Currency
Cash and cash equivalents	**$4,298,720**	**₱238,020,153**	$6,514,072	₱363,224,637
	C$102,347	**4,298,986**	C$166,862	6,881,384
Trade receivables	**$2,517,087**	**139,368,048**	$3,628,902	202,347,585
	C$791,162	**33,231,905**	C$478,316	19,725,742
	S$289,532	**12,186,337**	S$198,925	8,271,299
	A$20,727	**786,533**	A$22,947	867,410
	DH45,083	**682,162**	DH44,644	682,162
Short-term investments	**$746,464**	**41,331,694**	$–	–
		469,905,818		602,000,219
Liabilities				
Trade payables	**$1,461,137**	**80,903,156**	$817,852	45,603,440
	€1,141,705	**70,184,945**	€81,586	4,858,455
	S$–	**–**	S$2,055	85,447
	C$2,000	**84,008**	C$–	–
	G£2,470	**174,775**	G£–	–
Obligations for program and other rights	**$5,686,614**	**314,867,836**	$2,557,785	142,622,092
		₱466,214,720		₱193,169,434
		₱3,691,098		₱408,830,785

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rates used were ₱55.37 to $1.00 and ₱55.76 to $1.00, the Philippine peso to U.S. dollar exchange rate as at December 31, 2023 and 2022, respectively. The exchange rates for Philippine peso to Canadian dollar were ₱42.00 to CAD$1.00 and ₱41.24 to CAD$1.00 as at December 31, 2023 and 2022. The peso equivalents for the Singaporean Dollar, Japan Yen, Australian Dollar, Dirham and Euro were ₱42.09, ₱0.39, ₱37.95, ₱15.13, and ₱61.47 and ₱41.58, ₱0.42, ₱37.80, ₱15.28, and ₱59.55, at December 31, 2023 and 2022, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of the Company's income before income tax from reporting period up to next reporting period (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Company's equity other than those already affecting profit or loss.

	Appreciation/ Deprecation of Peso	Effect on Income before Income Tax							
		EUR	USD	CAD	SGD	AUD	AED	GBP	Total
2023	**0.50**	**₱570,853**	**₱1,668,397**	**₱447,755**	**₱144,766**	**₱10,364**	**₱22,541**	**₱1,235**	**₱2,865,911**
	(0.50)	**(570,853)**	**(1,668,397)**	**(447,755)**	**(144,766)**	**(10,364)**	**(22,541)**	**(1,235)**	**(2,865,911)**
2022	0.50	₱40,793	₱3,383,668	(₱322,589)	(₱98,435)	(₱11,474)	(₱22,322)	–	₱2,969,642
	(0.50)	(40,793)	(3,383,668)	322,589	98,435	11,474	22,322	–	(2,969,642)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk.

The Company ensures that sales of products and services are made to customers with appropriate credit history. The Company has an internal mechanism to monitor the granting of credit and management of credit exposures. The Company has made provisions, where necessary, for potential losses on credits extended. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Company does not require any collateral for its financial assets, thus, maximum exposure to credit risk is equal to the carrying value of the financial instruments.

The table below shows the maximum exposure to credit risk for the components of the parent company financial position as at December 31:

	2023	2022
Financial assets at amortized cost:		
Cash and cash equivalents*	**₱910,226,765**	₱2,062,037,698
Trade receivables:		
Television and radio airtime	**5,957,402,756**	5,483,534,797
Subscriptions	**163,937,082**	202,251,130
Others	**111,983,332**	155,965,837
Nontrade receivables:		
Due from related parties	**79,796,980**	71,192,786
Others	**30,558,474**	105,952,176
Refundable deposits**	**89,476,868**	26,149,296
	7,343,382,257	8,107,083,720
Financial assets at FVOCI	**156,509,189**	129,758,984
	₱7,499,891,446	₱8,236,842,704

**Excluding cash on hand amounting to ₱202.03 million and ₱436.75 million as at December 31, 2023 and 2022, respectively.*
*** Included under "Other noncurrent assets" account in the parent company statements of financial position (see Note 16).*

The maximum exposure for cash and cash equivalents (excluding cash on hand) is the carrying amount less insured amount by the Philippine Deposit Insurance Corporation equivalent to the actual cash balance to a maximum of ₱0.50 million per depositor per bank. The maximum exposure of trade and non-trade receivables and refundable deposits is equal to its carrying amount.

Credit quality of Financial Assets, Other than Trade Receivables

The financial assets of the Company are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 120 past due and based on change in rating delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 120 to 360 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Company's financial assets are as follows:

	2023			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Financial assets at amortized cost				
Cash and cash equivalents*	**₱910,226,765**	**₱–**	**₱–**	**₱910,226,765**
Nontrade receivables:				
Due from related parties	**79,796,980**	–	–	**79,796,980**
Others	**30,558,474**	–	–	**30,558,474**
Refundable deposits**	**89,476,868**	–	–	**89,476,868**
	1,110,059,087	–	–	**1,110,059,087**
Financial assets at FVOCI	**156,509,189**	–	–	**156,509,189**
	₱1,266,568,276	**₱–**	**₱–**	**₱1,266,568,276**

**Excluding cash on hand amounting to ₱202.03 million as at December 31, 2023.*
*** Included under "Other noncurrent assets" account in the parent company statements of financial position*

	2022			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial assets at amortized cost				
Cash and cash equivalents*	₱2,062,037,698	₱–	₱–	₱2,062,037,698
Nontrade receivables:				
Due from related parties	71,192,786	–	–	71,192,786
Others	105,952,176	–	–	105,952,176
Refundable deposits**	26,149,295	–	–	26,149,295
	2,265,331,955	–	–	2,265,331,955
Financial assets at FVOCI	129,758,984	–	–	129,758,984
	₱2,395,090,939	₱–	₱–	₱2,395,090,939

**Excluding cash on hand amounting to ₱436.75 million as at December 31, 2022.*
*** Included under "Other noncurrent assets" account in the parent company statements of financial position*

Credit Quality of Trade Receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segment with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure of the Company's trade receivables using provision matrix:

	2023						
		Days past due					
	Current	**0-30 days**	**31-60 days**	**61-90 days**	**91-360 days**	**Over 360 days**	**Total**
Expected credit loss rate	**0.46%**	**1.41%**	**5.72%**	**8.04%**	**19.61%**	**96.89%**	
Total gross carrying amount	**₱4,430,235,797**	**₱864,232,758**	**₱377,615,285**	**₱195,069,715**	**₱654,479,365**	**₱655,386,575**	**₱7,177,019,495**
Expected credit loss	**20,552,979**	**12,161,707**	**21,584,158**	**15,692,947**	**128,356,534**	**634,992,544**	**833,340,870**

	2022						
		Days past due					
	Current	0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	Total
Expected credit loss rate	1.32%	3.62%	5.08%	12.73%	39.67%	39.10%	
Total gross carrying amount	₱3,200,730,427	₱1,077,331,783	₱578,820,457	₱228,742,372	₱490,581,770	₱1,276,030,789	₱6,852,237,598
Expected credit loss	42,352,539	39,010,699	29,384,259	29,115,274	194,596,022	498,882,078	833,340,870

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay off existing debts, return capital to shareholders or issue new shares.

The Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for the years ended December 31, 2023 and 2022.

The Company monitors its capital gearing by measuring the ratio of interest-bearing loan to total equity. The Company's interest-bearing loans, which are the short-term loans, amounted to ₱1,500.00 million and nil as at December 31, 2023 and 2022, respectively. The Company's total equity as at December 31, 2023 and 2022 amounted to ₱14,769.67 million and ₱15,405.08 million, respectively.

31. Fair Value Measurement

The table below presents the carrying values and fair values of the Company's assets and liabilities, by category and by class, as at December 31:

	2023			
		Fair Value		
	Carrying Value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets				
Assets Measured at Fair Value				
Land at revalued amount	**₱8,813,283,135**	**₱–**	**₱–**	**₱8,813,283,135**
Financial assets at FVOCI	**156,509,189**	**–**	**13,350,000**	**143,159,189**
Assets for which Fair Values are Disclosed				
Investment properties	**19,570,276**	**–**	**–**	**205,305,748**
Financial asset at amortized cost - Refundable deposits*	**89,476,868**	**–**	**–**	**89,476,868**
	₱9,078,839,468	**₱–**	**₱13,350,000**	**₱9,251,224,940**

**Included under "Other noncurrent assets" account in the parent company statement of financial position (see Note 16).*

	2022			
		Fair Value		
	Carrying Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Assets Measured at Fair Value				
Land at revalued amount	₱6,619,895,148	₱–	₱–	₱6,619,895,148
Financial assets at FVOCI	129,758,984	–	7,000,000	122,758,984
Assets for which Fair Values are Disclosed				
Investment properties	20,952,663	–	–	141,239,748
Financial asset at amortized cost - Refundable deposits*	26,149,296	–	–	20,396,451
	₱6,796,756,091	₱–	₱7,000,000	₱6,904,290,331

******Included under "Other noncurrent assets" account in the parent company statement of financial position (see Note 16).*

As at December 31, 2023 and 2022, the fair value of equity instruments in a listed entity is classified under Level 3 due to the investee Company's suspension of trading in the market.

The fair values of equity instruments in listed and non-listed companies classified under Level 3 were determined through asset-based approach. Asset-based approach is based on the value of all the tangible and intangible assets and liabilities of the company. Presented below are the significant unobservable inputs used in the net asset valuation of the Company's financial assets in 2023 and 2022:

Description	Unobservable Inputs	Range 2023	2022
Listed equity instrument:			
Casinos and gaming industry	Discount for lack of marketability	**10%-30%**	10%-30%
	Discount for lack of control	**10%-30%**	10%-30%
Non-listed equity instruments:			
Media and entertainment industry	Discount for lack of marketability	**10%-30%**	10%-30%
	Discount for lack of control	**10%-30%**	10%-30%

An increase (decrease) in the significant unobservable inputs used in the valuation of the equity investments will decrease (increase) the fair value of the equity investments.

Movements in the fair value of equity investments classified under Level 3 are as follows:

	2023	2022
Balance at beginning of year	**₱122,758,984**	₱113,854,903
Additions during the year	**11,340,854**	15,458,400
Fair value adjustment recognized under "Net unrealized gain (loss) on financial assets at FVOCI"	**9,059,351**	(6,554,319)
Balance at end of year	**₱143,159,189**	₱122,758,984

Fair Value Determination

The following methods and assumptions are used to estimate the fair value of each asset and liability for which it is practicable to estimate such value:

Cash and Cash Equivalents and Trade and Other Receivables
The carrying values of cash and cash equivalents and trade and nontrade receivables approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

Refundable Deposits
The fair value of refundable deposits is based on the present value of the future discounted cash flows. Discount rates used range from 3.26% to 4.44% in 2023 and 2022.

Financial assets at FVOCI
The Company's investments in club shares were based on prices readily available from brokers and other regulatory agencies as at reporting date (Level 2). The fair values of equity investments in listed and non-listed companies have been estimated using the net asset value model. The valuation using adjusted net asset approach requires the management to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date.

Investment Properties and Land at Revalued Amounts
The valuation for the disclosure of the fair value of investment properties and for the recognition land at revalued amounts were derived through market data approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property adjusted based on certain elements of comparison (e.g. market conditions, location, physical condition and amenities). Significant unobservable valuation input in determining the fair value of investment properties includes adjusted price per square meter that ranges from ₱1,400 to ₱117,000. On the other hand, significant unobservable valuation input in determining the fair value of land at revalued amount includes adjusted price per square meter that ranges from ₱270 to ₱350,000.

Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value of the properties.

Trade Payables and Other Current Liabilities (excluding Payable to Government Agencies and Advances from Customers), Short-term Loans, Obligations for Program and Other Rights and Dividends Payable
The carrying values of trade payables and other current liabilities, short-term loans, current portion of obligations for program and other rights and dividends payable approximate their fair values due to the relatively short-term maturity of these financial instruments.

Lease liabilities
The fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans plus the applicable credit spread. Discount rates used ranged from 4.26% to 8.87% in 2023 and 3.39% to 6.78% in 2022.

Obligations for program and other rights
Estimated fair value is based on the discounted value of future cash flows using the applicable risk-free rates for similar types of loans adjusted for credit risk.

32. EPS

The computation of basic and diluted EPS follows:

	2023	2022
Net income of the Company (a)	**₱3,042,378,741**	₱5,463,995,346
Less attributable to preferred shareholders	**938,100,112**	1,684,791,765
Net income attributable to common equity holders of the Company (b)	**₱2,104,278,629**	₱3,779,203,581
Common shares issued at the beginning of year (Note 20)	**3,364,692,000**	3,364,692,000
Weighted average number of common shares for basic EPS (c)	**3,364,692,000**	3,364,692,000
Weighted average number of common shares	**3,364,692,000**	3,364,692,000
Effect of dilution - assumed conversion of preferred shares	**1,500,000,000**	1,500,000,000
Weighted average number of common shares adjusted for the effect of dilution (d)	**4,864,692,000**	4,864,692,000
Basic EPS (b/c)	**₱0.625**	₱1.123
Diluted EPS (a/d)	**₱0.625**	₱1.123

33. Supplemental Cash Flow Information

	January 1, 2023	**Additions**	**Cash flows**	**Others**	**December 31, 2023**
Short-term loans	**₱–**	**₱3,500,000,000**	**(₱2,000,000,000)**	**₱–**	**₱1,500,000,000**
Dividends payable	**30,525,952**	**5,351,161,200**	**(5,347,000,296)**	**–**	**34,686,856**
Lease liabilities	**166,428,540**	**19,355,041**	**(29,827,245)**	**–**	**155,956,336**
Accrued interest expense*	**–**	**119,547,238**	**(117,534,738)**	**–**	**2,012,500**
Total liabilities from financing activities	**₱196,954,492**	**₱8,990,063,479**	**(₱7,494,362,279)**	**₱–**	**₱1,692,655,692**

***Included under "Trade payables and other current liabilities" account in the statement of financial position (see Note 17).**

	January 1, 2022	Additions	Cash flows	Others*	December 31, 2022
Short-term loans	₱739,485,500	₱1,000,000,000	(₱1,685,850,000)	(₱53,635,500)	₱–
Dividends payable	25,588,850	7,053,803,401	(7,048,866,299)	–	30,525,952
Lease liabilities	107,816,054	85,797,018	(27,184,532)	–	166,428,540
Accrued interest expense**	511,796	12,395,545	(12,907,341)	–	–
Total liabilities from financing activities	₱873,402,200	₱8,151,995,964	(₱8,774,808,172)	(₱53,635,500)	₱196,954,492

Others pertain to revaluation of foreign currency denominated loans, accretion of interest and pre-termination of lease liabilities
*****Included under "Trade payables and other current liabilities" account in the statement of financial position (see Note 17).***

Non-cash activities

Significant non-cash investing activity in 2023 and 2022 pertains to the following:

- Additional revaluation increment of land at revalued amounts totaling to ₱2,193.39 million and ₱3,650.29 million, respectively.
- Additions to program rights on account. The outstanding balance of additions to program rights on account that was considered in the cashflows from operating activities amounted to ₱357.06 million and ₱209.17 million as at December 31, 2023 and 2022, respectively.

34. Supplementary Information Required by Revenue Regulations No. 15-2010

The Company reported and/or paid the following types of taxes in 2023:

a. Value-added Tax (VAT)

The Company's sales are subject to output VAT while its purchases from VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

Output VAT

Net receipts and Output VAT declared in the Company's VAT returns for 2023:

	Gross Amount of Revenues	Output VAT
Subject to 12% VAT -		
Sale of Goods and Services	₱16,471,551,740	₱1,976,586,209
Zero-rated -		
Sale of Services	2,046,071,700	–
Sale to Government - Sale of Services	179,988,732	21,598,648
	₱18,697,612,172	₱1,998,184,857

The Company's sale of services as reported in the VAT returns is based on actual collections received. Hence, these may not be the same with the amount accrued in the parent company statements of comprehensive income.

Zero-rated sales are sales made to enterprises accredited by the Philippine Economic Zone Authority and non-resident foreign companies in accordance with Section 108 B (2) and (3) of the National Internal Revenue Code.

Input VAT

Beginning balance	₱20,229,371
Add current year's domestic purchases/payments for:	
Services	628,714,150
Goods other than capital goods	34,287,895
Capital goods subject to amortization	29,849,158
Services rendered by non-residents	133,283,918
Importation of goods other than capital goods	42,148,231
Total input VAT	888,512,723
Application against output VAT	879,189,371
Balance at end of year	₱9,323,352

b. Importations

The Company has incurred a total of ₱393.38 million import duties and taxes in which ₱61.48 million were paid in cash and applied ₱41.91 million as tax credit for the year ended December 31, 2023.

c. Documentary stamp tax

The Company has paid ₱14.30 million of documentary stamp tax on short-term rentals, intercompany advances and loans for the year ended December 31, 2023.

d. Other Taxes and Licenses

All other local and national taxes paid for the year ended December 31, 2023 consist of:

Business tax	₱138,176,803
Licenses and permits	36,431,153
Real property tax	18,141,710
Others	25,825,232
	₱218,574,898

e. Withholding Taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2023 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	₱673,208,426	₱80,648,186	₱753,856,612
Expanded withholding tax	314,613,488	30,564,739	345,178,227
Final withholding tax	213,214,918	15,558,141	228,773,059
Withholding VAT/Percentage tax	124,057,411	13,104,000	137,161,411
Fringe benefit tax	2,115,743	705,248	2,820,991
	₱1,327,209,986	₱140,580,314	₱1,467,790,300

f. Tax Assessments and Cases

As at December 31, 2023, the Company has open assessments for taxable years 2020, 2021, and 2022.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

April 3, 2024

Bureau of Internal Revenue
Large Taxpayers Service (RDO 126)
Quezon City

The Management of **GMA Network, Inc.**, is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value-added tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of GMA Network, Inc., complete and correct in all material respects. Management likewise affirms that:

a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National International Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to the financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
c) GMA Network, Inc., has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

FELIPE L. GOZON
Chairman of the Board

GILBERTO R. DUAVIT, JR.
President
Chief Executive Officer

FELIPE S. YALONG
Executive Vice President
Chief Financial Officer

APR 04 2024 QUEZON CITY

SUBSCRIBED AND SWORN to before me this ___day of ______ at __________, affiants exhibited to me their (Felipe L. Gozon) TIN 106-174-605, (Gilberto R. Duavit, Jr.) TIN 158-147-748 and (Felipe S. Yalong) TIN 102-874-052.

Doc. No. 258
Page No. 53
Book No. 03
Series of 2024

ATTY. MARIPER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 390487-Jan. 3, 2024
MCLE Compliance No.VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 5555049 Jan. 2, 2024 Quezon City
Quezon City Roll No. 73209
28 Baker St., Fairmont Subd. Brgy.
North Fairview, Quezon City

For BIR Use Only BCS/ Item:

Republic of the Philippines
Department of Finance
Bureau of Internal Revenue

BIR Form No. **1702-RT** January 2018(ENCS) Page 1

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two copies MUST be filed with the BIR and one held by the taxpayers.

1702-RT 01/18ENCS P1

1 For (●) Calendar ( ) Fiscal
2 Year Ended (MM/20YY) 12 - December 20 23
3 Amended Return? ( ) Yes (●) No
4 Short Period Return ( ) Yes (●) No
5 Alphanumeric Tax Code (ATC) IC 055–Minimum Corporate Income Tax (MCIT) (●); IC010 - CORPORATION IN GENERAL - JAN 1, 2009 (●)

Part I - Background Information

6 Tax Identification Number (TIN) 000 - 917 - 916 - 00000 7 RDO Code 125

8 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*
GMA NETWORK, INC.

9 Registered Address *(Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905)*
GMA COMPLEX EDSA CORNER TIMOG AVE SOUTH TRIANGLE QUEZON CITY

9A ZIP Code 1103

10 Date of Incorporation/Organization (MM/DD/YYYY) 06/14/1950 11 Contact Number 89827777

12 Email Address msgatmaitan@gmanetwork.com

13 Method of Deductions (●) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD) – 40% of Gross Income [Section 34(L), NIRC as amended]

Part II - Total Tax Payable

(Do NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

14 Tax Due	1,045,014,876
15 Less: Total Tax Credits/Payments	789,854,725
16 Net Tax Payable (Overpayment) *(Item 14 Less Item 15)*	255,160,151
Add: Penalties	
17 Surcharge	0
18 Interest	0
19 Compromise	0
20 Total Penalties *(Sum of Items 17 to 19)*	0
21 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Items 16 and 20)*	255,160,151

If Overpayment, mark one(1) box only *(Once the choice is made, the same is irrevocable)*
( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) ( ) To be carried over as a tax credit for next year/quarter

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If signed by an Authorized Representative, indicate TIN and attach authorization letter)*

GILBERTO R. DUAVIT, JR — Signature over Printed Name of President/Principal Officer/Authorized Representative
Title of Signatory PRESIDENT - CEO TIN

FELIPE S. YALONG 4/11/ — Signature over Printed Name of Treasurer/Assistant Treasurer
Title of Signatory EVP - CFO TIN

22 Number of Attachments 000

Part III - Details of Payment

Particulars	Drawee Bank/ Agency	Number	Date(MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others *(Specify Below)*				
				0

Machine Validation/Revenue Official Receipt Details *[If not filed with an Authorized Agent Bank(AAB)]*

Stamp of Receiving Office/AAB and Date of Receipt *(RO's Signature/Bank Teller's Initial)*

BIR Form No. 1702-RT January 2018(ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate	1702-RT 01/18ENCS P2

Taxpayer Identification Number(TIN): 000 917 916 00000

Registered Name: GMA NETWORK, INC.

Part IV - Computation of Tax (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

27 Sales/Revenues/Receipts/Fees	18,109,524,038
28 Less:Sales Returns, Allowances and Discounts	0
29 Net Sales/Revenues/Receipts/Fees *(Item 27 Less Item 28)*	18,109,524,038
30 Less: Cost of Sales/Services	8,346,189,399
31 Gross Income from Operation *(Item 29 less Item 30)*	9,763,334,639
32 Add: Other Taxable Income Not Subjected to Final tax	247,447,060
33 Total Taxable Income *(Sum of Items 31 and 32)*	10,010,781,699
Less: Deductions Allowable under Existing Law	
34 Ordinary Allowable Itemized Deductions	5,830,722,195
35 Special Allowable Itemized Deductions	0
36 NOLCO *(Only for those taxable under Sec. 27(A to C); Sec. 28(A)(1)(A)(6)(b) of Tax code, as amended)*	0
37 Total Deductions *(Sums of Items 34 to 36)*	5,830,722,195
OR *[in case taxable under Sec 27(A) & 28(A)(1)]*	
38 Optional Standard Deduction (OSD) *(40% of Item 33)*	0
39 Net Taxable Income/(Loss) *If Itemized: Item 33 Less Item 37; If OSD: Item 33 Less Item 38)*	4,180,059,504
40 Applicable Income Tax Rate	25 %
41 Income Tax Due other than Mininum Corporate Income Tax(MCIT) *(Item 39 x Item 40)*	1,045,014,876
42 MCIT Due *(2% of Item 33)*	100,107,817
43 Tax Due *(Normal Income Tax Due in Item 41 OR the MCIT Due in Item 42, whichever is higher)*	1,045,014,876
Less: Tax Credits/Payments(attach proof)	
44 Prior Year's Excess Credits Other Than MCIT	0
45 Income Tax Payment under MCIT from Previous Quarter/s	0
46 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	344,672,559
47 Excess MCIT Applied this Current Taxable Year	0
48 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	169,779,217
49 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	275,402,949
50 Foreign Tax Credits, if applicable	0
51 Tax Paid in Return Previously Filed, if this is an Amended Return	0
52 Special Tax Credits	0
Other Credits/Payments *(Specify)*	
53	0
54	0
55 Total Tax Credits/Payments *(Sum of Items 44 to 54)*	789,854,725
56 Net Tax Payable (Overpayment) *(Item 43 Less Item 55)*	255,160,151

Part V - Tax Relief Availment

57 Special Allowable Itemized Deductions *(Item 35 of Part IV x Applicable Income Tax Rate)*	0
58 Add:Special Tax Credits	0
59 Total Tax Relief Availment *(Sum of Items 57 & 58)*	0

BIR Form No.
1702-RT
January 2018(ENCS)
Page 3

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P3

Taxpayer Identification Number(TIN) 000 917 916 00000 **Registered Name** GMA NETWORK, INC.

Part VI - Schedules *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

Schedule I - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s if necessary)*

1 Amortization	55,299,465
2 Bad Debts	0
3 Charitable and Other Contributions	2,583,872
4 Depletion	0
5 Depreciation	202,726,896
6 Entertainment, Amusement and Recreation	8,137,954
7 Fringe Benefits	0
8 Interest	39,874,947
9 Losses	0
10 Pension Trusts	0
11 Rental	49,526,402
12 Research and Development	113,900,352
13 Salaries, Wages and Allowances	3,232,916,835
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	84,204,177
15 Taxes and Licenses	216,861,583
16 Transportation and Travel	51,513,103
17 Others(Deductions Subject to Withholding Tax and Other Expenses) *(Specify below; Add additional sheet(s), if necessary)*	
a Janitorial and Messengerial Services	25,236,184
b Professional Fees	276,591,020
c Security Services	75,869,177
d ADVERTISING AND PROMOTIONS	185,497,062
e COMMISSIONS	45,097,087
f COMMUNICATION, LIGHT AND WATER	387,600,551
g INSURANCE	36,422,124
h MISCELLANEOUS	198,456,748
i OTHERS	538,404,656
18 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 17)*	5,830,722,195

Schedule II - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5	**Total Special Allowable Itemized Deductions** *(Sum of Items 1 to 4)*		0

Schedule 1 - Ordinary Allowable Itemized Deductions *(Continued from Previous Page)*

	Description	Amount
I.1	OFFICE SUPPLIES	11,901,799
I.2	FACILITIES RELATED EXPENSE	58,600,492
I.3	REPAIRS AND MAINTENANCE	272,103,703
I.4	DUES AND SUBSCRIPTION	33,528,660
I.5	SOFTWARE LICENSES	14[illegible],121,985
I.6	FREIGHT AND HANDLING	13,148,017
	Subtotal	538,404,656

Save Save and Close

BIR Form No. **1702-RT** January 2018(ENCS) Page 4

Annual Income Tax Return

Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

1702-RT 01/18ENCS P

Taxpayer Identification Number(TIN)				Registered Name
000	917	916	00000	GMA NETWORK, INC.

Schedule III - Computation of Net Operating Loss Carry Over (NOLCO)

1	Gross Income	0
2	Less: Ordinary Allowable Itemized Deductions	0
3	Net Operating Loss *(Item 1 Less Item 2) (To Schedule IIIA, Item 7A)*	0

Schedule IIIA - Computation of Available Net Operating Loss Carry Over (NOLCO) *(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)*

	Year Incurred	Net Operating Loss A) Amount	B) NOLCO Applied Previous Year/s
4		0	0
5		0	0
6		0	0
7		0	0

Continuation of Schedule IIIA *(Item numbers continue from table above)*

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied) [E = A Less (B + C + D)]
4	0	0	0
5	0	0	0
6	0	0	0
7	0	0	0
8	**Total NOLCO** *(Sum of Items 4D to 7D)*	0	

Schedule IV -Computation of Minimum corporate Income Tax(MCIT)

	Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1		0	0	0
2		0	0	0
3		0	0	0

Continuation of Schedule IV *(Item numbers continue from table above)*

	D) Excess MCIT Applied/Used in Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4	**Total Excess MCIT Applied** *(Sum of Items 1F to 3F)*		0	

Schedule V - Reconciliation of Net Income per Books Against Taxable Income *(Attach additional sheet/s, if necessary)*

1	Net Income/(Loss) per Books	3,042,378,738
	Add: Non-deductible Expenses/Taxable Other Income	
2	NON-DEDUCTIBLE INTEREST EXPENSE	16,479,291
3	OTHERS	1,191,725,640
4	Total *(Sum of Items 1 to 3)*	4,250,583,669
	Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	INCOME ALREADY SUBJECTED TO FINAL TAX	22,549,769
6	OTHERS	47,974,396
	B) Special Deductions	
7		0
8		0
9	Total *(Sum of Items 5 to 8)*	70,524,165
10	**Net taxable Income (Loss)** *(Item 4 Less Item 9)*	4,180,059,504

UnionBank **BTR-BIR DEPOSIT SLIP**

PLEASE WRITE HEAVILY TO MAKE CARBON COPY CLEAR

1. This Deposit Slip be used exclusively for payment of Internal Revenue Taxes
2. This Deposit Slip is NOT valid without machine validation and initial of Bank Teller
3. Taxpayers can confirm their tax payment with their Home RDO/LTDO or LTDO/RDO where they are required to file tax return/payment form and pay internal revenue taxes

DATE	ACCOUNT NAME	ACCOUNT NUMBER
04/12/24	BTR-BIR	CA 00-001-008633-0

TELLER'S VALIDATION

GMA NETWORK INC
OVER THE COUNTER PYMNT - OR TO
255,160,151.00
ELLA
UNIONBANK GMA TIMOG BRANCH

TAXPAYER NAME: GMA NETWORK INC

CONTACT NO	TIN
	000 917 916 000

TAX PERIOD	TAX TYPE	TAX FORM	RDO
12/2023	IT	1702 RT	039

CASH PAYMENT

Denomination	No. of Pieces	Amount
TOTAL		

CHECK PAYMENT

Check should be PAY TO THE ORDER OF UnionBank Branch Name FAO Bureau of Internal Revenue IFO Taxpayer Name with TIN number.
Example: If paying thru UnionBank Plaza Branch, check should be PAY TO THE ORDER OF UnionBank Plaza FAO Bureau of Internal Revenue IFO Juan dela Cruz with TIN 012-345-678-000

DRAWEE BANK / BRANCH	CHECK NO	AMOUNT

PAYMENT THRU TAX DEBIT MEMO (TDM)

In case of payment partly thru Tax Debit Memo (TDM), fill out the appropriate sections (TDM and Cash or Check). Please submit a photocopy of the Tax Credit (TCC), front and back page which was the source of the TDM, together with a copy of the TDM. These must be attached to the BIR Tax Return Payment Form.

TDM NO	TDM DATE	AMOUNT

PAYMENT VIA DEBIT TO ACCOUNT

ACCOUNT NAME: GMA NETWORK INC

ACCOUNT NUMBER	AMOUNT
00185 0000417	₱255,160,151

By signing this form, I confirm authorizing the Bank to debit my account the amount stated above for tax payment. I/we also hereby declare under the penalties of perjury that my/our co-depositors is/are still living.

(Client's Signature over Printed Name) (Date)

www.unionbankph.com

Gatmaitan, Maria Cristina S.

From:	eafs@bir.gov.ph
Sent:	Monday, April 15, 2024 1:18 pm
To:	Gatmaitan, Maria Cristina S.
Cc:	Gatmaitan, Maria Cristina S.
Subject:	Your BIR AFS eSubmission uploads were received

You don't often get email from eafs@bir.gov.ph. Learn why this is important

Hi GMA NETWORK, INC.,

Valid files

- EAFS000917916AFSTY122023.pdf
- EAFS000917916ITRTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-4R2MW24M09EAF9CLGP2QN3M1P0NYMSQQ2Q**
Submission Date/Time: **Apr 15, 2024 01:18 PM**
Company TIN: **000-917-916**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

ANNEX "B"

Securities and Exchange Commission PHILIPPINES

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2022**

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)89827777**
   Issuer's telephone number, including area code

9. **NOT APPLICABLE**
   Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	For information on the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors please refer to the following link to the Company's latest Definitive information Statement and Annual Report: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 42 to 56, 59-72) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see pages 85 to 93) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see pages 32-38) The qualifications/ standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of their performance are set forth in the Company's 2021 Revised Manual on Corporate Governance which may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		

		(please see pages 4-6 and pages 20-23) The directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities to respond to the needs of the organization. This requirement is set forth in the Company's 2021 Revised Manual on Corporate Governance which may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 4-6 and pages 20-23)	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	The Company's directors and the type of their directorships are contained in the Company's Definitive Information Statement and Annual Report which may be viewed at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 42 to 56, 59-72) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see pages 85 to 93) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see pages 32-38)	
Recommendation 1.3			

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant in so far as it has a policy on training of directors	The Company's policy on training of directors and compliance therefor are stated in its 2021 Revised Manual on Corporate Governance which is posted at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 13-14) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_certificate_of_attendance_in_corporate_governance_training_2022_1671694301.pdf	
2. Company has an orientation program for first time directors.	Compliant	For information on the orientation program and annual continuing training of directors please view the Company's 2021 Revised Manual on Corporate Governance at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 13-14) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_certificate_of_attendance_in_corporate_governance_training_2022_1671694301.pdf Kindly note that none of the current nine (9) directors of the Company are first time directors.	
3. Company has relevant annual continuing training for all directors.	Compliant		
Recommendation 1.4			

1. Board has a policy on board diversity.	Compliant	The Board's policy on diversity is contained in its 2021 Revised Manual on Corporate Governance which states that the nine (9) directors shall have collective working knowledge, experience or expertise that is relevant to the Company's industry. The Board of Directors is composed of six (6) men and three (3) women, with varying education, expertise and experience. https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 4-5)	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Company adheres to this policy in principle but there is no written policy. Please refer the explanation in the fourth column	The Company's measurable objectives for implementing its board diversity and reports on progress in achieving its objectives are reflected in the minutes of the Board of Directors which are available for viewing at the principal office of the Company. The diversity in the backgrounds of the members of the Board facilitates a healthy and productive exchange of ideas among its members. Moreover, the significant/material matters approved at the meeting of the Board of Directors are posted in the website of the Company: https://www.gmanetwork.com/corporate/disclosures/currentreports/	While the Board welcomes diversity among its members, it opts to have a flexible approach in relation to the diversity of its membership as well as the body of stockholders rather than have a fix policy therefor. The Board's standard of membership shall be objectively based on competence and the needs of the business and such standard shall not be influenced by any gender, age, ethnicity or cultural bias or prejudice.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	For information on the Corporate Secretary, including her name, qualifications, duties and functions please	

2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	view the Definitive Information Statement and the Annual Report at the following: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 35, 52 and 63) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see page 90, 107) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see page 35)	
3. Corporate Secretary is not a member of the Board of Directors.	Not adopted		The Company's Board of Directors finds that the duties and functions of a Director are not inconsistent with the roles and responsibilities of a Corporate Secretary since the functions of a director and a corporate secretary both include the role of ensuring that the Board is able to perform its functions efficiently, legally, and in due observance of good corporate governance. Please refer to the Company's explanation attached to the following: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf

4. Corporate Secretary attends training/s on corporate governance.	Compliant	For information on the corporate governance training attended by the Corporate Secretary, please view his Certificate of Attendance to the Seminars at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_certificate_of_attendance_in_corporate_governance_training_2022_1671694301.pdf	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Advance copies of the materials for the meeting are sent via email at least five business days before the meeting to the Executive Directors. Sufficient time is also given to the non-executive directors to review the materials for the Board meeting.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	For information on the Compliance Officer, including his name, position, qualification, duties and functions please view the Definitive Information Statement and the Annual Report at the following: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 37, 58 and 67-68)	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Not adopted		The Company's Compliance Officer has a rank of First-Vice President and such rank grants the Compliance Officer with adequate stature and authority in the Company.
3. Compliance Officer is not a	Compliant		

member of the board.		https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see page 86, 93-94, 108) https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 2)	
4. Compliance Officer attends training/s on corporate governance.	Compliant	https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_certificate_of_attendance_in_corporate_governance_training_2022_1671694301.pdf	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	For information on the resolutions/matters approved by the Board of Directors please view: https://www.gmanetwork.com/corporate/disclosures/currentreports/	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's	Compliant	Information on the matters/resolutions approved by the Board of Directors and on how the directors performed the recommended functions under Recommendation 2.2 please view:	

business objectives and strategy.			
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	https://www.gmanetwork.com/corporate/disclosures/currentreports/ https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 81-90, 186-195) Moreover, the financial and operational reports on the Company are presented to the Board of Directors annually and quarterly. https://www.gmanetwork.com/corporate/disclosures/annualreports/ https://www.gmanetwork.com/corporate/ir	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The Company's 2021 Revised Manual on Corporate Governance contains its vision, mission and core values. The Company's Manual on Corporate Governance is reviewed every time there is a Memorandum Circular from the Securities and Exchange Commission relating to any update/revision of the prescribed Manual of Corporate Governance for publicly listed companies. https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 1 to 2).	

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	The quarterly meetings/discussions among the members of the Board of Directors, the periodic meetings of the Executive Committee as well as the Audit and Risk Management Committee, and their individual recommendations during said meetings facilitate effective management performance. The Senior Vice-Presidents and heads of Departments of the Company attend the Board meetings in order to be guided by the business strategies recommended by the Board. The minutes of the meeting of the Board of Directors containing the members' discussions for this purpose may be viewed at the principal office of the Company or of the Corporate Secretary upon the prior written request of the stockholder stating the purpose of such a request.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	For information on the Chairperson, including his name and qualifications please view the following website: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 35, 46 to 47, 57, 59-61) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see pages 88-89, 108) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (page 32-33)	

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	The Company has a succession planning program established by Management for key officers as well as retirement programs for employees. To improve the process of identifying key and critical positions for succession planning and enrolling internally-sourced candidates for such positions to be vacated due to compulsory retirement, the Company's Human Resources Department with the assistance of the Information and Communications Tecnology Department and Corporate Affairs and Communications Department, developed and installed a Succession Planning Program (SPP) App in One Digital HR (ODHR). This app allows immediate superiors to complete the SPP forms and identify the succession development plan for internally-sourced "successors" for key and critical positions.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	The Company's policy on retirement/succession for directors shall follow the provisions of the Revised Corporation Code of the Philippines, the By-laws, the 2021 Revised Manual on Corporate Governance and the rules of the SEC on the qualifications and election of directors. Moreover, the Company adopts the provisions of the Revised Corporation Code of the Philippines on the qualifications and election of the directors of a corporation and all rules and regulations of the Securities and Exchange Commission. https://aphrodite.gmanetwork.com/corporate/cgr/revised_policy_on_succession_planning__2017__1595658316.pdf https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 7).	

Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	The functions of the Remuneration and Compensation Committee as set forth in the Company's 2021 Revised Manual on Corporate Governance achieve the purpose/s of recommendation 2.5: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 10).	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 12).	
3. Directors do not participate in discussions or deliberations involving their own remuneration.	Compliant	The Compensation of Directors are set forth in the Company's By-laws: https://aphrodite.gmanetwork.com/corporate/misc/GMAByLawsandAmendments_1596017400.pdf (pages 8-9)	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	The Board's Executive Committee together with the Remuneration and Compensation Committee approve the remuneration and/or review the remuneration policy and practices concerning senior executives.	
2. Company has measurable	Compliant	The functions of the Remuneration and Compensation committee as set forth in the Company's 2021 Revised	

standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Manual on Corporate Governance achieve the purpose/s of recommendation 2.5: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 10) The annual compensation of each of the Company's directors is based on Section 8 of Article IV of the Company's By-Laws (adopted by the Company on April 10, 2006 and approved by the SEC on April 20, 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). The Compensation of Directors are set forth in the Company's By-laws: https://aphrodite.gmanetwork.com/corporate/misc/GMAByLawsandAmendments_1596017400.pdf (pages 8-9) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 77-78)	

		https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (page 100-101)	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	For information on the Company's nomination and election policy and process and its implementation, including the criteria used in selecting directors, please view the following: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 11)	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 17 to 23)	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 44) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see Annex "B" of the Notice of the Meeting)	By way of additional explanation, all of the Company's stockholders are free to nominate any candidate to the Board of Directors subject to the qualifications and disqualifications standards set in the By-laws of the Company and the Revised Corporation Code. However, since the Company adopts the cumulative voting system prescribed by the Revised Corporation Code, nominations, are and shall be acted upon with these considerations.

4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder	Not adopted		The Company respects the rights of the stockholders to nominate and elect their Board of Directors. It will be a conflict of interest should management interfere in the exercise of these rights.

bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The Board of Directors of the Company has expanded the jurisdiction of the Board of Directors' existing Audit and Risk Management Committee to include the functions and responsibilities of the Related Party Transactions (RPT) Committee as contemplated and enumerated in the Explanation of Recommendation 3.4 and in the Explanation of Recommendation 3.5 of the prescribed CG Code under SEC Memorandum Circular No. 19, Series of 2016 and SEC Memorandum Circular No 24, Series of 2019, taking into consideration the peculiarities of the broadcast industry;	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	For information on the company's policy on related party transactions (RPT), including policy on review and approval of significant RPTs please view the following link: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 9)	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	Please see the following link the Company's Related Party Transactions Policy: https://aphrodite.gmanetwork.com/corporate/disclosures/gma__policy_manual_on_related_party_transactions_1572325687.pdf	

Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	For information on the Company's policy on related party transactions (RPT), including policy on review and approval of significant RPTs please view the following link: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 9) Please see the following link the Company's Related Party Transactions Policy: https://aphrodite.gmanetwork.com/corporate/disclosures/gma__policy_manual_on_related_party_transactions_1572325687.pdf	
2. Board establishes a voting system whereby a majority of non-related	Compliant	Please see the following link to the Company's Related Party Transactions Policy:	

party shareholders approve specific types of related party transactions during shareholders' meetings.		https://aphrodite.gmanetwork.com/corporate/disclosures/gma_policy_manual_on_related_party_transactions_1572325687.pdf Please also refer to the 2021 Revised Manual on Corporate Governance which specifically states that "(i)interested directors and/or shareholders, respectively, shall abstain and let the disinterested parties decide." https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 9 and pages 30-32)	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	The minutes of the Board of Directors' meetings reflect that the Board of Directors is primarily responsible for the selection of Management. The minutes of the meeting of the Board of Directors containing the resolutions electing/appointing the members of the Management may be viewed at the principal office of the Company upon the written request of the stockholder. The profiles of the elected/appointed members of the Management team may be viewed in the following reports: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 46 to 49, 50-53, 58-63, 67-72)	

		https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (page 86-90 and 93-97) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see pages 32-35,40-45)	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	The members of Management/ heads of departments report quarterly to the Board of Directors and periodically to the Executive Committee as well as the Audit and Risk Management Committee on the performance of the Company. This practice aids the Board in assessing the performance of the said members of management. The relevant quarterly reports of the heads of Departments are reflected in the minutes of the Directors and Stockholders' meetings which may be viewed at the principal office of the Company upon the written request of the stockholder.	
Recommendation 2.9			

1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	The Board of Directors' duties to identify key performance indicators and monitor such indicators achieve the purpose/s of Recommendation 2.9. This responsibility is listed under the "Specific Duties and Functions of the Board of Directors" in: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 8) The functions and responsibilities of the members of the Board of Directors under the 2021 Revised Manual on Corporate Governance achieve the purpose/s of Recommendation 2.9:	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 7-12)	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The internal control system and processes of the Company are set forth in its 2021 Revised Manual on Corporate Governance as follows: https://aphrodite.gmanetwork.com/corporate/cgr/revised_	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Complied	gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 8-9, 11, 14, 26, 29, 37-38, 43-12) The mechanisms in place for monitoring and managing potential conflict of interest of Management, members and stockholders are stated in : https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 8, 19, 24 and 31) https://aphrodite.gmanetwork.com/corporate/disclosures/gma__policy_manual_on_related_party_transactions_1572325687.pdf	
3. Board approves the Internal Audit Charter.	Compliant	The Internal Audit Charter approved by the Board of Directors may also be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/internal_audit_charter_1526452919.pdf	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	The jurisdiction of the Board of Directors' existing Audit and Risk Management Committee has been expanded to include the functions and responsibilities of the Board Risk Oversight Committee. https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (pages 32-33)	
2. The risk management framework guides	Compliant	The Company's Enterprise Risk Management Policy may be viewed at:	

the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.		https://aphrodite.gmanetwork.com/corporate/cgr/enterprise-wide_risk_management_policy_1684831561.pdf	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Not adopted		The Board's roles, responsibilities, and accountabilities in carrying out its fiduciary role are set forth in the Company's 2021 Revised Manual on Corporate Governance, in the Company's By-laws, the Revised Corporation Code and the rules and regulations of the SEC.
2. Board Charter serves as a guide to the directors in the performance of their functions.	Not adopted		See above explanation
3. Board Charter is publicly available and posted on the company's website.	Not adopted		See above explanation
Additional Recommendation to Principle 2			

1. Board has a clear insider trading policy.	Compliant	It is the Company's policy that all material information that could potentially affect share price are publicly disclosed. Moreover, the Company ensures compliance with existing laws, rules and regulations, pertaining to any such material information as well as the fiduciary responsibilities of the Board directors and executive officers pertaining thereto. https://aphrodite.gmanetwork.com/corporate/cgr/insider_trading_1418284950.pdf	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Not applicable	Historically, there had been no situation which called for the issuance of a policy on this subject. The Company follows the Revised Corporation Code on the rights and obligations, as well as the fiduciary responsibilities of the Board directors and executive officers. Generally, as a matter of practice, the Board's approvals include even corporate activities in the ordinary course of business and related party transactions.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	The types of decision requiring Board of Directors approval are those listed in the Company's Current Reports and those required by the Company's By-laws, the Revised Corporation Code and the rules and regulations of the SEC to be approved by the Board. https://www.gmanetwork.com/corporate/disclosures/currentreports/ https://www.gmanetwork.com/corporate/	

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	The Company's 2021 Revised Manual on Corporate Governance contains information on all the board committees established by the Company https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (pages 15-36)	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	The Company's 2021 Revised Manual on Corporate Governance contains information on the Audit and Risk Management Committee, including its functions. https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 26-34) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_results_of_organizational_meeting_of_the_board__asm_2022__1652848589.pdf	

		It is the Audit and Risk Management Committee's responsibility to recommend the appointment of an external auditor, but the Board of Directors and the Stockholders approvals are necessary to appoint/remove the Company's external auditor.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant (insofar as the Chairman is Independent).	For information on the members of the Audit and Risk Management Committee, including their qualifications and type of directorship please view: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages Annex "B-1", 43-45, 49-50, 53-58, 62-67, 80) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 85-87, 89-93) Annual Report https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see page 34-38, 65-66)	On September 1, 2022, one of the three non-executive directors, Atty. Anna Teresa M. Gozon-Valdes, was appointed as the Company's Senior Vice-President (SVP). Since her appointment as SVP until she resigned as member of the Audit and Risk Management Committee on January 26, 2023, she no longer took part in the meetings/actions of the Audit and Risk Management Committee. As regards the requirement for the majority of the members of the Audit and Risk Management Committee to be Independent Directors, the Company only has two independent Directors and the Audit and Risk Management Committee has five members, with each of the major shareholders represented. The number of the Company's Independent Directors is compliant with Section 22 of the Revised Corporation Code

			which states that "the Board of Corporations vested with public interest shall have independent directors constituting at least twenty percent (20%) of such board."
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	For information on the members of the Audit and Risk Management Committee, including their qualifications and type of directorship please view: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages Annex "B-1", 42-45, 49-50, 53-58, 62-67, 80) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 85-87, 89-93) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see pages 34-38)	
4. The Chairman of the Audit Committee is not the Chairman of	Compliant	For information on the Chairman of the Audit and Risk Management Committee please view:	

the Board or of any other committee.		https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see Annex "B-1", 44, 67) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 87 and 93) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see page 38) https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 27)	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	The External Auditor's services to the Company are only limited to financial audit and general tax compliance. The fee arrangements for the said services are reviewed by the Audit and Risk Management Committee and approved by the Board of Directors, and the minutes of the said meetings on this matter may be viewed at the principal office of the Company upon prior written request.	

		https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 28) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see page 79)	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The attendance contained in the meetings of the Audit and Risk Management Committee with the external auditor show that said meetings were conducted with no executive director present. However, the meeting is attended by the Internal Auditor and SVP for Finance of the Company.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	The Audit and Risk Management Committee met six times during the year. This is disclosed to the SEC in the Company's Definitive 20-IS. https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see page 192-193). The minutes of the said meetings may also be viewed at the principal office of the Company upon prior written request.	

2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	The Board of Directors (of which the Audit and Risk Management Committee is a part) appointed the Internal Auditor. The minutes of the meeting during which the Internal Auditor was appointed may viewed at the principal office of the Company, upon written request of the stockholder.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Not adopted		The functions and responsibilities of the Corporate Governance Committee have been absorbed by the Executive Committee under the Revised Manual on Corporate Governance to achieve the purpose/s of Recommendation 3.3: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 16 to 17).
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Not adopted		The jurisdiction of the Board of Directors' Executive Committee has been expanded to include the functions and responsibilities of the Corporate Governance Committee contemplated and enumerated in the Explanation of Recommendation 3.3 of the CG Code for PLCs. Please refer to the 2021 Revised Manual on Corporate Governance at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf

			(please see page 16) Information on the membership of the Executive Committee, which performs the functions of a Corporate Governance Committee, including their qualifications and type of directorship is contained in: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 46-50, 59-62, 190)
3. Chairman of the Corporate Governance Committee is an independent director.	Not adopted		Kindly see explanation above
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	The Executive Committee is the Committee that performs the functions of the Corporate Governance Committee under the CG Code and met thirty nine (39) times in 2022. https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see page 190)	
Recommendation 3.4			

1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	The jurisdiction of the Board of Directors' existing Audit and Risk Management Committee includes the functions and responsibilities of the Board Risk Oversight Committee. These functions are listed in the 2021 Revised Manual of Corporate Governance of the Company: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 32-33)	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	The jurisdiction of the Board of Directors' Audit and Risk Management Committee has been expanded to include the functions and responsibilities of the Board Risk Oversight Committee contemplated and enumerated in the Explanation of Recommendation 3.4 of the CG Code for PLCs. Information on the members of the Audit and Risk Management Committee (which performs the functions of the BROC), including their qualifications and type of directorship is contained in the Definitive Information Statement which may be viewed at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages Annex "B-1", 42-45, 49-50, 53-58, 62-67, 80)	

		https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 85-87, 89-93) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (pages 34-38)	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant (the Audit and Risk Management of the Company performs the functions of the BROC).	For information on the Chairman of the Audit and Risk Management Committee (which performs the functions of the BROC), please view: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see Annex "B-1", 44, 67) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 87 and 93) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see page 38) https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 27)	

4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	For information on the background, skills and/or experience of the members of the Audit and Risk Management Committee (which performs the functions of the BROC), please view: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages Annex "B-1", 42-45, 49-50, 53-58, 62-67, 80)	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The jurisdiction of the Board of Directors' Audit and Risk Management Committee has been expanded to include the functions and responsibilities of the Related Party Transactions Committees contemplated and enumerated in the Explanation of Recommendation 3.5 of the CG Code for PLCs. Please view Annex "B" of the Company's May 22, 2017 letter attached to the following: https://aphrodite.gmanetwork.com/corporate/cgr/gma_-_revised_manual_on_corporate_governance__2017__1496026952.pdf	
2. RPT Committee is composed of at least three non-executive directors, two of whom	Compliant	The jurisdiction of the Board of Directors' Audit and Risk Management Committee has been expanded to include the functions and responsibilities of the Board Risk Oversight Committee contemplated and enumerated in the	

should be independent, including the Chairman.		Explanation of Recommendation 3.4 of the CG Code for PLCs. Information on the members of the Audit and Risk Management Committee (which performs the functions of the BROC), including their qualifications and type of directorship is contained in the Definitive Information Statement which may be viewed at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages Annex "B-1", 42-45, 49-50, 53-58, 62-67, 80) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 85-87, 89-93) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (pages 34-38)	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain	Adopted only insofar as the Audit and Risk	The Audit and Risk Management Committee Charter of the Company may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf	As regards the other Committees, the members of the Board of Directors comprising the different Committees are empowered to

terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Management Committee		come up with their respective Committee's own rules of internal procedure as stated in the Company's letter attached to the following: https://aphrodite.gmanetwork.com/corporate/cgr/gma_-_revised_manual_on_corporate_governance__2017__1496026952.pdf https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 16)
2. Committee Charters provide standards for evaluating the performance of the Committees.	Adopted only insofar as the Audit and Risk Management Committee		As regards the other Committees, please see explanation above.
3. Committee Charters were fully disclosed on the company's website.	Adopted only insofar as the Audit and Risk Management Committee	https://aphrodite.gmanetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf	As regards the other Committees, please see explanation above.

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Information on the process and procedure for board and/or committee meetings are reflected in the minutes of said meetings. The minutes also contain information on the attendance and participation of directors in the meetings. These minutes may be viewed by the stockholders at the principal office of the Company or of the Corporate Secretary upon prior written request stating the purpose of such a request.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	The directors are able to actively participate at the meetings because they are provided with the materials prior to the meeting for their review/information.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	The minutes of the meetings provide information on questions raised or clarification/explanation sought by directors. These minutes may be viewed by the stockholders at the principal office of the Company or of the Corporate Secretary upon prior written request stating the purpose of such a request.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed	Not adopted		Non-executive directors of the Board may concurrently serve as directors to a maximum of five (5) publicly listed companies. Should the stockholders want to vote a

companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.			non-executive director who concurrently serves as director to more than five (5) publicly-listed companies, the Company shall respect the inviolable right of the shareholders to vote and be voted for and the Nomination Committee shall ensure that the capacity of such director to serve with diligence is not compromised.
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant insofar as the Company's Independent Director	The Company's Independent Directors notify the Company of their new directorships. The Company in turn submits the required Certification of Independent Director submitted to the SEC.	The Company is updated of the directorships in other Corporations of non-independent directors upon the said directors' submission of their profiles to Management for reporting to the SEC under the Annual Report and the Information Statement.
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	Kindly refer to the Board memberships of the Company's executive directors at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 46-53, 59-63, 190) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 88-90)	

		https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (pages 32-35)	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Corporate Secretary sends out a Notice to the members of the Board and key officers at the beginning of each year setting forth the schedule of the Board of Directors' meetings for the year.	
3. Board of directors meet at least six times during the year.	Compliant	Please refer to the Attendance for the year 2022 contained in: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 188-189).	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Although not expressly required, is being complied with by the Company in principle		Although under the Company's By-laws, the quorum required for board decisions is only a majority of the Board, in practice, only those that have the unanimous vote of the Board of Directors are automatically deemed approved. Any matter for votation which is being objected upon by a director is left pending for further study until the issue that is being objected upon is resolved.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Not adopted		The Company complies with the requirements of Section 22 of the Revised Corporation Code and of the rules and regulations of this Commission on the minimum number of Independent Directors in the Board.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	For information on the Company's Independent Directors, including their qualifications please view their profiles in the Definitive Information Statement of the Company at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see Annex "B-1", 42-45, 66-67 and Annex "H") https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 92-93) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (pages 37-38)	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-	Compliant	All the material/relevant corporate documents are posted in the Company's website at: https://www.gmanetwork.com/corporate	

laws provisions, or other arrangements that constrain the directors' ability to vote independently.		None of the said documents contain any limitation on the directors' ability to vote independently.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please view the Certification of Independent Director attached as Annex "H" of the following document: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Not adopted		In the instance that the Company wants to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and	Compliant	This recommendation is being adopted by the Company. Please refer to https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (see page 6) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-	

seeks shareholders' approval during the annual shareholders' meeting.		_definitive_information_statement_asm_2023_1682309698.pdf (Annex "B" and "B-1")	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Not adopted		Under SEC No. 24, Series of 2019, the positions of Chairman and CEO may be unified provided that proper checks and balances are laid down to ensure that the Board gets the benefit of independent views and perspectives.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please refer to Company's 2021 Revised Manual on Corporate Governance for the defined responsibilities of the Chairman of the Board and Chief Executive Officer: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 14 to 15) https://aphrodite.gmanetwork.com/corporate/misc/GMAByLawsandAmendments_1596017400.pdf (pages 10-11)	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the	Not adopted		The current composition and roles of the directors are effective in fulfilling the needs of the organization.

independent directors.			For the Company's explanation for its non-adoption of the said recommendation please refer to the Company's explanation contained in: https://aphrodite.gmanetwork.com/corporate/cgr/gma__revised_manual_on_corporate_governance__2017__1496026952.pdf
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	The Company's 2021 Revised Manual on Corporate Governance adopts this recommendation. This policy is also reflected in the Company's Policy on Related Party Transactions. https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 9) https://aphrodite.gmanetwork.com/corporate/disclosures/gma__policy_manual_on_related_party_transactions_1572325687.pdf	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads	Compliant	The Audit and Risk Management Committee who are composed of non-executive directors have periodic meetings with the external auditor, without any executive director present.	

of the internal audit, compliance and risk functions, without any executive present.		The minutes of the said meetings may be viewed at the principal office of the Company upon prior written request of the stockholder, stating the purpose of such a request.	
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Not adopted	Atty. Felipe L. Gozon is the Company's Chairman and Chief Executive Officer.	For the Company's explanation for its non-adoption of the said recommendation please refer to the Company's explanation contained in the cover letter dated May 22, 2017 under: https://aphrodite.gmanetwork.com/corporate/cgr/gma_-_revised_manual_on_corporate_governance__2017__1496026952.pdf

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	The Company's 2021 Revised Manual on Corporate Governance states that the Company shall "have in place a self-assessment system that provides, at the minimum, criteria and process to determine the performance of the Board". https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 11)	
2. The Chairman conducts a self-assessment of his performance.	Compliant	The Chairman and the other members of the Board conduct a self-assessment of their performance. Please see the Definitive Information Statement posted at:	
3. The individual members conduct a self-assessment of their performance.	Compliant	https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (pages 73-74 and 211-212)	
4. Each committee conducts a self-assessment of its performance.	Not adopted	and in the Annual Reports posted at: https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2021_full_1650331529.pdf (page 98-99)	The directors' individual self-assessment evaluation forms are also indicative of their performance as committee members.
5. Every three years, the assessments are supported by an external facilitator.	Not adopted		For the Company's explanation for its non-adoption of the said recommendation please refer to the Company's explanation

			contained in the cover letter dated May 22, 2017 in: https://aphrodite.gmanetwork.com/corporate/cgr/gma_-_revised_manual_on_corporate_governance__2017__1496026952.pdf
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	This recommendation is adopted by the Company and is incorporated in its 2021 Revised Manual on Corporate Governance. https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 11)	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	The stockholders of the Company are free to ask questions or give suggestions to the Board of Directors or even disapprove the latter's acts upon review of the Information Statement and during the Annual Stockholders' meeting.	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	For information on the Company's Code of Business Conduct and Ethics, please view the same at: https://aphrodite.gmanetwork.com/corporate/disclosures/revised_code_of_conduct_1595658354.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Directors, Senior Management and Employees were all furnished copies of the Company's Revised Code of Conduct. Orientations of managers and employees were also conducted as of March 30, 2017. As of July 2018, managers and employees can also access the Code of Conduct electronically through a portal called "One Digital HR" implemented and maintained by the Company's HR Department with the assistance of its ICT and Corporate Affairs and Communications Departments.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Please view the Code of Conduct at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_code_of_conduct_1595658354.pdf	
Supplement to Recommendation 7.1			
1. Company has clear and stringent	Compliant	The Company has a policy on "Solicitation/Acceptance of Gifts/Favors" issued to all in May 2009. The Manual of the	

policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.		News and Public Affairs includes a particular section on "Bribes & Gifts." The Policy on Solicitation/Acceptance of Gifts/Favors may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_solicitation_1595658269.pdf	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The implementation and monitoring of the Code of Conduct (as well as the News and Public Affairs Manual) is a "line" function. The management within the concerned departments oversees the compliance with the Code and the 2021 Revised Manual on Corporate Governance. Any possible violation is investigated at the department level, then, endorsed to the Human Resources Department (HRDD). HRDD conducts administrative investigations observing due process. If a rank and file (RF) employee is involved, the Union is required to take part in the proceedings. After the investigations, HRDD writes a report of its findings with recommendations, clears the report with Legal, then submits to the President & COO (in some cases, submission is also to the Chairman & CEO) for final approval of the recommendation. Findings and recommendations thereof form part of corporate records.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	The members of the Board of Directors were furnished copies of the Code of Conduct of the Company and the Board of Directors periodically reviews the Manual on Corporate Governance to ensure the proper and efficient implementation and monitoring of compliance with the company's internal policies.	

Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	The Company's disclosure policy is contained in the 2021 Revised Manual on Corporate Governance under "Reportorial or Disclosure System" of Company's Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 47-48) The disclosures of the Company are posted in its website at: https://www.gmanetwork.com/corporate/disclosures	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within	Compliant	For quarterly reporting, the Company submits its Financial Statements on or before the 45th day after the end of each quarter in compliance with the requirements of the Securities and Exchange Commission, except in instances when the Commission extended the deadline for the submission. https://www.gmanetwork.com/corporate/ir To maximize the time value of money, the Company usually pays its annual income tax due to the Bureau of Internal Revenue on or near April 15 following the close of the taxable year, except in instances when the regulators extended the	

ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.		deadline for the submission. Upon payment, the BIR received FS is submitted to the SEC on the date prescribed by it. The Company believes that 105 days is already reasonable time to inform the Company's stockholders and stakeholders of the previous year's financial results.	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	The Company reports in its SEC Form 17-A (Annual Report) the Company's holdings in its principal subsidiaries, joint and affiliates: https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 5-6) The Security Ownership of controlling beneficial owners and management are also reported annually in the SEC Form 17-A. https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 101-105) Since there are no principal risks associated with the identity of the Company's controlling shareholders nor are their imbalances between the controlling shareholders' voting power and overall equity position in the Company, no such risks have been reported.	
Recommendation 8.2			

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Please refer to the Company's disclosures on directors'/officers'/major stockholders' statements of beneficial ownership and changes thereto posted in the website. https://www.gmanetwork.com/corporate/disclosures/beneficialownership	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	The Company files the following reports containing the shareholdings of its directors, management and shareholders: SEC Form 20-IS, SEC Form 17-A, Public Ownership Report, List of Top 100 Stockholders, SEC Form 17-C among others. These reports are posted in the PSE Edge: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=610#viewer and in the website of the Company: https://www.gmanetwork.com/corporate/	

Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	The directors' academic qualifications, share ownership in the Company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in the SEC Form 20-IS https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 42 to 56, 59-72) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 88-93) which are all filed with the Securities and Exchange Commission and Philippine Stock Exchange, and posted in the website: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=610#viewer http://www.gmanetwork.com/corporate/	
2. Board fully discloses all relevant and material information on key	Compliant	The members of the senior management's academic qualifications, share ownership in the company, membership in other boards, other executive positions,	

executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.		professional experiences, expertise and relevant trainings attended are disclosed in the following: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 46-49, 50-53, 58-63, 67-72) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (pages 86-87, 88-90, 93-97) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see page 32-35) Certificate of Attendance in Corporate Governance Training: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_certificate_of_attendance_in_corporate_governance_training_2022_1671694301.pdf which are all filed with the Securities and Exchange Commission and Philippine Stock Exchange, and posted in the website: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=610#viewer http://www.gmanetwork.com/corporate/	

Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Under the Company's clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same. The Compensation of Directors are set forth in the Company's By-laws: https://aphrodite.gmanetwork.com/corporate/misc/GMAByLawsandAmendments_1596017400.pdf (pages 8-9) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 77-78) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see pages 99-101)	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Executive remuneration and other benefits are disclosed in the Company's Definitive 20-IS and Annual Report: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 77-78) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf	

		(please see pages 100-101) Please see the Company's 2021 Revised Manual on Corporate Governance at https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 11)	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Not adopted		For proprietary/business reasons, security and reasons of confidentiality, executive compensation is disclosed on an aggregate basis.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	The Company's RPT policies are contained in https://aphrodite.gmanetwork.com/corporate/disclosures/gma__policy_manual_on_related_party_transactions_1572325687.pdf	
2. Company discloses material or significant RPTs reviewed and	Compliant	Information on the Company's RPTs for the previous year is contained in the Definitive 20-IS, Annual Report and I-ACGRs filed with the SEC, the PSE and posted in the Company's website: http://www.gmanetwork.com/corporate/disclosures	

approved during the year.		Please see the Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 73, 75-76) Please see SEC Form 17-A (pages110-111) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf which are all filed with the Securities and Exchange Commission and Philippine Stock Exchange, and posted in the website: https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=610#viewer http://www.gmanetwork.com/corporate/	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	The Company adheres to the standards set under its 2021 Revised Manual on Corporate Governance, which states that a director should conduct fair business transactions with the Company and ensure that personal interest does not conflict with the interests of the Company. Please see the 2021 Revised Manual on Corporate Governance posted at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 32)	

		Please also see the Related Party Transaction Policy and the Company's Policy on Conflict of Interest at: https://aphrodite.gmanetwork.com/corporate/disclosures/gma__policy_manual_on_related_party_transactions_1572325687.pdf https://aphrodite.gmanetwork.com/corporate/cgr/conflict_of_interest_1418284853.pdf	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	The Company's RPTs are disclosed in its Information Report, Annual Report and I-ACGR which are all posted in the Company's website. Information on the Company's RPTs for the previous year is contained in the Definitive 20-IS and Annual Report filed with the SEC, the PSE and posted in the Company's website: Please see the Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 73, 75-76) Please see SEC Form 17-A (pages110-111) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf which are all filed with the Securities and Exchange Commission and Philippine Stock Exchange, and posted in the website:	

		https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=610#viewer http://www.gmanetwork.com/corporate/ Please also see the Related Party Transaction Policy and the Company's Policy on Conflict of Interest at: https://aphrodite.gmanetwork.com/corporate/disclosures/gma__policy_manual_on_related_party_transactions_1572325687.pdf https://aphrodite.gmanetwork.com/corporate/cgr/conflict_of_interest_1418284853.pdf	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets,	Compliant	The Company timely discloses such reports in its current reports and in the statements of beneficial ownership posted in the Company's website: https://www.gmanetwork.com/corporate/disclosures/currentreports	

which could adversely affect the viability or the interest of its shareholders and other stakeholders.		https://www.gmanetwork.com/corporate/disclosures/beneficialownership/ This policy is set forth in: https://aphrodite.gmanetwork.com/corporate/cgr/insider_trading_1418284950.pdf The Company's 2021 Revised Manual on Corporate Governance also adheres to the said recommendation: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 47-48)	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Company shall observe the requirements of the Bureau of Internal Revenue, the Securities and Exchange Commission, the Revised Corporation Code and all related implementing rules and regulations in the event of any such acquisition or disposal of significant assets.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements,	Compliant	Any such agreement, if any, shall be disclosed to the SEC through Form 17-C (current reports): https://www.gmanetwork.com/corporate/disclosures/currentreports/	

voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.			
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The Company's 2021 Revised Manual on Corporate Governance is posted in the Company's website as well as on the PSE Edge: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Updates on the Company's 2021 Revised Manual on Corporate Governance as filed with the SEC are posted in the Company's website: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf and PSE Edge.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	Compliant	The Company's vision/objectives are stated in: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 1 to 2)	
b. Financial performance indicators	Compliant	The Company's Financial performance indicators are stated in: https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see pages 61-84)	
c. Non-financial performance indicators	Compliant	The Company's Non-Financial performance indicators are stated in:	

d. Dividend Policy	Compliant	https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see pages 4-60 and Annex "C")	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	Annex "C" of the Annual Report http://www.gmanetwork.com/sustainabilityreports The Company's Dividend Policy is stated in: https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (page 59)	

f. Attendance details of each director in all directors meetings held during the year	Compliant	The biographical details of all directors are stated in: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 42–56, 57-67) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see pages 88-92) The attendance details of each director in all directors meetings held during the year is stated in: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (page 188-189)	
g. Total remuneration of each member of the board of directors	Compliant	A report on the remuneration of the members of the Board of Directors are disclosed in the following: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf	

		(please see page 77-78, 189) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (page 99-101)	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	The I-ACGR attached to the Annual Report as well as the Annual Information Statement contain the said statement confirming compliance: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 186-187). https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (Please see Annex "B")	

		https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_annual_report_-_2022_1684245841.pdf (please see page 63)	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	The I-ACGR attached to the Annual Report as well as the Annual Information Statement contain the said statement confirming compliance: https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (Annex "B") https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see pages 186-187).	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Under the Company's 2021 Revised Manual on Corporate Governance the Audit and Risk Management Committee shall evaluate all significant issues reported by the Internal Audit and External Auditor relating to the adequacy, efficiency and, effectiveness of policies, controls, processes, and activities of the Company. https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf	

		Any comment/s of the Audit and Risk Management Committee relating to its evaluation of the foregoing matters are reflected in the minutes of the meetings of the Committee which may be viewed at the principal office of the Company upon the prior written request of the stockholder, stating the purpose of such a request.	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	The Company's Annual Report may be viewed at the Company's Website at https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (including Annex "C": http://www.gmanetwork.com/sustainabilityreports) The Company's Enterprise Risk Management Policy which contains the Company's risk policies may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/enterprise-wide_risk_management_policy_1684831561.pdf	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees	Compliant	As shown in the minutes of the Board of Directors' meeting and the Stockholders' meeting, the Audit and Risk Management Committee recommends the external auditor to the Board of Directors and the Stockholders. The minutes may be viewed at the principal office of the Company upon prior written request of the stockholder.	

of the external auditors.			
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	The stockholders present and represented at the meeting unanimously approved the appointment of the External Auditor. Please see the minutes of the Annual Stockholders' Meeting at: https://www.gmanetwork.com/corporate/disclosures/minutesofallmeetings/	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Should the appointed external auditor be removed for one reason or another, the Company will accordingly disclose the reason for such removal and disclose the fact and reason for the removal to the regulators.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Please view the information on the Company's external auditor (handling partner) in the Information Statement as well as in the Independent Auditor's Report attached to the Annual Financial Statements. https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf	

		(please see page 79, 149)	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into	Compliant	For the Company's Audit and Risk Management Committee Charter please view: https://aphrodite.gmanetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf	

consideration relevant Philippine professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	For the Company's Audit and Risk Management Committee Charter please view: https://aphrodite.gmanetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	For the Company's Audit and Risk Management Committee Charter please view: https://aphrodite.gmanetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf Please also view the provisions of the Company's Revised Manual on Corporate Governance pertaining to the functions and responsibilities of the Audit and Risk Management Committee on pages 27, 28, 29,30, 33 and 36: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf	

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	For the Company's Audit and Risk Management Committee Charter please view: https://aphrodite.gmanetwork.com/corporate/cgr/board_committee_charters_1418284822.pdf Please also view the provisions of the Company's Revised Manual on Corporate Governance pertaining to the functions and responsibilities of the Audit and Risk Management Committee on pages 27, 28, 29,30, 33 and 36: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	The Definitive Information Statement and Annual Report (SEC Form 17-A) disclose that the Company's External Auditor's services are limited to financial audit and general tax compliance: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (please see page 79) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see page 85)	
2. Audit Committee stays alert for any potential conflict of	Compliant	The Audit and Risk Management Committee monitors that the non-audit work provided by the External Auditor is not in conflict with his/her functions as External Auditor. This duty of	

interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.		the said Committee is contained in the Company's 2021 Revised Manual on Corporate Governance: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (page 30)	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	As disclosed by the Company in its SEC Form 17-A (Annual Report) there was no specific engagement availed of by the Company for purely tax accounting. The total audit related fees as stated therein already includes basic tax review. https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please page 85)	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	The name of SGV & Co.'s audit engagement partner is Marydith C. Miguel. Accreditation Number: SEC Firm Accreditation No. 0001-SEC (Group A) Date Accredited: August 26, 2021 Expiry date of accreditation: Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions	

		Name, address, contanct number of the audit firm: SyCip Gorres Velayo & Co, 6760 Ayala Avenue, 1226 Makati City, Philippines, +632 8891 0307	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	SGV & Co. was subjected to SOAR inspection on August 1 to 12, 2022. The names of the members of the engagement team were provided to the SEC during the SOAR inspection	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business,	Compliant	The Company's practices on the disclosure of non-financial information, can be observed in its periodic filings with the Securities and Exchange Commission, specifically, the Definitive 20-IS, SEC Form 17-A and the ACGR which can all be viewed in the Company's website. Please see the Company's policy on Non-Financial and Sustainability Reporting in its 2021 Revised Manual on Corporate Governance at : https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 42 to 43)	

which underpin sustainability.		The Company's Sustainability Report is posted at https://www.gmanetwork.com/corporate/disclosures/sustainabilityreports/	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.		The Company's Sustainability Report is posted at https://www.gmanetwork.com/corporate/disclosures/sustainabilityreports/	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	The Company adheres to a high level of corporate disclosure and transparency regarding its condition and state of corporate governance on a regular basis. Through the Investor Relations and Compliance Division (IRCD), Shareholders are provided disclosures, announcements and periodic reports filed with the Securities and Exchange Commission and the Philippine Stock Exchange. These are also available on line through the Company's Investor Relations website: www.gmanetwork.com/corporate/ir. The Company, through the IRCD and Corporate Affairs and Communications Department, publishes press releases on the financial performance of the Company. Meetings with Fund Managers, Investment, Financial and Research Analysts are likewise handled by the IRCD.	

		Consolidated audited financial statements are submitted to the SEC on or before the prescribed period and are made available to the shareholders prior to the ASM.	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	Please view the following website of the Company: https://www.gmanetwork.com/corporate/	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Company and By-Laws	Compliant		

Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Please view the following website of the Company: https://www.gmanetwork.com/corporate/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	For information on the internal control system of the Company please view: https://www.gmanetwork.com/corporate/cgr/companypolicies/	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	The Company's Head of Corporate Strategic Planning Department performs the functions and responsibilities of a Chief Risk Officer ("CRO") on the matter of Enterprise Risk Management ("ERM") as enumerated in the Explanation of Recommendation 12.5 of the CG Code for PLC's. The Company's Enterprise Risk Management Policy which contains the Company's risk policies may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/enterprise-wide_risk_management_policy_1684831561.pdf The Company has also disclosed the risks management policy and efforts of the Company in its Annual Report, Definitive 20-IS and I-ACGR posted in the Company's website:	

		https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see page 28-29) https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (page 8, 21-22, 34-35) https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf (page 193-195) and https://www.gmanetwork.com/corporate https://www.gmanetwork.com/corporate/cgr/riskmanagement/	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes	Compliant	The Company's compliance with laws and relevant regulations are reviewed annually prior to the filing of relevant reports disclosing said compliance. The members of the Company's Board of Directors and key officers annually attend a corporate governance seminar by an SEC accredited seminar provider in order for them to be apprised of the latest laws and relevant regulations for compliance.	

appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.			
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	The Company has an Information, Communication and Technology Department which informs the Company of any IT related risks relevant to the Company. Moreover, the Company's Head of Corporate Strategic Planning Department performs the functions and responsibilities of a Chief Risk Officer ("CRO") on the matter of Enterprise Risk Management ("ERM") as enumerated in the Explanation of Recommendation 12.5 of the CG Code for PLC's. https://aphrodite.gmanetwork.com/corporate/cgr/enterprise-wide_risk_management_policy_1684831561.pdf https://www.gmanetwork.com/corporate/cgr/riskmanagement/	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective	Compliant	The Company has an in-house internal auditor.	

assurance, and consulting services designed to add value and improve the company's operations.			
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Not adopted		The Company's Internal Auditor performs the functions of a Chief Audit Executive ("CAE"), however the said internal auditor does not hold the title/designation of CAE. Please refer to the Company's explanation for its non-adoption of the said recommendation contained in the cover letter dated May 22, 2017 in: https://aphrodite.gmanetwork.com/corporate/cgr/gma_-_revised_manual_on_corporate_governance__2017__1496026952.pdf
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a	Not adopted		The Company's Internal Auditor performs the functions of a Chief Audit Executive ("CAE"), however the said internal auditor does not hold the title/designation of CAE.

third party service provider.			Please refer to the Company's explanation for its non-adoption of the said recommendation contained in the cover letter dated May 22, 2017 in: https://aphrodite.gmanetwork.com/corporate/cgr/gma_-_revised_manual_on_corporate_governance__2017__1496026952.pdf
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not adopted		Please refer to the Company's explanation for its non-adoption of the said recommendation contained in the cover letter dated May 22, 2017 in: https://aphrodite.gmanetwork.com/corporate/cgr/gma_-_revised_manual_on_corporate_governance__2017__1496026952.pdf
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Company's Head of Corporate Strategic Planning Department performs the functions and responsibilities of a Chief Risk Officer ("CRO") on the matter of Enterprise Risk Management ("ERM") as enumerated in the Explanation of Recommendation 12.5 of the CG Code for PLC's. https://aphrodite.gmanetwork.com/corporate/cgr/enterprise-wide_risk_management_policy_1684831561.pdf	

		https://www.gmanetwork.com/corporate/cgr/riskmanagement/	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	shall be adopted when necessary	The risk management of the Company is being done by its Corporate Strategic Planning Department. The Board designated the head of the Corporate Strategic Planning Department to monitor the courses of action taken by the departments to manage the risks. However, the Board of Directors of the Company has directed that in case some risks cannot be evaluated within the Company, the Company will engage a third party that is aware of the developments of the media industry so that a comprehensive presentation and analysis can be done on the risks facing the Company and what can be done to mitigate the risks. In July 2018, Corporate Strategic Planning Department submitted and gained management approval for GMA Network's Enterprise-wide Risk Management (ERM) policy and implementation plan. After the approval and dissemination of the policy, the said department then proceeded with ERM orientations where all departments discussed risk management process, structure, and register within their areas of responsibility. The Company's Enterprise-wide Risk Management policy became effective on August 1, 2018. The Company's Enterprise-wide Risk Management policy may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/enterprise-wide_risk_management_policy_1684831561.pdf	

		https://www.gmanetwork.com/corporate/cgr/riskmanagement/	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	The Company's Senior Vice-President and Head of Corporate Strategic Planning Department performs the functions and responsibilities of a Chief Risk Officer ("CRO") on the matter of Enterprise Risk Management ("ERM") as enumerated in the Explanation of Recommendation 12.5 of the CG Code for PLC's.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The Chief Risk Officer is also a Senior Vice-President and Head of the Corporate Strategic Planning Department of the Company and Business Development	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	The Chief Executive Officer and the Chairman of the Audit Committee sign the I-ACGR filed with the SEC/PSE and the PSE, respectively.	

Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	These basic shareholder rights are disclosed in the 2021 Revised Manual on Corporate Governance of the Company at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 45 to 47).	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	The Company's 2021 Revised Manual on Corporate Governance containing the rights of stockholders are posted in the Company's website: (https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf please see pages 45 to 47).	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	Please see the Articles of Incorporation of the Company posted in its website: https://www.gmanetwork.com/corporate as well as the prospectus of the Company at: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf (please see page 163).	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Please see the Articles of Incorporation of the Company posted in its website: https://www.gmanetwork.com/corporate as well as the prospectus of the Company at: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf (please see page 163).	

3. Board has an effective, secure, and efficient voting system.	Compliant	The voting by the Board of Directors is by show of hands or viva voce.	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Not adopted		Please refer to the Company's explanation for its non-adoption of the said recommendation contained in the cover letter dated May 22, 2017 in: https://aphrodite.gmanetwork.com/corporate/cgr/gma_-_revised_manual_on_corporate_governance__2017__1496026952.pdf
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	The Company complies with the requirements of the Revised Corporation Code and applicable rules and regulations and its By-laws on the holding of a special stockholders meeting and the requirements to call for such meeting. Under the Company's 2021 Revised Manual on Corporate Governance "(s)tockholders shall be granted the right to propose the holding of a meeting, as provided for under the Company's By-Laws, as well as the right to propose items for discussion in the agenda provided the items relate directly to the business of the Company, as determined by the Chairman and Chief Executive Officer, and are in accordance with law, jurisprudence and best practice. The Board should encourage active shareholder participation by making the result of the votes on matters taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting	

		should be available on the company website within five (5) business days from the date of the meeting" (please see page 47). https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to the 2021 Revised Manual on Corporate Governance of the Company as well as the compliance of the Company with the disclosure requirements (SEC Form 17-C) for the protection of minority shareholders found in the Company's website at: https://www.gmanetwork.com/corporate/ https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 45 to 47).	
7. Company has a transparent and specific dividend policy.	Compliant	Kindly see the Company's dividend policy in the following document: http://aphrodite.gmanetwork.com/pdfs/GMA-Final-Prospectus.pdf (please see page 163) https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf (please see page 59) The Company's dividend declarations and the number of days the dividends were distributed after declaration are disclosed in the Company's Annual Information Statement, Annual and Current Reports. https://www.gmanetwork.com/corporate	
Optional: Recommendation 13.1			

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	The entity assigned by the Company to count and/or validate the votes at the Annual Shareholders' Meeting is the Stock Transfer Services, Inc. Please see the voting results of the last Annual Stockholders' Meeting at: https://www.gmanetwork.com/corporate/disclosures/minutesofallmeetings/	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	The preliminary information statement, notice and agenda were sent out more than 30 days ahead of the meeting. Please view the Preliminary Information Statement and the Definitive Information Statement at https://www.gmanetwork.com/corporate/disclosures/informationstatement/	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Please see the Company's Definitive Information Statement at: https://www.gmanetwork.com/corporate/disclosures/informationstatement/	
a. The profiles of directors (i.e., age, academic qualifications,	Compliant	Please see the Company's Definitive Information Statement at:	

date of first appointment, experience, and directorships in other listed companies)		https://www.gmanetwork.com/corporate/disclosures/informationstatement/	
b. Auditors seeking appointment/re-appointment	Compliant	Please see the Company's Definitive Information Statement at: https://www.gmanetwork.com/corporate/disclosures/informationstatement/	
c. Proxy documents	Compliant	Please see the Company's Proxy submission guidelines incorporated in the Notice of the Annual Stockholders' Meeting together with the Definitive Information Statement at: https://www.gmanetwork.com/corporate/disclosures/informationstatement/ (please see Annex "C" and Annex "D" of the Notice) The list of stockholders who were represented by proxy at the 2022 Annual Stockholders' Meeting may be viewed at: https://www.gmanetwork.com/corporate/disclosures/minutesofallmeetings/	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Please see the Company's Definitive Information Statement at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-gma_-_definitive_information_statement_asm_2023_1682309698.pdf	

		(please see Annex "B" of the Notice).	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	The results of the meeting, during which matters are put to vote, are immediately disclosed to the PSE (through the PSE Edge) after the meeting. https://www.gmanetwork.com/corporate/disclosures/currentreports/ Moreover, the minutes of the meeting are also posted within five (5) business days from the date of the meeting: https://www.gmanetwork.com/corporate/disclosures/minutesofallmeetings/	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	For the minutes of the meeting please view: https://www.gmanetwork.com/corporate/disclosures/minutesofallmeetings/	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders	Compliant	The external auditor and other relevant individuals are present during the ASM. Please refer to the list of attendees of the meetings in : https://www.gmanetwork.com/corporate/disclosures/minutesofallmeetings/	

questions during the ASM and SSM.			
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Under the Company's 2021 Revised Manual on Corporate Governance the Board of Directors shall establish and maintain an alternative dispute resolution system in accordance with established and generally accepted Alternative Dispute Resolution procedures, which shall be available at the option of the shareholder. Such alternative dispute resolution system can amicably and effectively settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities (Reco.13.4 and Explan.,13.4). Please refer to pages 10-11 of the Company's 2021 Revised Manual on Corporate Governance posted at: https://www.gmanetwork.com/corporate/disclosures/minutesofallmeetings/	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	The Company's 2021 Revised Manual on Corporate Governance states that it shall "(e)stablish and maintain an alternative dispute resolution system in the Company in accordance with established and generally accepted Alternative Dispute Resolution procedures, which shall be available at the option of the shareholder. Such alternative dispute resolution system can amicably and effectively settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities (Reco.13.4 and Explan.,13.4). Please refer to the Company's 2021 Revised Manual on Corporate Governance posted at: (please see pages 10-11) https://aphrodite.gmanetwork.com/corporate/cgr/revised_	

		gma_manual_of_corporate_governance_-_100621_1633915609.pdf	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Below are the contact details of the First Vice-President/Investor Relations Officer of the Company: Ayahl Ari Augusto P. Chio 10/F GMA Network Center 8982-7777 ext 8042 APChio@gmanetwork.com	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO of the Company is present at the Annual Stockholders and Board Meetings.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Company shall comply with the relevant rules and regulations of the Revised Corporation Code, the Securities Regulation Code and its Revised Implementing Rules and Regulations as well as the guidelines of the Securities and Exchange Commission pertaining to changes in control and or Management in the Company.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Not adopted		Under Section 3 (a) of the PSE Rules on Minimum Publication Ownership (public float), a listed company shall, at all times, maintain a minimum percentage of listed securities held by the

			public of ten percent (10%) of the listed Company's issued and outstanding shares. Based on the Company's Public Ownership Report as of March 31, 2023, the Company's public float is 21.20%.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	The Company respects the rights of a stockholder under the Revised Corporation Code and the rules and regulations of the SEC and its 2021 Revised Manual on Corporate Governance.	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	Please refer to the Company's guidelines for electronic voting in absentia under Annex "A" of the Notice of Meeting to the Stockholders at: https://www.gmanetwork.com/corporate/disclosures/informationstatement/ (please see Annex "A" of the Notice).	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various	Compliant	The identification of the Company's stakeholders and the promotion of cooperation between them and the Company	

stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.		in creating wealth, growth and sustainability are disclosed in the Company's Sustainability Report posted at: http://www.gmanetwork.com/sustainabilityreports	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Please refer to the 2021 Revised Manual on Corporate Governance of the Company on its policies for the protection of its shareholders found in the Company's website at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 42 to 44).	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Stakeholders can voice their concerns and/or complaints for possible violation of their rights and communicate the same to the Company's Investor Relations Officer whose contact details are set forth above. Moreover, the Company has widely-implemented "Letter to Chairman ("Dropbox") which serves the purpose of enabling stakeholders to communicate with the company and to obtain redress for the violation of their rights. The Company's policies that protect stakeholders' rights may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_	

		gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 42 to 44).	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliance upon any occurrence of a dispute	The Company's 2021 Revised Manual on Corporate Governance states that it shall "(e)stablish and maintain an alternative dispute resolution system in the Company in accordance with established and generally accepted Alternative Dispute Resolution procedures, which shall be available at the option of the shareholder. Such alternative dispute resolution system can amicably and effectively settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities (Reco.13.4 and Explan.,13.4). Please refer to the Company's 2021 Revised Manual on Corporate Governance posted at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (pages 10-11) For employees, there are conciliation/mediation options, Under the Revised Policy on Employee Discipline, there is a provision on Conciliation/Mediation, which will apply:in cases where the aggrieved party is a co-employee; and b.) when the penalty prescribed for the offense is less than dismissal. Outside the scope of the provisions of "Conciliation and Mediation", official disputes are elevated first to the immediate superior, then to next level superior, then department/group head. If still not resolved, the issue may be referred to Human Resource Department (sometimes, with the Legal Department) to help mediate the issues. In case of disputes between Management and Union &/or rank-and-file (RF) employees, the CBA provides for	

		Grievance Machinery process whereby Management & Union representatives are required to amicably discuss and agree on pending issues, failing in which the parties can submit the issues to Voluntary Arbitration (VA), then later Compulsory Arbitration.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	No such request for exemption has been made by the Company.	
2. Company respects intellectual property rights.	Compliant	The Company complies with the provisions of the Intellectual Property Code and all other related laws, rules and regulations for the protection of Intellectual Property Rights. https://aphrodite.gmanetwork.com/corporate/quarterlyreports/2022_full_1681868561.pdf	

		(please see page 20)	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Policies, programs and practices that address customers' welfare are contained in the 2021 Revised Manual on Corporate Governance posted at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (pages 4-5, 42-44 and 48) For information on the Company's practices that address customers' welfare please view the Sustainability Report at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (pages 32)	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Policies, programs and practices that address supplier/contractor selection procedures are contained in: https://aphrodite.gmanetwork.com/corporate/cgr/policy_on_accreditation_of_suppliers_1595658219.pdf https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (page 35)	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures	Compliant	Policies, programs and procedures that encourage employee participation are contained the 2021 Revised	

that encourage employees to actively participate in the realization of the company's goals and in its governance.		Manual on Corporate Governance of the Company which may be viewed at: https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see page 44) The programs of the Company that encourage employees to actively participate in the realization of the Company's goals and in its governance are set forth in the Company's Sustainability Report which may be viewed at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (please see pages 10-25)	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Company had an employee stock option plan (ESOP) at the IPO which was approved by the Board of Directors and Shareholders of the Company on April 26, 2007.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Information on policies and practices on health, safety and welfare of employees are contained in the Company's Sustainability Report which may be viewed at: https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (please see pages 18--25)	
3. Company has policies and	Compliant	The Company has various learning and development programs that are intended to reinforce management,	

practices on training and development of its employees.		leadership, functional, technical-creative, and behavioral competencies across the organization. Most of these programs are institutionalized and customized to fit the needs of the Company. The Company's Sustainability Report discloses the programs and practices on training and development of its employees which may be viewed at: (https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (please see pages 23-24)	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	The Company's policies, programs and practices on anti-corruption are found in the following document, among others: a. 2021 Revised Manual on Corporate Governance https://aphrodite.gmanetwork.com/corporate/cgr/revised_gma_manual_of_corporate_governance_-_100621_1633915609.pdf (please see pages 12 and 43). b. Revised Code of Conduct https://aphrodite.gmanetwork.com/corporate/disclosures/revised_code_of_conduct_1595658354.pdf c. Policy on Solicitation/Acceptance of Gifts and Favors https://aphrodite.gmanetwork.com/corporate/disclosures/policy_on_solicitation_1595658269.pdf	

		The Company has a policy on "Solicitation/Acceptance of Gifts/Favors and its News and Public Affairs' Manual includes a particular section on "Bribes and Gifts". Aside from the Labor Code, policies against corruption are governed by: (1) Revised Policy on Employee Discipline (2) Revised Code of Conduct and (3) Collective Bargaining Agreement (CBA). The Company has a mechanism by which anyone can give feedback to top management at anytime via the "Letter to the Chairman", through drop boxes strategically situated within the Network premises. The performance appraisal form also has the "Remarks" portion that allows subordinates to give feedback/comments to superiors. Under the Revised Policy on Employee Discipline, there is a provision on Conciliation/Mediation, which will apply: a.) in cases where the aggrieved party is a co-employee; and b.) when the penalty prescribed for the offense is less than dismissal. Outside the scope of the provisions of "Conciliation and Mediation", official disputes are elevated first to the immediate superior, then to next level superior, then department/group head. If still not resolved, the issue may be referred to HRDD (sometimes, with Legal) to help mediate the issues. In case dispute is with rank-and-file (RF) employee and/or the Union, there is specific procedure for 'grievance' outlined in the CBA.	

		If all else fails, conflict may be resolved either through voluntary or compulsory arbitration.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The implementation and monitoring of the Code of Conduct (as well as the NPA Manual) is a "line" function. The management within the concerned departments oversees the compliance with the Code and the Manual. Any possible violation is investigated at the department level, then, endorsed to the Human Resources Development Department (HRDD), which conducts administrative investigations observing due process. If a rank and file (RF) employee is involved, the Union is required to take part in the proceedings. After the investigations, HRDD writes a report of its findings with recommendations, clears the report with legal, then submits to the President and COO (in some cases, submission is also to the Chairman and CEO) for final approval and recommendation).	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in	Compliant	The Company has a policy on "Solicitation/Acceptance of Gifts/Favors and its News and Public Affairs' Manual includes a particular section on "Bribes and Gifts". The Company's policy on "Solicitation/Acceptance of Gifts/Favors" may be viewed at:	

offering, paying and receiving bribes.		https://aphrodite.gmanetwork.com/corporate/disclosures/policy_on_solicitation_1595658269.pdf Records of any violation of Company policy may be viewed at the principal office of the Company upon prior written request of a stockholder.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Suggestion boxes are strategically placed all over the Network's compound where employees can leave messages/letters that are read and acted upon the Company's CEO.	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	The Company's policies, programs on whistle-blowing, no-retaliation are further set forth in: https://www.gmanetwork.com/corporate/cgr/companypolicies/	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	The Company has a mechanism by which anyone can give feedback to top management at anytime via the "Letter to the Chairman", through drop boxes strategically situated within the Network premises.	

		The performance appraisal form also has the "Remarks" portion that allows subordinates to give feedback/comments to superiors. Suggestion boxes are strategically placed all over the Network's compound where employees can leave messages/letters that are read and acted upon the Company's CEO. Records of any violation of company policy may be viewed at the principal office of the Company upon prior written request of a stockholder.	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of	Compliant	The Company's initiatives to give importance to the interdependence between business and society, and promotes a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society where it operates are disclosed in its Sustainability Report posted in https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (please see pages 26-47)	

the society where it operates.		The Company's community involvement and environment-related programs are set forth in said Sustainability Report as stated above.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Information on policies, programs and practices to ensure that the Company's value chain is environmentally friendly or is consistent with promoting sustainable development are set forth in its Sustainability Report posted in https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (please see pages 28-31)	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Information on the Company's efforts to interact positively with the communities in which it operates are set forth in forth in its Sustainability Report posted in https://aphrodite.gmanetwork.com/corporate/disclosures/1-2022_gma_network_sustainability_report_1683277777.pdf (please see pages 26-47).	

NB: All of the information/data herein provided, are based on the Company's available records and not necessarily from the personal knowledge of the affiants.

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of MAKATI on MAY 2 9 2023.

SIGNATURES

FELIPE L. GOZON
Chairman of the Board/Chief Executive Officer

GILBERTO R. DUAVIT, JR.
President/Chief Operating Officer

ARTEMIO V. PANGANIBAN
Independent Director

JAIME C. LAYA
Independent Director

ANNA TERESA M. GOZON-VALDES
Corporate Secretary

EDUARDO P. SANTOS
Compliance Officer

MAY 2 9 2023

SUBSCRIBED AND SWORN to before me this ____ day of ________ 2023 affiants exhibiting to me their government issued ids, as follows:

Name	Government ID/Passport	Place/Date Issued
Felipe L. Gozon	Passport No. P7534976B	DFA Manila/06 Sep 2021
Gilberto R. Duavit, Jr.	Passport No. P5898410A	DFA Manila/05 Feb 2018
Artemio V. Panganiban	Passport No. P0388884B	DFA Manila/24 Jan 2019
Jaime C. Laya	Passport No. P2436933B	DFA Manila/04 July 2019
Eduardo P. Santos	Driver's License N1975-010512	Valid Until January 20, 2024
Anna Teresa M. Gozon-Valdes	Passport No. P7535518B	DFA Manila/06 Sep 2021

ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
NOTARY PUBLIC

Doc. No. 144
Page No. 30
Book No. 144
Series of 2023.

ANNEX "C"

GMA

2023 SUSTAINABILITY REPORT

Progressively EVOLVING

PROGRESSIVELY EVOLVING

headlines GMA Network's 2023 sustainability report, covering the year ended December 31, 2023, and was prepared using the Global Reporting Initiative (GRI) standards as guide. This report outlines disclosures about our environmental, social, and governance impacts, specific to the topics deemed material to the Network.

In addition, the report describes how GMA Network supports the 17 United Nations Sustainable Development Goals (UN SDGs).

This report has been prepared in accordance with the GRI Standards: Core option. It should be read in conjunction with GMA Network's 2023 Annual Report. Both reports may be accessed on the GMA Network website (www.gmanetwork.com).

GMA Network welcomes feedback and questions regarding this report or its contents through our Chief Risk Officer (CRO) Regie C. Bautista (sustainability@gmanetwork.com).

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FROM THE **CHAIRMAN**

The year 2023 shattered climate records with a 1.48°C rise in global temperatures, the highest in nearly two centuries, according to data from NASA and the World Meteorological Organization.

FELIPE L. **GOZON**

This surge is perilously close to the 1.5°C threshold set in the 2015 Paris climate accords, a limit that, if breached, could lead to more storms, droughts, extreme heat, and flooding. Despite this, the fight to reduce climate-warming emissions must continue, as every fraction of a degree clawed back from current trajectories can make a lasting impact worldwide.

For the Philippines, a nation acutely vulnerable to the effects of climate change, these developments are apparent in our daily lives and on the headlines: vanishing forests, rising sea levels, and increasingly severe typhoons. However, there are positive glimmers. The Philippines has made commendable progress in combating climate change, evident in its 6th place ranking in the 2024 Climate Change Performance Index (CCPI). This improvement reflects the nation's dedication and concerted efforts in addressing climate issues.

At GMA Network, we recognize our critical responsibility in confronting these challenges.

Our commitment to sustainability dovetails with the United Nations Sustainable Development Goals while our reporting principles align with the Global Reporting Initiative (GRI) Standards. We strive to integrate sustainable practices into all aspects of our operations—from content creation to corporate governance, promoting sustainable procurement to robust risk management and investing in green ventures—ensuring that our actions contribute positively to both our community and the planet.

As we mark our 74th year in the industry, our role in promoting sustainability in the Philippines takes on an even greater significance. Our long-standing journey in the media landscape is marked by a dedication that is both enduring and progressively evolving. In the years to come, we will continue to adapt and innovate, aligning our mission ever more closely with the pressing environmental challenges of our time.

Asahan ninyo po na mananatili kaming buong puso para sa kalikasan at para sa Pilipino.

FELIPE L. GOZON
Chairman and Adviser

CORPORATE VISION

We are the most respected, undisputed leader
in the Philippine broadcast industry
and the recognized media innovator
and pacesetter in Asia.
We are the Filipinos' favorite network.
We are the advertisers' preferred partner.
We are the employer of choice in our industry.
We provide the best returns to our shareholders.
We are a key partner in promoting the best
in the Filipino.

CORPORATE PURPOSE

We enrich the lives of Filipinos everywhere
with superior Entertainment and the responsible,
unbiased, and timely delivery
of accurate News and Information.

CORPORATE VALUES

We place God above all.
We believe that the Viewer is Boss.
We value our People as our best assets.
We uphold Integrity and Transparency.
We are driven by our Passion for Excellence.
We strive for Efficiency in everything we do.
We pursue Creativity and Innovation.

ABOUT GMA NETWORK

GMA Network was founded by Robert La Rue Stewart in 1950 as Loreto F. de Hemedes, Inc. (later renamed Republic Broadcasting System, Inc.) with flagship AM radio station DZBB. RBS ventured into television in 1961 and began broadcasting on Channel 7 in the Greater Manila Area.

In 1974, the triumvirate of Felipe L. Gozon, Menardo R. Jimenez, and Gilberto M. Duavit took over the management of RBS. In 1996, RBS was renamed GMA Network, Inc.

Also known as the Kapuso Network, GMA brings superior Entertainment and responsible, unbiased, and timely delivery of comprehensive and accurate News and Information to Filipinos anywhere in the world—through its TV, radio, online platforms, and wide array of other media-related ventures: program syndication, film production, music publishing and distribution, set design, audio-visual production, and new media.

Based on Nielsen TV Audience Measurement data from January to December 2023, GMA Network, including GTV and other digital channels, tallied a combined people net reach of 94 percent or 73 million viewers in Total Philippines. Headquartered in Quezon City, GMA operates a network of 108 TV stations and 21 radio stations throughout the country.

Officially listed on the Philippine Stock Exchange in 2007, GMA Network, Inc. is regarded as one of the most notable organizations that promote sustainability in the country, being the first media and broadcasting company in the Philippines to sign with the United Nations (UN) Global Compact.

GMA BRANDS

GMA-7, the **Kapuso Channel**, is the number 1 channel in the Philippines.

GTV, the number 2 channel in the country, shows quality news, entertainment, public affairs, and sports programming.

Heart of Asia* features Tagalized telenovelas and favorite drama shows.

Watch movies all day, every day, for free on **I Heart Movies***.

Hallypop* is the Asian pop culture channel featuring K-pop, lifestyle, and entertainment.

Pinoy Hits* brings all of the viewers' Pinoy favorites, airing re-runs of classic Kapuso shows such as dramas, comedies, and child-friendly programs.

GMA Regional TV (RTV) is GMA's operational arm in key cities and provinces. RTV produces top-rating and award-winning local programs and TV specials, and mounts tailor-fit events and activities for a diverse regional audience and clientele.

Super Radyo DZBB 594 kHz is the flagship AM radio station of GMA Network. It is the top AM station in Mega Manila and is recognized as one of the most awarded stations.

Barangay LS 97.1 DWLS FM is the flagship FM radio station of GMA Network. It is the top FM station in Mega Manila.

* GMA Network's purely DTT free-to-air channels.

GMA BRANDS

GMA REACHES OUT TO MILLIONS OF FILIPINOS IN MORE THAN 100 COUNTRIES ACROSS NORTH AMERICA, MIDDLE EAST & NORTH AFRICA, EUROPE, AND THE ASIA PACIFIC THROUGH ITS INTERNATIONAL VIDEO CONTENT OFFERING.

GMA linear channel services, namely **GMA Pinoy TV, GMA Life TV**, and **GMA News TV**, as well as GMA non-linear video service, **GMA On Demand**, are made available to viewers across the globe via cable, direct-to-home (DTH), internet protocol TV (IPTV), and over-the-top (OTT)/mobile distribution platforms.

GMANetwork.com is the official website and Entertainment portal of GMA Network.

GMA News Online is GMA's official news website that offers the latest breaking news and stories in the Philippines and around the world.

GMA Pictures is a film and TV production company established by GMA Network in 1995.

GMA Affordabox is a device that allows analog TV to receive digital TV broadcast.

GMA Music is engaged in the publishing, licensing, production, and distribution of music.

GMA Now is a mobile digital TV broadcast receiver that comes with exclusive features.

100 COUNTRIES

GMA BUSINESSES

GMA is primarily in the business of radio and television broadcasting. The network is also involved in entertainment-related and other businesses:

ENTERTAINMENT

ALTA PRODUCTIONS GROUP, INC. Pre and post production services	100%
CITYNET NETWORK MARKETING AND PRODUCTIONS, INC. Television entertainment production	100%
GMA NETWORK FILMS, INC. Film production	100%
GMA NEW MEDIA, INC. Converging technology	100%
GMA WORLDWIDE (PHILIPPINES), INC.* International marketing, handling foreign program acquisitions and international syndication of GMA Network's programs	100%
SCENARIOS, INC.** Design, construction and maintenance of sets for TV, stage plays, and concerts; transportation services	100%
GMA PRODUCTIONS, INC. Music, recording, publishing, and video distribution	100%
SCRIPT2010, INC.*** Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services	100%
RGMA NETWORK, INC. Radio broadcasting and management	49%

HOLDING COMPANY

GMA VENTURES, INC. Identifying, investing in, and/or building strong and sustainable businesses	100%

ADVERTISING

GMA MARKETING & PRODUCTIONS, INC.**** Exclusive marketing and sales arm of GMA Network's airtime, events management, sales implementation, traffic services and monitoring	100%
DIGIFY, INC.^ Crafting, planning, and handling advertising and other forms of promotion including multi-media production	100%

OTHERS

MEDIA MERGE CORPORATION^ Business development and operations for GMA Network's online publishing and advertising initiatives	100%
NINJA GRAPHICS, INC.^^ Ceased commercial operations in 2004	51%

*	Ceased commercial operations in 2020
**	Under liquidation
***	Indirectly owned through Citynet
****	Ceased commercial operations in 2015
^	Indirectly owned through NMI; ceased commercial operations in 2020
^^	Indirectly owned through Alta; ceased commercial operations in 2004

DIRECT PERCENTAGE OF OWNERSHIP

INDIRECT PERCENTAGE OF OWNERSHIP

Realizing the urgency of protecting the ability of future generations to meet their needs, GMA Network promotes sustainable measures in managing the resources we use in

SUSTAINABILITY INITIATIVES

our day-to-day operations. Further, the network recognizes that the social, environmental, and economic concerns of our stakeholders, both internal and external, are at times in tension and we continuously seek ways to address them effectively, efficiently, and innovatively.

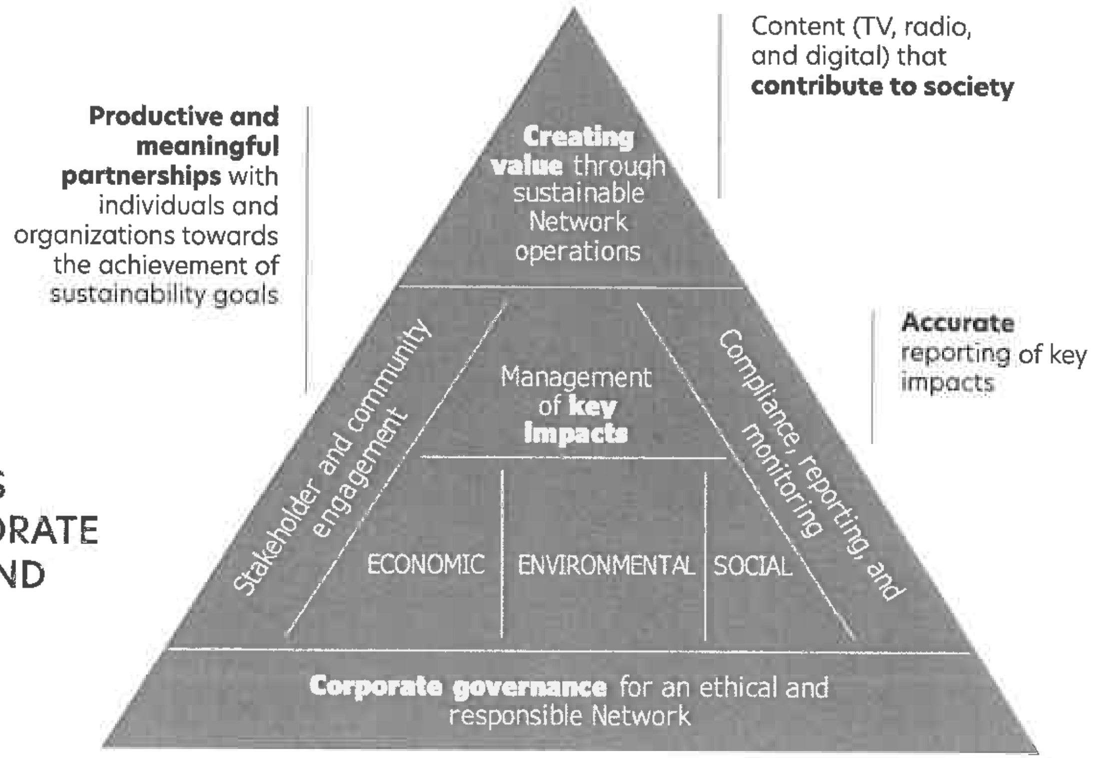
In the heart of our strategic approach is the management of our key economic, environmental, and social impacts. To achieve this, we establish productive and meaningful partnerships with individuals and organizations. GMA's socio-civic arm, the GMA Kapuso Foundation, allows us to extend the reach of our community service by fostering such partnerships with trusted institutions.

We ensure accurate reporting of key impacts not just for compliance purposes but for effective measurement and continuous improvement of our existing efforts.

Ultimately, we strive to create value through sustainable Network operations.

STRATEGY

OUR SUSTAINABILITY STRATEGY IS GROUNDED ON EFFECTIVE CORPORATE GOVERNANCE FOR AN ETHICAL AND RESPONSIBLE NETWORK.



CHAIRMAN AND ADVISER*

PRESIDENT AND CHIEF EXECUTIVE OFFICER*

**Effective January 1, 2024*

ETHICS AND INTEGRITY

UNDER THE DIRECTION AND GUIDANCE OF GMA NETWORK'S BOARD OF DIRECTORS, WE UPHOLD FUNDAMENTAL BELIEFS, PHILOSOPHIES, AND PRINCIPLES UPON WHICH OUR BUSINESS AND OUR PEOPLE'S BEHAVIOR ARE BASED.

Our corporate values are deeply ingrained in our operations, guiding our people's decisions and actions from the simplest of tasks to major undertakings.

In addition, we have strictly implemented a Code of Conduct that promotes a positive attitude of commitment and cooperation among our people. It also provides specific guidelines for the whole organization in the conduct of business and compliance.

JOSE MARCELO G. JIMENEZ
DIRECTOR

ANNA TERESA M. GOZON-VALDES
DIRECTOR

JUDITH R. DUAVIT-VAZQUEZ
DIRECTOR

LAURA J. WESTFALL
DIRECTOR

GOVERNANCE

GMA NETWORK IS COMMITTED TO THE PRINCIPLES OF GOOD GOVERNANCE AND RECOGNIZES THEIR IMPORTANCE IN SAFEGUARDING SHAREHOLDERS' INTERESTS AND IN ENHANCING SHAREHOLDER VALUE.

FELIPE S. YALONG
CHIEF FINANCIAL OFFICER AND EXECUTIVE VICE PRESIDENT

ARTEMIO V. PANGANIBAN
INDEPENDENT DIRECTOR

JAIME C. LAYA
INDEPENDENT DIRECTOR

Compliance with the principles of good governance starts with the Network's Board of Directors. The Board is responsible for oversight of the business, determination of the company's long- term strategy and objectives, and management of the company's risks by ensuring the company's internal controls and procedures are observed. The Board of Directors ensures a high standard of governance, and promotes and protects the interests of the Network, its stockholders, and other stakeholders.

The Board consists of 9 directors, 2 of whom are independent directors. All 9 members of the Board have the expertise, professional experience, and background that allow a thorough discussion and deliberation of issues and matters affecting the Network.

BOARD COMMITTEES

FOUR COMMITTEES WERE ESTABLISHED TO AID IN COMPLYING WITH THE PRINCIPLES OF GOOD GOVERNANCE AND ADDRESS ISSUES REQUIRING THE BOARD'S ATTENTION.

EXECUTIVE COMMITTEE

The Executive Committee (Excom) consists of 3 members, which include the Chairman of the Board and Adviser Felipe L. Gozon, President and CEO Gilberto R. Duavit, Jr., and Director Joel Marcelo G. Jimenez. Joel Marcelo G. Jimenez serves as Chairman of the Committee. The Excom acts on matters delegated to it by the Board of Directors, and by a majority vote in accordance with the authority granted by the Board. All actions of the Excom are reported to the Board for ratification at the meeting immediately following such action.

The jurisdiction of the Executive Committee has been expanded to include the functions and responsibilities of the Corporate Governance Committee, except those pertaining to the nomination and election of directors and the procedure for determining the remuneration of directors and officers, which remain vested in the Nomination Committee and the Compensation and Remuneration Committee, as well as the power to evaluate the performance of the Board of Directors as it pertains to the stockholders and the duly elected Board directors themselves.

NOMINATION COMMITTEE

The Nomination Committee is chaired by Felipe L. Gozon and composed of 4 members that include an independent director in the person of former Chief Justice Artemio V. Panganiban (Vice Chairman), with Gilberto R. Duavit, Jr. and Joel Marcelo G. Jimenez as members. The mission of the Nomination Committee is to provide the shareholders with an independent and objective evaluation and assurance that the membership of the Board of Directors is competent and will foster the long-term success of the Network and secure its competitiveness. The Nomination Committee assists the Board of Directors in ensuring that all nominees to the Board of Directors are competent and qualified to be nominated as Director based on internal guidelines. This is to ensure that there is a proper mix of competent directors that would continuously improve shareholders value; and that Directors ensure a high standard of best practices for the Network and its stakeholders.

COMPENSATION AND REMUNERATION COMMITTEE

The members of the Compensation and Remuneration Committee are Felipe L. Gozon (Chairman), Former Chief Justice Artemio V. Panganiban (Vice Chairman), with Gilberto R. Duavit, Jr. and Laura J. Westfall as members. The Committee recommends a formal and transparent framework of remuneration and evaluation for the members of the Board of Directors and key executives to enable them to run the Network successfully.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee is currently composed of the following members: Dr. Jaime C. Laya, (Chairman), former Chief Justice Artemio V. Panganiban (Vice Chairman), Ms. Judith R. Duavit-Vazquez, Atty. Anna Teresa Gozon-Valdes, and Ms. Laura J. Westfall. The Audit and Risk Management Committee assists the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Network's management and stakeholders in the continuous improvement of risk management systems, business operations, and proper safeguarding and use of the Network's resources and assets. The Audit and Risk Management Committee provides a general evaluation and gives assistance in the overall improvement of the risk management, control, and governance process of the Network as designed by management and provides assurance that these are properly functioning.

Chief Risk Officer Regie C. Bautista provides relevant information to the committee for decision-making on economic, environmental, and social topics.

STAKEHOLDER ENGAGEMENT

GMA NETWORK BELIEVES THAT BY EFFECTIVELY ENGAGING OUR STAKEHOLDERS, WE ARE ABLE TO GENUINELY UNDERSTAND THEIR NEEDS AND INTERESTS, AT DIFFERENT LEVELS AND ACROSS MULTIPLE AREAS.

In order to build long-lasting positive relationships, we seek to constantly strengthen our connections, and find mutual ground based on trust, loyalty, and an earnest desire to grow and succeed together.

Stakeholders	Key Engagement Mechanisms	Primary Discussion Items
GMA'S WORKFORCE (MANAGEMENT, EMPLOYEES, TALENTS, SERVICE PROVIDERS)	• Company policies and procedures • Employee handbook • Memoranda and other written correspondences • Monthly Kapuso Magazine • Virtual General Assembly • Chairman's State of the Network Address • Performance feedback • Trainings • Teambuilding events • Christmas and other holiday events • Social media • Collective bargaining agreement	• Safety, health, and security of the workforce • Employee engagement • Performance assessment and career opportunities • Continuous improvement of value chain to increase efficiency and reduce negative impacts • Creating value for consumers
INVESTORS (EQUITY AND DEBT)	• Annual stockholders' meeting • Small group meetings • Reports and disclosures • Written correspondences • Conferences • Website • Press releases	• Operational and financial performance • Risks and opportunities
CLIENTS	• Business meetings and events • Contracts • Written correspondences	• Engagement economics • Risks and opportunities • Creating value for clients and audience
VIEWERS	• Broadcast and live events • Hotline • Email • Website and social media	• Viewership
PARTNERS & SUPPLIERS	• Business meetings and events • Contracts • Written correspondences	• Continuous improvement of value chain to increase efficiency and reduce negative impacts • Creating value for stakeholders

Stakeholders	Key Engagement Mechanisms	Primary Discussion Items
GOVERNMENT AGENCIES & REGULATORS	• Seminars and briefings • Meetings • Written correspondences • Website and social media	• Ensuring compliance with laws and regulations
LOCAL & INTERNATIONAL COMMUNITIES	• Public service operations • Community events • Website and social media	• Setting and meeting high standards for the community • Creating value for society

REPORTING PRACTICE

GMA NETWORK ADHERES TO A HIGH LEVEL OF CORPORATE DISCLOSURE AND TRANSPARENCY STANDARD REGARDING THE NETWORK'S FINANCIAL CONDITION AND STATE OF CORPORATE GOVERNANCE.

Through the Investor Relations and Compliance Division (IRCD), shareholders are provided disclosures, announcements, and periodic reports filed with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). These are also available online through the Investor Relations portion of the Network's website www.gmanetwork.com/corporate/ir.

Through the IRCD and Corporate Affairs and Communications Department, we publish press releases on the performance of the Network. Audited financial statements are submitted to the SEC on or before the prescribed period, and are made available to shareholders.

We process information in accordance with the Data Privacy Act of 2012 and its implementing rules and regulations, and adopt reasonable physical and technical security measures to safeguard the same. Moreover, the Network executes and adheres to non-disclosure/ confidentiality agreements, respecting trade secrets and confidential information of parties and business partners we transact with.

GMA'S SUSTAINABILITY REPORTING IS GUIDED BY THE FRAMEWORK ILLUSTRATED HERE IN ORDER TO MAKE THE PROCESS RELEVANT AND VALUE ADDING:

OUR COMPANY IS A SUSTAINABLE BUSINESS

WE CONDUCT OUR BUSINESSES IN AN ETHICAL AND RESPONSIBLE MANNER	CORPORATE GOVERNANCE
WE MANAGE OUR KEY IMPACTS	ECONOMIC ENVIRONMENTAL SOCIAL
OUR PRODUCTS AND SERVICES CREATE VALUE TO SOCIETY	CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

AFTER MEANINGFUL DIALOGUES AMONG KEY STAKEHOLDERS, GMA'S DETERMINED MATERIAL TOPICS FOR REPORTING ARE THE FOLLOWING:

SOCIAL

- Employment
- Occupational health and safety
- Training and education
- Diversity and equal opportunity
- Local communities

ENVIRONMENTAL

- Energy consumption within the organization
- Water consumption
- Waste by type and disposal method
- Environmental compliance

ECONOMIC

- Direct economic value generated and distributed
- Financial implications and other risks and opportunities due to climate change
- Procurement practices
- Operations assessed for risks related to corruption

SOCIETY IMPACT

OUR COMMITMENT TO A SUSTAINABLE FUTURE BEGINS WITH BUILDING A STRONG, PRODUCTIVE, AND RESPONSIBLE WORKFORCE.

Because our people are our best assets, we strive to create a working environment that promotes our vision for the Network to be the employer of choice in the industry. Aligned with our corporate value of striving for excellence in everything we do, we provide opportunities to the most capable and highly qualified who can deliver top notch performance. Equally important is that we embrace those with integrity and values aligned with the Network's and possess the right attitude and appreciation towards hard work.

Joining the Kapuso family entails access to competitive benefits that aim to attract and retain the best people. Just as we focus on quality and excellence in our operations, we employ the same dedication in making sure that our people achieve their best potential in GMA—through training, meaningful working experience, coaching, mentoring, a culture that allows continuous learning to thrive, equal opportunities for career advancement, and conducting periodic constructive performance evaluations to monitor and guide growth.

With sincere care for our employees, we prioritize the health and safety in the workplace. Beyond the requirements mandated by the government, our enterprise risk management policies and standard practices allow stakeholders to identify, assess, and effectively manage and mitigate significant risks that may compromise the well-being of our people.

EMPLOYMENT

We have teams throughout the Philippines, with the majority stationed at our headquarters in Metro Manila.

To meet our operational and business expansion needs, we are in continuous search for resources and talents. When vacancies open, we first identify qualified and deserving employees within the Network, and recommend their transfer or promotion. In meeting requirements that cannot be addressed internally, we establish strategic partnerships with organizations that allow us to augment our reach, and tap a wider and more diverse pool of candidates.

In accordance with the law, GMA Network recognizes the right of employees to voluntarily resign. Likewise, we may also choose to let go of an employee for just or authorized cause, and upon observance of due process.

NEW HIRES:

By Age Group

Under 30 years
46%

30-50 years
40%

Over 50 years
14%

By Gender

Male	54%
Female	46%

TURNOVER:

By Age Group

Under 30 years
37%

30-50 years
49%

Over 50 years
14%

By Gender

Male	52%
Female	48%

OUR HUMAN RESOURCES DEVELOPMENT DEPARTMENT (HRDD) OVERSEES THE PROVISION OF THE FOLLOWING BENEFITS TO OUR EMPLOYEES:

BASIC

- Vacation leave
- Sick leave
- Maternity leave
- Paternity leave
- Solo parent leave
- 13th month pay
- SSS, PhilHealth, and Home Development Mutual Fund (HDMF)

COVID-RELATED

With the lifting of the COVID-19 Public Health Emergency on July 23, 2023, most of the COVID-19 Guidelines were no longer enforced. However, there are a few guidelines and services that are still in effect, such as:

- Required isolation days (per IATF ruling) charged to Company time if exposure is due to work
- Clinic services
- Installation of an additional satellite clinic
- Medicine allowance inclusive of essential vitamins

ADDITIONAL

- Accident leave
- Fire and calamity leave
- Fire and calamity assistance
- Calamity pay
- Hazard pay
- Bereavement leave
- Bereavement aid
- Health maintenance organization (HMO)
- Medicine allowance
- Optical subsidy
- Rice subsidy
- Life insurance
- Retirement pay (Compulsory, Optional, Permanent/Total disability)
- Longevity premium pay
- Matrimonial bonus
- Car plan

GMA PROVIDES PARENTAL LEAVES (MATERNITY, PATERNITY, AND SOLO PARENT LEAVES) BEYOND WHAT THE GOVERNMENT MANDATES, TO SUPPORT OUR EMPLOYEES IN LOOKING AFTER THEIR CHILDREN.

	FEMALE	MALE
Total number of employees that took parental leave	62	67
Total number of employees that returned to work in the reporting period after parental leave ended	61	67
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	54	64
Return to work rates of employees that took parental leave	98%	100%
Retention rates of employees that took parental leave	87%	96%

SAFETY FIRST

OUR OCCUPATIONAL SAFETY AND HEALTH (OSH) PROGRAM COMPLIES WITH REPUBLIC ACT NO. 11058 AN ACT STRENGTHENING COMPLIANCE WITH OCCUPATIONAL SAFETY AND HEALTH STANDARDS AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF, AND ADDRESSES SIGNIFICANT EMPLOYEE SAFETY AND SECURITY RISKS IDENTIFIED AS A RESULT OF OUR ENTERPRISE-WIDE RISK MANAGEMENT.

The program covers employees and workers performing work inside the GMA Network complex, the GMA Annex, GMA stations, warehouse, and transmitter sites. It also safeguards those working outside GMA premises during production and news coverage/fieldwork. We have formalized procedures and guidelines to ensure the health and safety of our employees and workers:

- GMA Network studios facilities guidelines
- Implementing guidelines on studio facilities
- Implementation of guidelines on studio security and safety
- Guidelines on proper handling and safekeeping of EFPD Cameras and its accessories
- Guidelines on the proper handling and safekeeping of camera fiber optic cable
- Proper handling and preventive maintenance of fiber optic camera cables
- Guidelines on camera crane operation
- Guidelines and policies on cable management
- Implementing guidelines on electrical and architectural installation for reconfiguration of new and additional production sets
- Guidelines on repairs/restoration of broadcast equipment
- Policy procedure for vehicle use
- Standard operating procedures on news van deployment and safety driving
- NVOD technical services monitoring guidelines
- Pre-deployment procedures
- Instructions for keeping vehicles neat and orderly
- Guidelines and procedures for the maintenance, monitoring and fuel acquisition of company vehicles
- Vehicle and road safety reminders
- Safety and security measures implemented in Entertainment Group (EG) programs

Trainings are conducted to orient our people on these guidelines and procedures. In addition, we provide lectures and demonstrations for basic first aid and basic life support (including cardiopulmonary resuscitation [CPR]). Risk and hazard assessment briefings are strictly carried out during production.

EMPLOYEE HEALTH

GMA NETWORK EMPLOYEES HAVE HEALTHCARE AND MEDICAL BENEFITS THAT COVER BOTH OCCUPATIONAL AND NON-OCCUPATIONAL INJURIES OR ILLNESSES THROUGH IN-PATIENT AND OUT-PATIENT CARE.

BELOW ARE SOME OF THE VOLUNTARY HEALTH PROMOTION SERVICES AND PROGRAMS.

In order to mitigate significant negative occupational health and safety impacts directly linked to the Network's operations, and the related hazards and risks, GMA continuously and consistently implements our safety and health programs. Moreover, risk assessment is periodically conducted in compliance with the Network's risk management policy.

MEDICAL AND HEALTH ASSESSMENTS AND PROGRAMS

- Annual physical/medical examination (APE)
- Executive check-up (once a year)
- Annual flu vaccination
- Wellness fora (hostile environment training, wellness and health symposiums)
- Critical incident stress debriefing
- Mandatory quarantine to employees deployed to areas affected by contagious diseases

FIRST-AID, HEALTH CARE MEDICINES AND EQUIPMENT FACILITIES

- Medical clinic (equipped with wheelchair, oxygen tank and accessories, nebulizer, stretcher, examining bed)
- Dental clinic (equipped with dental chair and all dental related accessories)
- Lactation room (with refrigerator)
- Emergency Go bags in every floor (first aid kit, flashlight, whistle and canned goods)
- Sleeping quarters, separate for males and females
- With HMO-accredited hospitals and clinics

HEALTH AND WELLNESS PROMOTION PROGRAMS

- Mental health-related programs (critical incident stress debriefing, mental health awareness seminar, and referral to mental health professionals for initial evaluation)
- Sports tournaments (basketball, volleyball, bowling, badminton, table tennis, chess, and billiards)
- Health and wellness fair (quarterly)
- Fitness programs (Zumba, yoga, and partnership with a gym provider)

* For the APE, we did not conduct an on-site activity due to health safety. However, there were some employees who voluntarily had their APE and ECU (Executive Check-Up) at Medicard-accredited clinics and hospitals.

TRAINING & EDUCATION

WE HAVE INSTITUTED A TRAINING AND DEVELOPMENT PROGRAM THAT IS ANCHORED IN VALUING OUR EMPLOYEES AS OUR BEST ASSETS.

It is the policy of GMA Network to provide continuous learning opportunities to our people for their growth and empowerment, and with due consideration of their current skills, the requirements of their current jobs, and the requirements of the business. We develop in-house training curricula, and in some circumstances, partner with external organizations and professional institutions in the Philippines and abroad.

We continue to adapt to the "new normal" in delivering training programs remotely and digitally by offering courses through live streaming and on-demand webinars.

Our employees are provided with regular performance and career development reviews. Training opportunities are given to employees when there is/are:

- A need to enhance existing knowledge, skills, and behavior to meet heightened standards of excellence, efficiency, and/or creativity dictated by the market or the industry
- Gaps in knowledge and skills of critical functional areas that affect individual or work group effectiveness
- A need to reinforce awareness and consistent implementation of correct practices and procedures to ensure safety of employees and the proper handling of equipment and use of technical facilities
- Anticipated changes in technology which consequently require new knowledge, skills, and behaviors in adapting the new/change of technology
- A need to prepare employees for higher responsibilities or when they are considered as "internal replacements" for key leadership roles

	Average Hours of Training
Female	11.72
Male	12.73

	Average Hours of Training
Rank and file	12.53
Non-managerial	11.84
Managerial	13.49
Officers	8.0

The Human Resources Development Department (HRDD) or the group/department under which employees belong may initiate the following trainings:

- HRDD-initiated training and development programs - Programs that are applicable for employees across the organization. These programs include but are not limited to the following:
    - o Basic management programs
    - o Staff development programs
    - o Work attitudes and values enhancement program
    - o Succession development programs
    - o Competency development programs
    - o Occupational safety and health (OSH) programs (e.g., Safety Officers Training, 8-Hour Mandatory Training on OSH)
- Department-initiated training programs - These are specialized functional and skills trainings identified by the group/department to address developmental requirements (functional, technical, or creative) and to support operational efficiencies in meeting group/department objectives. Examples are:
    - o Learning Session on High-Definition Standards
    - o Cinematography, video editing, camera training, audio training, cinematography, etc.
    - o IT and business enterprise system-related courses
    - o TV production trainings (e.g., news production, news writing, etc.)

Apart from the year-round learning and development programs, a new online system application for Succession Planning Program was developed by HRDD with the help of the ICT Department and added to its One Digital HR website. This ODHR App aims to enroll online potential candidates from within for the key/critical position that will be left vacant due to compulsory retirement.

Moreover, GMA Network provides transition assistance programs for soon-to-retire employees through the Pre-Retirement Program. This program has modules on Preparing Self for Retirement and Financial Literacy. Additionally, we continue to assist retired employees through the GMA Employees' Multi-Purpose Cooperative (GEMPC). The GEMPC is a closed-type cooperative organization that is exclusive to employees of GMA Network and its subsidiaries, including those who have retired.

A transition assistance program is also provided to resigned employees to facilitate their continued employability. On a per request basis, we issue Certificate of Employment and/or Certificate of Training.

DIVERSITY & EQUAL OPPORTUNITY

THE NETWORK PROVIDES OPPORTUNITIES TO INTERESTED, QUALIFIED, AND DESERVING APPLICANTS REGARDLESS OF GENDER, AND WITHOUT PREJUDICE TO THOSE BELONGING TO THE VULNERABLE SECTOR (E.G., THE ELDERLY, PERSONS WHO ARE DIFFERENTLY ABLED, SOLO PARENTS, ETC).

We believe that by embracing diversity and equal opportunity in our workforce, we are supporting a progressive culture that is optimal and conducive to achieving the best results in our operations. Our inclusiveness is key in advancing our goal to attract and retain the best people.

PERCENTAGE OF INDIVIDUALS WITHIN GMA'S TOP EXECUTIVES:

By Gender	Percentage
Male	61%
Female	39%

By Age Group	Percentage
Under 30 years	0%
30-50 years	16%
Over 50 years	84%

PERCENTAGE OF INDIVIDUALS PER EMPLOYEE CATEGORY:

	Rank and file	Non-Managerial	Managerial	Officers
By Gender	Percentage			
Male	85%	47%	51%	50%
Female	15%	53%	49%	50%
By Age Group	Percentage			
Under 30 years	18%	28%	4%	0%
30-50 years	63%	64%	72%	44%
Over 50 years	19%	8%	24%	56%

LOCAL COMMUNITIES

GMA REGIONAL TV (RTV) REMAINS TRUE TO ITS "LOCAL NEWS MATTERS" CAMPAIGN.

With stations strategically located across the country, GMA Regional TV (RTV) consistently provides viewers access to local regional news across the Philippines.

Our commitment to producing local news programs and specials that are primarily geared to stories, voices, and viewership in the regions has earned the trust of Filipino viewers all over the country.

The combined net reach of GMA RTV newscasts in FY 2023 is at 36% of TV households nationwide, with an estimated 25 million TV viewers. Total Visayas logged the highest net reach across regions. (Source: Nielsen Philippines TAM (Arianna) Official Data)

NATIONAL NEWS PROGRAM

- Regional TV News - A news program airing on national TV via GTV, solely dedicated to regional news (airing Mondays to Fridays, from 10:00AM to 10:30AM)

FLAGSHIP WEEKDAY MORNING NEWS PROGRAMS ON REGIONAL CHANNELS

- Balitang Bisdak (Cebu: airing in Central and Eastern Visayas)
- One Mindanao (Davao/General Santos/CDO/Zamboanga: airing in Northern, Eastern, South Central, Western, and Southern Mindanao)
- One Western Visayas (Iloilo/Bacolod: airing in Western Visayas)

- One North Central Luzon (Dagupan/Ilocos Sur/Ilocos Norte: airing in North Central Luzon)
- Balitang Bicolandia (Naga: airing in Southern Luzon/Bicol Region)
- Balitang Southern Luzon (Batangas: airing in South Luzon)

BALITANG BARANGAY SEGMENT

RTV's local news programs have public service segments customized for each region. The segments feature a wide array of relevant issues within the community, such as:

- Compelling, long-standing complaints culled from phone calls, emails, texts, and messages through our social media accounts from concerned citizens asking intervention to get immediate action from local government units (LGUs) and government offices for issues such as garbage problems in the community, leak in water pipes, potholes on community roads, and unfinished government-funded road projects and other infrastructure.
- Best practices of barangays worth emulating by other communities.

KAPUSO FIESTAS AND EVENTS

With the upturn of LGUs and recovery of regional malls from the pandemic, offices and establishments have opened up for more events, meetings, conferences, and exhibitions. Regional TV and Synergy seized this opportunity to reconnect with Kapuso viewers all over the nation through festival participations, mall shows, and other on-ground events.

In 2023, RTV and Synergy participated in and/or mounted 35 Kapuso Fiestas, 66 Kapuso Artist Participations, 43 Kapuso Mall Shows, 4 Kapuso Float Parade Participations, and 24 Kapuso Barangayans, totaling to 172 events.

RTV PARTNERSHIPS

We partnered with local universities and colleges for the award-winning GMA Masterclass Series with the main objective of giving students valuable information they can use in pursuing careers in Marketing, Mass Media, and Communications. A total of 11 GMA Masterclass: The Icon Series events were conducted nationwide in 2023, with a total of 8,492 attendees (physical and virtual combined) so that students and the academe can learn from and be inspired by esteemed GMA resource speakers who are regarded as among the best in their corresponding fields.

In partnership with NCAA schools, we also conducted 6 sports clinics under the GMA Masterclass: The Sports Series, bringing basketball to the grassroots level in barangays nationwide, with NCAA players and veteran PBA stars teaching and coaching young boys and girls on basic basketball skills while inspiring them with the possibility of a future career in sports, specifically in basketball.

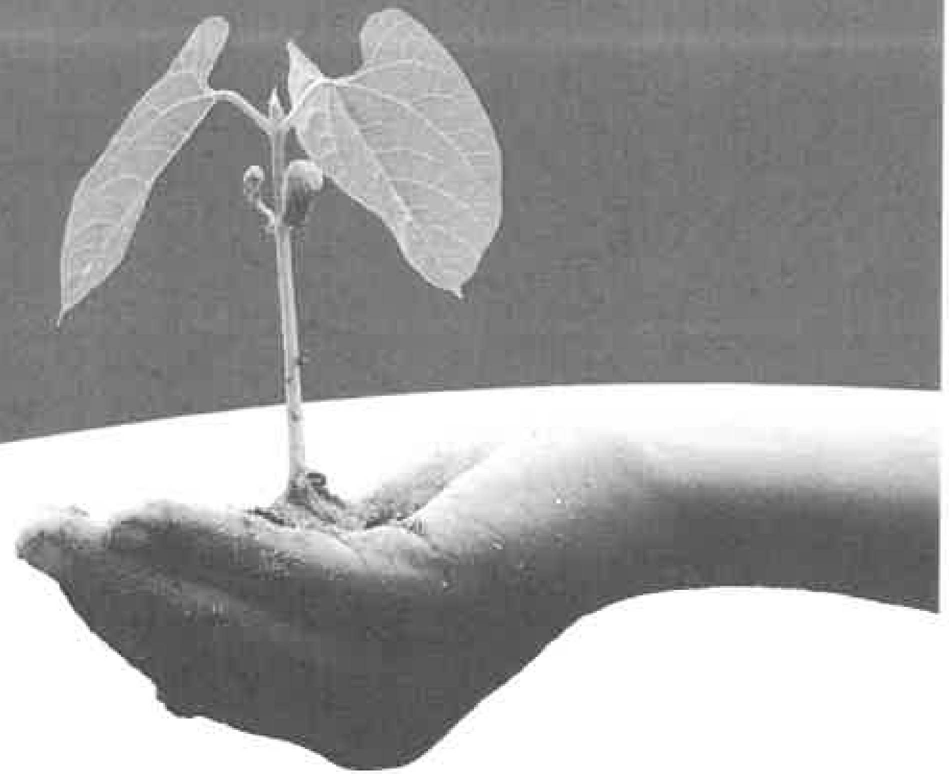
OTHER FEATURE SEGMENTS

In addition to public service segments, RTV's local programs also feature other stories that shine the spotlight on the rich culture and various interesting discoveries and treasures of the Philippine regions:

- GMA Regional TV Presents - A platform for Filipinos in the regions, including minority and tribal groups, through mini-documentaries on personalities and issues
- Kwento ng Pilipino - Stories of triumph about ordinary Filipinos told from their own perspective and stories highlighting the uniqueness and diversity of Filipino minority and tribal groups
- #SpreadKindness - Acts of kindness done by and for ordinary Filipinos
- Trip Natin / Suroy Ta! / Manlaag Ta - Travel features on local scenic spots, whether established or newly discovered or on the off-beat tracks, within the local news programs' areas of responsibility
- My Mindanao/ Bisdak Laagan Society / My Western Visayas - Crowd-sourced videos showing the travel adventures of ordinary citizens/regional contributors
- Mangan Tila / Kumbira - Features on unique and popular dishes and delicacies
- Pista sa Amianan / Fiesta Mindanao / Pistang Bisdak / Fies-Ta! - Features on local festivals and fiestas of towns, municipalities, and even unique barangay celebrations
- May Trabaho Ka, Kapuso! / May Trabaho Ka / Extra/ May Trabaho Ka - Job listings from DOLE Public Employment Service Offices (Provincial PESO); with emphasis that job opportunities are available locally in the regions
- Kapuso sa Kalikasan (all areas) - Regional stories and issues on the environment and its protection, as well as initiatives of local communities for sustainable development

ENVIRONMENT IMPACT

OUR OPERATIONS ALL OVER THE PHILIPPINES CONTRIBUTE TO OUR CARBON FOOTPRINT, WHICH WE CONTINUOUSLY AIM TO REDUCE EFFICIENTLY AND EFFECTIVELY.



In addition to the GMA Network Center (our headquarters located in Metro Manila), we have regional offices and TV/radio studios in 11 other cities and provinces—Ilocos, Dagupan, Batangas, Bicol, Iloilo, Bacolod, Cebu, Cagayan De Oro (Northern Mindanao), Davao (Southern Mindanao), General Santos, and Zamboanga.

For wider broadcast coverage, we operate 108 TV and 21 radio transmitters throughout the archipelago, usually in remote areas with vegetation. Optimal locations are strategically identified, and deployments are carefully planned to ensure that we maximize the coverage of every single transmitter site. In the process, among our priorities is compliance with applicable laws and regulations, such as the Presidential Decree No. 1586 Establishing An Environmental Impact Statement System, Including Other Environmental Management Related Measures And For Other Purposes. We secure Environmental Compliance Certificates (ECC) from the Department of Environment and Natural Resources (DENR), as mandated by the government.

Through our Kapuso ng Kalikasan (KNK) program, we partner with various environmental organizations with advocacies that are aligned with our commitment to protect Mother Earth. Within GMA premises, we adopt green practices that promote environmental conservation in every way we can.

ENERGY
CONSUMPTION

AS PART OF ADVANCING OUR SUSTAINABILITY GOALS, THE ENERGY WE CONSUME WITHIN THE GMA COMPLEX AND IN THE REGIONS IS PERIODICALLY MONITORED.

We are constantly in the lookout for new technology to increase the efficiency of our energy utilization or to reduce our energy requirements.

Over the years, we have successfully implemented energy-saving measures and projects that resulted in an estimated electricity savings of up to 300,000 KWH per month. Some of these initiatives include designating operating hours for the use of lighting and air-conditioning units in the studios, the replacement of chillers from centrifugal type to screw type and magnetic type, phase-out of conventional fluorescent lighting to light-emitting diodes (LEDs), deployment of Variable Frequency Drives for the Air-Handling Units, and phasing out of conventional air-conditioning units to inverter-type. We have completed our first solar plant with a 10KW peak production at the GMA Fleet Center and started to use solar-powered perimeter lights in our Dagupan Station and Tagaytay property.

Our main source of energy is electricity from power distribution companies, and electric distribution utilities or electric cooperatives situated in different cities and regions.

We consume diesel for most of our company vehicles and for the generator sets we use as back-up power supply in case of power interruptions and outages in the GMA Network Center, regional offices, and transmitter sites. Generator sets are also the main power source to operate our remote facilities during electronic and news gathering, satellite news gathering, and outside broadcast vans for live news reporting and field production taping. The installation and commissioning of new transmitters results in consumption of electricity as well.

In compliance with the Philippine Clean Air Act of 1999 (Republic Act No. 8749), a comprehensive air quality management policy and program that aims to achieve and maintain healthy air for all Filipinos, we secure the necessary permits from the DENR to operate our generator sets. Quarterly, we submit self-monitoring reports on the fuel we consume. All generator sets undergo strict preventive maintenance and annual emission tests conducted by a third-party accredited by the DENR.

	2023 (in GJ)
Total fuel consumption within the organization from non-renewable sources	53,488
Total fuel consumption within the organization from renewable sources	34
Total electricity sold	138,388
Total electricity consumption	0
Total energy consumption within the organization	191,910

WATER CONSERVATION

TO REDUCE OUR WATER SUPPLY REQUIREMENTS, THE SEWAGE TREATMENT PLANT (STP) AT THE GMA COMPLEX WAS USED TO TREAT DOMESTIC WASTEWATER.

The treated wastewater from the plant is recycled for sanitation purposes within the headquarters. Through this system, we save at least 2,250.20 cubic meters or 2,250,200 liters of potable water every year, and we continue to explore ways to expand the use and benefits of the facility.

Our supply comes from water service providers in locations where we operate, except in Cebu where we have our own water pump that meets the needs of the entire station.

	2023 (in MEGALITER)
Total water consumption from all areas	61.63
Total water consumption from all areas with water stress	0

RESPONSIBLE DISPOSAL OF WASTES

FOR THE HEALTH SAFETY OF OUR PEOPLE AND TO MITIGATE ANY HARMFUL IMPACT ON THE ENVIRONMENT, WE ARE COMMITTED TO ENSURE THAT WASTES GATHERED AND COLLECTED IN OUR STATIONS ARE PROPERLY HANDLED AND DISPOSED.

We have instituted strict housekeeping rules and sanitary practices in our offices and transmitter sites, and encourage recycling by segregating wastes.

One of our approaches is the appointment of Pollution Control Officers (PCO) in our main headquarters and transmitter sites, as required by the DENR. According to the guidelines under DENR's Department Administrative Order (DAO) 2014-02, the PCO is a technical person competent in pollution control and environmental management, performs the duties and responsibilities in a particular establishment, and is officially accredited by the Environmental Management Bureau (EMB) Regional Office to perform such responsibilities.

To comply with the Philippine Clean Water Act (Republic Act No. 9275), which aims to protect the country's water bodies from pollution from land-based sources, we have a discharge permit from the Laguna Lake Development Authority (LLDA) for the operation of our STP. We periodically check the wastewater discharge of the system and conduct laboratory testing as a requirement for self-monitoring and compliance monitoring.

With the issuance of DENR's DAO 2016-08 Water Quality Guidelines and General Effluent Standards of 2016, we submitted a Compliance Action Plan to the LLDA office for the improvement of our STP. The DAO 2016-08 provides guidelines for the classification of water bodies in the country, determination of time trends and the evaluation of stages of deterioration/enhancement in water quality, evaluation of the need for taking actions in preventing, controlling, or abating water pollution. To strictly comply with the standards set by this DAO, we have also contracted the services of a third-party laboratory to test in-house waste water parameters.

The Toxic Substance and Hazardous Wastes (Republic Act No. 6969) under the DENR covers the import, manufacture, processing, handling, storage, transportation, sale, distribution, use, and disposal of unregulated chemical substances and mixtures in the Philippines. As required by this law, the hazardous wastes that we generate—such as tapes, used engine oils, busted fluorescent lamp (BFL), empty paint cans, contaminated rags, grease, defective LED, and others—are treated, recycled, and appropriately disposed through a third-party hazardous waste treatment group accredited by the DENR.

The Ecological Solid Waste Management Act (Republic Act No. 9003) provides for a comprehensive ecological solid waste management program by creating the necessary institutional mechanisms and incentives, appropriating funds, declaring certain acts prohibited, and providing penalties. GMA 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.

IN 2023, THE TOTAL WASTE WE GENERATED BASED ON OUR MONITORING IS AS FOLLOWS	2023 (in KG)
a. Total weight of hazardous waste	3,336
b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods:	
i. Reuse	967
ii. Recycling	6,616
iii. Composting	713
iv. Landfill	3,182

ECONOMY IMPACT

TO BROADEN OUR BUSINESS AND SUSTAIN OUR GROWTH, WE KEEP ABREAST WITH DEVELOPMENTS IN THE MARKET AND LEVERAGE ON EXISTING CONTENT TO GENERATE PREFERRED ECONOMIC OUTCOME.

Capital investments are undertaken with the aim of expanding our reach and coverage at the best possible cost to our stakeholders. We regularly monitor project performance to ensure that we realize net positive results without compromising value to our customers and viewers. Specific to content production, we have established a business model that enables the stakeholders to estimate possible financial outcome of each venture, thereby optimizing resource allocation.

One of GMA Network's key strengths is our sound financial management and discipline, maintaining above-industry profitability margins and financial growth. As a publicly listed company, we pride ourselves as having utmost regard for our stakeholders and for striving to achieve healthy returns for our investors.

This is manifested in our commitment to distribute at least 50% of prior year's net income after tax to shareholders, as indicated in our initial public offering (IPO) prospectus in 2007. We have since stayed true to this promise, annually delivering dividend payout above 90% of net income after tax on average. Moreover, over the course of 15 years, the average dividend yield based on IPO price is 7% per annum. Based on closing prices at year end, annual dividend yield for the last five years averaged 11%—even better than money market placements and other blue- chip investments.

As a core competence, the Network has proven its mettle in prudent cost and funds management, keeping external borrowings at the minimum while sustaining operations through internally-generated cash flows—without sacrificing infrastructure expansion across the nation and other business diversification. A solid balance sheet and robust bottom line year-on-year remains one of our fundamental financial commitments.

Because our workforce is key in sustaining and advancing the Network's viability, we are likewise committed in providing competitive compensation and benefits beyond statutory requirements. This enables our people to attain socio-economic advancement, and offers tangible proof of the value we place on our best assets.

As a partner in nation-building, we have contributed our fair share in the coffers of the government by responsibly accounting for taxes and other fees paid, both on local and national levels. Guided by our principles and values, we engage with only reputable and dependable organizations for our customers as well as suppliers, thus, promoting value enhancement and synergies.

Among our primary endeavors is paying forward to the community through various corporate social responsibility programs and investments, which include, among others, helping promote advocacies of the government for the general welfare and information of the Filipino people.

DIRECT ECONOMIC VALUE GENERATED & DISTRIBUTED

GMA'S DIRECT ECONOMIC VALUE GENERATED (EVG) FOR THE FULL YEAR 2023 REACHED P18.9 BILLION, DOWN P2.8 BILLION OR 13% FROM A YEAR AGO.

Direct Economic Value Generated and Distributed	2023 (in PHP)
Direct economic value generated (revenue)	18,908,082,405
Direct economic value distributed:	
Operating costs	10,541,798,007
Employees' wages and benefits	3,743,148,825
Dividends given to stockholders and interest payments to loan providers	5,482,291,184
Taxes given to government	1,331,907,525
Investments to community (e.g. donations, CSR)	67,970,882
Economic value retained	(2,259,034,018)

GMA's Direct Economic Value Generated (EVG) for the full year 2023 reached P18.9 billion, down P2.8 billion or 13% from a year ago. Carving out the non-recurring P3.0 billion worth of political advocacies and advertisements from 2022, GMA was still able to post a modest growth in economic value generated for 2023.

In other developments, the Company has unceasingly endeavored to further widen its reach and a continuous rollout of Digital Terrestrial Television (DTT) across the country has been in place since a few years ago. In 2023, 12 new DTT sites have been completed with others are still in the pipeline for the coming years.

Meanwhile, Economic Value Distributed in 2023 amounted to P21.2 billion, lower by P2.3 billion or 10% from a year ago. This spending was buoyed by the Network's resumption of producing more fresh programs during the year, in contrast to airing some replays during certain parts of 2022. Production cost, which comprised a major part of direct economic value distributed, recorded a growth this year of 9%.

Employees' wages and benefits measured at P3.7 billion, lower by 7% versus a year ago, while total taxes paid to the government summed up to P1.3 billion, declining by 44% from the prior year. The reduction in taxes paid was due to subsequent decline in the Group's top-line and bottom-line results for the year. From the EVG this year, economic value distributed attributable to providers of capital amounted to P5.5 billion, mainly in relation to cash dividends to shareholders. On the other hand, investments in the community via donations, CSR, public service programs, and other sponsorships amounted to P68.0 million, primarily aimed in supporting valuable awareness campaigns and call to action that leave an indelible mark on the citizenry. Economic Value Retained after twelve-months in 2023 stood at negative P2.3 billion.

IMPACT OF CLIMATE CHANGE

GMA NETWORK IS NOT IMMUNE TO THE WORSENING CLIMATE CHANGE.

All over the world, regulatory agencies are increasingly resorting to stricter regulations in an attempt to curb the effect of global warming. Abnormal natural phenomena and incidences of natural calamities pose risk of disrupting Network operations and production schedules.

Ultimately, the worst impact of these risks relates to the safety and security of our people. But deviations from scheduled operations also create pressure on the profitability of programs and shows. As mandated by the Network's enterprise-wide risk management policy, every aspect of GMA's end-to-end operations undergoes periodic risk assessment so that appropriate mitigation plans may be put in place. With guidance from management and after a careful cost-benefit analysis, teams decide on the most optimal measures to address the risks under their responsibility and accountability. The cost of such measures vary depending on the significance of the risk, likelihood of the risk happening, and the estimated impact of the risk occurring.

PROCUREMENT PRACTICES

SEVENTY-NINE (79%) OF GMA NETWORK'S ACCREDITED SUPPLIERS ARE PHILIPPINE-BASED (LOCAL), WITH HEADQUARTERS LOCATED ACROSS THE ARCHIPELAGO.

In 2023, the majority of our budget (74%) was spent on local suppliers. Purchases from our local suppliers are mostly for production tapings, supplies requirements, repairs and maintenance, asset upgrade, professional services, turnkey projects, and construction projects for digital terrestrial TV (DTT).

Foreign purchases (26% of budget), driven primarily by GMA Network's transition to digital terrestrial TV (DTT) broadcasting and Full Height Anamorphic (FHA), were in accordance with Presidential Decree 1362 allowing radio broadcasting and television stations to import radio or television equipment, spare parts and allied technical and program materials to be used exclusively in their broadcast operations subject to certain conditions.

As a standard practice, we prioritize and support our local suppliers. Some of the benefits from patronizing local suppliers include shorter procurement lead time, lower logistics cost, readily available customer support, stronger relationship with the local business community, and creation of more local job opportunities.

ANTI-CORRUPTION

AS PART OF GMA NETWORK'S ENTERPRISE-WIDE RISK MANAGEMENT, STAKEHOLDERS PERIODICALLY RE-ASSESS THE ORGANIZATION'S RISK PROFILE TO IDENTIFY VULNERABILITIES ACROSS ALL AREAS OF OUR OPERATIONS FOR POTENTIAL ISSUES SUCH AS CORRUPTION.

We have formalized business principles that prohibit employees to gain in any way (e.g., through gifts, favors, solicitations, monetary benefits) from third parties, including suppliers, clients, or competitors.

Due to effective policies and mitigating controls, and consistent integration of our corporate values in our day-to-day activities, no significant risks identified by stakeholders relate to corruption.

GMA NETWORK SUPPORTS THE 17 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH & WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER & SANITATION

7 AFFORDABLE & CLEAN ENERGY

8 DECENT WORK & ECONOMIC GROWTH

9 INDUSTRY, INNOVATION & INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES & COMMUNITIES

12 RESPONSIBLE CONSUMPTION & PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE AND JUSTICE STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

UN GLOBAL COMPACT

Global Compact
Network Philippines

In 2015, 193 United Nations member states gathered and agreed to promote 17 shared goals—known as UN Sustainable Development Goals (SDGs)—aimed at ending poverty, protecting the planet, and ensuring prosperity for all. The responsibility for the achievement of these goals lies with the governments, corporations, municipalities, educational institutions, and individual citizens of these member states. But because of its extensive impact and effective ways, the business sector takes on a significant portion of this responsibility to advancing the goals.

GMA Network is among those dedicated to promoting the achievement of the SDGs. As tangible evidence of our pledge, we are the first media and entertainment company in the Philippines to sign with the UN Global Compact, a voluntary initiative based on commitments to implement universal sustainability principles and to take steps to support UN goals.

1
NO POVERTY

10
REDUCED INEQUALITIES

11
SUSTAINABLE CITIES & COMMUNITIES

16
PEACE AND JUSTICE STRONG INSTITUTIONS

INTEGRATED NEWS AND PUBLIC AFFAIRS PROGRAMS THAT PROVIDE IN-DEPTH REPORTS ON TOPICS SIGNIFICANT TO THE PUBLIC

SERIOUS DOCUMENTARY PROGRAMS AND MAGAZINE SHOWS THAT DISCUSS RELEVANT SOCIAL ISSUES AND CURRENT AFFAIRS

1
NO POVERTY

10
REDUCED INEQUALITIES

8
DECENT WORK & ECONOMIC GROWTH

16
PEACE AND JUSTICE STRONG INSTITUTIONS

RADIO'S NEWS AND COMMENTARY CONTENT OF NATIONAL AND LOCAL PUBLIC IMPORTANCE

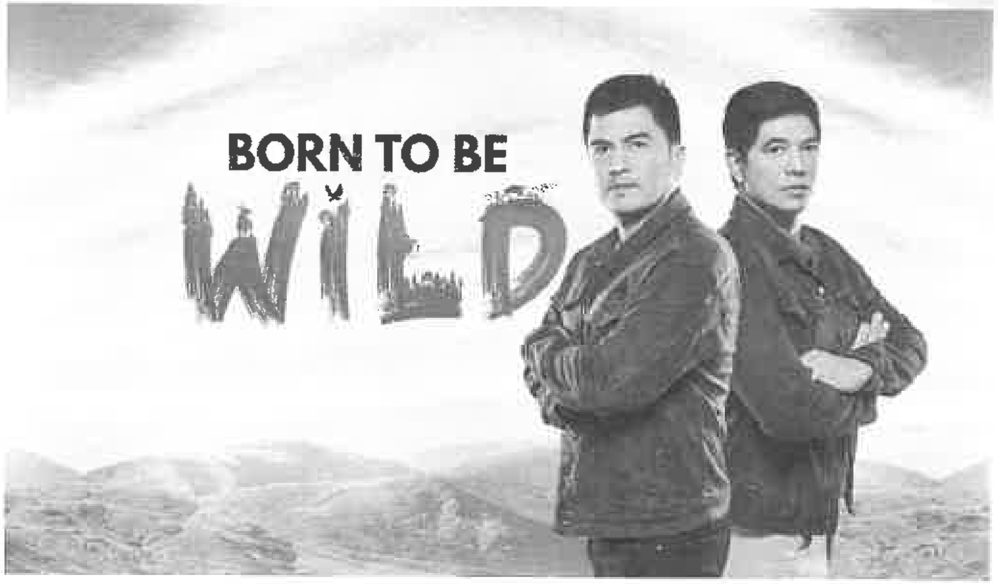
13
CLIMATE
ACTION

14
LIFE BELOW
WATER

15
LIFE ON LAND

BORN TO BE WILD

GMA Network's groundbreaking environmental and wildlife show hosted by GMA's resident veterinarians Doc Ferds Recio and Doc Nielsen Donato.



AMAZING EARTH

GMA's infotainment program that showcases the unseen beauty of planet Earth. It presents extraordinary and exceptional wildlife from all over the world and brings the audience to different places in the Philippines - from its natural formations and all types of terrains, to its fascinating flora and fauna.

OTHER CONTRIBUTIONS TO INDIVIDUAL SDGs

1 NO POVERTY

- 5,600+ provided with employment opportunities and source of income.
- Under GMA Kapuso Foundation's Kapuso Tulay Para Sa Kaunlaran project, a 50-meter concrete and steel hanging bridge was constructed at Barangay Abis, Mabinay, Negros Oriental to connect the remote community to trade and learning centers.

2 ZERO HUNGER

- 34,358 sacks of rice given to GMA employees.
- GMA Kapuso Foundation provided immediate disaster relief goods and assistance during natural and man-made calamities nationwide through Operation Bayanihan.

3 GOOD HEALTH & WELL-BEING

- Health-care programs given to employees:
    - Provided personal protective equipment to workers (i.e., disinfectants, face masks, face shields)
    - Installation of satellite clinic
    - Annual Physical Examination (APE)
    - Clinic offered teleconsultation with GMA's doctors for employees who are seeking medical consultation
    - Clinic facility that caters to the health need of employees (from 9:00AM-5:00PM), Monday to Friday
    - Conducted Mental Health webinar for employees
    - Conducted Flu vaccination activities for employees and dependents
- GMA Regional TV and Synergy organized a Bloodletting Day on February 9, 2023, in 11 areas all over the country, collecting a total of 1,186 bags of blood donated to the Philippine Red Cross.
- GMA Kapuso Foundation's Bisig Bayan project provided medical assistance to impoverished Filipinos by giving free medicine, surgical supplies, laboratory exams, and other basic medical services.
- Sagip Dugtong Buhay is a bloodletting project of GMA Kapuso Foundation in partnership with the Philippine Red Cross, the Armed Forces of the Philippines and the Philippine National Police.
- GMA Kapuso Foundation's nationwide distribution of Noche Buena food packs and toys to 60,000 impoverished kids including indigenous children through the Give-a-Gift project.


GMA
ERATION BAYANIHA
GMA
ATION BAYANIHAN
DUGTONG
AY

OTHER CONTRIBUTIONS TO INDIVIDUAL SDGs

3 GOOD HEALTH & WELL-BEING BEING (continued)

- Kapwa Ko Mahal Ko (KKMK) Foundation provided a range of medical equipment such as hearing aids, walkers, and canes, along with medications and surgical interventions for ailments like cataracts and cleft palates.
- Under its Batang K Program, KKMK extended ongoing medical and psychosocial support to 57 children with Acute Lymphocytic/Lymphoblastic Leukemia. KKMK also welcomed 29 children with Acute Lymphocytic/Lymphoblastic Leukemia during its Pamaskong Handog 2023 celebration.
- 570+ features of Mangan (156+)/ Kumbira (414+) on unique and popular dishes and delicacies
- 509+ features on ordinary Filipinos nationwide in the #SpreadKindness segment of Regional TV's local news programs
- 110 episodes of Mars Pa More, a daily lifestyle magazine program that highlights trends and activities for mothers and brings to light special bonding moments shared by moms and their kids.
- 7 episodes of Sarap Di Ba, a weekly morning show that tackles relatable and dynamic topics about family, food, and fun activities for everyone. It also features the latest trends in music, pop culture, fashion, and technology.
- 51 TV episodes of Pinoy MD and Radio's Pinoy MD program, as well as Radio's Bahay at Buhay and Usap Tayo are dedicated to health and wellness discussions.
- 50 Pinas Sarap episodes aimed at helping viewers understand and learn more about Filipino food. Each episode showcases the history behind featured local dishes and explores the latest trends in Filipino cuisine.
- 53 episodes of Farm To Table, a cooking show hosted by food explorer Chef JR Royol who meets and celebrates the people who grow our food, and follows the journey of food from the source to our plates. The episodes highlight the joy of growing one's food, whether in a big farm or a small urban garden, and creating delicious dishes from fresh and healthy ingredients, as well as the joy of sharing the experience with others.

OTHER CONTRIBUTIONS TO INDIVIDUAL SDGs

4 QUALITY EDUCATION

- 7 scholarship grants sponsored by GMA in 2023.
- P2.14M+ spent on trainings and seminars for GMA employees in 2023, on top of equipment-based training negotiated for free and sponsored trainings from professional organizations.
- 60,000 school bags with complete sets of school supplies were distributed to incoming Kindergarten and Grade 1 students of public elementary schools in Luzon, Visayas, and Mindanao under GMA Kapuso Foundation's annual Unang Hakbang Sa Kinabukasan project.
- A total of 8 classrooms were built in Cotabato and Quezon as part of GMA Kapuso Foundation's Kapuso School Development, a school construction project which aims to foster integral education by providing sturdy classrooms and water and sanitation facilities for public school students and teachers nationwide.
- Under GMA Kapuso Foundation's Kapuso Tulay Para Sa Kaunlaran project, a 50-meter concrete and steel hanging bridge was constructed at Barangay Abis, Mabinay, Negros Oriental to connect the remote community to trade and learning centers.
- 51 episodes of iBilib, a program that features scientific experiments and explores different scientific facts and theories surrounding everyday events, challenges, life hacks, illusions and trivia presented in a fun and magical manner. The hosts perform actual experiments on the show, with no camera tricks involved, and encourage the young viewers to try the experiment themselves with step-by-step instructions. Practical applications to daily life and best practices of communities are shown to provide example to the viewers.
- 52 episodes of Aha!, an educational show that featured facts and trivia, primarily geared towards educating children and youth.
- Regional TV partnered with various organizations and learning institutions to give viewers access to information and resources via the Masterclass Series
- Regional TV continuously educated its viewers by promoting the best and the beautiful in the country with more than 807+ features on beautiful spots, colorful fiestas, and rich culture through Fiesta (471+) / Suroy Ta! (30+) / My Western Visayas (50+) / Manlaag Ta (60+) / Oragon! (50+) / Tara Dine! (40+) / Trip Natin (156+) segments

5 GENDER EQUALITY

- 39% of GMA Network's top executives are women.
- 50% of the Network's Officers and 49% of the Network's Managers are women.

OTHER CONTRIBUTIONS TO INDIVIDUAL SDGs

6 CLEAN WATER & SANITATION

- Rain water harvesting facilities were set up in remote GMA TV relay station sites (on top of mountains).

7 AFFORDABLE & CLEAN ENERGY

- Solar-powered perimeter lights are utilized in GMA Dagupan
- Energy-efficient solid-state transmitters are installed and operated nationwide.

8 DECENT WORK & ECONOMIC GROWTH

- 5,600+ provided with employment opportunities and source of income.
- Under GMA Kapuso Foundation's Kapuso Tulay Para Sa Kaunlaran project, a 50-meter concrete and steel hanging bridge was constructed at Barangay Abis, Mabinay, Negros Oriental to connect the remote community to trade and learning centers.
- 51 Pera Paraan episodes provided viewers with valuable business ideas and lessons in financial literacy.
- 449+ features on job opportunities and alternative careers in the May Trabaho Ka! segment

9 INDUSTRY, INNOVATION & INFRASTRUCTURE

- Roll out of digital terrestrial and analog TV broadcast stations in 2023.
- A total of 8 classrooms were built in Cotabato and Quezon as part of GMA Kapuso Foundation's Kapuso School Development, a school construction project which aims to foster integral education by providing sturdy classrooms and water and sanitation facilities for public school students and teachers nationwide.
- Under GMA Kapuso Foundation's Kapuso Tulay Para Sa Kaunlaran project, a 50-meter concrete and steel hanging bridge was constructed at Barangay Abis, Mabinay, Negros Oriental to connect the remote community to trade and learning centers.

OTHER CONTRIBUTIONS TO INDIVIDUAL SDGs

10 REDUCED INEQUALITIES

- GMA Network complied with RA 10905 or the Closed Captioning Law as all its entertainment programs and specials aired with closed captions throughout 2023, making its programs accessible to the viewers, especially the hearing-impaired.
- 207 episodes of the weekly magazine shows (Kapuso Mo, Jessica Soho, Wish Ko Lang!, Good News, and Tadhana) featured a wide range of topics on lifestyle, people, and places, primarily to educate and entertain the viewing public.
- 793+ features proving the innate resilience of Filipinos through GMA Regional TV Presents (399+), Kwento ng Pilipino (344+) / and Oragon! (50+) segments

11 SUSTAINABLE CITIES & COMMUNITIES

- 53 episodes of Biyahe ni Drew that encourage sustainable tourism and environment protection.
- 10 episodes of Daig Kayo ng Lola Ko, a program that showcases different stories ranging from fairy tales, local folklores, fables, children's songs and even original ones, to teach good morals and values to the young generation.

12 RESPONSIBLE CONSUMPTION & PRODUCTION

- Energy-efficient solid-state transmitters are installed and operated nationwide.

13 CLIMATE ACTION

- 407+ regional stories on environment issues and protection, as well as initiatives of local communities for sustainable development under the Kapuso Sa Kalikasan segment of RTV's local news programs

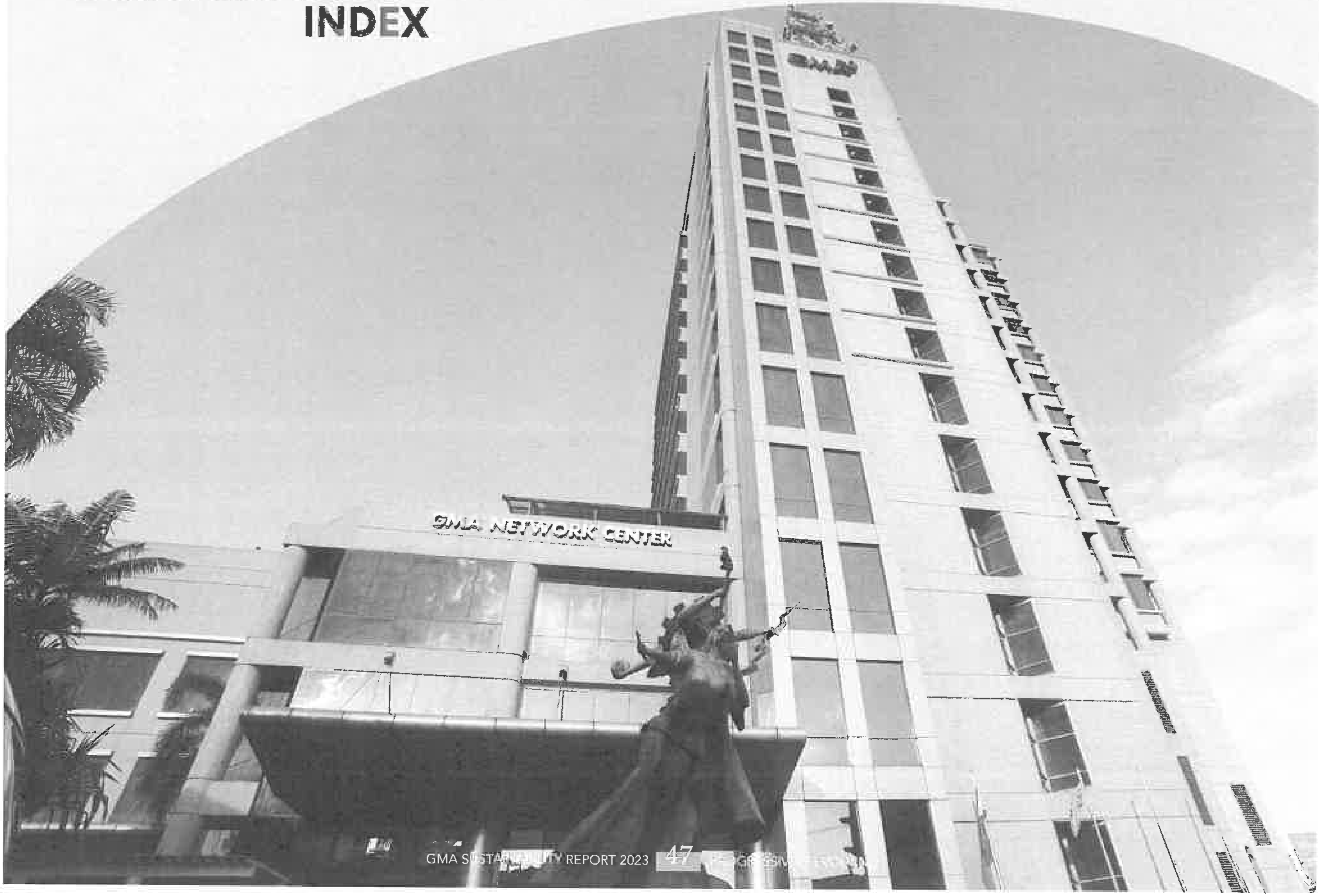
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- 633+ features on local community issues tackled under the Balitang Barangay segment of RTV's local news programs

17 PARTNERSHIPS FOR THE GOALS

- Various private entities, non-profit organizations, and learning institutions
- Various Philippine embassies and consulates
- Various government agencies
- Filipino communities in the US, Canada, MENA, and Asia Pacific

GRI CONTEXT INDEX



GRI INDICATOR	REQUIRED DISCLOSURE	REFERENCE
GRI 102: GENERAL DISCLOSURES		
1. Organizational profile		
102-1	Name of the organization	6
102-2	Activities, brands, products, and services	6-9
102-3	Location of headquarters	6
102-4	Location of operations	6-9
102-5	Ownership and legal form	6-9
102-6	Markets served	6-9
102-7	Scale of the organization	6-9
102-8	Information on employees and other workers	10-25
102-9	Supply chain	35
102-10	Significant changes to the organization and its supply chain	Not applicable
102-11	Precautionary principle or approach	Not applicable
102-12	External initiatives	41-46
102-13	Membership of associations	46
2. Strategy		
102-14	Statement from senior decision-maker	4
102-15	Key impacts, risks, and opportunities	17-35
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	11
4. Governance		
102-18	Governance structure	12-13

GRI INDICATOR	REQUIRED DISCLOSURE	REFERENCE
5. Stakeholder engagement		
102-40	List of stakeholder groups	14-15
102-42	Identifying and selecting stakeholders	14-15
102-43	Approach to stakeholder engagement	14-15
102-44	Key topics and concerns raised	14-15
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	9
102-46	Defining report content and topic Boundaries	15-16
102-47	List of material topics	16
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	January 1, 2023 to December 31, 2023
102-51	Date of most recent report	December 31, 2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	2
102-54	Claims of reporting in accordance with the GRI Standards	2
102-55	GRI content index	47-52
102-56	External assurance	Internal Audit

GRI INDICATOR	REQUIRED DISCLOSURE	REFERENCE
GRI 201: ECONOMIC PERFORMANCE		
103-1	Explanation of the material topic and its Boundary	32-35
103-2	The management approach and its components	32-35
103-3	Evaluation of the management approach	32-35
201-1	Direct economic value generated and distributed	33
201-2	Financial implications and other risks and opportunities due to climate change	34
201-4	Financial assistance received from government	We did not receive financial assistance from the government
GRI 204: PROCUREMENT PRACTICES		
103-1	Explanation of the material topic and its Boundary	35
103-2	The management approach and its components	35
103-3	Evaluation of the management approach	35
204-1	Proportion of spending on local suppliers	35
GRI 205: ANTI-CORRUPTION		
103-1	Explanation of the material topic and its Boundary	35
103-2	The management approach and its components	35
103-3	Evaluation of the management approach	35
205-1	Operations assessed for risks related to corruption	35
GRI 302: ENERGY		
103-1	Explanation of the material topic and its Boundary	29-30
103-2	The management approach and its components	29-30
103-3	Evaluation of the management approach	29-30
302-1	Energy consumption within the organization	29-30

GRI INDICATOR	REQUIRED DISCLOSURE	REFERENCE
GRI 303: WATER AND EFFLUENTS		
103-1	Explanation of the material topic and its Boundary	30-31
103-2	The management approach and its components	30-31
103-3	Evaluation of the management approach	30-31
303-1	Interactions with water as a shared resource	30-31
303-5	Water consumption	30-31
GRI 306: EFFLUENTS AND WASTE		
103-1	Explanation of the material topic and its Boundary	31
103-2	The management approach and its components	31
103-3	Evaluation of the management approach	31
306-2	Waste by type and disposal method	31
103-1	Explanation of the material topic and its Boundary	31
GRI 307: ENVIRONMENTAL COMPLIANCE		
103-1	Explanation of the material topic and its Boundary	28-31
103-2	The management approach and its components	28-31
103-3	Evaluation of the management approach	28-31
307-1	Non-compliance with environmental laws and regulations	28-31

GRI INDICATOR	REQUIRED DISCLOSURE	REFERENCE
	FINES AND PENALTIES: • *Depending on the nature of RA 8749 violations, penalties may be fines of up to P100,000 for every day of non-compliance and/or up to 6 years of imprisonment.* • *The maximum fine for violation of RA 6969 is P500,000 or imprisonment of up to 20 years.* • *The maximum fine for gross violation of RA 9275 is P3 million for every day of violation, or imprisonment of up to 10 years.* • *Depending on the nature of RA 9003 violations, the maximum penalty is P1 million or imprisonment of up to 6 years.*	
GRI 401: EMPLOYMENT		
103-1	Explanation of the material topic and its Boundary	17-25
103-2	The management approach and its components	17-25
103-3	Evaluation of the management approach	17-25
401-1	New employee hires and employee turnover	18
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	19
401-3	Parental leave	20
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
103-1	Explanation of the material topic and its Boundary	21-22
103-2	The management approach and its components	21-22
103-3	Evaluation of the management approach	21-22
403-1	Occupational health and safety management system	21-22
403-5	Worker training on occupational health and safety	21-22
403-6	Promotion of worker health	21-22

GRI INDICATOR	REQUIRED DISCLOSURE	REFERENCE
GRI 404: TRAINING AND EDUCATION		
103-1	Explanation of the material topic and its Boundary	23-24
103-2	The management approach and its components	23-24
103-3	Evaluation of the management approach	23-24
404-1	Average hours of training per year per employee	23-24
404-2	Programs for upgrading employee skills and transition assistance programs	23-24
404-3	Percentage of employees receiving regular performance and career development reviews	23-24
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
103-1	Explanation of the material topic and its Boundary	25
103-2	The management approach and its components	25
103-3	Evaluation of the management approach	25
405-1	Diversity of governance bodies and employees	25
GRI 413: LOCAL COMMUNITIES		
103-1	Explanation of the material topic and its Boundary	26-27
103-2	The management approach and its components	26-27
103-3	Evaluation of the management approach	26-27
413-1	Operations with local community engagement, impact assessments, and development programs	26-27

GMA NETWORK

GMA NETWORK CENTER
EDSA CORNER TIMOG AVENUE
DILIMAN, QUEZON CITY

CERTIFICATION

We, **FELIPE L. GOZON and EDUARDO P. SANTOS**, Chairman and Compliance Officer, respectively, of **GMA NETWORK, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC Identification Number 5213 and with principal office address at GMA Network Center, EDSA corner Timog Avenue, Diliman, Quezon City, on oath state:

1. That, on behalf of **GMA NETWORK, INC.** (the "Company"), we have caused the attached Sustainability Report to be prepared pursuant to SEC Memorandum Circular No. 4, series of 2019;

2. That I read and understood its contents which are based on personal knowledge and/or authentic corporate records;

3. That the Company will comply with the requirements set forth in SEC Notice dated May 12, 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that submitted documents which require pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of such filing fee; and

5. That the email account designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submission to MSRD/CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 15 APR 2024 th day of ____ 2024 at MAKATI CITY.

FELIPE L. GOZON **EDUARDO P. SANTOS**

SUBSCRIBED AND SWORN to before me this 15 APR 2024 th day of ____ 2024 at MAKATI CITY, affiants exhibiting to me their respective competent evidence of identities:

Name	Competent Evidence of Identity	Details of Issuance
Felipe L. Gozon	Passport No. P7534976B	issued on Sept. 6, 2021, DFA, Manila
Eduardo P. Santos	IBP No. 014133	

Doc. No. 125;
Page No. 26;
Book No. I;
Series of 2024.

MAXIMILIAN CHUA
Commission No. M-245
NOTARY PUBLIC FOR MAKATI CITY
Until December 31, 2025
15th Floor, Sagittarius Building
H.V. dela Costa Street, Salcedo Village
Makati City 1227
Roll of Attorney No. 57166/05-05-09
PTR No. 10039054/01-11-24/ Makati City
IBP No. 386565/ 01-02- 24/Quezon City

COVER SHEET

						5	2	1	3

SEC Registration Number

G M A N E T W O R K , I N C . A N D S U B S I D I A R I E S

(Group's Full Name)

G M A Network Center, Timog Avenue corner EDSA, Quezon City

(Business Address: No. Street City/Town/Province)

Mr. Ronaldo P. Mastrili

(Contact Person)

8982-7777

(Group Telephone Number)

0 3 **3 1**

Month *Day*

(Fiscal Year)

1 7 - Q

(Form Type)

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2024**

2. SEC Identification Number **5213**

3. BIR Tax Identification No. **000-917-916-000V**

4. Exact name of issuer as specified in its charter **GMA Network, Inc.**

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. [ ] (SEC Use Only)
   Industry Classification Code

7. **GMA Network Center, Timog Avenue corner EDSA**
   Quezon City **1103**
   Address of principal office Postal Code

8. **(632) 8982-7777**
   Issuer's telephone number, including area code

9. **Not applicable** ……………………………
   Former name or former address, if changed since last report

10. Securities registered pursuant to Section 8 and 12 of the SRC and Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding……………..
Common Stock	**3,364,692,000**
Preferred Stock	**7,500,000,000**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [X] No [ ]

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [X] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [X] No [ ]

TABLE OF CONTENTS

Management Discussion and Analysis of Financial Condition and Results of Operations for the Three Months Ended March 31, 2024 and 2023

GMA Network and Subsidiaries (GMA/the Company) sealed the first three months of the year with consolidated revenues of ₱3,657 million, 9% below last year's top line of ₱4,016 million.

Income Data	3M 2024 (in millions PhP)	3M 2023 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Revenues				
Advertising revenue	**3,363.62**	3,697.10	(333.47)	-9%
Consumer sales				
Sale of services	**225.76**	210.42	15.34	7%
Sale of goods	**67.42**	108.24	(40.82)	-38%
	3,656.80	4,015.75	(358.95)	-9%
Total operating expenses	**3,472.91**	3,263.89	209.01	6%
EBITDA	**799.75**	1,219.58	(419.83)	-34%
Net income	**203.35**	602.31	(398.96)	-66%
Attributable to Equity Holders of Parent Co.	***204.12***	*603.57*	*(399.45)*	*-66%*
Noncontrolling Interest	***(0.77)***	*(1.26)*	*0.49*	*39%*

Advertising revenues remained the lifeblood of the Company, comprising a little over 90% of the total revenue pie.

On the other hand, consolidated direct cost and operating expenses (OPEX) of the Company by the end of the first quarter accumulated to ₱3,473 million, which was 6% or ₱209 million more than last year. Production and other direct costs, as well as general and administrative expenses, finished higher versus Q1 of 2023 year which was slightly offset by the decline in cost of goods sold in between periods.

Given the above, consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) by the end of March this year settled at ₱800 million compared to last year's ₱1,220 million. In the same manner, consolidated bottom line of the Company concluded at ₱203 million from ₱602 million during comparable period last year.

Revenues

Three months into the year, the Company's ended with mixed results in its consolidated top line of ₱3,657 million. Advertising revenues settled behind a year ago by ₱333 million while sale of goods also registered a sales cutback of ₱41 million. These were moderately cushioned by the improvement in sale of services by ₱15 million in between periods.

Revenues	3M 2024 (in millions PhP)	3M 2023 (in millions PhP)	Inc/(Dec) (in millions PhP)	%
Advertising revenues	**3,363.62**	3,697.10	(333.47)	-9%
Consumer sales				
Sale of services	**225.76**	210.42	15.34	7%
Sale of goods	**67.42**	108.24	(40.82)	-38%
	3,656.80	4,015.75	(358.95)	-9%

On a per platform basis, airtime advertising revenues still comprised the largest chunk of the Company's total revenue pie. Television broadcasting had a slower start this quarter and missed last year's top-line peg. The presence of the Holy Week break this March 2024 as opposed to April last year also factored in the revenue reduction this period. Ratings-wise, main channel GMA 7 continued to lord over all television stations by a wide margin with the Kapuso primetime newscast *24 Oras* leading the pack based on Nielsen TV Audience Measurement. The station's main news program remained true to its mission of being *"Ang News Authority ng Filipino"*.

On the other hand, airtime advertising from Radio operations was able to edge last year, led by the commendable performance of flagship AM radio station Super Radyo DZBB 594 with an audience share of 45 percent in March. This further cemented the station's undisputed lead over closest competitors. Similarly, Barangay LS 97.1, reigned supreme among FM stations with an audience share of 44.1 percent in March, posting a significant lead over nearest competitor's 14.2 percent share. GMA's Radio stations were also recipients of various distinctions from award-giving bodies, with its veteran broadcast journalists receiving similar accolades.

Online advertising continued to post revenue growth in between periods, this time with a 51% improvement from same period last year. GMA continues to strengthen its presence and leadership in the online platform with Kapuso Stream wherein top-rating entertainment and news programs of the station are live-streamed daily for its millions of online viewers. By end-March of this year, GMA's Network's YouTube channel is gearing close to 35 million subscribers.

Sale of services wrapped up at ₱226 million this quarter compared with ₱210 million in Q1 last year. Subscription revenues from the Company's International operations comprised the lion's share of this segment, albeit finishing behind versus same period in 2023. The attrition in subscriber count of GMA Pinoy and Life TV was the main reason for the decline, mitigated by the average increase in forex as well as growth in subscribers of GMA News TV International. Meanwhile, providing the boost this period for this revenue category were box-office receipts from movie production particularly from the multi-awarded comeback film of GMA Pictures – *Firely*. The movie was the back-to-back winner of the most coveted Best Picture Award in the most recent Metro Manila Film Festival and Manila International Film Festival.

Finally, sale of merchandise for the past three months wrapped up at ₱67 million against ₱108 million during comparable period in 2023. There were less units sold of the set-up box this period. Since launch in mid-2020, the set-top box has already sold nearly three million units nationwide.

Expenses

After three months in 2024, total consolidated operating expenses concluded at ₱3,473 million, ahead by 6% or by ₱209 million versus same period in 2023. Direct production costs climbed by 8% or ₱132 million while general and administrative expenses grew by 8% or by another ₱117 million. Meanwhile, cost of sales slipped by 38% attuned to less units sold for the set-top box this period versus Q1 last year.

Operating Expenses	**3M 2024** *(in millions PhP)*	3M 2023 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
Production costs	**1,804.66**	1,672.91	131.74	8%
Cost of sales	**65.50**	105.19	(39.69)	-38%
Total Direct Costs	**1,870.15**	1,778.10	92.05	5%
General and administrative expensex	**1,602.75**	1,485.79	116.96	8%
	3,472.91	3,263.89	209.01	6%

Production costs composed of cash and non-cash direct costs measured at ₱1,805 million, up by 8% compared to the first three months of last year. Cash production cost posted a low single-digit increase of 4% despite the continued fresh production of programs, particularly in the primetime blocks of the main channel. Meanwhile, non-cash direct cost also grew by 22% with the climb in program rights amortization driving the increase due to the build up in program rights inventory. Depreciation and amortization also climbed by 14% due to the continuous rollout of the Company's DTT expansion projects all over the country, in addition to other facility and equipment upgrades.

Production Costs	**3M 2024** *(in millions PhP)*	3M 2023 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
Talent fees and production personnel costs	**929.64**	893.13	36.51	4%
Rentals and outside services	**184.02**	147.49	36.53	25%
Other program expenses	**270.83**	287.16	(16.33)	-6%
Sub-total - Cash Production Costs	**1,384.49**	1,327.78	56.71	4%
Program rights amortization	**276.23**	218.97	57.26	26%
Depreciation and amortization	**143.94**	126.17	17.77	14%
Sub-total - Non-cash Production Costs	**420.17**	345.14	75.03	22%
Total production costs	**1,804.66**	1,672.91	131.74	8%

The Company's consolidated general and administrative expenses (GAEX) for the first quarter of this year hiked by 8%, up by ₱117 million versus a year ago. Personnel cost which comprised a huge part of this expense category grew by 5% or ₱46 million to ₱954 million after the first three months. This resulted from the annual increases in salaries as well as additional employees of the Company in between periods. Aside from this, Taxes and license also climbed to ₱95 million from ₱51 million while Facilities cost also posted an upswing of ₱9 million to ₱171 million. Outside services finished at ₱114 million by end of March, up by 9% from ₱105 million last year. Non-cash GAEX netted a slight growth of ₱3 million or 4% from the increase in Depreciation which was partly offset by lower Amortization of software costs during this quarter.

General and Administrative Expenses	**3M 2024** *(in millions PhP)*	3M 2023 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
Personnel costs	**954.30**	908.43	45.87	5%
Facilities costs	**171.12**	162.12	9.00	6%
Outside services	**113.82**	104.50	9.32	9%
Taxes and licenses	**95.20**	51.49	43.71	85%
Others	**188.55**	182.42	6.13	3%
Subtotal - Cash GAEX	**1,522.99**	1,408.96	114.03	8%
Depreciation and amortization	**66.05**	62.73	3.32	5%
Amortization of software costs	**13.71**	14.10	(0.39)	-3%
Subtotal - Non-cash GAEX	**79.76**	76.83	2.93	4%
Total GAEX	**1,602.75**	1,485.79	116.96	8%

EBITDA

Given a lukewarm top line which was aggravated by higher cash spending, consolidated Earnings before interest, taxes, depreciation and amortization (EBITDA) for the three-months ended March wrapped up at ₱800 million, down by 34% versus the ₱1,220 million recorded in Q1 2023.

Net Income

Consolidated Net Income After Tax concluded at ₱203 million compared to ₱602 million during comparable period last year.

Balance Sheet Accounts

As of the end of March 2024, the Group's total consolidated assets amounted to ₱26,045 million, reflecting a 1% decrease from the ₱26,255 million reported on December 31, 2023. This decline was primarily driven by a ₱349 million reduction in Trade and other receivables due to lower revenue generated during the first quarter of 2024. Additionally, decreases were observed in Prepaid and other current assets, as well as Program and other rights, attributed to continuous sales of GMA Affordabox and fewer acquisitions compared to program usage, respectively. However, these reductions were partially offset by an increase in Cash and cash equivalents, which rose by ₱566 million or 41% from the end of 2023 to ₱1,375 million. This increase was primarily fueled by higher net cash flows from operating activities, totaling ₱1,323 million as of March 31, 2024. Partially offsetting this increase were expenditures on property, equipment, and software costs amounting to ₱229 million and ₱19 million, respectively, during the first three months of 2024. Additionally, a loan payment of ₱500 million further reduced the cash balance by the end of the first quarter of 2024.

Meanwhile, total consolidated liabilities decreased by 4%, or ₱413 million, to ₱10,904 million by the end of the first quarter of 2024, compared to ₱11,317 million at the end of December 2023. This reduction was primarily due to payment of Short-term loans amounting to ₱500 million. Furthermore, Trade payables and other current liabilities also decreased between reporting periods due to less trade transactions.

Equity attributable to Parent Company stockholders increased to ₱15,086 million as of March 31, 2024, representing a percentage point increase, or ₱204 million, compared to December 31, 2023. This increase was directly attributed to the climb in retained earnings coming from the net income after tax during the first quarter of 2024.

Cash Flows	**3M 2024** *(in millions PhP)*	3M 2023 *(in millions PhP)*
Net cash provided by operating activities	**1,323.36**	597.55
Net cash used in investing activities	**(234.45)**	(402.14)
Net cash used in financing activities	**(516.68)**	(3.42)
Effect of exchange rate changes on cash and cash equivalents	**(5.93)**	(12.78)
Net increase in cash and cash equivalents	**566.30**	179.21
Cash and cash equivalents at beginning of year	**1,374.98**	2,855.47
Cash and cash equivalents at end of the period	**1,941.28**	3,034.68

Operating Activities

Net cash provided by operating activities measured at ₱1,323 million in Q1 2024. This stemmed from income before income tax of ₱281 million, adjusted mainly for Program rights usage of ₱276 million, Depreciation expense of ₱210 million, Interest expense and financing charges equivalent to ₱21 million, Amortization of software costs of ₱14 million, Net unrealized foreign exchange gain of ₱6 million, Gain on sale of property and equipment of ₱2 million, and Interest income amounting to ₱2 million apart from the changes in working capital. The primary component of the changes in working capital included the decreases in Trade and other receivables, Prepaid expenses and other current assets, and Inventories by ₱347 million, ₱201 million, and ₱64 million, respectively.

Investing Activities

Net cash used in investing activities amounted to ₱234 million, coming primarily from the ₱229 million additions to Property and equipment and ₱19 million acquisition of software costs,. These were partly offset by the ₱12 million decline in Other noncurrent assets.

Financing Activities

Net cash used in financing activities amounted to ₱517 million coming from the to the partial payment of loan amounting to ₱500 million and Interest expense of ₱17 million.

Key Financial Performance Indicators

The key financial performance indicators that the Company monitors are the following:

Key Performance Indicators	**3M 2024** *(in millions PhP)*	3M 2023 *(in millions PhP)*	Inc/(Dec) *(in millions PhP)*	%
Revenues	**3,656.80**	4,015.75	(358.95)	-9%
Advertising revenues	**3,363.62**	3,697.10	(333.47)	-9%
Cash operating expenses	**2,972.98**	2,841.93	131.05	5%
EBITDA	**799.75**	1,219.58	(419.83)	-34%
Net income before tax	**281.42**	802.60	(521.18)	-65%
Net income after tax	**203.35**	602.31	(398.96)	-66%

Key Performance Indicators	**3M 2024**	3M 2023	Inc/(Dec)	%
Current ratio	**2.49**	3.35	(0.87)	-26%
Asset-to-Equity ratio	**1.72**	1.61	0.11	7%
Interest Rate Coverage Ratio	**14.92**	230.07	(215.15)	-94%
Gross Profit Margin	**49%**	56%	(0.07)	-12%
EBITDA Margin	**22%**	30%	(0.08)	-28%
Net Income Margin	**6%**	15%	(0.09)	-63%

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GMA NETWORK, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2024 Unaudited	December 31, 2023 Audited
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 8 and 32)	**1,941,282,460**	1,374,983,407
Trade and other receivables (Notes 9, 23 and 32)	**5,926,804,671**	6,275,604,966
Program and other rights (Note 10)	**1,613,565,982**	1,789,577,336
Inventories (Note 11)	**1,099,959,857**	1,164,269,440
Prepaid expenses and other current assets (Note 12)	**1,630,770,158**	1,831,589,912
Total Current Assets	**12,212,383,128**	12,436,025,061
Noncurrent Assets		
Property and equipment:		
At cost (Note 15)	**3,696,353,082**	3,669,998,218
At revalued amounts (Note 16)	**8,813,281,439**	8,813,281,439
Right-of-Use assets (Note 30)	**141,258,217**	140,666,823
Financial assets at fair value through comprehesive income (Notes 13, 32 and 33)	**349,899,892**	349,899,892
Investments and advances (Notes 14 and 23)	**166,128,767**	166,128,767
Program and other rights (Note 10)	**423,661,054**	429,707,160
Investment properties (Note 17)	**30,377,076**	30,722,673
Other noncurrent assets (Note 18)	**211,774,176**	218,082,008
Total Noncurrent Assets	**13,832,733,703**	13,818,486,980
TOTAL ASSETS	**26,045,116,831**	26,254,512,041
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities (Notes 20, 24 and 32)	**3,188,131,880**	3,202,679,780
Short-term loans (Note 19)	**1,027,307,000**	1,527,307,000
Income tax payable	**277,369,760**	257,034,723
Current portion of lease liabilities (Notes 30 and 32)	**37,176,929**	43,848,796
Obligation for program and other rights (Notes 21 and 32)	**343,506,461**	325,503,020
Dividends payable (Note 32)	**39,687,211**	39,687,211
Total Current Liabilities	**4,913,179,241**	5,396,060,530

(Forward)

	March 31, 2024 Unaudited	December 31, 2023 Audited
Noncurrent Liabilities		
Pension liability	**5,292,179,222**	5,154,803,946
Other long-term employee benefits	**252,130,965**	240,752,386
Lease liabilities - net of current portion (Notes 30 and 32)	**120,900,942**	112,790,005
Dismantling provision (Note 30)	**51,166,888**	50,872,484
Obligation for program and other rights - net of current portion (Notes 21 and 32)	**61,894,737**	9,157,895
Deferred tax liabilities - net	**212,466,758**	352,227,764
Total Noncurrent Liabilities	**5,990,739,512**	5,920,604,480
Total Liabilities	**10,903,918,753**	11,316,665,010
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Note 23)	**4,864,692,000**	4,864,692,000
Additional paid-in capital (Note 23)	**1,686,556,623**	1,686,556,623
Revaluation increment in land - net of tax (Note 16)	**6,215,441,910**	6,215,441,910
Remeasurements loss on retirement plans - net of tax	**(2,209,547,944)**	(2,209,547,944)
Unrealized loss on available-for-sale financial assets - net of tax	**(105,567,325)**	(105,567,325)
Retained earnings (Note 23)	**4,634,283,651**	4,430,164,446
Total Equity Attributable to Parent Company	**15,085,858,915**	14,881,739,710
Equity Attributable to Non-controlling Interest	**55,339,163**	56,107,321
Total Equity	**15,141,198,078**	14,937,847,031
TOTAL LIABILITIES AND EQUITY	**26,045,116,831**	26,254,512,041

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

	For the Three Months Ended March 31	
	2024	**2023**
NET REVENUES (Note 25)	**3,656,798,566**	4,015,752,910
PRODUCTION COSTS (Note 26)	**1,804,656,638**	1,672,914,306
COST OF SALES (Note 11**)**	**65,497,349**	105,188,241
GROSS PROFIT	**1,786,644,579**	2,237,650,363
GENERAL AND ADMINISTRATIVE EXPENSES (Note 27)	**1,602,753,122**	1,485,790,680
OTHER INCOME (EXPENSE) - NET		
Interest expense	**(20,089,860)**	(3,466,799)
Interest income (Note 8)	**1,688,680**	8,447,159
Net foreign currency exchange loss	**(613,720)**	(11,405,402)
Others - net (Note 29)	**116,542,536**	57,163,412
	97,527,636	50,738,370
INCOME BEFORE INCOME TAX	**281,419,093**	802,598,053
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**217,829,052**	299,988,042
Deferred	**(139,761,006)**	(99,700,557)
	78,068,046	200,287,485
NET INCOME	**203,351,047**	602,310,568
OTHER COMPREHENSIVE INCOME (LOSS) - net of tax		
Item not to be reclassified to profit or loss in subsequent periods -		
Remeasurement loss on retirement plan	**-**	-
	-	-
TOTAL COMPREHENSIVE INCOME	**203,351,047**	602,310,568
Net income attributable to:		
Equity holders of Parent Company	**204,119,205**	603,573,580
Non-controlling interest	**(768,158)**	(1,263,012)
	203,351,047	602,310,568
Total comprehensive income attributable to:		
Equity Holders of Parent Company	**204,119,205**	603,573,580
Non-controlling interest	**(768,158)**	(1,263,012)
	203,351,047	602,310,568
Basic/Diluted Earnings Per Share (Note 31)	**0.042**	0.124

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of Parent Company								
	Capital Stock (Note 23)	**Additional Paid-in Capital** (Note 23)	**Revaluation Increment in Land** - Net of Tax	**Remeasurements on Retirement Plans** - Net of Tax	**Net Unrealized Loss on Financial Assets at FVOCI** - Net of Tax	**Retained Earnings** (Note 23)	**Total Equity Attributable to Parent Company**	**Non-controlling Interests**	**Total Equity**
At January 1, 2024	**4,864,692,000**	**1,686,556,623**	**6,215,441,910**	**(2,209,547,944)**	**(105,567,325)**	**4,430,164,446**	**14,881,739,710**	**56,107,321**	**14,937,847,031**
Net income	-	-	-	-	-	**204,119,205**	**204,119,205**	**(768,158)**	**203,351,047**
At as March 31, 2024	**4,864,692,000**	**1,686,556,623**	**6,215,441,910**	**(2,209,547,944)**	**(105,567,325)**	**4,634,283,651**	**15,085,858,915**	**55,339,163**	**15,141,198,078**
At January 1, 2023	**4,864,692,000**	**1,686,556,623**	**4,570,402,192**	**(2,223,725,260)**	**(120,299,381)**	**6,611,146,364**	**15,388,772,538**	**77,250,009**	**15,466,022,547**
Net income	-	-	-	-	-	**603,573,580**	**603,573,580**	**(1,263,012)**	**602,310,568**
At as March 31, 2023	**4,864,692,000**	**1,686,556,623**	**4,570,402,192**	**(2,223,725,260)**	**(120,299,381)**	**7,214,719,944**	**15,992,346,118**	**75,986,997**	**16,068,333,115**

See accompanying Notes to Consolidated Financial Statements.

GMA NETWORK, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**281,419,093**	802,598,053
Adjustments for:		
Depreciation and amortization (Notes 15, 17 and 30)	**209,992,459**	188,895,576
Interest expense	**20,089,861**	3,466,799
Amortization of software costs (Notes 18 and 27)	**13,709,169**	14,100,830
Net unrealized foreign exchange gain (loss)	**5,784,422**	20,143,683
Interest income (Note 8)	**(1,688,680)**	(8,447,159)
Gain on sale of property and equipment (Note 29)	**(1,572,940)**	(13,142,808)
Operating income before working capital changes	**527,733,384**	1,007,614,974
Program rights usage (Note 10)	**276,229,081**	218,969,410
Decreases (increases) in:		
Trade and other receivables	**347,367,709**	(317,200,918)
Program and other rights	**(94,171,621)**	(520,996,729)
Inventories	**64,309,583**	117,891,021
Prepaid expenses and other current assets	**200,819,754**	(160,469,668)
Right-of-use assets	**(7,970,676)**	(3,566,238)
Increases (decreases) in:		
Trade payables and other current liabilities	**(15,589,230)**	(22,359,630)
Obligations for program and other rights	**70,740,283**	109,983,470
Lease liabilities	**(490,023)**	(8,573,814)
Pension liability	**137,375,276**	213,893,654
Other long-term employee benefits	**11,378,579**	(13,626,760)
Net cash generated from operations	**1,517,732,099**	621,558,772
Income taxes paid	**(197,494,015)**	(30,532,601)
Interest received	**3,121,266**	6,520,446
Net cash provided by operating activities	**1,323,359,350**	597,546,617
Acquisitions of:		
Property and equipment (Note 15)	**(228,622,444)**	(402,992,722)
Software costs (Note 18)	**(19,081,821)**	(30,068,817)
Proceeds from sale of properties	**1,572,940**	76,861,421
Decreases (increases) Other noncurren assets	**11,680,484**	(45,938,552)
Net cash used in investing activities	**(234,450,841)**	(402,138,670)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Short-term loans (Note 19)	**(500,000,000)**	(3,260,000)
Interest expense (Note 19)	**(16,677,420)**	-
Cash dividends (Note 23)	**-**	(160,149)
Net cash used in financing activities	**(516,677,420)**	(3,420,149)
EFFECT OF EXCHANGE RATE CHANGES ON CASH ON HAND AND CASH EQUIVALENTS	**(5,932,036)**	(12,778,971)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**566,299,053**	179,208,827
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,374,983,407**	2,855,467,214
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,941,282,460**	3,034,676,041

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

GMA Network, Inc. (GNI or the Parent Company) and its subsidiaries (collectively referred to as "the Group") are incorporated in the Philippines. The Group is primarily involved in the business of radio and television broadcasting. The Group is also involved in film production and other information and entertainment-related businesses. The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on June 14, 1950. On July 20, 1995, the Board of Directors (BOD) approved the extension of the corporate term of the Parent Company for another 50 years from June 14, 2000. In 1997, the SEC approved the said extension.

The Parent Company's shares of stock are publicly listed and traded in the Philippine Stock Exchange.

The registered office address of the Parent Company is GMA Network Center, Timog Avenue corner EDSA, Quezon City.

2. Basis of Preparation and Consolidation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation
The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and land at revalued amounts, which are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance
The Group's consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2024 and December 31, 2023 and for each of the two years in the period ended December 31, 2023.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Right arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

NCI represents the equity interest in RGMA Network, Inc. (RGMA Network), a subsidiary incorporated in the Philippines with principal place of business at GMA Network Center, Timog Avenue corner EDSA Quezon City.

The consolidated financial statements include additional information about subsidiary that have NCI that are material to the Parent Company. Management determined material partly-owned subsidiary as those with greater than 5% of non-controlling interests and/or subsidiaries whose activities are important to the Group as at end of the year.

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries as at March 31, 2024 and December 31, 2023:

	Principal Activities	Percentage of Ownership Direct	Indirect
Entertainment Business:			
Alta Productions Group, Inc. (Alta)	Pre- and post-production services	100	–
Citynet Network Marketing and Productions, Inc. (Citynet)	Television entertainment production	100	–
GMA Network Films, Inc.	Film production	100	–
GMA New Media, Inc. (GNMI)	Converging Technology	100	–
GMA Worldwide (Philippines), Inc.*	International marketing, handling foreign program acquisitions and international syndication of the Parent Company's programs	100	–
Scenarios, Inc.*	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation services	100	–
GMA Productions, Inc. (formerly RGMA Marketing and Productions, Inc.)	Music recording, publishing and video distribution	100	–
RGMA Network, Inc.***	Radio broadcasting and management	49	–
Script2010, Inc.**	Design, construction and maintenance of sets for TV, stage plays and concerts; transportation and manpower services	–	100
Holding Company: GMA Ventures, Inc. (GVI)	Identifying, investing in, and/or building strong and sustainable businesses	100	–
Advertising Business:			
GMA Marketing & Productions, Inc. (GMPI)*	Exclusive marketing and sales arm of the Parent Company's airtime; events management; sales implementation, traffic services and monitoring	100	–
Digify, Inc.****	Crafting, planning and handling advertising and other forms of promotion including multi-media productions	–	100
Others:			
Media Merge Corporation*****	Business development and operations for the Parent Company's online publishing/advertising initiatives	–	100
Ninja Graphics, Inc.******	Ceased commercial operations in 2004	–	51

**Under liquidation*
***Indirectly owned through Citynet*
****Ceased operations in 2023*
*****Indirectly owned through GNMI, ceased commercial operations in 2022*
******Indirectly owned through GNMI; ceased commercial operations in 2020*
*******Indirectly owned through Alta; ceased commercial operations in 2004*

<u>Changes in Accounting Policies and Disclosures</u>

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to the Practice Statement provide non-mandatory guidance. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

- Amendments to Philippine Accounting Standards (PAS) 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements.

Effective beginning on or after January 1, 2024

Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments do not have impact on the Group's consolidated financial statements since the Group has no long-term borrowings but may have an impact in future long-term borrowings.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

- Amendments to PAS 21, *Lack of exchangeability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Summary of Significant Accounting and Financial Reporting Policies

Current versus Noncurrent Classification
The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

The Group also modifies classification of prior year amounts to conform to current year's presentation.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from acquisition date and that are subject to an insignificant risk of change in value.

Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Disclosures for significant estimates and assumptions, see Note 4
- Quantitative disclosures of fair value measurement hierarchy, see Note 33
- Land, see Note 16
- Investment properties, see Note 17
- Financial instruments (including those carried at amortized cost), see Note 33

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- financial assets at FVPL

The Group does not have debt instruments at FVOCI and financial assets at FVPL as at March 31, 2024 and December 31, 2023.

Financial Assets at Amortized Cost (Debt Instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and refundable deposits (included under "Other noncurrent assets" account in the consolidated statement of financial position) as at March 31, 2024 and December 31, 2023 (see Notes 8, 9, 18 and 33).

Financial Assets Designated at FVOCI (Equity Instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as "Dividend income" included under "Others - Net" account in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably under this category its listed and non-listed equity instruments and investment in quoted club shares as at March 31, 2024 and December 31, 2023 (see Notes 13 and 33).

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as due from related parties and advances to associates and joint ventures, the Group applies a general approach which measures ECL on either a 12-month or lifetime basis depending on whether a significant increase in credit risks has occurred since initial recognition or whether an asset is considered to be credit-impaired, adjusted for the effects of collateral, forward-looking factors and time value of money.

For cash and cash equivalents, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit rating of the debt instrument or comparable instruments.

The Group, in general, considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off, in whole or in part, when the asset is considered uncollectible, the Group has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and contract liabilities), short-term loans, obligations for program and other rights, dividends payable and lease liabilities.

Subsequent Measurement. The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings. After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as "Interest expense" in the consolidated statement of comprehensive income.

This category generally applies to trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and contract liabilities), short-term loans, obligations for program and other rights, dividends payable and lease liabilities (see Notes 19, 20, 21 and 33).

Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Program and Other Rights
Program and other rights are stated at cost less amortization and impairment in value. The estimated useful lives and the amortization method used depend on the manner and pattern of usage of the acquired rights. The cost of program and other rights with multiple number of runs within a specified term is amortized using straight line method up to the date of expiry or upon full airing of the acquired rights, whichever is earlier. The cost of program and other rights with indefinite lives are amortized using straight line method over 10 years.

For series of rights acquired, the cost is charged to profit or loss as each series is aired on a per episode basis.

For rights intended for airing over the international channels, the cost is amortized on a straight-line basis over the number of years indicated in the contract.

Amortization expense is shown as "Program and other rights usage" included under "Production costs" account in the consolidated statement of comprehensive income.

Prepaid Production Costs
Prepaid production costs, included under "Prepaid expenses and other current assets" account in the consolidated statement of financial position, represent costs paid in advance prior to the airing of the programs or episodes. These costs include talent fees of artists and production staff and other costs directly attributable to production of programs. These are charged to expense under "Production costs" account in the consolidated statement of comprehensive income upon airing of the related program or episodes. Costs related to previously taped episodes determined not to be aired are charged to expense.

Inventories
Merchandise inventory and materials and supplies inventory, included under "Prepaid expenses and other current assets" account in the consolidated statement of financial position, is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value of inventories that are for sale is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Net realizable value of inventories not held for sale is the current replacement cost.

Tax Credits
Tax credits represent claims from the government arising from airing of government commercials and advertisements availed under Presidential Decree (PD) No. 1362. Pursuant to PD No. 1362, these will be collected in the form of tax credits which the Group can use in paying for import duties and taxes on imported broadcasting related equipment. The tax credits cannot be used to pay for any other tax obligation to the government.

As at March 31, 2024 and December 31, 2023, the Group's tax credits are classified as current under "Prepaid expenses and other current assets" account in the consolidated statement of financial position.

Advances to Suppliers
Advances to suppliers, included under "Prepaid expenses and other current assets" account in the consolidated statement of financial position, are noninterest-bearing and are generally applied to acquisition of inventories, programs and other rights, availments of services and others.

Property and Equipment
Property and equipment, except for land, are stated at cost, net of accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit or loss as incurred.

Land is initially measured at cost. After intial recognition, land is carried at revalued amounts, being its fair value at the date of the revaluation, less any subsequent impairment losses Valuations are generally performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the "Revaluation increment on land - net of tax" account under equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the "Revaluation increment on land - net of tax" account.

Depreciation and amortization are computed on a straight-line basis over the following estimated useful lives of the assets:

Buildings, towers and improvements	11-20 years
Antenna and transmitter systems and broadcast equipment	5-10 years
Communication and mechanical equipment	3-5 years
Transportation equipment	4-5 years
Furniture, fixtures and equipment	5 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation and amortization are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is credited or charged to current operations.

Construction in progress is stated at cost. This includes cost of construction, equipment under installation and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Investment Properties
Investment properties consist of real estate held for capital appreciation and rental.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are measured at cost less accumulated depreciation and amortization and impairment in value. Land is stated at cost less any impairment in value.

Depreciation and amortization are computed using the straight-line method over 11-20 years.

The remaining useful lives and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period of derecognition.

Investment in Artworks
Investment in artworks, included under "Other noncurrent assets" account in the consolidated statement of financial position, is stated at cost less any impairment in value.

Software Costs
Costs incurred in the acquisition and customization of new software, included under "Other noncurrent assets" account in the consolidated statement of financial position, are capitalized and amortized on a straight-line basis over three to ten years.

Impairment of Nonfinancial Assets
The carrying values of program and other rights, prepaid production costs, deferred production costs, tax credits, investments and advances, property and equipment, right-of-use assets, investment properties, software costs and investment in artworks are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets are considered impaired and are written down to their recoverable amount. The recoverable amount of these nonfinancial assets is the greater of an asset's or cash-generating unit's fair value less cost to sell or value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. Impairment losses, if any, are recognized in profit or loss in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated. A previously recognized impairment loss, except for land at revalued amount where the revaluation is taken to OCI, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. For land at revalued amounts, the reversal of impairment is also recognized in OCI up to the amount of any previous revaluation.

In the case of investments in associate and interests in joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's investments in associate and interests in joint ventures. The Group determines at each reporting period whether there is any objective evidence that the investments in associate and interests in joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of investments in associate and interests in joint ventures, and the acquisition cost and recognizes the amount in the consolidated statement of comprehensive income.

Investments in an Associate and Joint Ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint ventures are accounted for using the equity method.

Equity
Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as additional paid-in capital.

Retained earnings include all current and prior period results of operations as reported in the consolidated statement of comprehensive income, net of any dividend declaration, adjusted for the effects of changes in accounting policies as may be required by PFRS' transitional provisions.

Treasury Stocks and Underlying Shares of the Acquired Philippine Deposit Receipts (PDRs)
The Parent Company's own reacquired equity instruments are deducted from equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

The Parent Company's ownership of the PDRs are presented similar to treasury shares in the consolidated statement of financial position. Each PDR entitles the holder to the economic interest of the underlying common share of the Parent Company.

Revenue Recognition

a. PFRS 15, *Revenue from Contracts with Customers*
   Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

   Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

   The following specific recognition criteria must also be met before revenue is recognized:

   Advertising Revenue. Revenue is recognized in the period the advertisements are aired.

Payments received for advertisements before broadcast (pay before broadcast) are recognized as income on the dates the advertisements are aired. Prior to liquidation, these are classified as unearned revenue under "Contract liabilities" under "Trade payables and other current liabilities" account, in the consolidated statement of financial position.

Goods received in exchange for airtime usage pursuant to exchange deal contracts executed between the Group and its customers are recorded at fair market values of assets received. Fair market value is the current market price.

Tax credits on aggregate airtime credits from government sales availed of under PD No. 1362 are recognized as revenue when there is reasonable certainty that these can be used to pay duties and taxes on imported broadcasting related equipment.

Subscription Revenue. Subscription fees are recognized over the subscription period in accordance with the terms of the subscription agreements.

Sale of goods. Sale of goods pertain to sale of set-top boxes, digital TV mobile receivers and other merchandises. Revenue is recognized at a point in time when delivery has taken place and transfer of control has been completed. These are stated net of sales discounts.

Revenue from Distribution and Content Provisioning. Revenue is recognized upon delivery of the licensed content to customers.

Production Revenue. Production revenue is recognized at a point in time when project-related services are rendered.

Commission from Artists. Revenue is recognized as revenue on an accrual basis in accordance with the terms of the related marketing agreements.

b. Revenue Recognition Outside the Scope of PFRS 15

Rental Income. Revenue from lease of property and equipment and investment properties is accounted for on a straight-line basis over the lease term.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Equity in Net Earnings (Losses) of Joint Ventures. The Group recognizes its share in the net income or loss of joint ventures proportionate to the equity in the economic shares of such joint ventures, in accordance with the equity method.

Other Income. Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Contract Balances

Trade Receivables. A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies of Financial Instruments section.

Contract Assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract Liabilities. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the Group performs under the contract.

Incremental Costs to Obtain a Contract
The Group pays sales commissions to its account executives for each contract that they obtain for advertising agreements with customers. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (presented as part of "Marketing expense" under "General and administrative expenses" account in the consolidated statement of comprehensive income) because the amortization period of the asset that the Group otherwise would have used is less than one year.

<u>Pension and Other Long-Term Employee Benefits</u>
The Parent Company has a funded, noncontributory defined benefit retirement plan covering permanent employees. Other entities are covered by Republic Act (R.A.) 7641, otherwise known as "The Philippine Retirement Pay Law", which provides for qualified employees to receive an amount equivalent to a certain percentage of monthly salary at normal retirement age. In addition, the Group has agreed to pay the cash equivalent of the accumulated unused vacation leave of the employees upon separation from the Group.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.

Defined Benefit Plans. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under "Production costs" and "General and administrative expenses" accounts in consolidated statements of comprehensive income (by function):
- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

<u>Leases</u>
Leases. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- *Right-of-use Assets*. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follow:

Land	2 to 25 years
Buildings, studio and office spaces	2 to 15 years

  Right-of-use assets are subject to impairment.

- *Lease Liabilities.* At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term Leases.* The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date or initial application of PFRS 16 and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as Lessor. Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating leases are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Foreign Currency-denominated Transactions
Transactions in foreign currencies are initially recorded in the functional currency exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing exchange rate at financial reporting period. All differences are taken to profit or loss in the consolidated statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. For income tax purposes, foreign exchange gains and losses are treated as taxable income or deductible expenses when realized.

Taxes
Current Income Tax. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting period.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT over RCIT and unused NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws to be enacted or substantially enacted at the reporting period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Creditable Withholding Taxes. Creditable withholding taxes represent amounts withheld by the Group's customers and is deducted from the Group's income tax payable.

Value-added Tax (VAT). Revenue, expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Trade payables and other current liabilities" accounts in the consolidated statement of financial position.

Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the year attributable to the equity holders of the Parent Company, net of income attributable to preferred shares, by the weighted average number of common shares outstanding during the year, after considering the retroactive adjustments for any stock dividends declared, if any.

Diluted EPS is calculated by dividing the net income for the year attributable to the equity holders of the Parent Company (inclusive of income attributable to preferred shares) by the weighted average number of common shares outstanding during the year, plus the weighted average number of common shares that would be issued upon conversion of all dilutive potential common shares.

Segment Reporting

For management purposes, the Group's operating businesses are organized and managed separately into television and radio airtime, international subscriptions and other business activities. Such business segments are the basis upon which the Group reports its primary segment information. The Group considers television and radio operations as the major business segment. The Group operates in two geographical areas where it derives its revenue. Financial information on business segments is presented in Note 7 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after Reporting Period
Post year-end events that provide additional information about the Group's position at the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect amounts reported in the consolidated financial statements and related notes at the end of the reporting period. However, uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Consolidation of Entities in which the Group holds less than Majority of Voting Rights. The Group considers that it controls RGMA Network even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of RGMA Network with a 49% equity interest. The remaining 51% of the equity shares in RGMA Network are owned by several parties. Since September 27, 1995, which is the date of incorporation of RGMA Network, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group. The carrying amount of NCI as at March 31, 2024 and December 31, 2023 amounted to ₱55.34 million and ₱56.11 million, respectively.

Assessment of Significant Influence over the Investee. The Parent Company holds 25% ownership interest in Optima Digital, Inc. as at March 31, 2024 and December 31, 2023. Even with more than 20% voting rights, management assessed that the Parent Company does not have the power to participate in the policy-making processes, including decisions to affect its returns in the form of dividends. Further, the Parent Company does not have the ability to participate in the financial and operational policies decision-making of the investee to affect its relevant activities as the Group has only one (1) board seat out of the total five (5) board seats. The investment is presented as a financial asset at FVOCI amounting to ₱0.56 million as at March 31, 2024 and December 31, 2023.

Determination of Lease Term of Contracts with Renewal and Termination Options – Group as a Lessee (Starting January 1, 2019 - Upon Adoption of PFRS 16). The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group did not include the renewal period as part of the lease term for its leases as these are subject to mutual agreement and are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Operating Leases - Group as Lessor. The Group has entered into various lease agreements as lessor. The Group had determined that the risks and rewards of ownership of the underlying property were retained by the Group. Accordingly, the leases are classified as an operating lease.

Total rental income amounted to ₱1.75 million and ₱1.58 million in March 31, 2024 and 2023, respectively (see Note 29).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimating the Incremental Borrowing Rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the counterparty's stand-alone credit rating).

The Group's lease liability amounted to ₱158.08 million and ₱156.64 million as at March 31, 2024 and December 31, 2023, respectively (see Note 30).

Estimating Allowance for ECL. The following information explains the inputs, assumptions and techniques used by the Group in estimating ECL for trade receivables:

- Simplified approach for trade receivables

  The Group uses a simplified approach for calculating ECL on receivables through the use of provision matrix to calculate ECLs. The provision rates are based on days past due for groupings of customer segment that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group then calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g, gross domestic product, inflation rate, unemployment rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the Group's operating segments, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

- Definition of default for trade receivables

  The Group defines a trade receivable as in default, when it meets one or more of the following criteria:

  - The counterparty is experiencing financial difficulty or is insolvent
  - The receivable is more than 360 days past due. The determination of the period is based on the Group's practice and agreement with their customers within the industry.

- Grouping of instruments for losses measured on collective basis.

  For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a segmentation are homogeneous. The Group segmentized its receivables based on the type of customer (e.g., corporate and individuals).

- Incorporation of forward-looking information

  The Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments that support the calculation of ECLs. A broad range of forward-looking information are considered as economic inputs such as the gross domestic product, inflation rate, unemployment rates and other economic indicators.

  The macroeconomic factors are aligned with information used by the Group for other purposes such as strategic planning and budgeting.

  The Group identifies and documents key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

  Predicted relationship between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

  The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. As uncertainties in the market trend and economic conditions may remain persistent amidst the continuous spread of COVID-19, the Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

  Provision for ECL amounted to nil as of March 31, 2024 and 2023, respectively. The allowance for ECL amounted to ₱913.40 million as at March 31, 2024 and December 31, 2023, respectively. The carrying amounts of trade and other receivables amounted to ₱5,926.80 million and ₱6,275.60 million as at March 31, 2024 and December 31, 2023, respectively (see Note 9).

Classification and Amortization of Program and Other Rights. Portions of program and other rights are classified as current and noncurrent assets. Current portion represents those expected to be aired any time within its normal operating cycle, whereas the noncurrent portion represents those without definite expiration.

The Group estimates the amortization of program and other rights with finite lives using straight line method up to the date of expiry, which is the manner and pattern of usage of the acquired rights. In addition, estimation of the amortization of program and other rights is based on the Group's experience with such rights. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Program and other rights usage amounted to ₱276.23 million and ₱218.97 million for the periods ended March 31, 2024 and 2023, respectively (see Note 26). Program and other rights, net of accumulated impairment loss of ₱2.70 million, amounted to ₱2,037.23 million and ₱2,219.28 million as at March 31, 2024 and December 31, 2023, respectively (see Note 10).

Estimating Allowance for Inventory Losses. The Group provides allowance for inventory losses whenever the net realizable value becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The allowance account is reviewed periodically to reflect the accurate valuation of the inventories.

The carrying value of merchandise inventory and materials and supplies inventory in the consolidated statement of financial position, amounted to ₱1,099.96 million and ₱1,164.27 million as at March 31, 2024 and December 31, 2023, respectively (see Note 11). There were no provisions for inventory losses as of March 31, 2024 and 2023.

Estimating Useful Lives of Property and Equipment, Software Costs and Investment Properties. The Group estimates the useful lives of property and equipment, software costs and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, software costs and investment properties are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment, software costs and investment properties is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment, software costs and investment properties would increase the recorded general and administrative expenses and decrease noncurrent assets.

There has been no change in the Group's estimate of useful lives of its property and equipment, software costs and investment properties in as of March 31, 2024 and December 31, 2023.

Total depreciation and amortization expense for the periods ended March 31, 2024 and 2023 amounted to ₱223.70 million and ₱203.00 million, respectively (see Notes 15, 17, 18, 26 and 27).

Revaluation of Land. The Group engages an accredited appraiser to determine the fair value of the land used in operations. Fair value is determined by reference to market-based evidence adjusted based on certain elements of comparison. The fair value amount would differ if the Group made different judgments and estimates or utilized a different basis for determining fair value.

Valuations from an accredited appraiser are performed every three to five years or more frequently as deemed necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

In 2023, the Group assessed those certain parcels of land at revalued amounts, comprising majority of the balance of the account, have significant movements in its current carrying values and obtained updated appraisals as at December 31, 2023. For the land that were not appraised, the Group referred to the published comparable prices for the fair values. Total additional revaluation increment, net of tax, recognized in 2023 amounted to ₱1,645.04 million.

The revalued amount of land, which is classified under “Property and equipment” account in the statements of financial position, amounted to ₱8,813.28 million as at March 31, 2024 and December 31, 2023 (see Note 16).

Impairment of Nonfinancial Assets. For prepaid production costs, tax credits, investments and advances, property and equipment, right-of-use assets, investment properties, program and other rights, investments in artworks, deferred production costs and software costs, impairment testing is performed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business;
- significant negative industry or economic trends; and
- obsolescence or physical damage of an asset.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of fair value less costs to sell and the asset’s value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

As at March 31, 2024 and December 31, 2023, the Group did not identify any indicator of impairment on its nonfinancial assets, hence, no impairment tests were carried out.

The carrying values of nonfinancial assets as at March 31, 2024 and December 31, 2023 follow:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Land at revalued amounts (see Note 16)	**8,813,281,439**	8,813,281,439
Property and equipment - at cost (see Note 15)	**3,696,353,082**	3,669,998,218
Program and other rights (see Note 10)	**2,037,227,036**	2,219,284,496
Prepaid production costs (see Note 12)	**578,144,656**	653,974,022
Investments and advances (see Note 14)	**166,128,767**	166,128,767
Right-of-use assets (see Note 30)	**141,258,217**	140,666,823
Tax credits (see Note 12)	**63,559,202**	6,162,083
Software costs (see Note 18)	**50,837,095**	45,464,443
Investment properties (see Note 17)	**30,377,076**	30,722,673
Investment in artworks (see Note 18)	**10,186,136**	10,186,136
Deferred production costs (see Note 18)	**1,043,148**	1,502,800

Estimating Realizability of Deferred Tax Assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Group’s assessment on the recognition of deferred tax assets on deductible temporary difference and carryforward benefits of NOLCO and excess MCIT over RCIT is based on the projected taxable income in the following periods.

Pension and Other Employee Benefits. The determination of the Group's obligation and cost of pension benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Pension liability amounted to ₱5,292.18 million and ₱5,154.80 million as at March 31, 2024 and December 31, 2023, respectively.

Determination of Fair Value of Financial Assets and Financial Liabilities. Certain financial assets and financial liabilities are carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the amount of changes in fair value would differ if the Group utilized a different valuation methodology. Any changes in the assumptions could affect the fair value of these financial assets and financial liabilities. The fair value of financial assets and liabilities are enumerated in Note 33.

Determination of Fair Value of Financial Assets at FVOCI. Financial assets at FVOCI are carried and disclosed at fair value, which requires extensive use of accounting estimates and judgments. When the fair values cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The fair value of financial assets at FVOCI are enumerated in Note 33.

Determination of Fair Value of Investment Properties. PFRS requires disclosure of fair value of investment properties when measured at cost.

The Group used the services of an independent professional appraiser in estimating the fair value of properties. The appraisers conducted an actual inspection of the property and considered the following in the study and analyses in arriving at the estimate of fair value: (a) extent, character and utility of the property; (b) sales and holding prices of similar properties; and (c) highest and best use of the property. The description of valuation techniques used and key inputs to fair valuation of investment properties are enumerated in Note 16 of the consolidated financial statements.

Contingencies. The Group is currently involved in various claims and legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with legal counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the Group's financial position.

5. Seasonality or Cyclicality of Interim Operations

The Group's operations are not generally affected by any seasonality or cyclicality.

6. Nature and Amount of Changes in Estimates

2023 figures were restated to conform to the current period's presentation.

7. Segment Information

Business Segments

For management purposes, the Group is organized into business units based on its products and services and has three reportable segments, as follows:

- The television and radio segment, which engages in television and radio broadcasting activities and which generates revenue from sale of national and regional advertising time.
- The international subscription segment which engages in subscription arrangements with international cable companies.
- Other businesses which include movie production, consumer products and other services.

The Executive Committee, the chief operating decision maker, and Management monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with net income or loss in the consolidated financial statements. On a consolidated basis, the Group's performance is evaluated based on consolidated net income for the year.

Geographical Segments
The Group operates in two major geographical segments - local and international. Local refers to revenues earned in the Philippines, the home country. Significant portion of the revenues earned locally pertain to television and radio airtime. International refers to revenues earned in United States and in other locations (which include Middle East, Europe, Australia, Canada, Guam, Singapore, Hongkong and Japan). The Group ties up with cable providers to bring local television programming outside the Philippines.

The Group's revenues are mostly generated in the Philippines, which is the Group's country of domicile.

Noncurrent assets consist of property and equipment, land at revalued amounts, investment properties and intangible assets which are all located in the Philippines.

The Group does not have a single external customer whose revenue accounts for 10% or more of the Group's revenues.

Inter-segment Transactions
Segment revenues, segment expenses and segment results include transfers among business segments and among geographical segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.

Measurement Basis
The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

Please refer to Exhibit 1 for the comparative segment information for the three months ended March 31, 2024 and 2023.

8. Cash and Cash Equivalents

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand and in banks	**1,845,854,118**	1,097,748,954
Short-term placements	**95,428,342**	277,234,453
	1,941,282,460	1,374,983,407

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods of up to nine months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Interest income earned from bank deposits and short-term investments amounted to ₱1.69 million and ₱8.45 million for the three months ended March 31, 2024 and 2023, respectively.

9. Trade and Other Receivables

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade:		
Television and radio airtime	**6,462,671,602**	6,769,343,955
Subscription receivable	**156,772,744**	186,254,985
Others	**155,261,017**	175,154,046
Nontrade:		
Advances to officers and employees	**3,109,414**	7,367,183
Others	**62,392,472**	50,887,375
	6,840,207,249	7,189,007,544
Less allowance for doubtful accounts	**913,402,578**	913,402,578
	5,926,804,671	6,275,604,966

Trade Receivables

Television and Radio Airtime. Television and radio airtime receivables are unsecured, noninterest-bearing and are generally on a 60–90 days terms upon receipt of invoice by the customer. The receivables are normally collected within the next reporting period.

Television and radio airtime receivables include unbilled airtime receivables, arising when advertisements have been aired during the year but billing or acceptance by the customer has been delayed due to time lag in completing all required documents. As at March 31, 2024 and December 31, 2023, the total unbilled airtime receivables, assessed as contract assets, amounted to ₱286.79 million and ₱312.58 million, respectively.

Subscriptions Receivable. Subscriptions receivable include receivables pertaining to revenue generated from international channel subscriptions and advertisements. These are noninterest-bearing and normally collected within the next reporting period.

Other Trade Receivables. Other trade receivables mainly consist of receivables from customers relating to advertising placements on other platforms other than TV and Radio, sale of merchandise and content provisioning services. These are unsecured, noninterest-bearing and are generally on 90-day terms upon receipt of invoice by the customers.

Nontrade Receivables

Advances to Officers and Employees and Other Nontrade Receivables. Other nontrade receivables pertain to loans of regular and project employees and advances given to talents and project employees. These are noninterest-bearing and are normally collected within the next financial year

Allowance for ECL

The movements in the allowance for doubtful accounts on trade receivables are as follows:

	March 31, 2024		
	Corporate	**Individual**	**Total**
Balance at beginning of the year	**903,093,040**	**10,309,538**	**913,402,578**
Provision (reversal) for the year	**-**	**-**	**-**
Balance at end of the period	**903,093,040**	**10,309,538**	**913,402,578**

	December 31, 2023		
	Corporate	Individual	Total
Balance at beginning of the year	898,757,935	9,908,350	908,666,285
Provision for the year	4,335,105	401,188	4,736,293
Balance at end of the year	903,093,040	10,309,538	913,402,578

10. **Program and Other Rights**

Details and movements in this account are as follows:

	March 31, 2024 (Unaudited)			
	Program and Film Rights	**Story / Format Rights**	**Program Rights - Incidentals**	**Total**
Cost:				
Balance at beginning of period	**1,941,867,036**	**238,918,717**	**41,201,003**	**2,221,986,756**
Additions	**77,662,616**	**2,829,735**	**13,679,270**	**94,171,621**
Program and other rights usage (see Note 26)	**(239,787,220)**	**(16,133,926)**	**(20,307,935)**	**(276,229,081)**
Balance at end of period	**1,779,742,432**	**225,614,526**	**34,572,338**	**2,039,929,296**
Accumulated impairment in value	**(2,702,260)**	**-**	**-**	**(2,702,260)**
	1,777,040,172	**225,614,526**	**34,572,338**	**2,037,227,036**
Less noncurrent portion	**423,661,054**	**-**	**-**	**423,661,054**
	1,353,379,118	**225,614,526**	**34,572,338**	**1,613,565,982**

	December 31, 2023 (Audited)			
	Program and Film Rights	Story / Format Rights	Program Rights - Incidentals	Total
Cost:				
Balance at beginning of period	1,425,742,313	41,070,810	14,907,560	1,481,720,683
Additions	1,534,438,788	270,543,708	126,762,973	1,931,745,469
Program and other rights usage	(1,018,314,065)	(72,695,801)	(100,469,530)	(1,191,479,396)
Balance at end of period	1,941,867,036	238,918,717	41,201,003	2,221,986,756
Accumulated impairment in value -	(2,702,260)	-	-	(2,702,260)
	1,939,164,776	238,918,717	41,201,003	2,219,284,496
Less noncurrent portion	429,707,160	-	-	429,707,160
	1,509,457,616	238,918,717	41,201,003	1,789,577,336

11. Inventories

This account consists of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Merchandise inventory	**1,090,307,464**	1,144,275,233
Materials and supplies inventory	**9,652,393**	19,994,207
	1,099,959,857	1,164,269,440

The following are the details of merchandise inventory account:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Merchandise inventory	**881,797,753**	935,765,522
Materials and supplies inventory	**208,509,711**	208,509,711
	1,090,307,464	1,144,275,233

Merchandise inventory consists mainly of set-top boxes, digital TV mobile receivers and other merchandises for sale by the Group. In 2020, the Group launched the GMA Affordabox, a digital box which allows users to receive clear pictures and sounds in their television sets through digital transmission. Cost of sales related to digital boxes amounted to ₱65.50 million and ₱105.19 million as of March 31, 2024 and 2023, respectively.

Materials and supplies inventory includes Group's office supplies, spare parts and production materials.

12. Prepaid Expenses and Other Current Assets

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Prepaid production costs	**578,144,656**	653,974,022
Advances to suppliers	**563,039,348**	688,865,538
Input VAT	**181,866,069**	278,970,842
Prepaid expenses	**173,792,761**	128,792,012
Creditable withholding taxes	**70,359,648**	73,156,929
Tax credits	**63,559,202**	6,162,083
Others	**8,473**	1,668,486
	1,630,770,158	1,831,589,912

Prepaid production represents costs paid in advance prior to the airing of the programs or episodes. The Group expects to air the related programs or episodes within the next financial year.

Advances to suppliers are noninterest-bearing and are generally applied to acquisition of program and other rights, inventories, availment of services and others within the next financial year.

Input VAT pertains to VAT on purchase or importation of goods and services which are to be claimed and credited in the succeeding month's filing of VAT return.

Prepaid expenses include prepayments for rentals, insurance and other expenses.

Creditable withholding taxes represent amounts withheld by the Company's customers and is deducted from the Group's income tax payable.

Tax credits represent claims of the Parent Company from the government arising from airing of government commercials and advertisements. The Parent Company expects to utilize these tax credits within the next financial year.

13. Financial Assets at Fair Value Through Other Comprehensive Income

This account consists of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Listed equity instruments	**331,273,951**	331,273,951
Non-listed equity instruments	**18,625,941**	18,625,941
	349,899,892	349,899,892

Investment in equity instruments pertains to shares of stock and club shares which are not held for trading. The Group assessed the equity instruments to be strategic in nature.

In 2023, the Group purchased additional investments in TNB Aura Fund 2 Ltd, Wavemaker Three-Sixty Health II-A,LP., PX Ventures PTE Ltd and Plastic Credit Exchange (PCX) Singapore Pte Ltd totaling ₱49.78 million.

In 2022, the Group purchased additional investments in TNB Aura Fund 2 Ltd, Wavemaker Three-Sixty Health II-A,LP., PX Ventures PTE Ltd and Cloudeats PTE Ltd totaling ₱168.67 million.

Dividend income earned from financial assets at FVOCI amounted to nil as of March 31, 2024 and 2023.

<u>IP E-Games</u>
In 2015, IP E-Games Ventures, Inc. (IPE) issued 13 billion of its own common shares to the Group in exchange of the Group's investment in X-Play Online Games Incorporated (X-Play) and in settlement of ₱30.00 million advances and ₱50.00 million airtime credits granted by the Group to X-Play. At initial recognition, the Group recognized at fair value the IPE shares as AFS financial assets amounting to ₱130.00 million. The carrying values of investment in IPE amounted to ₱22.19 million as at March 31, 2024 and December 31, 2023.

Of the ₱50.00 million airtime credits, ₱22.00 million has not been implemented at date of exchange and therefore was recognized by the Group as unearned revenue presented as "Contract liabilities", included as part of trade payables and other current liabilities as at March 31, 2024 and December 31, 2023.

14. Investments and Advances

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Investments in an associate and interests in joint ventures	**63,561,525**	63,561,525
Permanent advances in an associate (see Note 24)	**102,567,242**	102,567,242
	166,128,767	166,128,767

The movements in the accounts are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Investments in an associate and joint ventures		
Acquisition cost -		
Balance at beginning and end of period	**131,722,056**	131,722,056
Accumulated equity in net losses:		
Balance at beginning of period	**(68,160,531)**	(57,817,272)
Equity in net earnings during the period	**-**	(10,343,259)
Balance at end of period	**(68,160,531)**	(68,160,531)
	63,561,525	63,561,525
Advances to an associate:		
Balance at beginning of period	**100,439,293**	99,618,209
Advances during the period	**-**	821,084
Balance at end of period	**100,439,293**	100,439,293
Advances to joint ventures:		
Balance at beginning of period	**2,127,949**	2,182,013
Collections during the period	**-**	(54,064)
Balance at end of period	**2,127,949**	2,127,949
Total investments and advances	**166,128,767**	166,128,767

The ownership interests in an associate and joint ventures, which were all incorporated in the Philippines, and are accounted for under the equity method, as at March 31, 2024 and December 31, 2023 follows:

	Principal Activities	Percentage of Ownership	
Associate -		Direct	Indirect
Mont-Aire Realty and Development Corporation (Mont-Aire)	Real Estate	49	–
Joint Ventures:			
INQ7 Interactive, Inc. (INQ7)*	Internet Publishing	50	–
Philippine Entertainment Portal (PEP)**	Internet Publishing	–	50
Gamespan, Inc. (Gamespan)**	Betting Games	–	50

**Not operational.*
***Indirect investment through GNMI.*

The carrying values of investments and the related advances as at March 31, 2024 and December 31, 2023 are as follows:

	Investments	**Advances** (see Note 24)	**Total**
Associate - Mont-Aire	**38,350,619**	**100,439,293**	**138,789,912**
Joint ventures:			
Gamespan	**8,947,966**	**1,959,670**	**10,907,636**
PEP	**16,262,940**	**168,279**	**16,431,219**
	25,210,906	**2,127,949**	**27,338,855**
	63,561,525	**102,567,242**	**166,128,767**

The associate and joint ventures are not listed in any public stock exchanges.

Mont-aire

Mont-Aire ceased its commercial operations in 2009. Assets include real estate and parcels of land with an aggregate cost of ₱105.08 million and fair market value of ₱158.64 million, as determined by an accredited appraiser as at June 3, 2019. Management believes that there are no events or changes in circumstances indicating a significant unfavorable change in the fair value of the abovementioned properties from the last appraisal made.

PEP
On April 16, 2007, the Group and Summit Publishing, Co. entered into a shareholder's agreement for the establishment of PEP. The joint venture was organized to design, conceptualize, operate and maintain websites that make available all kinds of show business, entertainment and celebrity information, video or pictures in the internet worldwide web or other forms of seamless communication.

No share in net earnings (losses) of PEP was recognized for the three months period ended March 31, 2024 and 2023.

Gamespan
On March 22, 2012, the Group, through GNMI, executed a Shareholder's Agreement with Manila Jockey Club (MJC) for the establishment of Gamespan, a joint venture corporation. The joint venture was organized to operate and manage the hardware and software owned by MJC, set-up new media infrastructure for offering and taking bets in horse racing and other sports.

Gamespan has not started its commercial operations since its establishment. In 2014, the Group and MJC agreed to terminate its shareholder's agreement and to close Gamespan. As at March 31, 2024 and December 31, 2023, the joint venture is not yet operating since they have a pending registration with the Bureau of Internal Revenue (BIR). However, Gamespan is taking actions to amend their GIS and reactivate their doormant bank accounts. Since Gamespan has yet to start its operations, the Group did not recognize any share in net earnings as of March 31, 2024 and 2023.

INQ7
Losses of INQ7 recognized under the equity method in excess of the Group's carrying value of investment were applied against its advances to the Parent Company thereby reducing both advances and investments to zero as at March 31, 2024 and December 31, 2023. INQ7 ceased operations in 2007. In 2013, INQ7 submitted a request to liquidate its assets to SEC. The liquidation is still ongoing as at March 31, 2024.

The Group believes that its interests in joint ventures are not individually material.

15. Property and Equipment at Cost

Please refer to Exhibit 3 for the rollforward analysis of property and equipment at cost.

Construction in progress pertains to the costs incurred for installation of equipment, signal strengthening of transmitters nationwide and construction/improvement of studios and stations in the regions.

The Group leases out a portion of its property and equipment at cost. Total rental income recognized for the leased portion amounted to ₱0.97 million and ₱1.00 million as of March 31, 2024 and 2023, respectively (see Note 29).

The Group disposed various property and equipment as at March 31, 2024 and 2023 resulting to the recognition of gain on sale amounting to ₱1.57 million and ₱13.14 million, respectively (see Note 29).

As at March 31, 2024 and December 31, 2023, no property and equipment have been pledged as collateral or security for any of the Group's liabilities.

16. **Land at Revalued Amounts**

The following are the details of this account as at March 31, 2024 and December 31, 2023:

Cost	**526,025,559**
Revaluation increment	**8,287,255,880**
	8,813,281,439

In 2023, the Group assessed that the fair value of certain parcels of land at revalued amounts have significant movements from its carrying values and obtained updated appraisals as at December 31, 2023. Revaluation increment recognized in 2023based on appraisal reports and management estimates amounted to ₱2,193.39 million.

The fair value from the 2023 appraisals were determined using the "Market Data Approach" as determined by independent professionally qualified appraisers and based on its highest and best use. The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation in accordance with International Valuation Standards. The fair value is categorized under Level 3 of the fair value hierarchy.

As of December 31, 2023, the fair value of land is directly proportional to the asking price of the comparable land and adjusted according to the following appraisal considerations:

Significant unobservable input	Range
Asking price per square meter	**₱270 to ₱350,000**
Sales price adjustment	**10%**
Lot size adjustment	**5% to 20%**

Significant increase (decrease) in asking price per square meter would result to significantly higher (lower) fair value of the properties. Significant increase (decrease) in the sales price adjustment and lot size adjustment would result in a significantly lower (higher) fair value.

Management believes that the fair value of certain land acquired in 2022 and 2021 approximates the fair values as at December 31, 2023 and 2022.

As at March 31, 2024 and December 31, 2023, no land has been pledged as collateral or security for any of the Group's liabilities and the Group has no restrictions on the realizability of its land and no contractual obligation to purchase, construct or develop land or for repairs, maintenance and enhancements.

17. **Investment Properties**

	March 31, 2024 (Unaudited)		
	Land and Improvements	**Buildings and Improvements**	**Total**
Cost:			
Balance at beginning and end of period	**23,761,823**	**72,276,684**	**96,038,507**
Accumulated depreciation:			
Balance at beginning of period	**-**	**61,463,193**	**61,463,193**
Depreciation during the period	**-**	**345,597**	**345,597**
Balance at end of period	**-**	**61,808,790**	**61,808,790**
Accumulated impairment:			
Balance at beginning and end of period	**-**	**3,852,641**	**3,852,641**
	23,761,823	**6,615,253**	**30,377,076**

	December 31, 2023 (Audited)		
	Land and Improvements	Buildings and Improvements	Total
Cost:			
Balance at beginning and end of period	23,761,823	72,276,684	96,038,507
Accumulated depreciation:			
Balance at beginning of period	-	60,080,806	60,080,806
Depreciation during the period	-	1,382,387	1,382,387
Balance at end of period	-	61,463,193	61,463,193
Accumulated impairment:			
Balance at beginning and end of period	-	3,852,641	3,852,641
	23,761,823	6,960,850	30,722,673

The fair value of investment properties owned by the Group amounted to ₱305.18 million as at March 31, 2024 and December 31, 2023. Land used in operations was last appraised on December 31, 2023 by an accredited firm of appraisers and is valued in terms of its highest and best use.

The fair value was arrived at through the use of the "Market Data Approach". The fair value represents the amount that would be received to sell the property in an orderly transaction between market participants at the date of valuation.

The description of the valuation techniques used and key inputs to fair valuation are as follows:

	Valuation Technique	Significant Unobservable Inputs	Range
Land	Market comparable assets	Price per square metre	₱1,400-₱11,700
Building for lease	Market comparable assets	Price per square metre	₱22,000-₱117,000

As at March 31, 2024 and December 31, 2023, no investment properties have been pledged as collateral or security for any of the Group's liabilities and the Group has no restriction on the realizability of its investment properties and no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

18. **Other Noncurrent Assets**

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Refundable deposits (see Notes 32 and 33)	**79,065,190**	89,657,828
Restricted cash	**51,393,686**	51,393,686
Software costs	**50,837,095**	45,464,443
Investments in artworks	**10,186,136**	10,186,136
Deferred input VAT	**7,838,949**	10,444,582
Guarantee deposits	**2,162,420**	2,162,420
Deferred production costs	**1,043,148**	1,502,800
Facilities	**76,514**	75,000
Others	**9,171,038**	7,195,113
	211,774,176	218,082,008

Refundable deposits pertain to the deposits made to various electric companies across the country.

Restricted cash pertains to time deposits under the custody of the courts as a collateral for pending litigation.

Software cost relates to software applications and website development costs which provide an edge on the Group's online presence and other software issues.

Investments in artworks are the paintings and other work of art usually displayed in the Parent Company's hallways.

Deferred input VAT pertains to the VAT on the Group's acquisitions of capital goods exceeding ₱1.00 million in any given month which are to be amortized over the 60 months or the life of the asset, whichever is shorter.

Guarantee and other deposits consist of the Meralco refund and refundable rental deposits used for Parent Company's programs.

Facilities relate to the paid deposit for facilities paid in advance and used for productions by the Group.

Deferred production costs pertain to the costs incurred in relation to the production of music compact discs and are measured at cost upon recognition. Deferred production costs are being amortized as the related compact discs are sold.

The movements in software costs follow:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cost:		
Balance at beginning of period	**565,571,720**	553,398,992
Additions during the period	**19,081,821**	12,172,728
Balance at end of period	**584,653,541**	565,571,720
Accumulated amortization:		
Balance at beginning of period	**520,107,277**	479,607,123
Amortization during the period (see Notes 27)	**13,709,169**	40,500,154
Balance at end of period	**533,816,446**	520,107,277
	50,837,095	45,464,443

19. **Short-term Loans**

The Group obtained unsecured short-term peso from local bank in 2023. Details and movements of the short-term loans are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**1,527,307,000**	27,125,200
Additions	**-**	3,527,307,000
Payments	**(500,000,000)**	(2,027,125,200)
Balance at end of period	**1,027,307,000**	1,527,307,000

The loans consist of fixed rate notes with the following details:

Lender	Annual interest rate	Terms	March 31, 2024	December 31, 2023
Bank of the Philippine Islands (BPI)	6.30%	Availed in 2023, payable in 330 days	**₱500,000,000**	₱500,000,000
	6.30%	Availed in 2023, payable in 300 days	**500,000,000**	500,000,000
Banco de Oro	6.30%	Availed in 2023, payable in 273 days	**–**	500,000,000
Security Bank	2.75%	Availed in 2023, payable in 270 to 360 days	**27,307,000**	27,307,000
			₱1,527,307,000	₱1,527,307,000

Interest expense on US dollar denominated loans amounted to nil and ₱2.78 million for the three-month period ended March 31, 2024 and 2023, respectively, while interest expense on peso denominated loans amounted to ₱17.72 million and ₱0.66 million for the three-month period ended March 31, 2024 and 2023, respectively.

20. **Trade Payables and Other Current Liabilities**

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Payable to government agencies	**1,391,628,923**	1,169,139,598
Contract liabilities	**439,994,751**	179,893,494
Trade payables	**176,424,470**	606,140,618
Accrued expenses:		
Utilities and others	**571,245,411**	586,041,832
Payroll and talent fees	**205,150,027**	219,878,105
Production costs	**203,567,081**	224,144,048
Commissions	**64,835,331**	67,314,295
Customers' deposits	**82,256,496**	61,439,738
Others	**53,029,390**	88,688,052
	3,188,131,880	3,202,679,780

Payable to government agencies is composed of the Group's statutory compensation-related contributions to government agencies and net VAT and withholding taxes payable to the Bureau of Internal Revenue (BIR). The difference between the accrual accounting under the accounting standards and cash-basis accounting as prescribed by the BIR for service-related companies caused the Group to normally incur deferred output VAT which forms a substantial part of the Group's payable to government agencies. These payables are remitted within 30 days after reporting period.

Contract liabilities pertain to payments received before broadcast and before delivery of goods and services amounting to ₱439.99 million and ₱179.89 million as at March 31, 2024 and December 31, 2023, respectively. These are recognized as revenue when the Group performs the obligation under the contract. This account also includes contract liabilities of ₱22.00 million from airtime credits that have not been implemented resulting from the exchange of the Group's interests in X-Play in 2015 (see Note 13).

Trade payables to suppliers are noninterest-bearing and are normally settled on terms ranging from seven to 60 days.

Accrued expenses and other payables are noninterest-bearing and are generally settled within the next 12 months.

Customers' deposits include guaranty deposits from advertising agencies to secure payment of bills by advertisers. These deposits are non-interest bearing and normally refunded once the related broadcasts are paid by the advertisers. It also includes deposits from the Group's lessees upon inception of the lease agreements.

Others include unpaid subscriptions and retention payables. These are noninterest-bearing and are normally settled within one year.

21. **Obligations for Program and Other Rights**

Obligations for program and other rights represent liabilities to foreign and local film suppliers for program and other rights purchased by the Group. Outstanding unpaid balance as at March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Current obligation for program rights	**343,506,461**	325,503,020
Noncurrent obligation for program rights	**61,894,737**	9,157,895
	405,401,198	334,660,915

Obligations for program and other rights are noninterest-bearing and are generally payable in equal monthly or quarterly installments.

22. **Material Events**

A. Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

As of March 31, 2024, there are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

B. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

The 2024 Capital Expenditure budget of the parent company amounts to ₱950.28 million. This will be financed from internally-generated funds.

C. 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.

D. Any 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 March 31, 2024, there are no events which may trigger a direct or contingent financial obligation that is material to the Company.

E. Any significant elements of income or loss that did not arise from the issuer's continuing operations.

As of March 31, 2024, there are no significant elements of income or loss that did arise from the issuer's continuing operations.

F. Any 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.

G. Any material events that were unusual because of their nature, size or incidents affecting assets, liabilities, equity, net income, or cash flows.

There are no material events that were unusual because of their nature, size or incidents affecting assets, liabilities, equity, net income, or cash flows.

H. Any material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

There were no material events, subsequent to the end of interim period that have not been reflected in the financial statements for the interim period.

23. **Equity**

a. Capital Stock

Details of capital stock as at March 31, 2024 and December 31, 2023 are as follow:

	No. of Shares	Amount
Common - ₱1.00 par value		
Authorized	5,000,000,000	₱5,000,000,000
Subscribed and issued	3,364,692,000	₱3,364,692,000
Preferred - ₱0.20 par value		
Authorized	7,500,000,000	₱1,500,000,000
Subscribed and issued	7,500,000,000	₱1,500,000,000

The cumulative preferred shares are of equal rank, preference and priority and are identical in all respect regardless of series. Preferred shares are participating at the rate of one fifth (1/5) of the dividend paid to common shares, the rate of which is adjusted proportionately by the Parent Company's BOD consequent to any stock split or stock dividend declaration affecting the common shares and preferred shares. Preferred shares are convertible at the option of the shareholders at the ratio of five preferred shares to one common share, based on par value.

Preferred shares enjoy priority over common shares in the distribution of assets of the Parent Company in the event of dissolution and liquidation, at such rates, terms and conditions as the BOD may determine. Each preferred share is entitled to one vote and shall have the same voting rights as the common shares.

The Parent Company's BOD may specify other terms and conditions, qualifications, restrictions and privileges of the preferred shares or series/classes thereof, insofar as such terms, conditions, qualifications, restrictions and privileges are not inconsistent with the articles of incorporation and any applicable law or regulation.

The following summarizes the information on the Parent Company's registration of securities with the SEC which was approved on June 20, 2007, as required by Revised Securities Regulation Code Rule 68:

Securities	Authorized and issued shares	Issue/Offer Price
Initial public offering	91,346,000	8.50
Underlying common share of PDRs	945,432,000	8.50
Over-allotment common shares	13,701,000	8.50
Common shares covering employee stock option plan	57,000,000	8.50

In prior years, the Parent Company has acquired 750,000 PDRs issued by GMA Holdings, Inc. at acquisition cost of ₱5.79 million. In as much as each PDR share grants the holder, upon payment of the exercise price and subject to certain other conditions, the delivery of one (1) Parent Company share or the sale and delivery of the proceeds of such sale of Parent Company share, such PDRs held by the Parent Company is being treated similar to a treasury share.

On October 4, 2021, the Parent Company's BOD approved to contribute its treasury common and preferred shares and PDRs to the Group's retirement plan. The contribution of the 3,645,000 treasury common shares and 492,816 treasury preferred shares was executed on December 31, 2021 at a transaction price of ₱13.90 per share and ₱2.77 per share, respectively. As the preferred shares are unlisted, the transaction price was based on the market price of the Parent Company's listed common shares on the transaction date, with the value of the treasury preferred shares computed based on the ratio of 1:5 preferred shares to common shares. The contribution of the 750,000 PDRs was executed on December 20, 2021 at a transaction price of ₱13.02 per share, , which resulted to additional paid-in capital amounted to ₱27.52 million.

b. Retained Earnings

The Parent Company's BOD approved the declaration of the following cash dividends:

Year	Declaration Date	Record Date	Cash Dividend Per Share	Total Cash Dividend Declaration
2023	**March 31, 2023**	**April 21, 2023**	**P1.10**	**P5,351,161,200**
2022	March 25, 2022	April 22, 2022	P1.45	P7,053,803,400
2021	March 26, 2021	April 22, 2021	P1.35	P6,561,267,889

The Parent Company's outstanding dividends payable amounts to ₱30.37 million and ₱30.53 million as at March 31, 2023 and December 31, 2022, respectively.

On April 3, 2024, the Parent Company's BOD approved the declaration and distribution of cash dividends amounting to ₱0.60 per share totaling ₱2,918.82 million to all stockholders of record as at April 24, 2024 and will be paid starting May 14, 2024.

24. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

The Parent Company has an approval requirement such that material related party transactions (RPTs) shall be reviewed by the Audit and Risk Management Committee (the Committee) and submitted to the BOD for approval. Material RPTs are those transactions that meet the threshold value amounting to ten percent (10%) or higher of the Company's total consolidated assets based on its latest audited financial statements either individually, or in aggregate over a twelve (12)-month period with the same related party.

Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For periods ended March 31, 2024 and December 31, 2023, the Group has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Group transacts with associates, affiliates, jointly controlled entities and other related parties on advances, reimbursement of expenses, and future stock subscriptions.

The transactions and balances of accounts as at and for the periods ended March 31, 2024 and December 31, 2023 with related parties are as follows:

Related Party	Category	Year	Amount/ Volume of Transactions	Receivables (Payables)	Terms	Conditions
Associate -						
Mont-Aire	Advances	**2024**	**-**	**99,618,210**	Noninterest-	Unsecured;
	(see Note 14)	2023	-	99,618,210	bearing	not impaired
Common stockholders:						
GMA Kapuso	Reimbursable	**2024**	**94,000**	**2,132,381**	On demand,	Unsecured;
Foundation, Inc.	charges	2023	350,000	2,038,381	noninterest-bearing	not impaired
Belo, Gozon,	Legal, consulting and	**2024**		**-**	On demand,	Unsecured;
Elma Law	retainers' fees	2023	2,665,600	-	noninterest-bearing	not impaired
Joint ventures:						
Gamespan	Advances	**2024**	**-**	**1,959,670**	Noninterest-	Unsecured;
	(see Note 14)	2023	-	1,959,670	bearing	not impaired
PEP	Advances	**2024**	**-**	**168,279**	Noninterest-	Unsecured;
	(see Note 14)	2023	-	168,279	bearing	not impaired

The advances made by the Parent Company to Mont-Aire and PEP are intended for future capital subscription. On the other hand, the advances to INQ7 were fully impaired as a result of the application of the Group's share in the losses of INQ7 recognized under the equity method in excess of the Group's carrying value of investment.

Compensation of Key Management Personnel

The compensation of key management personnel of the Group, by benefit type, follows:

	March 31, 2024 (Unaudited)	March 31, 2023
Salaries and short-term benefits	**138,288,594**	188,014,783
Pension benefits	**49,288,226**	47,410,802
	187,576,820	235,425,585

Equity Investments of the Retirement Fund
The Group's retirement fund includes equity investments in GMA Network, Inc. and GMA PDRs amounting to ₱561.61 million and ₱6.23 million as at December 31, 2023, respectively.

25. Revenues

Set out below is the disaggregation of the Group's revenues from contract with customers for the three months ended March 31:

	March 31, 2024 (Unaudited)	March 31, 2023
Type of service		
Sale of service		
Advertising revenue	**3,363,624,166**	3,697,097,085
Subscription revenue	**168,157,789**	187,879,880
Revenue from distribution and content provisioning	**6,408,541**	10,127,125
Production revenue	**51,193,070**	12,413,606
Sale of goods	**67,415,000**	108,235,214
	3,656,798,566	4,015,752,910
Geographical markets		
Local	**3,473,212,722**	3,811,932,007
International	**183,585,844**	203,820,903
	3,656,798,566	4,015,752,910
Timing of revenue recognition		
Services transferred at one point in time	**3,488,640,777**	3,827,873,030
Services transferred over time	**168,157,789**	187,879,880
	3,656,798,566	4,015,752,910

26. Production Costs

	March 31, 2024 (Unaudited)	March 31, 2023
Talent fees and production personnel costs (see Note 28)	**929,638,777**	893,132,331
Program and other rights usage	**276,229,081**	218,969,410
Rental	**184,018,843**	147,489,583
Depreciation (see Note 15)	**143,941,021**	126,166,407
Facilities and production services	**133,867,014**	150,752,016
Transportation and communication	**43,540,424**	44,466,339
Tapes sets and production supplies	**93,421,478**	91,938,220
	1,804,656,638	1,672,914,306

27. General and Administrative Expenses

	March 31, 2024 (Unaudited)	March 31, 2023
Personnel costs (see Note 28)	**954,297,901**	908,427,120
Taxes and licenses	**95,200,363**	51,486,845
Communication, light and water	**93,665,760**	107,358,536
Professional fees	**80,886,788**	63,682,746
Repairs and maintenance	**77,458,179**	54,761,036
Depreciation (see Notes 15, 17 and 30)	**66,051,438**	62,729,169
Software maintenance	**38,536,910**	31,735,146
Advertising	**32,935,604**	40,821,651
Research and surveys	**29,302,852**	28,115,315
Security services	**20,115,824**	17,787,493
Facilities	**14,368,086**	15,599,274
Amortization of software costs (see Note 18)	**13,709,169**	14,100,830
Insurance	**8,467,849**	9,536,480
Marketing expenses	**4,493,962**	13,999,313
Rental	**4,404,084**	4,243,663
Janitorial services	**3,590,587**	5,839,296
Transportation and travel	**3,541,727**	7,182,685
Materials and supplies	**2,821,319**	2,075,158
Entertainment, amusement and recreation	**2,343,209**	1,780,603
Others	**56,561,511**	44,528,321
	1,602,753,122	1,485,790,680

Others include expenses incurred for other manpower, messengerial services, donations and other miscellaneous expenses.

Depreciation and Amortization

	March 31, 2024 (Unaudited)	March 31, 2023
Property and equipment:		
Production costs (see Note 26)	**138,712,031**	120,957,674
General and administrative expenses	**63,555,549**	60,226,192
Right-of-Use assets:		
Production costs (see Note 26)	**5,228,990**	5,208,733
General and administrative expenses	**2,150,292**	2,157,380
Investment properties -		
General and administrative expenses	**345,597**	345,597
	209,992,459	188,895,576

28. **Personnel Costs**

This account consists of:

	March 31, 2024 (Unaudited)	March 31, 2023
Salaries and wages	**802,495,950**	757,837,885
Talent fees	**612,159,309**	608,350,329
Employee benefits and allowances	**156,216,240**	128,886,573
Sick and vacation leaves expense	**151,335,830**	144,755,314
Pension expense	**161,729,349**	161,729,350
	1,883,936,678	1,801,559,451

The said amounts were distributed as follows:

	March 31, 2024 (Unaudited)	March 31, 2023
Production costs (see Note 26)	**929,638,777**	893,132,331
General and administrative expenses (see Note 27)	**954,297,901**	908,427,120
	1,883,936,678	1,801,559,451

29. **Others** - Net

This account consists of the following income (expenses):

	March 31, 2024 (Unaudited)	March 31, 2023
Commissions from Artist Center	**78,504,805**	38,184,927
Merchandising license fees and others	**31,929,447**	4,046,573
Rental	**1,748,742**	1,581,810
Gain on sale of property and equipment	**1,572,940**	13,142,808
Bank charges	**(196,202)**	(114,096)
Others	**2,982,804**	321,390
	116,542,536	57,163,412

30. **Agreements**

Lease Agreements

Group as a Lessee

The Group entered into various lease agreements for land, building, studio and office spaces that it presently occupies and uses for periods ranging from two to 12 years. The lease agreements can be renewed subject to mutual agreement and can be terminated at the option of the Group. Previously, these leases were classified as operating leases under PAS 17.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the “short-term lease” recognition exemptions for these leases.

The rollforward analysis of right-of-use assets follows:

	March 31, 2024 (Unaudited)		
	Right-of-use: Land	**Right-of-use: Buildings, studio and office spaces**	**Right-of-use: Total**
Cost -			
Balance at the beginning of the year	**188,940,715**	**81,152,897**	**270,093,612**
Additions	**3,566,238**	**14,789,511**	**18,355,749**
Balance at the end of the period	**192,506,953**	**95,942,408**	**288,449,361**
Accumulated Depreciation			
Balance at the beginning of the year	**74,471,581**	**65,340,281**	**139,811,862**
Depreciation (see Note 27)	**3,432,837**	**3,946,445**	**7,379,282**
Balance at the end of the period	**77,904,418**	**69,286,726**	**147,191,144**
Net Book Value	**114,602,535**	**26,655,682**	**141,258,217**

	December 31, 2023 (Audited)		
	Right-of-use: Land	Right-of-use: Buildings, studio and office spaces	Right-of-use: Total
Cost			
Balance at the beginning of the year	188,940,715	81,152,897	270,093,612
Additions	4,080,530	6,304,543	10,385,073
Balance at the end of the year	193,021,245	87,457,440	280,478,685
Accumulated Depreciation			
Balance at the beginning of the year	60,688,849	49,504,378	110,193,227
Depreciation	13,782,732	15,835,903	29,618,635
Balance at the end of the year	74,471,581	65,340,281	139,811,862
Net Book Value	118,549,664	22,117,159	140,666,823

The rollforward analysis of lease liabilities follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at the beginning of the year	**156,638,801**	167,111,004
Additions	**7,157,738**	10,385,073
Accretion of interest	**1,929,093**	8,969,967
Payments	**(7,647,761)**	(29,827,243)
Balance at the end of the period	**158,077,871**	156,638,801

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Current portion	**37,176,929**	43,848,796
Noncurrent portion	**120,900,942**	112,790,005
	158,077,871	156,638,801

The rollforward analysis of dismantling provision follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at the beginning of the year	**50,872,484**	49,009,014
Accretion of interest	**294,404**	1,863,470
Balance at the beginning of the period	**51,166,888**	50,872,484

Total rental expense on short-term leases amounted to ₱188.42 million and ₱151.73 million as of March 31, 2024 and 2023, respectively (see Notes 26 and 27).

Group as Lessor. The Group leases out certain properties for a period of one year, renewable annually. The leased-out properties include investment properties, and broadcasting equipment. Total rental income amounted to ₱0.97 million and ₱1.00 million as of March 31, 2024 and 2023, respectively (see Note 29).

Subscription Agreements

The Parent Company entered into various subscription agreements with international cable providers for the airing of its programs and shows abroad. The agreements generally have terms of three to five years and are based on certain agreed service package rates.

Total subscription revenues amounted to ₱168.16 million and ₱187.88 million for the three months ended March 31, 2024 and 2023, respectively (see Note 25).

31. **EPS Computation**

The computation of basic EPS follows:

	March 31, 2024	March 31, 2023
	(Unaudited)	
Net income attributable to Equity Holders of Parent Company (a)	**204,119,205**	603,573,580
Less attributable to preferred shareholders	**62,938,991**	186,108,467
Net income attributable to common shareholders (b)	**141,180,214**	417,465,113
Weighted average number of common shares for basic EPS (c)	**3,362,494,500**	3,362,494,500
Weighted average number of common shares	**3,362,494,500**	3,362,494,500
Effect of dilution - assumed conversion of preferred shares	**1,500,000,000**	1,500,000,000
Weighted average number of common shares adjusted for the effect of dilution (d)	**4,862,445,219**	4,862,494,500
Basic EPS (b/c)	**0.042**	0.124
Diluted EPS (a/d)	**0.042**	0.124

32. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments include cash and cash equivalents. The main purposes of these financial instruments include raising financing for the Group's operations and managing identified financial risks. The Group has other financial assets and liabilities such as trade and other receivables, refundable deposits, trade payables and other current liabilities (excluding payable to government agencies, customers' deposits and contract liabilities), short-term loans, obligations for program and other right, dividends payable and other long-term employee benefits, which arise directly from its operations, and financial assets at FVOCI. The main risks arising from the use of financial instruments are liquidity risk, foreign currency exchange risk and credit risk. The Group is not exposed to interest rate risk as most of its financial assets and financial liabilities have fixed rates.

The BOD reviews and approves the Group's objectives and policies.

Liquidity Risk. The Group is exposed to the possibility that adverse changes in the business environment and/or its operations would result in substantially higher working capital requirements and subsequently pose difficulty in financing the additional working capital.

The Group manages liquidity risk by using its cash and cash equivalents from operations to meet its short-term liquidity needs. The Group likewise regularly evaluates other financing instruments and arrangements to broaden the Group's range of financing sources.

The tables below summarize the maturity profile of the Group's financial assets used for liquidity risk based on contractual undiscounted payments as at March 31, 2024 and December 31, 2023:

			March 31, 2024 (Unaudited)		
	On Demand	**> 3 Months**	**3 to 12 Months**	**More than 1 year**	**Total**
Cash and cash equivalents	**1,845,854,118**	**95,428,342**	**-**	**-**	**1,941,282,460**
Trade receivables:					
Television and radio airtime	**2,289,028,937**	**4,173,642,665**	**-**	**-**	**6,462,671,602**
Subscription	**93,811,682**	**62,961,062**	**-**	**-**	**156,772,744**
Others	**117,077,107**	**38,183,910**	**-**	**-**	**155,261,017**
Nontrade receivables					
Advances to officers and employees	**970,373**	**2,139,041**	**-**	**-**	**3,109,414**
Others	**56,773,067**	**5,619,405**	**-**	**-**	**62,392,472**
Refundable deposits*	**-**	**-**	**-**	**79,065,190**	**79,065,190**
Financial assets at FVOCI	**-**	**-**	**-**	**349,899,892**	**349,899,892**
	4,403,515,284	**4,377,974,425**	**-**	**428,965,082**	**9,210,454,791**
Trade payables and other current liabilities**	**288,536,795**	**941,455,012**	**169,394,628**	**-**	**1,399,386,435**
Short-term loans***	**-**	**1,006,250,000**	**21,057,000**	**-**	**1,027,307,000**
Obligation for program and other rights	**-**	**315,805,649**	**327,700,812**	**61,894,737**	**705,401,198**
Lease liability	**-**	**6,439,411**	**30,737,518**	**120,900,942**	**158,077,871**
Dividends payable	**34,552,486**		**-**	**-**	**34,552,486**
	323,089,281	**2,269,950,072**	**548,889,958**	**182,795,679**	**3,324,724,990**
Liquidity Portion (Gap)	**4,080,426,003**	**2,108,024,353**	**(548,889,958)**	**246,169,403**	**5,885,729,801**

**Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 18).*
*** Excluding payable to government agencies, customers' deposits and contract liabilities amounting to P1,391.63 million, P82.26 million and P439.99 million, respectively (see Note 20).*
****Gross contractual payments.*

	December 31, 2023 (Audited)				
	On Demand	> 3 Months	3 to 12 Months	More than 1 year	Total
Financial assets at amortized cost:					
Cash and cash equivalents	1,097,748,954	277,234,453	-	-	1,374,983,407
Trade receivables:					
Television and radio airtime	2,008,873,144	3,949,444,897	-	-	5,958,318,041
Subscriptions	99,816,850	64,123,178	-	-	163,940,028
Others	20,832,683	74,259,656	-	-	95,092,339
Nontrade receivables					
Advances to officers and employees	2,422,132	4,945,051	-	-	7,367,183
Others	49,646,637	1,240,738	-	-	50,887,375
Refundable deposits*	-	-	-	89,657,828	89,657,828
Financial assets at FVOCI	-	-	-	349,899,892	349,899,892
	3,279,340,400	4,371,247,973	-	439,557,720	8,090,146,093
Loans and borrowings:					
Trade payables and other current liabilities*	609,583,647	879,934,754	302,688,549	-	1,792,206,950
Short-term loans***	-	1,003,260,000	524,047,000	-	1,527,307,000
Obligation for program and other rights	-	44,993,033	280,509,987	9,157,895	334,660,915
Lease liabilities	-	6,439,411	37,409,385	112,790,005	156,638,801
Dividends payable	39,687,211	-	-	-	39,687,211
	649,270,858	1,934,627,198	1,144,654,921	121,947,900	3,850,500,877
Liquidity Portion (Gap)	2,630,069,542	2,436,620,775	(1,144,654,921)	317,609,820	4,239,645,216

**Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 18).*
*** Excluding payable to government agencies, customers' deposits and contract liabilities amounting to P1,169.14 million, P179.89 million and P61.44 million, respectively (see Note 20).*
****Gross contractual payments.*

Foreign Currency Exchange Risk. Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to foreign currency exchange risk results from its business transactions denominated in foreign currencies. It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign currency exchange risk.

The Group's foreign currency-denominated monetary assets and liabilities are as follows:

	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)	
Assets				
Cash and cash equivalents	**$3,829,353**	**P215,362,840**	$4,642936	P262,616,370
	C$64,299	**2,664,624**	C$102,357	4,298,986
Short-term investments	**$637,820**	**35,871,014**	$746,464	41,331,694
Trade receivables	**$2,787,567**	**156,772,759**	$2,517,087	139,371,098
	C$-	**-**	C$791,162	33,228,820
	S$-	**-**	S$289,532	12,186,337
	A$-	**-**	A$45,083	786,533
	DH-	**-**	DH746,464	682,162
		P410,671,237		P494,502,000
Liabilities				
Trade payables	**$336,451**	**P18,922,004**	$1,461,137	P80,903,156
	€316	**19,268**	€1,141,705	70,184,945
	£-	**-**	£2,470	174,775
Obligations for program ar	**$6,967,548**	**391,854,900**	$5,686,614	314,867,817
		P410,786,172		P466,130,693
		(P124,935)		P28,287,307

In translating the foreign currency-denominated monetary assets and liabilities into Philippine peso amounts, the exchange rate used were ₱56.24 to US$1.00 and ₱55.37 to US$1.00 as at March 31, 2024 and December 31, 2023, respectively. The exchange rate for Philippine peso to Canadian dollar was ₱41.44 to CAD$1.00 as at March 31, 2024. The peso equivalents for the Singaporean Dollar, Australian Dollar, Dirham and Euro are ₱41.84, ₱36.76, ₱15.33 and ₱60.97, respectively as at March 31, 2024.

The following table demonstrates the sensitivity to a reasonably possible change in US$ exchange rate, with all other variables held constant, of the Group's income before income tax from reporting date up to next reporting date (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Group's equity other than those already affecting profit or loss.

		Effect on Income before Income Tax							
	Appreciation/ (Depreciation) of Peso	**USD**	**CAD**	**SGD**	**AUD**	**AED**	**EUR**	**GBP**	**Total**
March 31, 2024	**0.50**	**₱233,025**	**₱8,037**	**₱–**	**₱–**	**₱–**	**(₱40)**	**₱–**	**₱241,023**
	(0.50)	**(233,025)**	**(8,037)**	**–**	**–**	**–**	**40**	**–**	**(241,023)**
December 31, 2023	0.50	₱7,577,119	₱447,760	₱144,766	₱10,364	₱22,541	₱570,853	₱1,235	₱8,774,637
	(0.50)	(7,577,119)	(447,760)	(144,766)	(10,364)	(22,541)	(570,853)	(1,235)	(8,774,637)

Credit Risk. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk.

The Group ensures that sales of products and services are made to customers with appropriate credit history. The Group has an internal mechanism to monitor the granting of credit and management of credit exposures. The Group has made provisions, where necessary, for potential losses on credits extended. The Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the instruments. The Group does not require any collateral for its financial assets, thus, maximum exposure to credit risk is equal to the carrying value of the financial instruments.

The following table shows the maximum exposure to credit risk for the components of the consolidated financial position as at March 31, 2024 and December 31, 2023:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Financial assets at amortized cost		
Cash and cash equivalents*	**1,687,770,913**	1,155,407,252
Trade receivables:		
Television and radio airtime	**6,462,671,602**	5,958,318,041
Subscription	**156,772,744**	163,940,028
Others	**155,261,017**	95,092,339
Nontrade receivables:		
Advances to officers and employees	**3,109,414**	7,367,183
Others	**62,392,472**	50,887,375
Refundable deposit**	**79,065,190**	89,657,828
	8,607,043,352	7,520,670,046
Financial assets at FVOCI	**349,899,892**	349,899,892
	8,956,943,244	7,870,569,938

**Excluding cash on hand and production fund amounting to P253.51 million and P202.22 million as at March 31, 2024 and December 31, 2023, respectively.*

***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 18).*

The maximum exposure for cash and cash equivalents (excluding cash on hand) is the carrying amount less insured amount by the Philippine Deposit Insurance Corporation equivalent to the actual cash balance to a maximum of ₱0.50 million per depositor per bank. The maximum exposure of trade and non-trade receivables and refundable deposits is equal to its carrying amount.

Credit quality of Financial Assets, Other than Trade Receivables

The financial assets of the Group are grouped according to stage whose description is explained as follows:

Stage 1 - Those that are considered current and up to 120 past due and based on change in rating delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - Those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 120 to 360 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - Those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Group's financial assets are as follows:

	March 31, 2024 (Unaudited)			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Financial assets at amortized cost				
Cash and cash equivalents*	**1,687,770,913**	**-**	**-**	**1,687,770,913**
Nontrade receivables:				
Advances to offices and				**-**
employees	**7,367,183**	**-**	**-**	**7,367,183**
Others	**50,887,375**	**-**	**-**	**50,887,375**
Refundable deposits**	**79,065,190**	**-**	**-**	**79,065,190**
	1,825,090,661	**-**	**-**	**1,825,090,661**

Excluding cash on hand amounting to P253.51 million as at March 31, 2024.

****Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 18).***

	December 31, 2023 (Audited)			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Financial assets at amortized cost				
Cash and cash equivalents*	1,155,407,252	-	-	1,155,407,252
Nontrade receivables:				
Advances to offices and				
employees	2,422,132	-	-	2,422,132
Others	49,646,637	-	-	49,646,637
Refundable deposits**	89,657,828	-	-	89,657,828
	1,297,133,849	-	-	1,297,133,849

**Excluding cash on hand amounting to P202.22 million as at December 31, 2023.*

***Included under "Other noncurrent assets" account in the consolidated statements of financial position (see Note 18).*

Credit Quality of Trade Receivables
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segment with similar loss patterns (i.e, by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure of the Group's trade receivables using provision matrix:

	March 31, 2024 (Unaudited)						
		Days past due					
	Current	**0-30 days**	**31-60 days**	**61-90 days**	**91-360 days**	**Over 360 days**	**Total**
Expected credit loss rate	**0.48%**	**2.72%**	**5.73%**	**13.72%**	**29.20%**	**60.64%**	
Total gross carrying amount	**₱4,282,546,083**	**₱447,935,371**	**₱376,519,984**	**₱114,390,746**	**₱439,619,805**	**₱1,179,195,260**	**₱6,840,207,249**
Expected credit loss	**20,552,979**	**12,161,707**	**21,584,158**	**15,692,947**	**128,356,534**	**715,054,253**	**913,402,578**

	December 31, 2023 (Audited)						
		Days past due					
	Current	0-30 days	31-60 days	61-90 days	91-360 days	Over 360 days	Total
Expected credit loss rate	0.50%	2.89%	4.89%	7.91%	20.51%	50.72%	
Total gross carrying amount	₱4,092,816,385	₱421,100,491	₱441,146,467	₱198,449,231	₱625,675,551	₱1,409,819,419	₱7,189,007,544
Expected credit loss	20,552,979	12,161,707	21,584,158	15,692,947	128,356,534	715,054,253	913,402,578

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, payoff existing debts, return capital to shareholders or issue new shares.

The Parent Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for periods ended March 31, 2024 and December 31, 2023.

The Group monitors its capital gearing by measuring the ratio of interest-bearing loan to total equity. The Group's interest-bearing loans, which are short-term loans, amounted to ₱1,027.31 million and ₱1,527.31 million as at March 31, 2024 and December 31, 2023, respectively. The Group's total equity attributable to equity holders of the Parent Company as at March 31, 2024 and December 31, 2023 amounted to ₱15,085.86 million and ₱14,937.85 million, respectively.

33. **Fair Value Measurement**

The table below presents the carrying values and fair values of the Group's assets and liabilities, by category and by class, as at March 31, 2024 and December 31, 2023:

	March 31, 2024 (Unaudited)			
		Fair Value		
	Carrying Value	**Quoted Prices in Active Market (Level 1)**	**Significant Observable Input (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets Measured at Fair Value				
Land at revalued amount	**8,813,281,439**	**-**	**-**	**8,813,281,439**
AFS financial assets	**349,899,892**		**23,775,258**	**326,124,634**
Assets for which Fair Value are Disclosed				
Investment properties	**30,377,076**	**-**	**-**	**305,177,948**
	9,193,558,407	**-**	**-**	**9,444,584,021**

	December 31, 2023 (Audited)			
		Fair Value		
	Carrying Value	Quoted Prices in Active Market (Level 1)	Significant Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Measured at Fair Value				
Land at revalued amount	8,813,281,439	-	-	8,813,281,439
Financial assets at FVOCI	349,899,892	-	23,775,258	326,124,634
Assets for which Fair Value are Disclosed				
Investment properties	30,722,673	-	-	305,177,948
	9,193,904,004	-	23,775,258	9,444,584,021
Liabilities				
Financial liabilities at amortized cost -				
Obligation for program and other rights	9,157,895	-	-	9,157,895

As at March 31, 2024 and December 31, 2023, the fair value of equity instruments in a listed entity is classified under Level 3 due to the investee Company's suspension of trading in the market.

The fair values of equity instruments in listed and non-listed companies classified under Level 3 were determined through asset-based approach. Asset-based approach is based on the value of all the tangible and intangible assets and liabilities of the investee Company.

Presented below are the significant unobservable inputs used in the market approach valuation of the Group's financial assets as at March 31, 2024 and December 31, 2023:

		Range	
Description	**Unobservable Inputs**	**March 31, 2024**	December 31, 2023
Listed equity instrument:			
Casinos and gaming industry	Discount for lack of marketability	**10%-30%**	10%-30%
	Discount for lack of control	**10%-30%**	10%-30%
Non-listed equity instruments:			
Media and entertainment industry	Discount for lack of marketability	**10%-30%**	10%-30%
	Discount for lack of control	**10%-30%**	10%-30%

An increase (decrease) in the significant unobservable inputs used in the valuation of the equity investments will decrease (increase) the fair value of the equity investments.

Fair Value Determination
The following methods and assumptions are used to estimate the fair value of each asset and liability for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Refundable Deposits, Trade Payables and Other Current Liabilities (excluding Payable to Government Agencies, Contract Liabilities and Customer Deposits), Short-term Loans, Obligations for Program and Other Rights and Dividends Payable

The carrying values of cash and cash equivalents and trade and other receivables, trade payables and other current liabilities, short-term loans, current portion of obligations for program and other rights and dividends payable approximate their fair values primarily due to the relatively short-term maturity of these financial instruments.

The carrying value of refundable deposits (included under "Other noncurrent assets" account in the consolidated statements of financial position) approximates fair value due to unavailability of information as to the repayment date that would provide a reasonable basis for the fair value measurement.

Financial assets at FVOCI
The Group's investments in club shares were based on prices readily available from brokers and other regulatory agencies as at reporting date (Level 2).The fair values of equity investments in listed and non-listed companies have been estimated using the net asset value model. The valuation using adjusted net asset approach requires the management to measure the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities at the measurement date.

Investment Properties and Land at Revalued Amount
The valuation for the disclosure of the fair value of investment properties and for the recognition of land at revalued amount was derived through market data approach based upon prices paid in actual market transactions. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property adjusted based on certain elements of comparison (e.g. market conditions, location, physical condition and amenities). Significant unobservable valuation input in determining the fair value of investment properties includes adjusted price per square meter and lot size adjustments (see Notes 14 and 16).

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34. **Causes for Material Changes in the Financial Statements**

Statements of Financial Position (March 31, 2024 vs. December 31, 2023)

- Cash and cash equivalents of ₱1,941 million climbed by ₱566 million or 41% from 2023 balance of ₱1,375 million as a result of higher net cash flows provided by operating activities which as of end of reporting period amounted to ₱1,323 million. This was primarily offset by acquisition of property and equipment and software costs during the three-month period of 2023 amounting to ₱229 million and ₱19 million, respectively. Another ₱500 million was used to pay off short-term loans.
- Trade and other receivables declined by 6% or ₱349 million as collections were more than the revenues generated.
- Inventories declined by 6% or ₱64 million due to continuous sales of merchandise inventory during the first three months of 2024.
- Equity attributable to Parent Company stockholders of ₱15,086 million as at March 31, 2024 increased by 1% or ₱204 million, mainly due to the net income attributable to Parent Company earned as of end-March 2024.

35. **Other Notes to 2024 and 2023 Operations and Financials**

The key performance indicators that the Group monitors are the following:

	March 31, 2024	March 31, 2023
	(Unaudited)	
Revenues	**3,656,798,566**	4,015,752,910
Airtime revenues	**3,076,511,211**	3,506,463,817
Cash operating expenses	**2,972,976,399**	2,841,927,411
EBITDA	**799,750,983**	1,219,583,509
Net income before tax	**281,419,093**	802,598,053
Net income after tax	**203,351,047**	602,310,568

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Current ratio	**2.49**	2.30
Asset-to-Equity ratio	**1.72**	1.76
Debt-to-Equity ratio	**0.07**	0.10

	March 31, 2024	March 31, 2023
	(Unaudited)	
Interest Rate Coverage ratio	**14.92**	230.07
EBITDA margin	**22%**	30%
Net income margin	**6%**	15%

GMA NETWORK, INC. AND SUBSIDIARIES
UNAUDITED SEGMENTED RESULTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 **EXHIBIT 1**

Business Segment Data

The following table shows revenue and expense information and certain asset and liability information regarding business segments for each of the period ended March 31:

	Television and Radio Airtime		International		Other Businesses		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
NET REVENUES										
External sales	3,076,511,211	3,506,463,817	180,950,885	193,693,779	399,336,470	315,595,314	-	-	3,656,798,566	4,015,752,910
Inter-segment sales	-	-	-	-	392,244,902	582,457,448	(392,244,902)	(582,457,448)	-	-
	3,076,511,211	3,506,463,817	180,950,885	193,693,779	791,581,372	898,052,762	(392,244,902)	(582,457,448)	3,656,798,566	4,015,752,910
NET INCOME										
Segment results	40,120,357	510,835,580	109,150,671	151,960,349	30,870,429	85,313,754	3,750,000	3,750,000	183,891,457	751,859,683
Interest expense	(19,933,567)	(2,810,506)	-	-	(156,293)	(656,293)	-	-	(20,089,860)	(3,466,799)
Foreign exchange gain (loss)	(597,939)	9,733,784	(15,781)	(21,139,186)	-	-	-	-	(613,720)	(11,405,402)
Interest income	1,688,680	8,447,159	-	-	-	-	-	-	1,688,680	8,447,159
Other income	116,542,536	176,663,412	-	-	-	-	-	(119,500,000)	116,542,536	57,163,412
Income tax	(36,680,789)	(145,292,829)	(30,583,723)	(32,705,291)	(9,678,534)	(21,164,365)	(1,125,000)	(1,125,000)	(78,068,046)	(200,287,485)
	101,139,278	557,576,600	78,551,167	98,115,872	21,035,602	63,493,096	2,625,000	(116,875,000)	203,351,047	602,310,568
ASSETS AND LIABILITIES										
Assets										
Segment assets	26,545,014,934	25,949,105,451	203,214,259	271,775,751	1,381,797,753	1,467,207,171	(2,158,814,899)	(2,161,291,394)	25,971,212,047	25,526,796,979
Investment in an associate - at equity	38,350,619	38,350,619	-	-	35,554,165	35,554,165	-	-	73,904,784	73,904,784
Deferred income tax assets - net	-	133,579,781	-	-	-	55,642,263	-	94,477,350	-	283,699,394
	26,583,365,553	26,121,035,851	203,214,259	271,775,751	1,417,351,918	1,558,403,599	(2,158,814,899)	(2,066,814,044)	26,045,116,831	25,884,401,157
Liabilities										
Segment liabilities	8,577,402,078	9,577,402,078	190,327,906	226,584,317	543,721,103	634,316,383	1,380,000,908	(622,234,736)	10,691,451,995	9,816,068,042
Deferred income tax liabilities - net	212,466,758	-	-	-	-	-	-	-	212,466,758	-
	8,789,868,836	9,577,402,078	226,584,317	226,584,317	634,316,383	634,316,383	(622,234,736)	(622,234,736)	10,903,918,753	9,816,068,042

Geographical Segment Data

The following table shows revenue information regarding geographical segments for each of the period ended March 31:

	Local									
	Television and Radio Airtime		Other Businesses		International		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
NET REVENUES										
External sales	3,076,511,211	3,506,463,817	399,336,470	315,595,314	180,950,885	193,693,779	-	-	3,656,798,566	4,015,752,910
Inter-segment sales	-	-	392,244,902	582,457,448	-	-	(392,244,902)	(582,457,448)	-	-
	3,076,511,211	3,506,463,817	791,581,372	898,052,762	180,950,885	193,693,779	(392,244,902)	(582,457,448)	3,656,798,566	4,015,752,910

GMA NETWORK, INC. AND SUBSIDIARIES
UNAUDITED AGING OF RECEIVABLES
AS OF MARCH 31, 2024 **EXHIBIT 2**

	Trade				
	Television and Radio Airtime	Subscriptions	Others	Nontrade	Total
Neither past due or impaired	4,173,642,665	62,961,062	38,183,910	7,758,446	4,282,546,083
Past due but not impaired:					
1 - 30 days	433,031,429	4,079,768	10,392,971	431,203	447,935,371
31 - 60 days	364,217,823	11,870,721	205,713	225,727	376,519,984
61 - 90 days	113,042,580	817,520	253,015	277,631	114,390,746
91 - 180 days	212,449,696	7,568,765	10,037,315	7,721,977	237,777,753
181 - 365 days	187,985,588	5,962,697	5,451,994	2,441,773	201,842,052
Over 1 year	978,301,821	63,512,211	90,736,099	46,645,129	1,179,195,260
	6,462,671,602	156,772,744	155,261,017	65,501,886	6,840,207,249

GMA NETWORK, INC. AND SUBSIDIARIES
UNAUDITED ROLLFORWARD OF PROPERTY AND EQUIPMENT
AS OF MARCH 31, 2024

EXHIBIT 3

	DECEMBER 31, 2023	ADDITIONS	DISPOSALS	RECLASSIFICATIONS	MARCH 31, 2024
At cost					
Buidings and leasehold improvements	3,502,230,888	28,369,276	-	-	3,530,600,164
Broadcast equipment	9,063,916,339	78,538,334	(8,802,243)	-	9,133,652,430
Communication & mechanical equipment	1,954,797,514	24,298,847	(6,518,466)	-	1,972,577,895
Transportation equipment	710,654,395	38,857,658	-	-	749,512,053
Furniture, fixtures and equipment	177,488,125	338,292	(4,509)	-	177,821,908
	15,409,087,261	170,402,407	(15,325,218)	-	15,564,164,450
Accumulated Depreciation					
Buidings and leasehold improvements	(2,689,685,330)	(49,512,498)	-	-	(2,739,197,828)
Broadcast equipment	(7,130,498,711)	(97,115,398)	8,802,243	-	(7,218,811,866)
Communication & mechanical equipment	(1,629,416,015)	(44,004,887)	6,518,466	-	(1,666,902,436)
Transportation equipment	(503,895,661)	(11,044,014)	-	-	(514,939,675)
Furniture, fixtures and equipment	(167,760,336)	(590,783)	4,509	-	(168,346,610)
	(12,121,256,053)	(202,267,580)	15,325,218	-	(12,308,198,415)
Equipment for installation	382,167,010	58,220,037	-	-	440,387,047
Net book value	**3,669,998,218**	**26,354,864**	**-**	**-**	**3,696,353,082**

GMA Network, Inc. and Subsidiaries
Financial Ratios **Exhibit 4**
For the Three Months Ended March 31, 2024

Ratios	Formula	In PhP	March 31, 2024	December 31, 2023
Current Ratio	Current Assets	12,212,383,128	2.49	2.30
	Current Liabilities	4,913,179,241		
Net Debt-to-Equity Ratio	Interest-bearing loans and borrowings less cash and cash equivalents	(913,975,460)	(0.06)	0.01
	Total Equity	15,141,198,078		
Assets-to-Equity Ratio	Total Assets	26,045,116,831	1.72	1.76
	Total Equity	15,141,198,078		
Interest Rate Coverage Ratio	EBIT	299,820,273	14.92	32.59
	Interest expense	20,089,860		

Profitability Ratios	Formula	In PhP	March 31, 2024	March 31, 2023
Gross Profit Margin	Gross Profit	1,786,644,579	49%	56%
	Net Revenues	3,656,798,566		
Net Income Margin	Net Income	203,351,047	6%	15%
	Net Revenues	3,656,798,566		

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on behalf by the undersigned thereunto duly authorized.

Issuer: **GMA NETWORK, INC.**

By:

Felipe S. Yalong
Treasurer, EVP & Chief Financial Officer

Ronaldo P. Mastrili
SVP – Group Head, Finance & ICT

Date: April 15, 2024

Certification

We Felipe S. Yalong (Treasurer, EVP and Chief Financial Officer) and Ronaldo P. Mastrili (SVP of Finance and ICT Departments) of GMA Network, Inc. with SEC registration number 5213 with principal office at GMA Network Center, Timog Avenue corner EDSA, Quezon City, on oath state:

1) That on behalf of GMA Network, Inc., we have caused this SEC Form 17-Q to be prepared;

2) That we read and understood its contents which are true and correct of our own personal knowledge and/or based on true records;

3) That the company GMA Network, Inc. will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and

4) That we are fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, we have hereunto set our hands this 15th of April, 2024.

FELIPE S. YALONG
Treasurer, EVP and CFO

RONALDO P. MASTRILI
SVP – Group Head, Finance and ICT

SUBSCRIBED AND SWORN to before me this APR 15 2024 affiants exhibiting to me their government IDs as follows:

Names	Government I.D.	ID Number
Felipe S. Yalong	SSS	CRN-0111-2468315-3
Ronaldo P. Mastrili	Driver's License	N15-83-035933

Doc. No. 343
Page No. 70
Book No. 01
Series of 2024.

ATTY. MARIFER B. AGUILAR
Notary Public Quezon City
NOTARY PUBLIC
Until December 31, 2025
IBP No. 390487-Jan. 3, 2024
MCLE Compliance No.VII-0001663
Appointment No. NP-093 (2024-2025)
PTR No. 5555049 Jan. 2, 2024 Quezon City
Quezon City Roll No. 73209
28 Baker St., Fairmont Subd. Brgy.
North Fairview, Quezon City