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MARISALVE CIOCSON-CO

Contact Person

7797-2000

Company Telephone Number

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FORM TYPE

FORM TYPE

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Month *Day*
 Annual Meeting

Month Day
Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.	

Amended Articles Number/Section

Total No. Of Stockholders

Total Amount of Borrowings

Domestic

		Foreign

To be accomplished by SEC Personnel concerned

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GLOBE TELECOM, INC.

Annual Stockholders' Meeting

<https://www.globe.com.ph/asm2025>

22 April 2025

9:00 A.M.



 Globe Telecom, Inc.
The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City,
Taguig, Philippines 1634

 www.globe.com.ph

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **GLOBE TELECOM, INC.** (hereafter, the "Company") will be conducted virtually via <https://conveneagm.com/ph/2025GLOBEASM> on **Tuesday, APRIL 22, 2025 at 9:00 o'clock in the morning** with the following

AGENDA¹

1. Call to Order
2. Certification of Notice and Quorum
3. Matters for Approval of Stockholders
 - Approval of Minutes of Previous Meeting
 - Ratification of the Acts of the Board of Directors and Management
 - Election of Directors (Including the Independent Directors)
 - Approval of the Offer, Issuance or Reissuance, and Listing of up to Forty Million Non-Voting Preferred Shares
 - Election of External Auditor and Fixing of its Remuneration
 - Approval of the Audited Financial Statements, Including Noting of Annual Report
4. Consideration of Such Other Business as May Properly Come Before the Meeting
5. Presentation of Management and Open Forum
6. Adjournment

Pursuant to the By-Laws of the Company, the Annual Stockholders' Meeting will be conducted in a fully virtual format, which will provide a consistent experience to all stockholders regardless of location. Stockholders may only attend the meeting by remote communication and by voting *in absentia*, electronically or by proxy.

Only stockholders as of March 07, 2025 are entitled to notice of, and to vote at, this meeting. Stockholders intending to participate by remote communication should notify the Company by e-mail on or before April 09, 2025. Stockholders may likewise register online via Convene AGM starting March 26, 2025. Voting may be *in absentia*, electronically or by proxy, subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes *in absentia*, electronically or by proxy, will be set forth in the Information Statement.²

Duly accomplished proxy form and voting instruction shall be submitted on or before April 08, 2025 to the Office of the Corporate Secretary at the 37/F Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Avenue, Makati City, or by e-mail to corporatesecretary@globe.com.ph. Validation of proxies is set for April 11, 2025 at 9:00 a.m.

Stockholders of record as of March 07, 2025, owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before April 15, 2025.

All email communications should be sent to corporatesecretary@globe.com.ph on or before the designated deadlines.

Taguig City, 20 February 2025.


MARIA FRANCHETTE M. ACOSTA
Corporate Secretary

¹ See next page for the explanation for each agenda item.

² Stockholders should notify the Company by e-mail of their preference to receive hard copies of the Information Statement and other ASM materials on or before April 14, 2025.

EXPLANATION OF AGENDA ITEMS

Call to Order

The Chairman will formally open the meeting at approximately 9:00 in the morning.

Certification of Notice and Quorum (and Rules of Conduct and Procedures)

The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Company has set up a designated online web address, <https://conveneagm.com/ph/2025GLOBEASM>, which may be accessed by the stockholders to register and vote electronically *in absentia* on the matters for resolution at the meeting³. A stockholder participating by remote communication or voting *in absentia*, electronically or by proxy, shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in a fully-virtual format:

- (i) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent prior to or during the meeting at corporatesecretary@globe.com.ph.
- (ii) Each of the proposed resolutions will be shown on the screen during the meeting as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company through corporatesecretary@globe.com.ph on or before April 09, 2025 of their intention to participate in the Meeting by remote communication in order to be included in the determination of the existence of a quorum, together with the stockholders who voted *in absentia*, electronically and by proxy.
- (iv) Voting shall only be allowed for validated stockholders registered in Convene AGM or who submitted a duly accomplished proxy form. Stockholders registered in Convene AGM may cast their votes through the said system at any time prior to or at real time during the meeting. Vote tabulation shall be completed and finalized after the meeting.
- (v) All the items in the agenda for approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting unless the law requires otherwise.
- (vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes. Each outstanding share of stock entitles the registered stockholder to one vote.
- (vii) The Office of the Corporate Secretary will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of initial voting during the meeting.
- (viii) The meeting proceedings shall be recorded in audio and video format.

Matters for Stockholders' Approval

1. Approval of Minutes of Previous Meeting

Copies of the minutes of the meeting held on April 24, 2024 will be made available to the stockholders before the meeting. Likewise, the minutes of the meeting are available at the Company's website, www.globe.com.ph and shall be presented for stockholders' approval.

2. Ratification of the Acts of the Board of Directors and Management

The actions of the Board and its committees taken and the acts of the officers to implement the resolutions of the Board or its committees or made in the general conduct of business since the annual stockholders' meeting on April 24, 2024 until April 22, 2025 shall be presented for stockholders' ratification. The acts and resolutions of the Board of Directors and its Committees were reflected in the minutes of the meetings including approval of contracts and agreements, projects and investments, treasury matters and acts and resolutions covered by disclosures to the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE) and applicable regulatory agencies. The acts of Management were those taken to implement the resolutions of the Board or its Committees or taken in the general conduct of business.

3. Election of Directors (including the Independent Directors)

In accordance with the By-Laws of the Company, the Manual of Corporate Governance, and the SEC Rules, any stockholder including minority stockholders, may submit to the Nomination and Governance Committee the names of nominees to the Board of Directors. The Nomination and Governance Committee, in the exercise of its assigned task, will determine whether the nominees to fill in the eleven (11) Board seats, including nominees for independent directors, have all the qualifications and none of the disqualifications to sit as members of the Board of Directors of the Company before submitting the nominees

³ The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.

for election by the stockholders. Copies of the *curriculum vitae* and the profiles of the nominees will be provided in the Information Statement and on the Company website for examination by the stockholders.

4. Approval of the Offer, Issuance or Reissuance, and Listing of up to Forty Million (40M) Non-Voting Preferred Shares

In accordance with the Articles of Incorporation (AOI) of the Company, the Revised Corporation Code, the SEC and PSE Rules, Management will present to the stockholders for approval the offer, issuance or re-issuance, and listing of up to 40M non-voting preferred shares from the authorized capital stock of the Company (Non-Voting Preferred Shares).

Management will further seek approval to: (1) delegate (a) to the Board of Directors of the Company (Board) full authority, solely on its discretion, to approve any offering, issuance or re-issuance (in case of redeemed non-voting preferred shares), and listing on an appropriate securities exchange of any class, series or tranche of any Non-Voting Preferred Shares, from time to time, including the terms, denomination, and timing of such offer, issuance or re-issuance, and listing; and (b) to the Company's Management, including but not limited to, the President and Chief Executive Officer, the Chief Financial Officer, Treasurer and Chief Risk Officer, the General Counsel, the Corporate Secretary, the Chief Compliance Officer, and their duly authorized representatives, full authority, solely on their discretion, to prepare, file, sign, execute and submit the appropriate application for any registration and/or listing with the relevant regulatory authority to implement any such transaction; and (2) to adopt as the resolution of the stockholders of the Company the resolutions of the Board for the offer, issuance or reissuance and listing of the Company's Non-Voting Preferred Shares.

5. Election of External Auditor and Fixing of its Remuneration

The Audit and Related Party Transactions (ARPT) Committee will endorse to the stockholders the appointment of the External Auditor for the ensuing year, as well as the proposed remuneration of the External Auditor. The profile of the External Auditor will be provided in the Information Statement and on the Company website for examination by the stockholders.

6. Approval of the Audited Financial Statements and Noting of Annual Report

The Audited Financial Statements as of December 31, 2024 (AFS 2024), to be approved by the Board upon the recommendation of the ARPT Committee, will be embodied in the Information Statement to be sent to the stockholders at least twenty-eight (28) days prior to the meeting. The AFS 2024 will also be released by the Company at least sixty (60) days from the financial year end and will be available at the Company website, www.globe.com.ph. A resolution noting the annual report and approving the AFS 2024 will be presented to the stockholders for approval by the affirmative vote of the stockholders representing at least a majority of the outstanding voting stock present at the meeting. The Company's annual report, titled Integrated Report, will contain the "Message from the Chairman" and the "Report of the President," and will be available by April 15, 2025 at the Company website, www.globe.com.ph.

Consideration of Such Other Business as May Properly Come Before the Meeting

The Chairman will take up agenda items received from stockholders on or before April 15, 2025 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines⁴.

Presentation of Management and Open Forum

The Chairman, Mr. Jaime Augusto Zobel de Ayala, and the President and Chief Executive Officer, Mr. Ernest L. Cu, will report on the performance of the Company in 2024 and the outlook for 2025. The Company's performance is also embodied in the Company's annual report, titled Integrated Report. A soft copy of the Integrated Report will be posted on the Company's website, www.globe.com.ph.

The Chairman will open the floor for comments and questions by the stockholders.

⁴ SEC Memorandum Circular No. 14, series of 2020 or "Shareholders' Right to Put items on the Agenda for Regular/Special Stockholders' Meetings": <https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-special-stockholders-meetings/>.

PROXY AND VOTING INSTRUCTION

1. IDENTIFICATION

This Proxy, when properly executed, will be voted in the manner herein directed by the stockholder(s) in connection with the Annual Stockholders' Meeting of **GLOBE TELECOM, INC.** to be held on April 22, 2025 at 9:00 o'clock in the morning.

2. INSTRUCTIONS

The undersigned stockholder of **GLOBE TELECOM, INC.** (the "Corporation") hereby appoints the *Chairman of the Meeting* of the stockholders, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of the stockholders of the Corporation on April 22, 2025 and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matter to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the approval of the resolution on the matter stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statements and as recommended by the Chairman.

1. Approval of minutes of previous meeting

☐ For ☐ Against ☐ Abstain

2. Ratification of the acts of the Board of Directors and Officers

☐ For ☐ Against ☐ Abstain

3. Election of directors

	No. of Votes
Jaime Augusto Zobel de Ayala	_____
Tan Mee Ling Aileen	_____
Jaime Alfonso Antonio Zobel de Ayala	_____
Ng Kuo Pin	_____
Delfin L. Lazaro	_____
Cezar P. Consing	_____
Carl Raymond R. Cruz	_____
 <u>Independent Directors:</u>	
Cirilo P. Noel	_____
Natividad N. Alejo	_____
Ramon L. Jocson	_____
Antonio Jose U. Periquet, Jr.	_____

4. Approval of the Offer, Issuance or Reissuance, and Listing of up to Forty Million Non-Voting Preferred Shares

☐ For ☐ Against ☐ Abstain

5. Election of External Auditor and Fixing of its Remuneration

☐ For ☐ Against ☐ Abstain

6. Approval of the Audited Financial Statements and Noting of Annual Report

☐ For ☐ Against ☐ Abstain

7. Other Matters

At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.

☐ For ☐ Against

A scanned copy of this Proxy and Voting Instruction should be received by the Corporate Secretary at corporatesecretary@globe.com.ph on or before **April 8, 2025**, the deadline for submission of Proxies. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory/ies to appoint the Proxy and sign this form.

3. REVOCABILITY OF PROXY

The Proxy and Voting Instruction may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. The Proxy and Voting Instruction is also considered revoked if the stockholder registers and votes on the Corporation's secured online voting system before or during the Annual Stockholders' Meeting of the Corporation on April 22, 2025. Shares represented by an unrevoked Proxy will be voted as authorized by the stockholder.

4. PERSON MAKING THE SOLICITATION

The Corporation is not soliciting a proxy.

5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon. The Corporation has not received any written information from anyone seeking to oppose any action to be taken up in the Annual Stockholders' Meeting of the Corporation.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

SIGNATURE OF
STOCKHOLDER / AUTHORIZED
SIGNATORY OVER PRINTED
NAME

NUMBER OF SHARES

DATE

SECURITIES AND EXCHANGE COMMISSION

Information Statement of GLOBE TELECOM, INC. Pursuant to Section 20 of the Securities Regulation Code

1. Check the appropriate box:

☐ Preliminary Information Sheet

☒ Definitive Information Sheet

2. Name of Registrant as specified in its Charter: GLOBE TELECOM, INC.

3. Province, country or other jurisdiction or incorporation or organization: REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number: 1177

5. BIR Tax Identification Code: 000-768-480-000

6. Address of Principal Office: The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City, Taguig
1634

7. Registrant's telephone number, including area code: (632) 7797 2000

8. Date, time and place of the meeting of security holders:

Date - April 22, 2025
Time - 9:00 AM

Online web addresses/URLs

(for participation by

remote communication) - <https://www.globe.com.ph/asm2025>

(for voting in absentia) - <https://conveneagm.com/ph/2025GLOBEASM>

9. Approximate date on which the Information Statement is to be first sent or given to security holders:
March 25, 2025

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

a. Shares of Stock as of 31 January 2025

<u>Title of each class</u>	<u>Par value</u>	<u>No. of shares</u>	<u>Amount</u>
Common	₱ 50	144,380,334	₱ 7,219,016,700
Voting Preferred	5	158,515,021	792,575,105
Series A Non-Voting			
Perpetual Preferred*	50	<u>20,000,000</u>	<u>1,000,000,000</u>
		<u>322,895,355</u>	₱ <u>9,011,591,805</u>

**Treasury Shares*

b. Amount of Debt Outstanding

Globe had no outstanding retail bonds as of December 2024 due to the full redemption of the ₱3,000.00 million retail bonds in July 2023.

11. Are any or all of the registrant's securities listed in a Stock Exchange

 √

Yes

 No

The shares of the Company have been traded in the Philippine Stock Exchange (PSE) and its predecessors since 1975. As of 31 January 2025, 144,380,334 Common, 20,000,000 Non-voting Preferred Shares and 158,515,021 Voting Preferred shares are listed in the PSE. The 20,000,000 Non-voting Preferred Shares are held in Treasury by the Company.

#

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INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of stockholders (hereafter, the “annual stockholders’ meeting” or “meeting”)

- a. Date - April 22, 2025
- Time - 9:00 A.M.
- Principal Office - The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City, Taguig City

Online web addresses/URLs

(for participation by

remote communication) - <https://www.globe.com.ph/asm2025>

(for voting in absentia) - <https://conveneagm.com/ph/2025GLOBEASM>

- b. Approximate date when the Information Statement is first to be sent to stockholders: approximately on or before March 25, 2025

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Item 2. Dissenter’s Right of Appraisal

Under Section 80, Title X of the Revised Corporation Code of the Philippines (“Revised Corporation Code”), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders 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;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

Section 81 of the Revised Corporation Code provides:

Section 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 market value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That the 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 stockholders’ shares, or 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 share to the corporation.

No matters or actions that may give rise to a possible exercise by stockholders of their appraisal rights will be taken up at the meeting.

Item 3. Interest of Certain Persons in or Oppositions to Matters to be Acted Upon

None of the Directors or Executive Officers of the Company have any personal involvement or interest, either direct or indirect, in the matters to be acted upon.

No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. Number of Shares Outstanding as of January 31, 2025:

Common	144,380,334
Voting Preferred	158,515,021

Security	Issued & Outstanding Shares	Shares Owned by Foreigners	% of foreign ownership to total voting & o/s shares
Common	144,380,334	78,940,339	
Voting Preferred	158,515,021	0	
	302,895,355	78,940,339	26.06%

Foreign Ownership Level (%) on all Outstanding shares is 26.06% (78,940,339 / 302,895,355) which is well within the 40% ownership limit.

- b. Number of Votes Entitled: one (1) vote per share
- c. All stockholders of record as of March 7, 2025 are entitled to notice and to vote at the Annual Stockholders' Meeting
- d. Manner of Voting

Article I Section 7 of the By-Laws provides:

“Section 7. Voting - At every meeting of the stockholders of the Company, every stockholder entitled to vote shall be entitled to one vote for each share of stock standing in his name on the books of the Company; provided that the share has not been declared as delinquent. In the case of election of directors, every stockholder entitled to vote shall be entitled to accumulate his votes in accordance with the provision of law in such case made and provided. (As amended on 31 March 1997 and 13 November 2020)

Any stockholder entitled to vote may vote in person, through remote communication, *in absentia*, or be represented by proxy at any regular or special stockholders' meetings, subject to compliance with rules and regulations as may be issued by the Securities and Exchange Commission from time to time. Stockholders casting votes through remote communication or *in absentia*, electronically or otherwise, shall be deemed present for purposes of determining the existence of a quorum. (As amended on 13 November 2020)

Proxies shall be in writing and signed by the stockholder and in accordance with the existing laws, rules and regulations of the Securities and Exchange Commission. Duly accomplished proxies must be submitted to the office of the Corporate Secretary not later than seven (7) business days prior to the date of the stockholders' meeting. Validation of proxies shall be conducted at least five (5) business days prior to the date of the stockholders' meeting. (As amended on 13 November 2020)”

In case of election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Corporation has set up a designated online web address (uniform resource locator or URL) at

<https://conveneagm.com/ph/2025GLOBEASM> which may be accessed by the stockholders to register and vote *in absentia* on the matters for resolution at the meeting. A stockholder who votes *in absentia* as well as a stockholder who participates by remote communication shall be deemed present for purposes of quorum. The detailed instructions for electronic voting *in absentia* are set forth in Annex F of this Information Statement.

e. Security Ownership of Certain Record and Beneficial Owners and Management as of January 31, 2025

i. Security Ownership of Certain Record and Beneficial Owners (of more than 5%)

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	% of total voting and o/s shares ⁶
Voting Preferred	Asiacom Philippines, Inc. ¹ 34/F Tower 1 Bldg. Ayala Ave., Makati City	Asiacom Philippines, Inc. (hereafter, "Asiacom")	Filipino	158,515,017	52.33%
Common	Singapore Telecom Int'l. Pte. Ltd. (STI) ² 31 Exeter Road, Comcentre, Singapore	Singapore Telecom Int'l. Pte. Ltd.	Singaporean	62,646,487	20.68%
Common	PCD Nominee Corp. (Non-Filipino) G/F MSE Bldg. 6767, Ayala Avenue, Makati City	Singapore Telecom Int'l. Pte. Ltd.	Singaporean	4,732,823	1.56%
Common	Ayala Corporation ³ 39/F Ayala Gardens Tower 2, Paseo de Roxas cor Makati Avenue, Makati City	Ayala Corporation ("AC")	Filipino	44,266,630	14.61%
Common	PCD Nominee Corp. (Filipino) G/F MSE Bldg. 6767, Ayala Avenue, Makati City	PCD Participants acting for themselves or for their customers	Various Filipino	19,003,556	6.27%
Common	PCD Nominee Corp. (Non-Filipino) ⁴ G/F MSE Bldg. 6767, Ayala Avenue, Makati City	PCD Participants acting for themselves or for their customers ⁵	Various Non-Filipino	11,482,156	3.79%

¹ Asiacom Philippines, Inc. is a significant shareholder of the Company. As per the Asiacom By-laws and the Corporation Code, the Board of Directors of Asiacom has the power to decide how the Asiacom shares in Globe are to be voted. Mr. Jaime Augusto Zobel de Ayala has been named and appointed to exercise the voting power.

² STI, a wholly-owned subsidiary of Singtel (Singapore Telecom), is a significant shareholder of the Company. As per its By-laws, STI, through its appointed corporate representatives, has the power to decide how the STI shares in Globe are to be voted. Ms. Tan Mee Ling Aileen and Mr. Ng Kuo Pin have been appointed by Singtel as the authorized Corporate Representatives of the company to exercise all powers on behalf of the company at all General Meetings of Globe Telecom, Inc.

³ Ayala Corporation is a significant shareholder of the Company. As per the AC By-laws & the Corporation Code, the Board of Directors of AC has the power to decide how AC shares in Globe are to be voted. Mr. Jaime Augusto Zobel de Ayala has been named and appointed to exercise the voting power.

⁴ The PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. and is not related to the Company. It is the registered owner in the Company's books and holds shares on behalf of PCD participants and their clients.

⁵ Each beneficial owner of shares through a PCD participant will be the beneficial owner to the extent of the number of shares in his account with the PCD participant. None of the 35,218,535 common shares registered in the name of PCD Nominee Corporation beneficially owns more than 5% of the Company's outstanding shares.

⁶ Total outstanding shares include common and voting preferred.

ii. Security Ownership of Directors and Management (Key Officers)

<i>Title of Class and Nature of Beneficial Ownership</i>	<i>Name of Beneficial Owner</i>	<i>Amount</i>	<i>Citizenship</i>	<i>% of Total Voting Shares</i>	<i>% of Total Outstanding Shares</i>
Directors***					
Common (direct)	Jaime Augusto Zobel de Ayala	2	Filipino	0.00%	0.00%
Common (indirect thru Ayala Corporation as nominee share)		1		0.00%	0.00%
Common (direct)	Delfin L. Lazaro	1	Filipino	0.00%	0.00%
Common (direct)	Tan Mee Ling Aileen	2	Singaporean	0.00%	0.00%
Common (direct)	Jaime Alfonso Antonio E. Zobel de Ayala	1	Filipino	0.00%	0.00%
Common (direct)	Cezar P. Consing	1	Filipino	0.00%	0.00%
Common (indirect thru PCD)	Natividad N. Alejo	100	Filipino	0.00%	0.00%
Common (direct	Ng Kuo Pin	2	Singaporean	0.00%	0.00%
Voting Preferred (direct)	Cirilo P. Noel	1	Filipino	0.00%	0.00%
Common (indirect thru Campden Hill Group, Inc.)	Antonio Jose U. Periquet, Jr.	32,485	Filipino	0.00%	0.02%
Voting Preferred (direct)		1		0.00%	0.00%
Voting Preferred (direct)	Ramon L. Jocson	1	Filipino	0.00%	0.00%
Common (direct)	Ernest L. Cu	107,044	Filipino	0.06%	0.07%
Common (indirect thru PCD)		200,723		0.03%	0.13%
Common (indirect thru spouse)		1,688		0.00%	0.00%
Voting Preferred (direct)		1		0.00%	0.00%
Officers***					
Common (direct)	Juan Carlo C. Puno ³	1,270	Filipino	0.00%	0.00%
Common (indirect thru PCD)		0		0.00%	0.00%
Common (direct)	Renato M. Jiao	37,955	Filipino	0.01%	0.02%
Common (indirect thru PCD)		2,883		0.00%	0.00%
Common (indirect thru PCD)	Rebecca V. Eclipse	34,718	Filipino	0.01%	0.02%
Common (direct)		10,120		0.01%	0.00%

Common (direct)	Vicente Froilan M. Castelo	4,031	Filipino	0.01%	0.00%
Common (indirect thru PCD)		2,338		0.00%	0.00%
Common (direct)	Maria Franchette M. Acosta ¹	0	Filipino	0.00%	0.00%
Common (direct)	Marisalve Ciocson-Co	8,753	Filipino	0.00%	0.00%
Common (indirect thru PCD)		3,956		0.00%	0.00%
Common (direct)	Darius Jose R. Delgado ²	1,924	Filipino	0.01%	0.00%
Common (indirect thru PCD)		0		0.00%	0.00%
Common (direct)	Maria Yolanda C. Crisanto	3,760	Filipino	0.00%	0.00%
Common (indirect thru PCD)		2,904		0.00%	0.00%
Common (direct)	Raul M. Macatangay	6,310	Filipino	0.00%	0.00%
Common (indirect thru PCD)		1,467		0.00%	0.00%
Common (direct)	Carmeli Pauline M. Briones	16,557	Filipino	0.01%	0.00%
Common (direct)	Carl Raymond R. Cruz ⁴	0	Filipino	0.00%	0.00%
All Directors and Officers as a group (Common)		480,996		0.16%	0.16%
All Directors and Officers as a group (Voting Preferred)		4		0.00%	0.00%

¹ Corporate Disclosure for the appointment of Atty. Maria Franchette M. Acosta as our Corporate Secretary was submitted on [05 April 2024](#).

² Corporate Disclosure for the appointment of Mr. Darius Jose R. Delgado as our Chief Commercial Officer (CCO) was submitted on [28 August 2024](#).

³ Corporate Disclosure for the appointment of Mr. Juan Carlo C. Puno as Chief Financial Officer (CFO), Treasurer, and Chief Risk Officer (CRO) was submitted on [16 September 2024](#).

⁴ Corporate Disclosure for the appointment of Mr. Carl Raymond R. Cruz as Deputy Chief Executive Officer was submitted on [22 October 2024](#).

*** Based on the SEC Form 23-A (Initial Statement of Beneficial Ownership of Securities) and SEC Form 23-B (Statement of Changes in Beneficial Ownership of Securities) as disclosed with the PSE.

None of the members of the Company's Board of Directors and management owns 2% or more of the outstanding capital stock of the Company. All directors and key officers are required, within 3 trading days upon change in their ownership of securities, to submit the statement of changes of ownership in Globe securities in relation to their trades to the office of the Chief Compliance Officer for immediate submission and disclosure to the SEC and the PSE, among other pertinent market regulators. Once submission and disclosure to pertinent regulatory agencies are completed, the same is reflected in the Company's relevant reports and under "Statements of Beneficial Ownership" of the SEC/PSE Disclosures page of the Company website⁵.

iii. Voting Trust Holders of 5% or More

There are no voting trust holders of 5% or more.

⁵ Company website – "PSE/SEC Disclosures": <https://www.globe.com.ph/about-us/investor-relations/sec-pse-disclosures.html>.

iv. Changes in Control

No change of control in the Company has occurred since the beginning of last fiscal year.

Item 5. Directors and Executive Officers

Article II Section 1 of the Company's By-Laws provides in part:

"Section 1. Corporate Powers - xxx corporate power of the corporation shall be exercised, its business conducted, and its property controlled by its board of directors, who shall be elected individually by the stockholders entitled to vote at the annual meeting and shall hold office for one year and until their successors are elected and qualified. The number of directors shall be eleven (11) (As amended on 22 March 2004), which shall include such number of independent directors as may be required by laws, rules and regulations. (As amended on 13 November 2020)"

Article III Section 2 of the Company's By-Laws likewise provides:

"Section 2. Election - Officers shall be elected by each new board at the first meeting after its election. Every officer shall be subject to removal at any time by the Board of Directors, but all officers unless removed, shall hold office until their successors are appointed. If any vacancy shall occur among the officers of the Company, such vacancy shall be filled by the Board of Directors."

a. Attendance

Consistent with our corporate governance policy and the SEC's Memorandum Circular No. 15, Series of 2017 or the Integrated Annual Corporate Governance Report (i-ACGR), we advise pertinent regulators of the summary of attendance of our Board of Directors to Board meetings held for the year. In 2024, a total of eight (8) Board meetings were held by the Board of Directors. The attendance of each Board member is enumerated below:

Directors	No. of Meetings Attended/Held*	Percent Present
Jaime Augusto Zobel de Ayala	7/8	87.5%
Tan Mee Ling Aileen	8/8	100%
Jaime Alfonso Antonio Zobel de Ayala	7/8	87.5%
Ng Kuo Pin	6/8	75%
Ernest L. Cu	8/8	100%
Delfin L. Lazaro	8/8	100%
Cezar P. Consing	8/8	100%
Cirilo P. Noel	8/8	100%
Natividad N. Alejo	7/8	87.5%
Ramon L. Jocson	8/8	100%
Antonio Jose U. Periquet, Jr.	8/8	100%

All members of the Board of Directors attended the regular Annual Stockholders' Meeting (ASM) held on April 24, 2024. Meanwhile, the attendance of each member of the Board of Directors according to their respective Committee meetings is enumerated below:

Total Meetings	Board Committee	Members	Present*	Absent*
4	Executive	Jaime Augusto Zobel de Ayala	4	-
		Tan Mee Ling Aileen	4	-
		Ernest L. Cu	4	-
		Ng Kuo Pin	3	1
		Cezar P. Consing	4	-
4	Audit and Related Party Transactions	Cirilo P. Noel	4	-
		Natividad N. Alejo	4	-
		Antonio Jose U. Periquet, Jr.	4	-
		Ramon L. Jocson	4	-

2	Compensation and Remuneration	Jaime Alfonso Antonio Zobel de Ayala	2	-
		Cirilo P. Noel	2	-
		Tan Mee Ling Aileen	2	-
		Antonio Jose U. Periquet, Jr.	2	-
		Ramon L. Jocson	2	-
2	Nomination and Governance	Cirilo P. Noel	2	-
		Ramon L. Jocson	2	-
		Antonio Jose U. Periquet, Jr.	2	-
5	Finance	Cezar P. Consing	5	-
		Ng Kuo Pin	5	-
		Natividad N. Alejo	5	-
4	Board Risk Oversight and Sustainability Committee	Natividad N. Alejo	4	-
		Jaime Alfonso Antonio Zobel de Ayala	4	-
		Ramon L. Jocson	4	-
		Antonio Jose U. Periquet, Jr.	4	-

b. Information required of Directors and Executive Officers

i. Directors and Executive Officers – Please refer to Annex “A” for details.

The following have been nominated to the Board of Directors (BOD) for election at the annual meeting of stockholders on April 22, 2025:

Name	Age	Citizenship	Date of First Nomination to BOD
Jaime Augusto Zobel de Ayala	65	Filipino	March 1989
Tan Mee Ling Aileen	57	Singaporean	April 2023
Jaime Alfonso Antonio Zobel de Ayala	34	Filipino	November 2022
Ng Kuo Pin	56	Singaporean	October 2021
Carl Raymond R. Cruz	54	Filipino	April 2025
Delfin L. Lazaro	78	Filipino	January 1997
Cezar P. Consing	65	Filipino	April 2021
Cirilo P. Noel	67	Filipino	April 2018
Natividad N. Alejo	68	Filipino	April 2023
Ramon L. Jocson	64	Filipino	April 2023
Antonio Jose U. Periquet, Jr.	63	Filipino	April 2023

The nomination for the above nominees was formally submitted to the Nomination and Governance Committee by a minority shareholder, Mr. Paulino D. Ungos, Jr. Ms. Natividad N. Alejo, Mr. Ramon L. Jocson, Mr. Antonio Jose U. Periquet, Jr., and Mr. Cirilo P. Noel were nominated as independent directors. Mr Ungos is not related to any of the nominees and owns less than 0.01% of the outstanding voting capital stock of the Company.

Please refer to Annex “A” for a summary of their qualifications and the Certificates of Qualification of the nominated Independent Directors for election at the Annual Stockholders’ Meeting on April 22, 2025.

The Company has adopted the SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and compliance therewith has been made. The Board of Directors approved the amendments to the By-Laws to adopt the requirements of pertinent laws, rules and regulations in the election of independent directors on November 13, 2020 and the Securities and Exchange Commission (SEC) approved the amendments on February 23, 2021. The Board of Directors likewise approved the amendments to the Manual of Corporate Governance to adopt SRC Rule 38 on May 9, 2017 and have since complied with all its provisions.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the Annual Stockholders’ Meeting.

ii. Significant Employees

The Company considers all its employees to be significant partners and contributors to the business.

iii. Family Relationships

The Chairman, Jaime Augusto Zobel de Ayala and a Director, Jaime Alfonso Antonio Zobel de Ayala, are father and son.

There are no known family relationships between the current members of the Board of Directors and key officers other than the above.

iv. Involvement in Certain Legal Proceedings

(1) Directors, Officers - None of the directors, officers or members of the Company's senior management had during the last five years, been subject to any of the following:

- (a) any bankruptcy, petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to the time;
- (b) any conviction by final judgment of any offense in any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities; and
- (d) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

(2) Globe Telecom, Inc. – Below are all the significant legal proceedings involving the Company: (see Note 34 of the attached consolidated financial statement)

Interconnection Charge for Short Messaging Service

On October 10, 2011, the NTC issued Memorandum Circular (MC) No. 02-10-2011 titled Interconnection Charge for Short Messaging Service requiring all public telecommunication entities to reduce their interconnection charge to each other from ₱0.35 to ₱0.15 per text, which Globe Telecom complied as early as November 2011. On December 11, 2011, the NTC One Stop Public Assistance Center (OSPAC) filed a complaint against Globe Telecom, Smart and Digitel alleging violation of the said MC No. 02-10-2011 and asking for the reduction of SMS off-net retail price from ₱1.00 to ₱0.80 per text. Globe Telecom filed its response maintaining the position that the reduction of the SMS interconnection charges does not automatically translate to a reduction in the SMS retail charge per text.

On November 20, 2012, the NTC rendered a decision directing Globe Telecom to:

- Reduce its regular SMS retail rate from ₱1.00 to not more than ₱0.80;
- Refund/reimburse its subscribers the excess charge of ₱0.20; and
- Pay a fine of ₱200.00 per day from December 1, 2011 until date of compliance.

On May 7, 2014, NTC denied the Motion for Reconsideration (MR) filed by Globe Telecom last December 5, 2012 in relation to the November 20, 2012 decision. Globe Telecom's assessment is that Globe Telecom is in compliance with the NTC Memorandum Circular No. 02-10-2011. On June 9, 2014, Globe Telecom filed a petition for review of the NTC decision and resolution with the Court of Appeals (CA).

The CA granted the petition in a resolution dated September 3, 2014 by issuing a 60-day temporary restraining order on the implementation of Memorandum Circular 02-10-2011 by the NTC. On October 15, 2014, Globe Telecom posted a surety bond to compensate for possible damages as directed by the CA.

On June 27, 2016, the CA rendered a decision reversing the NTC's abovementioned decision and resolution requiring telecommunications companies to cut their SMS rates and return the excess amount paid by subscribers. The CA said that the NTC order was baseless as there is no showing that the reduction in the SMS rate is mandated under MC No. 02-10-2011; there is no showing, either, that the present P1.00 per text rate is unreasonable and unjust, as this was not mandated under the memorandum. Moreover, under the NTC's own MC No. 02-05-2008, SMS is a value-added service (VAS) whose rates are deregulated. The respective motions for reconsideration filed by NTC and that of intervenor Bayan Muna Party List (Bayan Muna) Representatives Neri Javier Colmenares and Carlos Isagani Zarate were both denied.

The NTC thus elevated the CA's ruling to the Supreme Court (SC) via a Petition for Review on Certiorari dated September 15, 2017.

For its part, Bayan Muna filed its own Petition for Review on Certiorari of the CA's Decision. On January 4, 2018, Globe received a copy of the SC's Resolution dated November 6, 2017, requiring it to comment on said petition of Bayan Muna. Subsequently, on February 21, 2018, Globe received a copy of the SC's Resolution dated December 13, 2017 consolidating the Petitions for Review filed by Bayan Muna and NTC, and requiring Globe to file its comment on the petition for review filed by NTC. Thus, on April 2, 2018, Globe filed its Consolidated Comment on both Bayan Muna and the NTC's petitions for review. On September 18, 2018, Globe received a copy of Bayan Muna's Consolidated Reply to Globe's Consolidated Comment and Digitel and Smart's Comment.

Globe Telecom believes that it did not violate NTC MC No. 02-10-2011 when it did not reduce its SMS retail rate from Php 1.00 to Php 0.80 per text, and hence, would not be obligated to refund its subscribers. However, if it is ultimately decided by the Supreme Court (on the appeal taken thereto by the NTC from the adverse resolution of the CA) that Globe Telecom is not compliant with said circular, Globe may be contingently liable to refund to its subscribers the ₱0.20 difference (between ₱1.00 and ₱0.80 per text) reckoned from November 20, 2012 until said decision by the SC becomes final and executory. Management does not have an estimate of the potential claims currently.

Guidelines on Unit of Billing of Mobile Voice Service

On July 23, 2009, the NTC issued NTC MC No. 05-07-2009 (Guidelines on Unit of Billing of Mobile Voice Service). The MC provides that the maximum unit of billing for the Cellular Mobile Telephone System (CMTS) whether postpaid or prepaid shall be six (6) seconds per pulse. The rate for the first two (2) pulses, or equivalent if lower period per pulse is used, may be higher than the succeeding pulses to recover the cost of the call set-up. Subscribers may still opt to be billed on a one (1) minute per pulse basis or to subscribe to unlimited service offerings or any service offerings if they actively and knowingly enroll in the scheme.

On December 28, 2010, the Court of Appeals (CA) rendered its decision declaring null and void and reversing the decisions of the NTC in the rates applications cases for having been issued in violation of Globe Telecom and the other carriers' constitutional and statutory right to due process. However, while the decision is in Globe Telecom's favor, there is a provision in the decision that NTC did not violate the right of petitioners to due process when it declared via circular that the per pulse billing scheme shall be the default.

On January 21, 2011, Globe Telecom and two other telecom carriers, filed their respective Motions for Partial Reconsideration (MPR) on the pronouncement that "the Per Pulse Billing Scheme shall be the default". The petitioners and the NTC filed their respective Motion for Reconsideration, which were all denied by the CA on January 19, 2012.

On March 12, 2012, Globe and Innove elevated to the SC the questioned portions of the Decision and Resolution of the CA dated December 28, 2010 and its Resolution dated January 19, 2012. The other service providers, as well as the NTC, filed their own petitions for review. The adverse parties have filed their comments on each other's petitions, as well as their replies to each other's comments. Parties were required to file their respective Memoranda and Globe filed its Memorandum on May 25, 2018.

On September 18, 2024, Globe and Innove received the SC Decision promulgated on February 13, 2023 sustaining the said CA's Decision dated December 28, 2010 and Resolution dated January 19, 2012. The dispositive portion of which reads:

Accordingly, the December 28, 2010 Decision and January 19, 2012 Resolution of the Court of Appeals in CA-G.R. SP Nos. 111947, 111970, 112006, and 112198 are upheld.

The December 5, 2009 Orders and December 9, 2009 Show Cause Orders and Cease and Desist Orders issued by the National Telecommunications Commission in NTC Case Nos. 2009-138, 2009-139, 99-121, 2009-140, 2009-268, 2009-269, 2009-270, and 2009-271 are reversed and set aside.

The writ of preliminary injunction issued by the Court of Appeals in CA-G.R. SP Nos. 111947 and 111970 enjoining the National Telecommunications Commission and its representatives from enforcing all the assailed Orders in the two cases, are hereby made permanent. The National Telecommunications Commission and all persons acting on its behalf are also permanently enjoined from implementing the assailed Orders in CA G.R. SP Nos. 112006 and 112198. So ordered.

NTC filed its Motion for Reconsideration (MR) of the SC's Decision promulgated on February 13, 2023, a copy of which was received by Globe and Innove on October 1, 2024. Globe and Innove await the SC's Resolution requiring the filing of comment on said MR.

Acquisition by Globe Telecom and PLDT of the Entire Issued and Outstanding Shares of VTI

In a letter dated June 7, 2016 issued by Philippine Competition Commission (PCC) to Globe Telecom, PLDT, SMC and VTI regarding the Joint Notice filed by the aforementioned parties on May 30, 2016, disclosing the acquisition by Globe Telecom and PLDT of the entire issued and outstanding shares of VTI, the PCC claims that the Notice was deficient in form and substance and concludes that the acquisition cannot be claimed to be deemed approved.

On June 10, 2016, Globe Telecom formally responded to the letter reiterating that the Notice, which sets forth the salient terms and conditions of the transaction, was filed pursuant to and in accordance with MC No. 16-002 issued by the PCC. MC No. 16-002 provides that before the implementing rules and regulations for RA No. 10667 (the Philippine Competition Act of 2015) come into full force and effect, upon filing with the PCC of a notice in which the salient terms and conditions of an acquisition are set forth, the transaction is deemed approved by the PCC and as such, it may no longer be challenged. Further, Globe Telecom clarified in its letter that the supposed deficiency in form and substance of the Notice is not a ground to prevent the transaction from being deemed approved. The only exception to the rule that a transaction is deemed approved is when a notice contains false material information. In this regard, Globe Telecom stated that the Notice does not contain any false information.

On June 17, 2016, Globe Telecom received a copy of the second letter issued by PCC stating that notwithstanding the position of Globe Telecom, it was ruled that the transaction was still subject for review.

On July 12, 2016, Globe Telecom asked the CA to stop the government's anti-trust body from reviewing the acquisition of SMC's telecommunications business. Globe Telecom maintains the position that the deal was approved after Globe Telecom notified the PCC of the transaction and that the anti-trust body violated its own rules by insisting on a review. On the same day, Globe Telecom filed a Petition for Mandamus, Certiorari and Prohibition against the PCC, docketed as CA-G.R. SP No. 146538. On July 25, 2016, the CA, through its 6th Division issued a resolution denying Globe Telecom's application for TRO and injunction against PCC's review of the transaction. In the same resolution, however, the CA required the PCC to comment on Globe Telecom's petition for certiorari and mandamus within 10 days from receipt thereof. The PCC filed said comment on August 8, 2016. In said comment, the PCC prayed that the ₱70.00 billion deal between PLDT-Globe Telecom and San Miguel be declared void for PLDT and Globe Telecom's alleged failure to comply with the requirements of the Philippine Competition Act of 2015. The PCC also prayed that the CA direct Globe Telecom to: cease and desist from further implementing its co-acquisition of the San Miguel telecommunications assets; undo all acts consummated pursuant to said acquisition; and pay the appropriate administrative penalties that may be imposed by the PCC under the Philippine Competition Act for the illegal consummation of the subject acquisition.

Meanwhile, PLDT filed a similar petition with the CA, docketed as CA G.R. SP No. 146528, which was raffled off to its 12th Division. On August 26, 2016, PLDT secured a TRO from said court. Thereafter, Globe Telecom's petition was consolidated with that of PLDT, before the 12th Division. The consolidation effectively extended the benefit of PLDT's TRO to Globe Telecom. The parties were required to submit their respective Memoranda, after which, the case shall be deemed submitted for resolution.

On February 17, 2017, the CA issued a Resolution denying PCC's Motion for Reconsideration dated September 14, 2016 for lack of merit. In the same Resolution, the Court granted PLDT's Urgent Motion for the Issuance of a Gag Order and ordered the PCC to remove the offending publication from its website and also to obey the sub judice rule and refrain from making any further public pronouncements regarding the transaction while the case remains pending. The Court also reminded the other parties, PLDT and Globe, to likewise observe the sub judice rule. For this purpose, the Court issued its gag order admonishing all the parties "to refrain, cease and desist from

issuing public comments and statements that would violate the sub judice rule and subject them to indirect contempt of court. The parties were also required to comment within ten days from receipt of the Resolution, on the Motion for Leave to Intervene, and Admit the Petition-in Intervention dated February 7, 2017 filed by Citizenwatch, a non-stock and non-profit association.

On April 18, 2017, PCC filed a petition before the SC docketed as G.R. No. 230798, to lift the CA's order that has prevented the review of the sale of San Miguel Corp.'s telecommunications unit to PLDT Inc. and Globe Telecom. On April 25, 2017, Globe filed before the SC a Motion for Intervention with Motion to Dismiss the petition filed by the PCC.

As of June 30, 2017, the SC did not issue any TRO on the PCC's petition to lift the injunction issued by the CA. Hence, the PCC remains barred from reviewing the SMC deal.

On July 26, 2017, Globe received the SC en banc Resolution granting Globe's Extremely Urgent Motion to Intervene. In the same Resolution, the Supreme Court treated as Comment, Globe's Motion to Dismiss with Opposition Ad Cautelam to PCC's Application for the Issuance of a Writ of Preliminary Injunction and/or TRO.

On August 31, 2017, Globe received another Resolution of the SC en banc, requiring the PCC to file a Consolidated Reply to the Comments respectively filed by Globe and PLDT, within ten (10) days from notice. On November 16, 2017, after several extensions of time were granted to the PCC, the Corporation through its external counsel, received a copy of the Consolidated Reply dated November 7, 2017 filed by the PCC.

In the meantime, in a Decision dated October 18, 2017, the CA, in CA-G.R. SP No. 146528 and CA-G.R. SP No. 146538, granted Globe and PLDTs Petition to permanently enjoin and prohibiting PCC from reviewing the acquisition and compelling the PCC to recognize the same as deemed approved. PCC elevated the case to the SC via Petition for Review on Certiorari.

On June 1, 2018, the Corporation received a copy of the Court of Appeals' Notice of Resolution dated May 25, 2018 and attached Resolution dated May 24, 2018 denying Citizenwatch's Motion for Partial Reconsideration on the ground of lack of legal standing and mootness. No further action has been taken since the Resolution dated May 24, 2018 of the Court of Appeals.

Co-use of frequencies by PLDT/Smart and Globe Telecom as a result of the acquisition of controlling shares in VTI

On January 21, 2019, Globe filed its Comment to a petition filed by lawyers Joseph Lemuel Baligod and Ferdinand Tecson before the Supreme Court, against the NTC, PCC, Liberty Broadcasting Network, Inc., (LBNI), Bell Telecommunications Inc. (BellTel), Globe, PLDT and Smart, docketed as G.R. No. 242352. The petition sought to, among others, enjoin PLDT/Smart and Globe from co-using the frequencies assigned to LBNI and BellTel in view of alleged irregularities in NTC's assignment of these frequencies to these entities. In its Comment, Globe argued that the frequencies were assigned in accordance with existing procedures prescribed by law and that to prevent the use of the frequencies will only result to its being idle and unutilized. Moreover, in view of the substantial investments made by Globe, for the use of these frequencies, enjoining its use will cause grave and irreparable injury not only to Globe but to subscribers who will be deprived of the benefits of fast and reliable telecommunications services. The other Respondents have likewise filed their respective Comments to the petition.

Right of Innove to Render Services and Build Telecommunications Infrastructure in BGC

PLDT and its affiliate, Bonifacio Communications Corporation (BCC) and Innove and Globe Telecom are in litigation over the right of Innove to render services and build telecommunications infrastructure in the Bonifacio Global City (BGC). In the case filed by Innove before the NTC against BCC, PLDT and the Fort Bonifacio Development Corporation (FBDC), the NTC has issued a Cease and Desist Order preventing BCC from performing further acts to interfere with Innove's installations in the BGC.

On January 21, 2011, BCC and PLDT filed with the CA a Petition for Certiorari and Prohibition against the NTC, et al. seeking to annul the Order of the NTC dated October 28, 2008 directing BCC, PLDT and FBDC to comply with the provisions of NTC MC 05-05-02 and to cease and desist from performing further acts that will prevent Innove from implementing and providing telecommunications services in the Fort Bonifacio Global City pursuant to the authorization granted by the NTC. On April 25, 2011, Innove Communications, filed its comment on the Petition.

On August 16, 2011, the CA ruled that the petition against Innove and the NTC lacked merit, holding that neither BCC nor PLDT could claim the exclusive right to install telecommunications infrastructure and provide telecommunications services within the BGC. Thus, the CA denied the petition and dismissed the case. PLDT

and BCC filed their motions for reconsideration thereto, which the CA denied.

On July 6, 2012, PLDT and BCC assailed the CA's rulings via a petition for review on certiorari with the Supreme Court. Innove and Globe filed their comment on said petition on January 14, 2013, to which said petitioners filed their reply on May 21, 2013. On December 22, 2021, Innove filed its Memorandum with the Supreme Court in compliance with the Court's Resolution dated October 06, 2021. The Supreme Court subsequently issued a Resolution dated September 14, 2022, directing the Clerk of Court of the Court of Appeals, Manila to elevate the complete records of CA G.R. SP No. 117535 to the Supreme Court within ten (10) days from receipt of said Resolution. In its Decision dated April 19, 2023, the Supreme Court dismissed BCC and PLDT's petition for lack of merit and affirmed the Court of Appeals' Decision dated August 16, 2011 and the Resolution dated May 18, 2012 in CA G.R. SP No. 117535, sustaining the NTC's cease and desist order versus the enforcement by PLDT and BCC of their so-called contractual exclusivity to provide telecommunications services in BGC. Finally, on November 6, 2023, Innove received the Supreme Court's Entry of Judgement certifying that on April 19, 2023, a decision was rendered and that the same has, on July 26, 2023, become final and executory and recorded in the Book of Entries of Judgments.

v. Trainings and Continuing Education Programs for the Directors and Key Officers

The Company recognizes the value of providing relevant training to its directors and has set aside an annual budget to allow them to attend continuing professional development programs, applicable courses, conferences, and seminars. In 2024, the directors and key officers of the Company joined seminars on corporate governance, both in-person and online, for at least four (4) hours, as follows:

Topics	Directors and Officers
The Board's Agenda: Building Businesses that Enable People to Thrive (Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit)	Jaime Augusto Zobel de Ayala Cezar P. Consing Delfin L. Lazaro Jaime Alfonso Antonio Zobel de Ayala Tan Mee Ling Aileen Ng Kuo Pin Cirilo P. Noel Ramon L. Jocson Juan Carlo C. Puno Renato M. Jiao Rebecca V. Eclipse Maria Yolanda C. Crisanto Raul M. Macatangay Maria Franchette M. Acosta Marisalve Ciocson-Co
Building a Working and Effective Board: Essential Steps to Success	Natividad N. Alejo
Building a Resilient Gokongwei Group: Corporate Governance Training on Sustainability, Cybersecurity and Integrity	Antonio Jose U. Periquet, Jr.
Who is Responsible for Your Corporate Culture	Ernest L. Cu Vicente Froilan M. Castelo Carmeli Pauline M. Briones Darius Jose R. Delgado
Health Governance: The Value for Strategic Purchasing	Ernest L. Cu Natividad N. Alejo Vicente Froilan M. Castelo Carmeli Pauline M. Briones Darius Jose R. Delgado

The aforementioned seminars were administered by or in partnership with the Institute of Corporate Directors, as well as other SEC-accredited training providers.

vi. Certain Relationships and Related Transactions

Globe, in their regular conduct of business, enters into transactions with its major stockholders, AC and Singtel, joint ventures and certain related parties. These transactions, which are accounted for at market prices normally charged to unaffiliated customers for similar goods and services, include the following:

Entities with joint control over Globe – AC and Singtel Group (see Note 19.1 of the attached consolidated financial statement)

Singtel Group

Interconnection agreements

Globe Telecom has interconnection agreements with Singtel Group. The interconnection revenues recognized in relation to the agreements amounted to ₱250.34 million, ₱336.00 million and ₱427.09 million in 2024, 2023 and 2022, respectively. The interconnection costs recognized in relation to the agreements amounted to ₱15.30 million, ₱23.05 million and ₱19.35 million in 2024, 2023 and 2022, respectively.

Technical assistance agreement

Globe Telecom and Singtel Group have a technical assistance agreement whereby Singtel Group will provide consultancy and advisory services, including those with respect to the construction and operation of Globe Telecom's networks and communication services, equipment procurement and personnel services. In addition, Globe Telecom has software development, supply, license and support arrangements, lease of cable facilities, maintenance and restoration costs and other transactions with Singtel Group. General and administrative expenses charged to profit or loss in relation to the agreement amounted to ₱202.19 million, ₱267.68 million and ₱157.85 million in 2024, 2023 and 2022, respectively.

AC

Subscription receivable

Globe Telecom, Innove and BTI earn subscriber revenues from AC. Service revenues recognized from AC amounted to ₱41.84 million, ₱39.22 million and ₱23.27 million in 2024, 2023 and 2022, respectively.

Cost reimbursements

Globe Telecom reimburses AC for certain operating expenses. Total expense recognized by Globe from the transaction amounted to ₱58.41 million, ₱54.87 million and ₱40.13 million in 2024, 2023 and 2022, respectively.

Joint Ventures in which the Globe is a venturer (see Note 19.2 of the attached consolidated financial statement)

BMPL

Globe Telecom has a preferred roaming service contract with BMPL. Under this contract, Globe Telecom will pay BMPL for services rendered by the latter which include, among others, coordination and facilitation of preferred roaming arrangement among JV partners, and procurement and maintenance of telecommunications equipment necessary for delivery of seamless roaming experience to customers. Globe Telecom also incurs commission from BMPL for regional top-up service provided by the JV partners. The net outstanding liabilities to BMPL related to these transactions amounted to ₱4.60 million and ₱2.78 million as of December 31, 2024 and 2023, respectively. Total expenses recognized related to these transactions amounted to ₱39.21 million, ₱20.14 million and ₱26.22 million in 2024, 2023, and 2022, respectively.

Mynt

Management support services

Globe renders certain management support services to Mynt. The management services also include the use of Globe's network and facilities to conduct Mynt's operations. Management fee income amounted to ₱80.84 million, ₱64.77 million and ₱165.43 million in 2024, 2023, and 2022, respectively (see Note 22 of the attached consolidated financial statement).

Leases

Globe has lease arrangements with Mynt for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱105.36 million, ₱16.47 million and nil in 2024, 2023 and 2022, respectively.

Service agreement

Mynt offers over-the-air reloading to the mobile prepaid subscribers of Globe using the Gcash mobile application. This entitles Mynt to a certain percentage share of the prepaid load sales through the Gcash platform.

Mynt also provides a virtual GCash wallet to Globe and functions as an Internet Payment Gateway. This enables the subscribers of Globe to purchase Globe products and settle postpaid bills using the GCash platform.

Expense charged to profit or loss in relation to these arrangements amounted to ₱3,302.88 million, ₱3,523.51 million and ₱3,327.75 million in 2024, 2023 and 2022, respectively.

Outstanding Gcash wallet balance as of December 31, 2024 and 2023 amounted to ₱344.96 million and ₱320.14 million, respectively.

Share Purchase Agreement

On September 8, 2023, Mynt entered into a definitive agreement with AB Capital & Investment Corporation, an entity controlled by a member of the Board of Directors of Globe, to acquire up to a 50.0% equity stake in AB Capital Securities, Inc. ("ABCSI"). As of December 31, 2024, Mynt has closed the two investment tranches and currently owns 16% of ABSCL.

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Mynt for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million. The closing of the transaction and actual transfer of ownership is still subject to PCC approval. As of December 31, 2024, PCC review is still in progress (*See Note 14.2 of the attached consolidated financial statement*).

On September 27, 2024, ECPay declared dividends to its existing shareholders. Globe Telecom received cash amounting to ₱500.50 million presented as dividends received in Globe's consolidated statement of cashflows.

Globe STT GDC, Inc.

Management fees

Globe renders certain management support services to Globe STT GDC. Management fees recognized in relation to the services rendered amounted to ₱36.56 million, ₱75.75 million and ₱83.14 million in 2024, 2023 and 2022, respectively (*see Note 22 of the attached consolidated financial statement*).

Reimbursement of expenses

In the normal course of business, Globe STT GDC reimburse expenses to Globe amounting to ₱28.74 million, ₱41.80 million and ₱121.32 million recognized as other income in 2024, 2023 and 2022, respectively.

Leases

Globe has lease arrangements with Globe STT GDC for the use of certain telecommunication and data center facilities. Lease expenses capitalized as right of use assets amounted to ₱1,747.48 million and ₱1,639.64 million in 2024 and 2023, respectively.

Globe has lease arrangements with Globe STT GDC for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱106.40 million, ₱113.05 million and ₱62.47 million in 2024, 2023 and 2022, respectively.

Transactions with the other related parties (see Note 19.3 of the attached consolidated financial statement)

Globe Retirement Plan (GRP)

Globe granted various loans to the GRP at an interest rate of 5.50%, which matured on September 11, 2020. Upon maturity, the loan was extended until September 11, 2023 with the interest rate reduced to 4.25% per annum. In April 2022, Globe Telecom collected ₱408.00 million as full settlement. On May 5, 2021, Globe granted additional loans to the GRP at an interest rate of 6%, which will mature on May 26, 2026. Interest income amounted to ₱155.42 million, ₱155.00 million and ₱160.25 million in 2024, 2023 and 2022, respectively (*see Note 21 of the attached consolidated financial statement*). As of December 31, 2024 and 2023, the outstanding balance of loan receivable from GGRP amounted to ₱2,547.94 million (*see Note 10 of the attached consolidated financial statement*).

BHI

GRP owns 100% of BHI, a domestic corporation organized to invest in media ventures. BHI has controlling interest in Altimax Broadcasting Co., Inc. (Altimax) and Broadcast Enterprises and Affiliated Media Inc. (BEAM), respectively.

BEAM

On February 1, 2009, Globe entered into a memorandum of agreement (MOA) with BEAM for the latter to render mobile television broadcast service to Globe subscribers using the mobile TV service. Globe recognized expenses amounting to ₱203.00 million, ₱215.00 million and ₱215.00 million in 2024, 2023 and 2022, respectively.

Altimax

On October 1, 2009, Globe entered into a MOA with Altimax for Globe's co-use of specific frequencies of Altimax's for the rollout of broadband wireless access to Globe's subscribers.

On March 21, 2022 Altimax's Frequency was reallocated to Globe following the approval of the National Telecommunications Commission (NTC) to reclassify the Frequency to broadband wireless access. Total consideration amounting to ₱3,150.00 million was subsequently paid in April 1, 2022.

JVHI

Globe granted a loan to JVHI at an interest rate of 5.94%, which will mature on January 19, 2028. In 2023, Globe granted additional loan to JVHI at an interest of 7.88%, which will mature on January 19, 2028. In October 2024, Globe Telecom collected ₱101.00 million as partial settlement of the loan. Interest income amounted to ₱81.34 million, ₱59.79 and ₱21.49 million in 2024, 2023 and 2022, respectively (*see Note 21 of the attached consolidated financial statement*). As of December 31, 2024 and 2023, the outstanding balance of loan receivable from JVHI amounted to ₱1,216.00 million and ₱1,317.00 million, respectively (*see Note 10 of the attached consolidated financial statement*).

917Ventures Group Retirement Plan owns 99.99% of JVHI's outstanding shares. The Plan was established by GCVHI and registered with the Bureau of Internal Revenue on May 12, 2021 to fund the retirement and separation benefits of the participating and qualified employees of 917Ventures, BCHI and AI.

Others

Globe earns service revenues, maintains money market placements and cash in bank balances, acquires transportation equipment and incurs general, selling and administrative expenses such as rentals, utilities and customer contract services, from entities which are either controlled, jointly controlled or significantly influenced by AC.

The following compensation of key management personnel were recognized as expenses in 2024 and 2023 which includes accrued but unpaid amounts for the years ended:

	2024	2023
	(In Thousand Pesos)	
Short-term employee benefits	₱274,700	₱329,000
Share-based payments	78,800	80,200
Post-employment benefits	20,000	14,600
	₱373,500	₱423,800

There are no agreements between Globe and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under Globe's retirement plans.

For a summary of balances arising from related party transactions for the relevant financial year, please refer to Note 19 of the 2024 Notes to the Audited Financial Statements.

vii. Ownership Structure and Parent Company

As of January 31, 2025, Ayala Corporation owns 30.66% of the total outstanding common stock of the Company, while Singtel owns 46.67%. Asiacom beneficially owns almost all the outstanding voting preferred stock of the Company.

However, on the basis of total outstanding voting shares, Singtel owns 22.25%, which is well within the 40% ownership limit.

viii. **Resignation of Directors**

To date, no director has resigned or declined to stand for re-election to the Board of Directors due to any disagreement with the Company relative to the Company's operations, policies and practices since the Annual Stockholders' Meeting on April 24, 2024.

ix. **Chairman and Members of the Nomination and Governance Committee**

Ramon L. Jocson is the Chairman of the Nomination and Governance Committee, while Cirilo P. Noel and Antonio Jose U. Periquet, Jr. are members, all of whom are Independent Directors.

Item 6. Compensation of Directors & Executive Officers

a. Executive Compensation

The total annual compensation (salary and other variable pay) of the CEO and other senior officers of the Company (excluding its subsidiaries) amounted to ₱321 million in 2024 and ₱247 million in 2023. The projected total annual compensation for 2025 is ₱247 million.

The total annual compensation paid to all senior personnel (Executives) of the Company (excluding its subsidiaries) amounted to ₱3,989 million in 2024 and ₱3,430 million in 2023. The projected total annual compensation for 2025 is ₱3,476 million.

The total annual compensation for key officers and senior personnel of the Company includes basic salaries, guaranteed bonuses and variable pay (performance-based annual incentive) are shown below.

Name and Principal Position	Year	Salary (in ₱ Millions)	Bonus (in ₱ Millions)	Other Annual Compensation (in ₱ Millions)
Ernest L. Cu ¹ President & Chief Executive Officer				
Juan Carlo C. Puno ¹ Chief Financial Officer and Treasurer, and Chief Risk Officer ⁵				
Renato M. Jiao ¹ Chief Human Resource Officer				
Rebecca V. Eclipse ¹ Chief Transformation and Operations Officer and Chief Customer Experience Officer				
Darius Jose R. Delgado ¹ Chief Commercial Officer ⁴				
CEO & Most Highly Compensated Executive Officers	Actual 2023 ³	158	89	0
	Actual 2024 ³	170	151	0
	Projected 2025	164	83	0
All other officers ² as a group unnamed	Actual 2023 ³	2,265	1,165	0
	Actual 2024 ³	2,469	1,520	0
	Projected 2025	2,346	1,130	0

¹ CEO and Most Highly Compensated Executive Officers;

² All Other Executives

³ Actual compensation represents paid salaries, bonuses and incentives and excludes accrued amounts.

⁴ Corporate Disclosure for the appointment of Mr. Darius Jose R. Delgado as our Chief Commercial Officer (CCO)

was submitted on [28 August 2024](#).

⁵Corporate Disclosure for the appointment of Mr. Juan Carlo C. Puno as Chief Financial Officer (CFO), Treasurer, and Chief Risk Officer (CRO) was submitted on [16 September 2024](#).

b. Compensation of Directors

Article II Section 7 of the Company's By-Laws provides:

“Section 7. Compensation of Directors - Directors as such may receive, pursuant to a resolution of the stockholders, fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the Board of Directors. (As amended on 12 April 2011)

The Compensation and Remuneration Committee of the Board of Directors shall have the responsibility of recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay directors for work required in a company of the Corporation's size and scope. No director shall be involved in deciding his own remuneration during his incumbent term. (As amended on 13 November 2020)”

The stockholders ratified a resolution at its meeting held on April 8, 2014 authorizing the increase in the compensation of Directors, except executive directors, from ₱100,000.00 to ₱200,000.00 for every Board meeting and Stockholders' meeting attended. The compensation of Directors will remain at ₱100,000.00 for every committee meeting attended or such meetings other than those mentioned above. Additionally, the Company's executive director does not receive per diem remuneration in addition to his role as an executive director. In a resolution at its meeting held on April 26, 2022, the stockholders approved the increase in Directors' compensation structure in the form of retainer fees, in addition to the current attendance fees for each non-executive director.

Pursuant to paragraph 2 of Section 29 of the Revised Corporation Code, the total yearly compensation of directors does not exceed ten percent (10%) of the net income before income tax of the Company during the preceding year. The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation herein stated.

The following non-executive directors of the Board received gross per diem remuneration for their attendance in meetings for both the Board and their respective Committees in 2024:

Director	Gross Per Diem Remuneration (in Php)	
	Meetings	Retainer Fee
Jaime Augusto Zobel de Ayala	1,800,000.00	6,084,000.00
Tan Mee Ling Aileen	2,200,000.00	3,042,000.00
Cezar P. Consing	2,500,000.00	3,042,000.00
Jaime Alfonso Antonio Zobel de Ayala	2,000,000.00	3,042,000.00
Delfin L. Lazaro	1,600,000.00	3,042,000.00
Ng Kuo Pin	2,000,000.00	3,042,000.00
Cirilo P. Noel	2,400,000.00	4,576,000.00
Natividad N. Alejo	2,700,000.00	3,042,000.00
Ramon L. Jocson	2,800,000.00	3,042,000.00
Antonio Jose U. Periquet, Jr.	2,800,000.00	3,042,000.00
TOTAL	22,800,000.00	34,996,000.00

c. Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The above-named executive officers are covered by Letters of Appointment with the Company stating therein their respective job functionalities, among others.

d. Other Compensation Plan:

Globe requested for exemption from registration under Section 10.2 of the Securities Regulation Code (SRC) for its proposed allocation of an aggregate of six percent (6%) of the authorized capital stock (ACS) for subscription by its executives and employees shares in favor of Globe's eligible employees pursuant to the Company's Executive Stock Option Plan (ESOP) and Employee Stock Ownership Plan (ESOWN) integrated into the Long-

Term Incentive Plan (LTIP). The SEC, through SEC Order 674, Series of 1995, authorized to allocate an aggregate of six percent (6%) of Globe's ACS for subscription by the Company's executives and employees shares in favor of its eligible employees.

See Note 27.3.1 in the attached Notes to the Financial Statements for the discussion of the Company's Long-Term Incentive Plan (LTIP).

Item 7. Independent Public Accountants

- a. The principal accountants and independent auditors of the Globe is the accounting firm of Isla Lipana & Co. (IL), the Philippine member firm of the PricewaterhouseCoopers (PwC) global network. The same accounting firm is being recommended for re-election at the scheduled annual meeting.
- b. Representatives of IL/PwC for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting (ASM). They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Globe has engaged IL/PwC as independent auditor for the calendar year 2024 as approved by the shareholders during the ASM on April 24, 2024, with Aldie P. Garcia as the Partner In-charge for IL/PwC's audit of the Company. Pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the audit partner principally handling the Globe's account shall be rotated every five (5) years or sooner and a two-year cooling off period shall be observed in the re-engagement of the same signing partner.

- c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with IL/PwC on any matter of accounting principles or practices, financial statement disclosures, auditing scope and procedures.

- d. Audit and Audit-Related Fees

The Audit and Related Party Transactions Committee (the Committee) has an existing policy to review and pre-approve the audit and non-audit services rendered by Globe's independent auditors. It does not allow Globe to engage the independent auditors for certain non-audit services prohibited expressly by SEC regulations to be performed by independent auditors for its audit clients. This is to ensure that the independent auditors maintain the highest level of independence from Globe, both in fact and appearance.

In its annual stockholders meeting last April 24, 2024, the shareholders appointed the accounting firm of IL/PwC, the Philippine member firm of the PwC global network, as the Independent Auditors of Globe for the calendar year 2024.

Fees approved in connection with the audit services rendered by IL/PwC pursuant to the regulatory and statutory requirements for the years ended December 31, 2024 and 2023, amount to ₱17.34 million and ₱17.02 million, exclusive of 3% out-of-pocket expenses (OPE), respectively. In addition to performing the audit of Globe's financial statements, IL/PwC was also contracted to provide non-audit services in accordance with established procurement policies. The aggregate fees billed by IL/PwC in 2024 are shown below with comparative figures for 2023:

	2024	2023
	<i>(Amount in millions)</i>	
Total Audit Fees ¹	₱17.34	₱17.02
Non-audit services fees:		
Other assurance services	0.32	2.85 ²
All other services	0.63	2.36
Total Non-audit fees	0.95	5.21
Total Audit and Non-audit fees	₱18.29	₱22.23

¹Excludes 2024 and 2023 audit fees rendered by external auditors other than IL/PwC:

GT SG, ₱339K (₱396K in 2023) performed by Ardent Associates LLP

GT EU, ₱210K (₱221K in 2023) performed by Wellden and Turnbull LLP

² The ₱2.85Mn fees in 2023, previously presented as audit-related services, are now presented under non-audit services (i.e. other

assurance services) in compliance with SEC's Memorandum Circular No. 18, Series of 2024.

Audit Fees represent the audit of Globe's annual financial statements and review of quarterly financial statements in connection with statutory and regulatory filings or engagements for the years ended 2024 and 2023.

Non-Audit Services Fees represent the following:

- Other assurance services rendered in relation to the agreed-upon procedures performed for the digital solutions businesses under Asticom. In 2023, these pertain to the services rendered related to Globe's IT Solutions Companies' restructuring and issuance of comfort letters and agreed-upon procedures on the offering circular and the company's application for an increase in authorized capital stock.
- All other services represent the fixed fee for Globe's whistleblowing reporting programs. In 2023, these pertain to the valuation services performed and the fixed fee for Globe's whistleblowing reporting programs.

IL/PwC has confirmed to the Committee that the 2024 non-audit services rendered by them are allowed to be provided to an audit client under existing SEC regulations and the Code of Ethics of Professional Accountants in the Philippines and do not conflict with their role as Independent Auditors of Globe.

Cirilo P. Noel is the Chairman of the Audit and Related Party Transactions Committee (ARC) while Natividad N. Alejo, Ramon L. Jocson, and Antonio Jose U. Periquet, Jr. are members. Please refer to Annex "G" for the Company's attestation on sound internal controls and compliance systems in place.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The audited consolidated financial statement as of December 31, 2024 and Management's Discussion and Analysis are attached hereto as Annexes "E" and "C". In addition, market price of shares and dividends and other data related to the Company's financial information are attached hereto as Annex "D". The schedules required under Part IV(e) of Rule 68 Schedules will be included in the Annual Report (SEC Form 17-A).

The consolidated financial statements of Globe have been prepared under the historical cost convention method, except for derivative financial instruments and available-for-sale (AFS) investments that are measured at fair value, certain financial instruments and lease liabilities carried at amortized cost, inventories which are carried at net realizable value, investments in joint ventures in which equity method of accounting is applied and retirement benefit obligation, which is measured as the excess of the present value of the defined benefit obligation over the fair value of the plan assets.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company.

Item 14. *Restatement of Accounts*

There are no matters or actions to be taken up in the meeting with respect to restatement of accounts of the Company.

D. OTHER MATTERS

Item 15. *Action with Respect to Reports*

- a. Approval of the Minutes of the 2024 Annual Meeting of the Stockholders held on April 24, 2024 covering the following matters:
 - i. Annual Report of Officers;
 - ii. Ratification of All Acts and Resolution of the Board of Directors and Management Adopted During the Preceding Year
 - iii. Election of Directors (including the Independent Directors); and
 - iv. Election of External Auditor and Fixing of its Remuneration

The Minutes of Stockholders' Meetings are uploaded on the Company's website under the 'Annual Stockholders' Meeting' page within five (5) business days from the date of the Meeting and may be viewed through this link: [Globe-ASM2024-Minutes](#).

- b. Approval of the Annual Report of Management for the year ended December 31, 2024.

Item 16. *Matters not required to be submitted*

All matters or actions to be taken up in the meeting require the vote of the security holders.

Item 17. *Amendment of Charter, Bylaws or Other Documents*

There are no matters or actions to be taken up in the meeting with respect to any amendment of the Articles of Incorporation. The stockholders have delegated to the Board of Directors the power to amend the By-laws.

Item 18. *Other Proposed Actions*

- a. Ratification of all acts and resolutions of the Board of Directors and Management for the period covering April 24, 2024 through April 22, 2025 adopted in the ordinary course of business involving:
 - i. Approval of projects and investments;
 - ii. Treasury matters including borrowings, opening of accounts and bank transactions; and
 - iii. Appointment of signatories and amendments thereof.
- b. Approval of the Offer, Issuance or Reissuance, and Listing of up to Forty Million Non-Voting Preferred Shares
- c. Election of the Members of the Board of Directors, including the Independent Directors, for the ensuing calendar year.
- d. Election of External Auditor and Fixing of its Remuneration.

Item 19. *Voting Procedures*

- a. Vote required

In general, the affirmative vote of stockholders representing at least a majority of the issued and outstanding capital stock entitled to vote and present or represented at the meeting is required for the approval of matters presented to the stockholders. The election of directors is by plurality of votes.

- b. Method of Voting

In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one vote. As explained in Item 20 below, stockholders will only be allowed to vote *in absentia*, electronically or by proxy.

In the case of election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary on or before April 08, 2025.

Stockholders as of March 7, 2025 (“Stockholders”) have the option of electronic voting *in absentia* on the matters in the Agenda after complete registration via Convene AGM through the online web address: <https://conveneagm.com/ph/2025GLOBEASM>, subject to post-validation procedures. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to Convene AGM to register. Stockholders shall simply follow the instructions sent in the e-mail and may vote until the end of the meeting. The detailed instructions pertaining to Convene AGM and the use thereof will be provided to the stockholders together with this Information Statement through the Annex “F” on Voting *in Absentia* Requirements and Procedures. A stockholder voting *in absentia*, electronically or by proxy, shall be deemed present for purposes of quorum. Both proxies and electronic platforms would state the proposed resolutions for consideration by the stockholders.

The Office of the Corporate Secretary and the Internal Audit of the Company will tabulate all votes received and a firm selected for this purpose will validate the results.

Item 20. Participation of Shareholders by Remote Communication

Pursuant to the By-Laws of the Company, the Annual Stockholders’ Meeting will be conducted in a fully virtual format, which will provide a consistent experience to all stockholders regardless of location. Stockholders may only attend the meeting by remote communication and by voting *in absentia*, electronically or by proxy.

To enable the Company to identify the stockholders participating by remote communication and record their presence for purposes of quorum, the stockholders shall inform the Company by e-mail to corporatesecretary@globe.com.ph on or before April 09, 2025, of their participation in the meeting by remote communication. Further, stockholders may participate by remote communication by clicking on the Meeting livestreaming access button, which will be available in the stockholder’s dashboard in Convene AGM on the date set for the Meeting as indicated in the Corporation’s Notice of the Meeting.

Stockholders may e-mail questions or comments prior to or during the meeting at the following e-mail address: corporatesecretary@globe.com.ph. The detailed instructions for participation through remote communication are included in Annex “F” of this Information Statement.

Item 21. Acceptance of Stockholder Proposals on Agenda Item

Stockholders of record as of March 7, 2025 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before April 15, 2025.⁶

⁶ The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company’s internal guidelines.

CERTIFICATION

Upon the written request of the stockholders, the Company undertakes to furnish said stockholder with a copy of SEC Form 17-A free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to the following:

GLOBE TELECOM, INC.
The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City, Taguig
1634

Attention: **Mr. Juan Carlo C. Puno**
Chief Financial Officer, Treasurer and
Chief Risk Officer

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on the 6th day of February 2025.

GLOBE TELECOM, INC.

by: **MARIA FRANCHETTE M. ACOSTA**


 Corporate Secretary

ANNEX “A”- DIRECTORS AND KEY OFFICERS

The write-ups below include positions held as of December 31, 2024 and in the past five years, and personal data as of December 31, 2024, of the directors and executive officers.

The attendance of the Board and key officers to corporate governance training programs and continuing education seminars are properly and timely disclosed through posting of the Certificates of Attendance and completion on the Globe website through the Company’s Integrated Annual Corporate Governance Report (i-ACGR)⁷. All training programs and seminars attended by the directors and key officers fulfill compliance with the SEC directive for all key officers and members of the Board of publicly listed companies to attend a program on corporate governance at least annually.

BOARD OF DIRECTORS (2024-2025)

Name	Position
Jaime Augusto Zobel de Ayala	Chairman (NED)
Tan Mee Ling Aileen	Co-Vice Chair (NED)
Cezar P. Consing	Co-Vice Chair (NED)
Ernest L. Cu	Executive Director, President and Chief Executive Officer
Jaime Alfonso Antonio Zobel de Ayala	Director (NED)
Delfin L. Lazaro	Director (NED)
Ng Kuo Pin	Director (NED)
Cirilo P. Noel	Lead Independent Director (NED, ID)
Natividad N. Alejo	Independent Director (NED, ID)
Ramon L. Jocson	Independent Director (NED, ID)
Antonio Jose U. Periquet, Jr.	Independent Director (NED, ID)

Notes: Non-Executive Director (NED), Independent Director (ID)

JAIME AUGUSTO ZOBEL DE AYALA

Chairman, Non-Executive Director

Committee memberships:

- *Executive Committee (Chairman)*

Mr. Zobel de Ayala, Filipino, 65, has been the Chairman of the Board since December 1996 and Director since March 1989. Among other current positions, he has also been the Chairman of Ayala Corporation since April 2006. Further, he is the Chairman of Ayala Land, Inc., Bank of the Philippine Islands, AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) and Asiacom Philippines, Inc.

Skills and experience:

Outside the Ayala group, he is a member of various business and socio-civic organizations in the Philippines and abroad. He is a member of the Board of Directors of Temasek Holdings, JP Morgan International Council, JP Morgan Asia Pacific Council, and LeapFrog Investment’s Global Leadership Council. He sits on various advisory boards of Harvard University, including the Global Advisory Council, and HBS Asia-Pacific Advisory Board. He is Chairman Emeritus of the Asia Business Council, a Trustee of Endeavor Philippines, the Philippine Representative to the Asia Pacific Economic Cooperation Business Advisory Council from 2010-2015, a Steering Committee Member and Steward of the Council for Inclusive Capitalism, and a Trustee Emeritus of Eisenhower Fellowships. He has been a Director of the US-Philippines Society since 2012, and assumed the Co-Chair position in 2024. He is a Steering Committee member of the Indo-Pacific Partnership for Prosperity.

Mr. Zobel de Ayala was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer for his work in sustainable business strategy and operations. The first SDG Pioneer from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business.

⁷ Updates to the Integrated Annual Corporate Governance Report are accessible through the company website: <https://www.globe.com.ph/about-us/corporate-governance/annual-corporate-governance-report.html>.

He received his BA in Economics (with honors) from Harvard University in 1981, MBA from the Harvard Graduate School of Business Administration in 1987, and Honorary Degree of Doctorate in Management from Asian Institute of Management in 2024.

Directorship in other publicly listed companies:

Mr. Zobel de Ayala also holds directorships in Ayala Corporation, Ayala Land, Inc., and Bank of the Philippine Islands, all of which are listed in the Philippine Stock Exchange.

TAN MEE LING AILEEN

Co-Vice Chair, Non-Executive Director

Committee memberships:

- *Executive Committee (Co-Vice Chair)*
- *Compensation and Remuneration Committee*

Ms. Tan, Singaporean, 57, has served as Director since April 25, 2023. She is also Singtel Group's Chief People and Sustainability Officer and responsible for Singtel Group's overall strategic people and sustainability agenda. She has over 30 years of experience in various leadership roles spanning multiple industries and geographies. She joined Singtel in 2008 as the Group Director, Human Resources. In 2009, she built and spearheaded the group's sustainability function. In her current role, she focuses on developing a purpose-led organization, championing sustainability, creating an inspiring culture, and making Singtel Group a place for amazing people to deliver extraordinary impact. Under her leadership, Singtel has won numerous global and regional accolades for its leading people and sustainability practices.

She is a member of the Singapore University of Social Sciences Board of Trustees, Co-Vice Chairperson of the Globe Telecom Board, Health Sciences Authority Board, NTUC-U Care Fund Board of Trustees, Ministry of Finance's VITAL's Advisory Panel, Ministry of Manpower's Workplace Safety & Health Council in Singapore, Singapore's APEC Business Advisory Council alternate member, Singapore Business Federation's Sustainability Action Committee and Alliance of Actions (AfA) & Focus Group Discussions (FGDs) on Integration of Foreign Professionals.

Skills and experience:

Ms. Tan holds a Bachelor of Arts from the National University of Singapore and a Master of Science in Organisational Behaviour from the California School of Professional Psychology, Alliant International University, USA. She is a pioneer IHRP Master Professional, for being a role model for the HR profession. She is also a Certified Professional Corporate Coach. Ms. Tan received the Medal of Commendation (Gold) at the NTUC May Day Awards 2022 and the Public Service Medal in 2018 for her significant contributions to Singapore's workforce and human resources sector.

Directorship in other publicly listed companies:

Ms. Tan is not a Director in any other publicly listed company.

CEZAR P. CONSING

Co-Vice Chair, Non-Executive Director

Committee memberships:

- *Executive Committee (Co-Vice Chair)*
- *Finance Committee (Chairman)*

Mr. Consing, Filipino, 65, has served as Director since April 2021 and Co-Vice Chairman of the Board since November 2022. He is the President & CEO of Ayala Corporation since September 27, 2022, and has been a member of the Ayala Group Management Committee since April 2013. He is the Chairman of ACEN CORPORATION, and Vice Chairman of the Bank of the Philippine Islands, Ayala Land, Inc., and Globe Telecom, Inc. He holds the following positions in the Ayala Group's unlisted companies: Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Ventures Holding Corp., and AC Mobility Holdings Incorporated; Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc.; and, Director of Asiacom Philippines, Inc. and ACEN International, Inc. Mr. Consing is the Chairman of the Philippine Dealing System and the College of St. Benilde. He is a member of the Trilateral Commission. He is a member of the boards of trustees of the Philippine-American Educational (Fulbright) Foundation, the Philippines – Japan Economic Cooperation Committee and the Manila Golf Club Foundation.

Skills and experience:

Prior to being President and CEO of Ayala Corporation, Mr. Consing was President & CEO of Bank of the Philippine Islands from 2013-2021. He was a Partner & Co-Head for Asia of the Rohatyn Group from 2004-2013. He was an investment banker with J.P. Morgan & Co. from 1985-2004. For 7 years, Mr. Consing was the Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He worked for Bank of the Philippine

Islands from 1981-1985. Mr. Consing has previously served as Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He has previously served as an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad and First Gen Corporation. Mr. Consing has previously served as a board director of the Asian Youth Orchestra, the US-Philippines Society, La Salle Greenhills, Endeavor Philippines, and International Care Ministries.

Mr. Consing received an A.B. Economics degree (Accelerated Program), Magna Cum Laude, and the gold medal for Economics, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

Directorship in other publicly listed companies:

Mr. Consing also holds directorships in Ayala Corporation, Bank of the Philippine Islands and ACEN Corporation, all of which are listed in the Philippine Stock Exchange.

ERNEST L. CU

Executive Director, President and Chief Executive Officer

Committee memberships:

- *Executive Committee*

Mr. Cu, Filipino, 64, is Globe Telecom, Inc.'s President and Chief Executive Officer (CEO). He has served as a Director since April 2009 and as a Board's Executive Committee Member. Mr. Cu was officially appointed President and CEO on April 2, 2009, less than a year after he joined Globe in October 2008. Under his visionary leadership, Globe has outperformed industry growth, breaking records across all key product groups, brands, and market segments, catapulting Globe as the top mobile brand. He has been pivotal in driving financial inclusion across the Philippines through Mynt (GCash), providing millions of Filipinos access to digital financial services and empowering them to improve their lives. He positioned the app as a key player in transforming the Philippines' digital economy.

Mr. Cu is also the Chairman of Globe Fintech Innovations, Inc. (GCash), the number one financial superapp in the country, Globe Capital Venture Holdings, Inc., Globe's corporate incubator, 917Ventures, Inc., Kickstart Ventures, Inc., GLOBE STT GDC, INC., and Techglobal Data Center, Inc. He is a Director of AC Mobility Holdings Inc., Asiacom Philippines Inc., Innove Communications Inc., GTI Business Holdings, Inc., Bridge Mobile Alliance, and Prople BPO Inc. He is a member of the GSMA Board, representing Globe Telecom Inc. Further, Mr. Cu is also a trustee of Ayala Foundation, Inc. and Hero Foundation, Inc., as well as a member of the current Philippine administration's Private Sector Advisory Council (PSAC), Digital Infrastructure Sector.

Skills and experience:

Prior to Globe, Mr. Cu was President and CEO of SPi Technologies. At the cusp of the new millennium, he spurred the beginning of the BPO business model for the Philippines, earning him recognition as one of the founding fathers of BPO in the country. Lauding his pioneering spirit, Ernst & Young named him ICT Entrepreneur of the Year in 2003.

Mr. Cu's ability to inspire and lead by example has earned him numerous honors. After only two years in the telco industry, he was hailed as the Philippines' Best CEO by Finance Asia and received the award again in 2017. Mr. Cu was also named CEO of the Year in 2012 by Frost & Sullivan Asia Pacific and CEO of the Year at the Asia Communications Awards in 2017. For five years (2013 to 2017), he was included in the list of 100 most influential telecom leaders worldwide by London-based Global-Telecoms Business Magazine Power 100. He was named the Best Telecommunications CEO at the 2021 International Finance Awards and Asia's Best CEO by Corporate Governance Asia at their 10th Asian Excellence Awards in 2020. He was hailed as the Best Telco CEO by London-based business magazine The Global Economics in its 2022 Awards. Most recently, he was conferred with an Outstanding Contribution to the Asia Mobile Industry Award 2024 by GSMA and a similar award given by Twimbit, a research and advisory firm based in Singapore.

Mr. Cu has a Bachelor of Science in Industrial Management Engineering from De La Salle University in Manila and an M.B.A. from the J.L. Kellogg Graduate School of Management, Northwestern University.

Directorship in other publicly listed companies:

Mr. Cu is not a Director in any other publicly listed company.

JAIME ALFONSO ANTONIO ZOBEL DE AYALA

Non-Executive Director

Committee memberships:

- *Compensation and Remuneration Committee*
- *Board Risk Oversight and Sustainability Committee*

Mr. Zobel de Ayala, Filipino, 34, was elected as Director on November 11, 2022. He is the Chief Executive Officer of ACMobility. He is a member of the Board of Directors of Globe STT GDC, Inc., AC Industrials, Isuzu Philippines Corporation, BPI Capital Corporation, KP Motors, Automobile Central Enterprise Inc., Mobility Access Philippines Ventures Inc., and AC Mobility Holdings Incorporated. He is the President of the Harvard Club of the Philippines Global and a member of the Global Ideas Committee of the Makati Business Club.

In October 2024, he was appointed as Member of the Private Sector Representative from the National Capital Region of the Inter-Agency Investment Promotion Coordination Committee of the Department of Trade and Industry by the President.

Skills and experience:

Prior to the above, he was previously the Head of Business Development and Digital Ventures of Ayala Corporation and Head of Fixed-Mobile Convergence (Product Management) and Head of Business Development (Prepaid Division) of Globe.

Mr. Zobel de Ayala graduated at Harvard University, Cambridge, Massachusetts, USA with a Bachelor of Arts Degree, Primary Concentration in Government in 2013, and his Masters of Business Administration from Columbia Business School in New York in 2019.

Directorship in other publicly listed companies:

Mr. Zobel de Ayala also holds directorships in AyalaLand Logistics Holdings Corp. and ACEN Corporation, all of which are publicly listed in the Philippine Stock Exchange.

DELFIN L. LAZARO

Non-Executive Director

Mr. Lazaro, Filipino, 78, has served as Director since January 1997. His other significant positions include Chairman of Atlas Fertilizer & Chemicals Inc., Chairman and President of A.C.S.T. Business Holdings, Inc., Vice Chairman and President of Asiacom Philippines, Inc., Chairman and President of AYC Holdings, Ltd. He is also a Director of AC International Finance, Ltd., and AC Energy Infrastructure Corporation, as well as Director and Treasurer of Probe Productions, Inc. Apart from being an Independent Adviser to the Board of Directors of Ayala Land, Inc., Mr. Lazaro is also a member of the BPI Advisory Council.

Skills and experience:

He earned his Bachelor of Science in Metallurgical Engineering from the University of the Philippines in 1967 and his Masters of Business Administration (with distinction) from the Harvard Graduate School of Business in 1971.

Directorship in other publicly listed companies:

Mr. Lazaro also holds directorship in Ayala Corporation, which is listed in the Philippine Stock Exchange.

NG KUO PIN

Non-Executive Director

Committee memberships:

- *Executive Committee*
- *Finance Committee*

Mr. Ng, Singaporean, 56, was elected as Director on October 8, 2021, and serves as Member of the Executive and Finance Committees. He has been the Chief Executive Officer of NCS since August 2019 and in January 2021, he was appointed to Singtel's Management Committee. He leads NCS in executing its new vision, one that is committed to advancing communities by partnering with governments and enterprises to harness technology and bringing people together to make the extraordinary happen. As a leading technology services firm, NCS aims to accelerate growth and build up a strategic presence in the Asia Pacific region.

Skills and experience:

Prior to joining NCS, Mr. Ng had a 25-year career at Accenture and spent nine years living and working in Beijing and Sydney. He started as an analyst in 1994 and was made partner in 2006. Between 2006 and 2018, he held senior leadership roles within the global Communications, Media and Technology (CMT) operating group as Head of CMT Singapore, Head of CMT Greater China, and finally as Head of Consulting for CMT Asia Pacific, Africa, and the Middle East. Mr. Ng currently sits as a Board Member in the National University of Singapore Institute of Systems Science (NUS-ISS).

Mr. Ng holds an Honours Degree in Engineering (Electrical and Electronics) from the Nanyang Technological University.

Directorship in other publicly listed companies:

Mr. Ng is not a Director in any other publicly listed company.

CIRILO P. NOEL

Non-Executive and Lead Independent Director

Committee memberships:

- *Nomination and Governance Committee*
- *Compensation and Remuneration Committee*
- *Audit and Related Party Transactions Committee (Chairman)*

Mr. Noel, Filipino, 67, has served as Independent Director since April 17, 2018. He is a lawyer and certified public accountant (CPA). He is the Chairman of PLC - Security Bank Corporation since May 7, 2024; a member of the Board of Directors since April 2018, appointed as Vice Chairman in April 2020, and Interim Chairman in May 2023. He is likewise the Chairman of Palm Concepcion Power Corporation (since June 2018), Juxtapose Ergo Consultus, Inc. (since May 2019), and Confiar Land Corp (since September 2021).

He is also a member of the Board of Directors PLC-San Miguel Foods and Beverage, Inc. (since September 2018), PLC-Robinsons Retail Holdings (since August 2020), PLC-First Philippine Holdings Corporation (since May 2021), Eton Properties, Inc. (since April 2019), Transnational Diversified Corporation (since August 2019), Amber Kinetics Holdings Co., PTE Ltd. (since March 2018), and LH Paragon Group, Golden ABC (since January 2018).

He is a member of the Board of Trustees of St. Luke's Medical Center Quezon City (since August 2017) and St. Luke's Medical Center College of Medicine (since September 2018). He sits as a board member of St. Luke's Medical Center-Global City (since August 2017) and St. Luke's Foundation, Inc. (since August 2018).

He was a member of the Board of Directors of Philippine Airlines (from 2018 to 2019), PLC-PAL Holdings, Inc. (from 2018 to 2019), and PLC-JG Summit Holdings (from 2018 – 2021).

He is currently affiliated with the Makati Business Club, Harvard Law School Association of the Philippines, and Harvard Club of the Philippines

Skills and experience:

He was awarded an Honorary Life Member by the Philippine Institute of Certified Public Accountants in November 2024. He was also recognized as the Outstanding Professional of the Year in 2019 in the field of Accountancy by Professional Regulations Commission for his distinguished contributions to the fields of accountancy, tax, and law. Mr. Noel was awarded as one of the 75 Most Outstanding UE Alumni by the University of the East in 2021. In March 2023, he was presented the Accountancy Centenary Award of Excellence by the Professional Regulatory Board of Accountancy for being one of the notable CPAs in the country.

He held various positions in SGV & Co., including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2010), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008) and Partner, Tax Services (from 1993 to 2017).

For two terms, he was an E&Y Global Advisory Council member. He was also Ernst & Young (EY) ASEAN Tax Head and Far East Area Tax Leader from 2004 to 2009 and the Presiding Partner of E&Y Asia Pacific Council.

Mr. Noel graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Laws from the Ateneo Law School. He took Master of Laws at Harvard Law School. He is a Harvard International Tax Program fellow and attended the Asian Institute of Management's Management Development Program.

Directorship in other publicly listed companies:

Mr. Noel also holds directorships in Security Bank Corporation, First Philippine Holdings Corporation, San Miguel Food and Beverage Inc. and Robinsons Retail Holdings, Inc, all of which are listed in the Philippine Stock Exchange.

NATIVIDAD N. ALEJO

Non-Executive and Independent Director

Committee memberships:

- *Board Risk Oversight and Sustainability Committee (Chairman)*

- *Audit and Related Party Transactions Committee*
- *Finance Committee*

Ms. Alejo, Filipino, 68, has served as Independent Director since April 25, 2023. She is also an experienced Mergers and Acquisitions professional supporting clients in achieving transformational initiatives in her current role as Managing Director of AlphaPrimus Advisors Inc. as well as in her previous role as the main M & A professional in BPI, leading the bank's various acquisitions and mergers from 1994 through 2006.

She is a seasoned senior banker with 30+ years of key leadership roles in Retail Banking, Microfinance, Investment Banking and Corporate Finance, and Strategic Planning in one of the largest Philippine banks. She has also held several leadership positions in the past, including President of BPI Family Savings Bank and BPI Capital Corporation, Chairperson of BPI Direct Banko Inc., and as an Advisor to the board of microfinance-oriented rural bank CARD MRI Rizal Bank, Inc. Ms. Alejo likewise serves as an independent director of Singlife Phils., Inc. and Grand Plaza Hotel Corporation. She is also a member of the Filipina CEO Circle and the Management Association of the Philippines.

Skills and experience:

Ms. Alejo graduated with a Bachelor of Arts degree in Economics (Summa Cum Laude and Gansewinkle Scholastic Trophy Award) from the Divine World University and took her Master's Degree in Economics at the University of the Philippines. She also completed an advanced management program at Harvard Business School in 2005.

Directorship in other publicly listed companies:

Ms. Alejo also holds directorship in Grand Plaza Hotel Corporation, which is listed in the Philippine Stock Exchange.

RAMON L. JOCSON

Non-Executive and Independent Director

Committee memberships:

- *Nomination and Governance Committee (Chairman)*
- *Audit and Related Party Transactions Committee*
- *Board Risk Oversight and Sustainability Committee*
- *Compensation and Remuneration Committee*

Mr. Jocson, Filipino, 64, has served as Independent Director since April 25, 2023. He is also the Chairman of Bankware Asia, Pte. Ltd., a Singapore-based provider of Banking-as-a-Service (BaaS) solutions for financial institutions. Mr. Jocson is also the Lead Director for Meliora Consulting Pte. Ltd., a boutique consulting group focused on Digital Transformation services for Banks and Financial Institutions.

Mr. Jocson also serves as an Independent Director on the boards of the following companies: Palawan Pawnshop Group and SasonbiSolar. He is also a Member of the National University of Singapore-Institute of Systems Science (NUS-ISS) Management Board and is a Member of Yoma Bank's (Myanmar) Technology Advisory Committee.

Mr. Jocson was most recently the Chief Operating Officer of the Bank of the Philippine Islands (BPI). As COO and Executive Vice President for Enterprise Services, he led multiple divisions within BPI, which included Human Resources, Centralized Operations, Information Systems, Digital Channels, Business Transformation & Data Analytics, and Facilities Services from 2015 to 2022.

Mr. Jocson began his career as a Systems Analyst with IBM Philippines in 1982. Throughout his 33 years in IBM, he occupied different leadership positions, including that of Managing Director of IBM Philippines (1996-1999, Manila), General Manager of Global Services in ASEAN/South Asia (2000-2006, Singapore), General Manager of Applications Services for IBM's Growth Market Unit (2007-2009, Singapore), General Manager of Integrated Technology Services for Asia Pacific (2009-2012, Singapore), General Manager of IBM Global Services for Central and Eastern Europe (2013-2014, Prague), and General Manager of Strategic Outsourcing for Asia Pacific (2015, Singapore).

Mr. Jocson worked extensively in various industries, primarily in Financial Services, Industrial, Manufacturing and Telecommunications Sectors. While at IBM, he was a member of IBM's Growth & Transformation Team, which is composed of the top senior leaders in IBM Asia-Pacific, working directly with the Chairman on key/strategic initiatives. He also served on external advisory boards such as the Economic Development Board of Singapore from 2000 to 2002, the Cyber-Security Committee of the Bankers Association of the Philippines, where he was Vice-Chairman from 2017 to 2022, and the Digital Infrastructure sector of the Private Sector Advisory Council (Philippines) from 2022 to 2024.

Skills and experience:

Mr. Jocson graduated from the University of the Philippines in 1982 with a degree in B.S. Industrial Engineering. He obtained his Masters in Business Administration from the Ateneo Graduate School of Business in 1997.

Directorship in other publicly listed companies:

Mr. Jocson is not a Director in any other publicly listed company.

ANTONIO JOSE U. PERIQUET, JR.

Non-Executive and Independent Director

Committee memberships:

- *Compensation and Remuneration Committee (Chairman)*
- *Nomination and Governance Committee*
- *Audit and Related Party Transactions Committee*
- *Board Risk Oversight and Sustainability Committee*

Mr. Periquet, Filipino, 63, has served as Independent Director since April 25, 2023. He is also the Executive Chairman of AB Capital & Investment Corporation, and Chairman of the Campden Hill Group, Inc. Mr. Periquet is also an independent director of the Albizia ASEAN Tenggara Fund, Globe Fintech Innovations, Inc., Semirara Mining and Power Corporation, Universal Robina Corporation and a Board Advisor to the ABS-CBN Corporation, DMCI Holdings, Inc., and the Tech for Good Institute (Singapore). He is also a member of the SEA Advisory Committee of British International Investments, a trustee of Lyceum University of the Philippines and a member of the Dean's Global Advisory Council at the University of Virginia's Darden School of Business.

Skills and experience:

Mr. Periquet holds a Bachelor of Arts in Economics degree from the Ateneo de Manila University, a Master of Science degree in Economics from Oxford University and an MBA from the Darden School of Business, University of Virginia.

Directorship in other publicly listed companies:

He also holds directorships in Semirara Mining and Power Corporation, Universal Robina Corporation, ABS-CBN Corporation, and DMCI Holdings, Inc., all of which are listed in the Philippine Stock Exchange.

NOMINEES TO THE BOARD OF DIRECTORS (2025-2026)

1. **Jaime Augusto Zobel de Ayala**
(Please see profile under Board of Directors (2025-2026) above)
2. **Tan Mee Ling Aileen**
(Please see profile under Board of Directors (2025-2026) above)
3. **Cezar P. Consing**
(Please see profile under Board of Directors (2025-2026) above)
4. **Carl Raymond R. Cruz**

Mr. Cruz, Filipino, 54, is a seasoned leader with over 30 years of experience in the fast-moving consumer goods (FMCG) industry, particularly in general management and marketing. Mr. Cruz is currently Globe's Deputy Chief Executive Officer. His extensive career includes serving as the CEO and Managing Director (MD) of Airtel Nigeria, one of the largest and most significant Airtel operations in Africa. Before this, he was the Managing Director of Unilever West Africa and MD/CEO of Unilever Nigeria, where he led operations in Nigeria, Ghana, and Francophone Africa. Mr. Cruz's career at Unilever spanned 30 years across various countries, including the Philippines, India, Thailand, Sri Lanka, and West Africa, and is recognized for his expertise in leading and transforming organizations in developing and emerging markets.

Skills and experience:

Mr. Cruz holds a Bachelor of Science in Marketing Management from De La Salle University.

5. **Jaime Alfonso Antonio Zobel de Ayala**
(Please see profile under Board of Directors (2025-2026) above)
6. **Delfin L. Lazaro**
(Please see profile under Board of Directors (2025-2026) above)
7. **Ng Kuo Pin**
(Please see profile under Board of Directors (2025-2026) above)
8. **Cirilo P. Noel – Nominee for Independent Director**
(Please see profile under Board of Directors (2025-2026) above)
9. **Natividad N. Alejo – Nominee for Independent Director**
(Please see profile under Board of Directors (2025-2026) above)
10. **Ramon L. Jocson – Nominee for Independent Director**
(Please see profile under Board of Directors (2025-2026) above)
11. **Antonio Jose U. Periquet, Jr. – Nominee for Independent Director**
(Please see profile under Board of Directors (2025-2026) above)

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Cirilo P. Noel, Filipino, of legal age and a resident of _____
after having been duly sworn to in accordance with law do hereby
declare that:

1. I am an independent director of Globe Telecom, Inc. and have been its independent director since April 17, 2018.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
LH Paragon Group, Golden ABC	Independent Director Chairman, Audit Committee	August 25, 2018 to present
Amber Kinetics Holding Co. PTE LTD	Director Chairman, Audit Committee	March 2018 to present
Eton Properties, Inc.	Director	April 12, 2019 to present
Juxtapose Ergo Consultus Inc.	Chairman of the Board	April 30, 2019 to present
Palm Concepcion Power Corporation	Chairman of the Board	September 21, 2018 to present
St. Luke's Medical Center – Quezon City	Vice Chairman, Board of Trustees	August 1, 2017 to present
St. Luke's Medical Center – Global City	Vice Chairman, Board of Directors	August 1, 2017 to present
St. Luke's Medical Center College of Medicine	Member, Board of Trustees	September 2018 to present
St. Luke's Foundation, Inc.	Member, Board of Trustees	August 2018 to present
Transnational Diversified Corporation	Independent Director Chairman, Audit Committee	August 2, 2019 to present
Confiar Land Corp.	Chairman of the Board	September 14, 2021 to present
Security Bank Corporation*	Chairman of the Board	May 7, 2024 to present
San Miguel Food and Beverage, Inc.*	Independent Director Chairman, Audit Committee	September 12, 2018 to present
Robinsons Retail Holdings, Inc.*	Independent Director Vice Chairman, Audit & Risk Committee	August 12, 2020 to present
First Philippine Holdings Corporation*	Independent Director Chairman, Board Risk Oversight Committee	May 21, 2021 to present
Joy-Nostalg Solaris Inc.	Director	October 20, 2022 to present

*Publicly listed company in the Philippine Stock Exchange

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of Globe Telecom, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Globe Telecom, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.23 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Globe Telecom, Inc. of any changes in the abovementioned information within five days from its occurrence

IN WITNESS WHEREOF, I have hereunto set my hand this FEB 11 2025 at TAGUIG CITY.

CIRILO P. NOEL
Independent Director

FEB 11 2025

SUBSCRIBED AND SWORN before me this _____ at TAGUIG CITY by affiant who is presently known to me or identified through competent evidence of identity by means of Passport No _____

Doc. No. 143 ;
Page No. 40 ;
Book No. 11 ;
Series of 2025 .

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Ramon L. Jocson, Filipino, of legal age and a resident of
after having been duly sworn to in accordance with law do
hereby declare that:

1. I am an independent director of Globe Telecom, Inc. and have been its independent director since April 25, 2023;
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Bankware Asia, Pte., Ltd.	Chairman	June 2023 - Present
Palawan Pawnshop Group	Independent Director	April 2023 - Present
Meliora Consulting, Pte. Ltd.	Lead Director	February 2023 - Present
NUS - Institute of Systems Science	Non-Executive Director	June 2022 - Present
Yoma Bank (Myanmar) Technology Advisory Committee	Member	June 2020 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of Globe Telecom, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of Globe Telecom, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.23 of the Securities Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances; and
7. I shall inform the Corporate Secretary of Globe Telecom, Inc. of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand this FEB 03 2025 at
TAGUIG CITY.

RAMON L. JOCSON
Independent Director

SUBSCRIBED AND SWORN before me this FEB 03 2025 at TAGUIG CITY by
affiant who is presently known to me or identified through competent evidence of identity by
means of Passport No.

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig

Doc. No. 108 ;
Page No. 23 ;
Book No. II ;
Series of 2025 .

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Natividad N. Alejo, Filipino, of legal age and a resident of _____, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of Globe Telecom, Inc. and have been its independent director since April 25, 2023;
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Alpha Primus Advisors, Inc.	Managing Director & Co-founder	January 2018 – present
Grand Plaza Hotel Corporation*	Independent Director	March 2022 – present
Singlife Phils. Corp.	Lead Independent Director	2020 – present
Filipina CEO Circle	Member	2019 – present

*Publicly listed company in the Philippine Stock Exchange

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of Globe Telecom, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of Globe Telecom, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.23 of the Securities Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances; and
7. I shall inform the Corporate Secretary of Globe Telecom, Inc. of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand this FEB 11 2025 at
TAGUIG CITY.

NATIVIDAD N. ALEJO
Independent Director

SUBSCRIBED AND SWORN before me this FEB 11 2025 at TAGUIG CITY, by
affiant who is presently known to me or identified through competent evidence of identity by
means of Passport No.

KRISTINE MARGARETE M. BERROYA
Notary Public for Taguig
Appointment No. 1380011-2022

Doc. No. 194 ;
Page No.; 40
Book No. 11 ;
Series of 2025 .

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Antonio Jose U. Periquet, Jr., Filipino, of legal age and a resident of _____, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of Globe Telecom, Inc. and have been its independent director since April 25, 2023;
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
AB Capital & Investment Corporation	Chairman and President	September 2021 – present
Campden Hill Group, Inc.	Chairman	May 2011 – present
Albizia ASEAN Tenggara Fund (Singapore)	Independent Director	January 2015 – present
Globe Fintech Innovations, Inc.	Director	December 2023 – present
Semirara Mining & Power Corporation*	Independent Director	September 2019 – present
Universal Robina Corporation*	Independent Director	May 2021 – present
ABS-CBN Corporation*	Advisory Board Member	July 2022 – present
British International Investments PLC	SEA Advisory Committee	February 2023 – present
DMCI Holdings, Inc.*	Advisory Board Member	May 2022 – present
Lyceum University of the Philippines	Trustee	July 2010 – present
Tech for Good Institute (Singapore)	Advisory Board Member	April 2022 – present
The Straits Wine Co. Inc.	Director	April 2009 – present

*Publicly listed company in the Philippine Stock Exchange

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of Globe Telecom, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of Globe Telecom, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.23 of the Securities Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances; and
7. I shall inform the Corporate Secretary of Globe Telecom, Inc. of any changes in the abovementioned information within five days from its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand this FEB 05 2025 at
TAGUIG CITY

ANTONIO JOSE U. PERIQUET, JR.
Independent Director

SUBSCRIBED AND SWORN before me this FEB 05 2025 at TAGUIG CITY by
affiant who is presently known to me or identified through competent evidence of identity by
means of Passport No.]

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig

Doc. No. 138 ;
Page No. 29 ;
Book No. 11 ;
Series of 2025 .



 **Globe Telecom, Inc.**
The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City,
Taguig, Philippines 1634

 www.globe.com.ph

CERTIFICATION

I, Maria Franchette M. Acosta, of legal age, Filipino, and with office address at the 39th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, 1226, Corporate Secretary of Globe Telecom, Inc., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal address at The Globe Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig (the "Corporation"), do hereby certify that, except for Mr. Jaime Alfonso Antonio Zobel de Ayala, none of the directors and key officers of the Corporation holds any position in the Philippine government or in any Philippine government agency.

This Certification is being issued for any legal purpose it may serve.

February 18, 2025.


MARIA FRANCHETTE M. ACOSTA

 Corporate Secretary

SUBSCRIBED AND SWORN before me this ___ day of FEB 19 2025 at Taguig City, by affiant who is presently known to me or identified through competent evidence of identity by means of Passport No. []

Doc. No. 226 ;
Page No. 47 ;
Book No. 1 ;
Series of 2025.


KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig

OFFICERS

The officers and consultants of the Company are appointed by the Board of Directors and their appointment as officers may be terminated at will by the Board of Directors. The table below shows the name and position of Globe Telecom's key officers as of 31 December 2024.

OFFICERS – GLOBE

Name	Position
Ernest L. Cu ¹	President and Chief Executive Officer (CEO)
Juan Carlo C. Puno ⁴	Chief Financial Officer (CFO), Treasurer, and Chief Risk Officer (CRO)
Renato M. Jiao	Chief Human Resources Officer (CHRO)
Rebecca V. Eclipse	Chief Transformation and Operations Officer (CTOO) and Chief Customer Experience Officer (CCEO)
Vicente Froilan M. Castelo	General Counsel (GC)
Maria Franchette M. Acosta ²	Corporate Secretary
Marisalve Ciocon-Co	Chief Compliance Officer, Senior Vice President - Legal and Compliance, and Assistant Corporate Secretary
Carmeli Pauline M. Briones	Chief Audit Executive (CAE)
Darius Jose R. Delgado ³	Chief Commercial Officer (CCO)
Maria Yolanda C. Crisanto	Chief Sustainability and Corporate Communications Officer
Raul M. Macatangay	Chief Information Officer (CIO)

¹ Member, Board of Directors

² Corporate Disclosure for the appointment of Atty. Maria Franchette M. Acosta as our Corporate Secretary was submitted on [05 April 2024](#).

³ Corporate Disclosure for the appointment of Mr. Darius Jose R. Delgado as our Chief Commercial Officer (CCO) was submitted on [28 August 2024](#).

⁴ Corporate Disclosure for the appointment of Mr. Juan Carlo C. Puno as Chief Financial Officer (CFO), Treasurer, and Chief Risk Officer (CRO) was submitted on [16 September 2024](#).

JUAN CARLO C. PUNO

Mr. Puno, 39, Filipino, is the Chief Financial Officer, Treasurer and Chief Risk Officer of Globe Telecom Inc. He is also the company's Corporate Strategy Officer. He joined Globe in May 2009. His previous positions in the company were Investor Relations Analyst, Financial Planning Analyst, Director for Financial Planning and Analysis (FP&A), Vice President for FP&A, and Senior Vice President for Corporate Finance. He is a highly-specialized finance leader with deep expertise in strategic planning, corporate finance, and financial analysis. He has streamlined financial processes, driven significant capital-raising efforts, and supported key corporate initiatives, ultimately enhancing Globe's financial health and strategic direction. He also played a crucial role in most of Globe's transformational and significant mergers and acquisitions transactions. Mr. Puno also provides advisory support to the wider group, acting as the CFO and Treasurer of 917Ventures, as well as holding the Chairmanship position in ECPay, among other directorship posts.

Mr. Puno earned his Bachelor of Science degree in Management Engineering from Ateneo de Manila University and also completed the Executive Development Program of the Kellogg School of Management at Northwestern University. He has been a CFA charter holder since 2018.

RENATO M. JIAO

Mr. Jiao, Filipino, 68, is Globe's Chief Human Resources Officer (CHRO). As CHRO, Mr. Jiao is responsible for developing and executing human resource strategies in support of the overall business plan and strategic direction of the organization, specifically in the areas of succession planning, talent management, change management, organizational and performance management, employee experience and culture, and most importantly, people and organizational transformation.

He joined Globe in June 2010. Mr. Jiao has over 30 years of experience in general management and leveraging leading-edge technologies, processes and human capital for competitive advantage. He is a seasoned HR Practitioner with 20 years of experience in multi-functional HR practice areas. Mr. Jiao also held various significant positions in Procter & Gamble (Philippines), Inc. and Procter & Gamble Asia Pte Ltd. Prior to joining Globe, he was President of IBM Business Services, Inc.

He earned his Bachelor of Science degree in Mechanical Engineering from the University of the Philippines.

REBECCA V. ECLIPSE

Ms. Rebecca V. Eclipse, Filipino, 62, is Globe's Chief Transformation and Operations Officer (CTOO). She is concurrently the Chief Customer Experience Officer (CCEO) and Head of the Office of Strategy Management. Ms. Eclipse was appointed CCEO in 2015 and has since led the company's CX transformation programs, improving customer experience across all touch points, while driving digitalization and instilling a company culture centered on treating customers right. Under her wing, Globe's 2023 Net Promoter Score in affirmation of a constantly improving customer experience has risen to 45, high above the APAC telco benchmark of 30. As CTOO, she drives end-to-end customer experience delivery, integrating the technical teams and functions of IT and Network towards improved processes and greater efficiencies that serve to further uplift customer experience.

Ms. Eclipse is a renowned CX first mover – among her distinctions, the Stevie Awards' Gold accolade for Customer Service Executives, and in 2016, she was cited by Global Telecoms Business as one of the Top 50 Women to Watch in the industry. Since then, Globe has been recognized in the international CX community, receiving honors across various customer service categories in the Stevie Awards, including the Gold Stevie for Best Use of Technology (All Industries), Silver Stevie in Innovation, and Customer Service Team of the Year (Telecommunications). Most recently, Statista and the Philippine Daily Inquirer conferred the 2023 Philippines' Best Customer Service Mobile Carriers Category accolade on Globe and TM.

Ms. Eclipse joined Globe in 1995, heralding over 25 years of experience in the telecommunications industry. She has held key leadership roles in internal audit, financial and risk management, revenue assurance and fraud, covering areas that include strategy management, process and quality management, and customer experience transformation. She leverages consulting, risk management, financial management, and auditing experience from SGV & Co, as well as from Oceanic Wireless Network, Inc. and Eastern Telecommunications, Inc.

Ms. Eclipse graduated magna cum laude from the Central Colleges of the Philippines with a Bachelor's Degree in Business Administration. She is a Certified Public Accountant registered with the Professional Regulation Commission, and she is a member of the Information Systems and Control Auditors Association (ISACA).

VICENTE FROILAN M. CASTELO

Mr. Castelo, Filipino, 60, is Globe's General Counsel and Head of the Corporate and Legal Services Group (CLSG) since April 2011. He is a veteran in the practice of law, and is one of the pioneers in the practice of law in the telecommunications and information communication technology field. He joined Globe Telecom as the Head of Regulatory Affairs in July 1998.

He earned his Bachelor of Laws from San Beda College and is the President of the Philippine Chamber of Telecommunication Operators and President of the Telecommunications and Broadcast Attorneys of the Philippines.

MARIA FRANCHETTE M. ACOSTA

Ms. Acosta, Filipino, 52, Globe's Corporate Secretary since April 2024. She is the Corporate Secretary, Corporate Governance Group Head and Chief Legal Officer of Ayala Corporation. She is also the Corporate Secretary and Group General Counsel of Ayala Land, Inc., and the Corporate Secretary of AREIT, Inc., ACEN CORPORATION and Integrated Micro-electronics, Inc. She has been a practicing lawyer for 24 years, with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was also an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she worked from 2001 to 2003 and recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. She is a consistent Asia Business Law Journal's top 100 lawyers of the Philippines. Atty. Acosta graduated from New York University with a Master of Laws in 2003, and ranked 3rd in the Philippine Bar Examination.

She earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

MARISALVE CIOCSON-CO

Ms. Ciocon-Co, Filipino, 54, is Globe's Chief Compliance Officer and Senior Vice President for Legal and Compliance of Globe CLSG since April 2017. She is also the Company's Assistant Corporate Secretary.

Ms. Ciocon-Co graduated cum laude with a degree in Bachelor of Arts in Political Science from the University of the Philippines-Diliman and received her Juris Doctor (Law) degree from Ateneo de Manila University College of Law.

CARMELI PAULINE M. BRIONES

Ms. Briones, Filipino, 57, is Globe's Chief Audit Executive (CAE) since 7 December 2023. As CAE, Ms. Briones is responsible for all of Globe's audit activities including oversight over internal and external audit functions. She will

also head Globe's Internal Audit Division. Ms. Briones shall report functionally to the Audit and Related Party Transactions Committee and administratively to the President and Chief Executive Officer.

Ms. Briones was formerly Globe's Vice-President for Financial Control, with over 20 years of expertise and leadership in the areas of accounting, budget and management reporting and credit and billing.

Prior to Globe, she also spent close to 13 years in external audit practice, thus expanding her already vast experience with planning, oversight and execution. Her valuable insights in the important aspects of the business has allowed her to play a meaningful role in the Globe Finance organization.

Ms. Briones graduated with a Bachelor of Science in Accountancy from De La Salle University and is a Certified Public Accountant.

DARIUS JOSE R. DELGADO

Mr. Delgado, Filipino, 52, is Globe's Chief Commercial Officer (CCO) since September 2024. He was formerly the Vice-President for Consumer Mobile Business and one of Globe's most well-rounded and influential leaders, spanning over 30 years of expertise and leadership in the areas of strategy, sales & marketing, and audit. With a robust track record in P&L management, Mr. Delgado has demonstrated exceptional acumen in navigating complex market dynamics, significantly boosting profitability and share value. Further, Mr. Delgado's assignments in Consumer Mobile, Broadband and B2B led the respective teams to execute strategic initiatives, which were pivotal in steering the Company and achieving business commitments, amidst intense market competition and technological shifts. Mr. Delgado's ability to approach business challenges holistically has also ensured alignment with the broader Company objectives. Prior to Globe, Mr. Delgado was a Director in SGV & Co. (Ernst and Young), with 9 years of experience in multiple industries.

Mr. Delgado has a degree in Accountancy and graduated Magna Cum Laude from the University of Santo Tomas. In 2024, Mr. Delgado was also a participant in the Executive Development Program of the Kellogg School of Management in Northwestern University.

MARIA YOLANDA C. CRISANTO

Ms. Crisanto, Filipino, 58, is Globe's pioneer Chief Sustainability Officer appointed in 2015 and the company's Chief Corporate Communications Officer since 2022. She is a Corporate Communications and Sustainability executive with over 35 years of solid experience in Sustainability and Integrated Marketing Communications, with specialization in Strategic Communications for Corporate, Brand, and Crisis Communications.

Ms. Crisanto is currently a member of the Board of Directors of AdSpark, Inc. and Board of Trustees of the Ayala Foundation, Inc.

She is a multi-awarded professional and executive recognized by both local and international institutions in her fields of expertise, specifically, communications, sustainability and corporate social responsibility.

Ms. Crisanto recently completed the World Business Council for Sustainable Development's (WBCSD) LEAP Program in ESADE Business School in Madrid, Spain and Yale University in New Haven, Connecticut USA. She earned her Master's in Business Administration degree from the Ateneo Graduate School of Business and Bachelor of Arts major in Communication Arts from the University of Santo Tomas.

RAUL M. MACATANGAY

Mr. Macatangay, Filipino, 52, is Globe's Chief Information Officer (CIO) since May 1, 2022. As CIO, he leads Globe's Information Services group managing information technology, infrastructure technology, and enterprise architecture.

Prior to his appointment as CIO, Mr. Macatangay was the Vice President of the Financial Control team. He has more than 25 years in Leadership roles in Information Technology, Technology Risk Consulting, System Implementation, Business Transformation, Customer Intelligence and Analytics, Marketing, Research, Finance and Enterprise Risk Management.

He is a graduate of the University of Santo Tomas with a degree in Commerce major in Accounting, Magna Cum Laude.

ANNEX “B” – NATURE AND SCOPE OF BUSINESS

COMPANY OVERVIEW

Globe Telecom, Inc. is a leading digital platform in the Philippines, with major interests in telecommunications, venture capital and venture building, shared services and digital marketing solutions. The company serves the telecommunications and technology needs of consumers and businesses across an entire suite of products and services including mobile, fixed, broadband, data connectivity, internet and managed services. Globe currently has 60.9 million mobile subscribers, 1.74 million Home Broadband customers, and over 711 thousand landline subscribers. The company is supported by 6,381 employees and over 456 thousand AutoloadMax (AMAX) retailers nationwide.

Globe is one of the largest companies in the country, and has been consistently recognized both locally and internationally for its corporate governance practices. It is listed on the Philippine Stock Exchange under the ticker symbol GLO and had a market capitalization of US\$5.5 billion as of the end of December 2024. Globe’s inclusion in the Fortune Southeast Asia 500 list is a testament to its growth and unwavering commitment to serving customers with purpose.

The Company's principal shareholders are Ayala Corporation and Singapore Telecom, both acknowledged industry leaders in the country and in the region. Aside from providing financial support, this partnership has created various synergies and has enabled the sharing of best practices in the areas of purchasing, technical operations, and marketing, among others.

Sustainability at Globe is anchored on The Globe Purpose, “Uplift Filipino Lives Everyday”. As a purpose-led organization, the Company aims to contribute to the UN Sustainable Development Goals by promoting innovation and technology for greater social and environmental impact. Globe became a signatory to the United Nations Global Compact in 2019, wherein the company has committed to implement universal sustainability principles on human rights, labor, environment, and anti-corruption (Ten Principles of the UN Global Compact).

Globe is the first publicly listed company in the Philippines to get the Science Based Targets initiative’s (SBTi) validation and approval of its science-based net-zero target by 2050. (Published in the SBTi website (<https://sciencebasedtargets.org/companies-taking-action>) in March 2024).

Globe is composed of the following companies:

- **Globe Telecom, Inc. (Globe)** provides digital wireless communications services in the Philippines under Globe Postpaid and Prepaid (including fully Mobile, internet-on-the-go service and GOMO), and Touch Mobile (TM). Globe provides digital mobile communication and internet-on-the-go services nationwide using a fully digital network based on the Global System for Mobile Communication (GSM), 3G, HSPA+, 4G, LTE and 5G technologies. It provides voice, SMS, data and value-added services to its mobile subscribers. It also offers domestic and international long distance communication services or carrier services.
- **Innove Communications Inc. (Innove)**, a wholly-owned subsidiary, holds a license to provide digital wireless communication services in the Philippines. Innove also has a license to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services.

On November 2, 2015, Innove and Techzone Philippines incorporated TechGlobal Data Center, Inc. (TechGlobal), a joint venture company formed for the purpose of operating and managing all kinds of data centers, and providing information technology-enabled, knowledge-based and computer-enabled support services. Innove and Techzone hold ownership interest of 49% and 51%, respectively. TechGlobal started commercial operations in August 2017.

- **GTI Business Holdings, Inc. (GTI) and Subsidiaries**
Globe Telecom owns 100% of GTI. GTI was incorporated and registered under the laws of the Philippines, on November 25, 2008, as a holding company.

GTI Corporation (GTIC)

In July 2009, GTI incorporated a wholly owned subsidiary, GTI Corporation (GTIC), a company organized under the General Corporation Law of the United States of America, State of Delaware as a wireless and data communication services provider.

Globe Telecom HK Limited (GTHK)

In December 2011, GTI incorporated a wholly owned subsidiary, GTHK, a limited company organized under the Companies Ordinance of Hong Kong as a marketing and distribution company.

On March 17, 2015, GTHK applied for a services-based operator license (SBO) with the Office of the Communications Authority in Hong Kong (OFCA) which was subsequently approved on May 7, 2015.

As of June 1, 2020, the SBO was cancelled and surrendered to the OFCA and GTHK has been winding down its operations. GTHK was previously engaged in the marketing and selling of telecommunication products and services in the international market, except the United States of America and the Philippines, under a distributor arrangement.

On March 27, 2024, the sole director resolved and signed a written resolution with the purpose of placing GTHK into liquidation. As of the reporting date, the completion of the regulatory requirements on the liquidation of GTHK is still in process.

Globetel European Limited (GTEU)

On May 10, 2013, GTI incorporated a wholly owned subsidiary, GTEU as holding company for the operating companies of Globe located in the United Kingdom, Spain and Italy.

Globetel Singapore Pte. Ltd. (GTSG)

On November 12, 2014, GTI incorporated GTSG, a wholly owned subsidiary, for the purpose of offering full range of international data services in Singapore under a facilities-based operations license (FBO) with Infocomm Media and Development Authority (IMDA) in Singapore which was granted on January 7, 2015.

CaelumPacific Corp. (CaelumPacific) and Subsidiaries

On July 30, 2020, GTI incorporated CaelumPacific, a wholly owned subsidiary organized under the laws of the Philippines for the purpose of providing technical consulting and IT related services.

On July 31, 2020, Caelum US Holdings Inc. (Caelum US), a wholly owned subsidiary of Caelum Pacific, was incorporated under the laws of the state of Delaware as a holding company.

On August 3, 2020, Caelum Northwest Corp. (Caelum Northwest), a wholly owned subsidiary of Caelum US, was incorporated under the laws of the state of Washington for the purpose of customized cloud software development and providing cloud consulting services.

On November 3, 2020, the definitive agreements between Caelum Group and Cascadeo were signed and executed following the completion of all relevant conditions relating to the sale of assets of Cascadeo in the Philippines and the US. Cascadeo is a group of companies in the Philippines and US which offers cloud-native consulting and managed services capabilities for enterprises and small and medium business customers. The asset purchase agreement entered into by Caelum Group and Cascadeo entities also mandated a holding company established by the sellers to invest in 16.67% of CaelumPacific's capital, effectively reducing GTIBH's ownership to 83.33%.

On May 30, 2021, the Board of Directors approved GTI's additional capital infusion amounting to \$500,000, effectively increasing GTI's ownership to 85%.

On February 11, 2022, the Board of Directors approved GTI's additional capital infusion amounting to \$2.00 million, which further increased GTI's ownership to 88%.

On December 15, 2022, the ownership of CaelumPacific and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom.

On March 7, 2024, the sole director of Caelum Northwest approved the dissolution of the Company. Subsequently, on July 29, 2024, the Department of Revenue State of Washington issued a revenue clearance certificate, allowing Caelum Northwest to proceed with its dissolution. As of November 7, 2024, regulatory requirements for the dissolution of Caelum Northwest are still subject to completion.

On October 28, 2024, the ownership of CaelumPacific and Subsidiaries was transferred from Yondu, Inc. to GTI, a wholly-owned subsidiary of Globe Telecom.

- **Kickstart Ventures, Inc. (Kickstart) and Subsidiaries**

On March 28, 2012, Globe Telecom incorporated Kickstart, a stock corporation organized under the laws of the Philippines and formed primarily for the purpose of investing in individual, corporate, or start-up businesses, and to do research, technology development and commercializing of new business ventures.

In February 2014, Kickstart acquired 40% equity interest in Flipside Publishing Services, Inc. (FPSI). Since Kickstart was able to demonstrate control over FPSI despite having less than 50% ownership interest, FPSI was assessed to be a subsidiary of Kickstart and is included in the consolidation of Globe. FPSI is engaged in acquiring publishing rights to produce, publish, market, and sell printed and electronic books (e-books) and other electronic documents and content for international and domestic sales. FPSI ceased operations in July 2016. FPSI remains a dormant company as of reporting date.

In February 2020, Kickstart registered three Cayman Islands exempted companies with limited liabilities, namely (1) Kickstart Capital Co. Ltd. (KCCL), a wholly owned subsidiary of Kickstart; (2) AG Active Associated I, Limited, a wholly owned subsidiary of KCCL; and, (3) Kickstart Ventures Co. Ltd., a 65% owned subsidiary of KCCL. These entities were formed as a platform for the management of third-party venture capital investment funds.

On December 15, 2023, KCCL incorporated its wholly-owned subsidiary, Kickstart Holdings Company, Ltd., (KHCL) for future venture capital investments.

- **Asticom Holding Co. Inc. (Asticom, formerly known as Asticom Technology, Inc.) and Subsidiaries**

On June 3, 2014, Globe Telecom signed an agreement with Azalea Technology Investments Inc. (ASTI) and SCS Computer Systems, Pte. Ltd. acquiring 100% ownership stake in Asticom. Asticom is primarily engaged in providing business process and shared service support, as well as IT system integration and consultancy services.

On August 20, 2020, Asticom incorporated its wholly owned subsidiary, Asticom Business Services, Inc. (ABSI). ABSI was incorporated to leverage Asticom's business growth, particularly its full-BPO services offering.

On January 26, 2021, Asticom incorporated its wholly owned subsidiary, Fiber Infrastructure and Network Services Inc. (FINSI). FINSI was incorporated to provide end-to-end services and industry-specific solutions to telecommunications and telecommunications-related companies. In March 2021, FINSI started its commercial operation.

On April 12, 2021, Asticom incorporated its wholly owned subsidiary, BRAD Warehouse and Logistics Services Inc. (BRAD). BRAD was incorporated to engage in the business of transporting, shipping, receiving, storing and managing products and services using technology platforms for third-party providers.

On November 29, 2021, ABSI acquired 100% of HCX Technology Partners, Inc., a full-fledged systems integration company offering human capital, customer relationship management and digital solutions to its clients.

On July 27, 2022, Asticom incorporated its wholly owned subsidiary, Acquirol Solutions and Tech Inc. (ACQR) to provide manpower services for support and shared services of administrative functions, information technology including consultancy services for offshore development services and other related services.

On June 14, 2024, SEC approved the amendment of Asticom's article of incorporation which effectively changes its corporate name to Asticom Holding Co. Inc., as well as its primary purpose as an investing and holding company.

- **Globe Capital Venture Holdings Inc. (GCVHI) and Subsidiaries**

On June 29, 2015, Globe Telecom incorporated its wholly owned subsidiary, GCVHI as an investing and holding company primarily engaged in purchasing, subscribing, owning, holding, assigning real and personal property, shares of stock and other securities.

In August 2019, GCVHI was rebranded to "917 Ventures" and will house Globe Telecom's non-telco incubated products.

On October 13, 2015, GCVHI incorporated its wholly owned subsidiary Adspark Holdings, Inc. (AHI), a holding company established for the acquisition of additional investment in Globe Telecom's non-core business. AHI holds 100% of Adspark Inc. (AI), an advertising company. AI holds 100% of Socialytics Inc. (Socialytics), a social media marketing firm. On September 1, 2021, AHI acquired 100% of Techgroowers, Inc., a company engaged in data and software-related services through the utilization of telecommunications facilities. On March 22, 2022, the SEC approved the amendment of Techgroowers' articles of incorporation which effectively changes its corporate name to M360, Inc., as well as its primary purpose which is to engage in the business of application-to-person (A2P) messaging.

On February 4, 2020, GCVHI incorporated 917Ventures, Inc. as a holding company for GCVHI's business incubators.

On December 1, 2022, AHI acquired 49% and 51% of outstanding shares of Inquiro from 917Ventures, Inc. and Jerusalem Ventures Holdings Inc. (JVHI), respectively. The acquisition increased Globe's ownership interest from 49% to 100% and was accounted for as an acquisition of a subsidiary. Inquiro was incorporated to provide data management and other data-related services, through the utilization of telecommunication facilities.

On February 14, 2023, the SEC approved the amendment of AHI's articles of incorporation which effectively changed its corporate name to Brave Connective Holdings, Inc. (BCHI).

On June 5, 2023, 917Ventures, Inc. incorporated its wholly owned subsidiary Slyce Digital, Inc. to engage in the business of developing, marketing, advertising, managing, and operating technology platforms.

- **Bayan Telecommunications Inc. (BTI) and Subsidiaries**

Globe Telecom owns 99% of BTI, a stock corporation organized under the laws of the Philippines and enfranchised under RA No. 11503 and its related laws to render domestic and international telecommunications services. BTI is a facilities-based provider of data services and fixed-line telecommunications.

BTI's subsidiaries are: Radio Communications of the Philippines, Inc. (RCPI), Telecoms Infrastructure Corp. of the Philippines (Telicphil), Sky Internet, Incorporated (Sky Internet), GlobeTel Japan (formerly BTI Global Communications Japan, Inc.), and NDTN Land, Inc. (NLI), (herein collectively referred to as "BTI Group").

- **Taodharma Inc. (Tao)**

Globe Telecom owns 67% of Tao, an entity incorporated and registered under the laws of the Philippines. Tao operates and maintains retail stores in strategic locations within the Philippines that sell telecommunications or internet-related services, and devices, gadgets and accessories.

- **GTowers Inc (GTowers)**

On August 17, 2018, GTowers was incorporated as a wholly owned subsidiary of Globe Telecom. GTowers is still under pre-operating stage as of reporting date.

- **Yondu, Inc. and Subsidiaries**

Globe Telecom owns 100% of Yondu, an entity engaged in the development and creation of wireless products and services accessible through mobile devices or other forms of communication devices. It also provides internet and mobile value-added services, information technology and technical services including software development and related services. Yondu is registered with the Department of Transportation and Communication (DOTC) as a content provider.

Yondu holds 100% of Rocket Search, Inc. (formerly Yondu Software Labs, Inc.), a company primarily engaged in providing information technology (IT) products and services and engaged in IT placement services.

On December 15, 2022, Yondu acquired the ownership of Third Pillar Business Applications, Inc. (TPBAI) and Subsidiaries and CaelumPacific and Subsidiaries from GTI, a wholly-owned subsidiary of Globe Telecom.

On October 28, 2024, Yondu sold its ownership of CaelumPacific and Subsidiaries to GTI, a wholly-owned subsidiary of Globe Telecom.

Third Pillar Business Applications, Inc. (TPBAI) and Subsidiaries

On August 17, 2020, GTI entered into a Share Purchase Agreement for the acquisition of 67% of TPBAI. TPBAI, a corporation organized under the laws of the Philippines, is engaged in systems integration, license reselling, and data management services.

Third Pillar Global Delivery Center Inc. (TPGDC) is a wholly owned subsidiary of TBAI that is engaged in software implementation and maintenance services and the outsourcing arm of TPBAI.

On January 1, 2022, TPBAI incorporated Third Pillar Asia Pacific Pte. Ltd. (TPAPPL), a wholly owned subsidiary organized under the laws of Singapore, as part of TPBAI's expansion to Asia Pacific.

On December 15, 2022, the ownership of TPBAI and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom.

On July 8, 2024, the Board of Directors approved Yondu's additional capital infusion amounting to ₱20.00 million, which further increased Yondu's ownership to 85%.

- **Electronic Commerce Payments, Inc. (ECPay)**

On October 25, 2019, Globe Telecom acquired 77% ownership of ECPay. ECPay is primarily engaged in the business of providing IT and e-commerce solutions, including, but not limited to, prepaid phone and internet products, bills payments and others.

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Globe Fintech Innovations, Inc. (Mynt) for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million. The closing of the transaction and actual transfer of ownership is still subject to the Philippine Competition Commission (PCC) approval. On September 29, 2023, Globe Telecom ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained Globe's exposures and rights to variable returns. At the date of deconsolidation, the fair value of Globe's interest in ECPay amounting to ₱2,310.00 million has been reclassified to Assets held-for-sale under the current assets section in Globe's consolidated statement of financial position. Accordingly, resulting gain was recognized in the consolidated statements of comprehensive income amounting to ₱76.67 million in 2023.

Globe Telecom is a grantee of various authorizations and licenses from the National Telecommunications Commission (NTC) as follows: (1) license to offer and operate facsimile, other traditional voice and data services and domestic line service using Very Small Aperture Terminal (VSAT) technology; (2) license for inter-exchange services; and (3) Certificate of Public Convenience and Necessity (CPCN) for: (a) international digital gateway facility (IGF) in Metro Manila, (b) nationwide digital cellular mobile telephone system under the GSM standard (CMTS-GSM), (c) nationwide local exchange carrier (LEC) services after being granted a provisional authority in June 2005, and (d) international cable landing stations located in Nasugbu, Batangas, Ballesteros, Cagayan and Brgy. Talomo, Davao City.

Globe is organized along two key customer facing units (CFUs) tasked to focus on the integrated mobile, Fixed Line and international voice and roaming needs of specific market segments. The Company has a Consumer CFU with dedicated marketing and sales groups to address the needs of retail customers, and a Business CFU (Globe Business) focused on the needs of big and small businesses. Globe Business provides end-to-end mobile and Fixed Line solutions and is equipped with its own technical and customer relationship teams to serve the requirements of its client base. Moreover, it is tasked to grow the Company's international revenues by leveraging Globe's product portfolio and developing and capitalizing on regional and global opportunities.

CORE TELCO: BUSINESS SEGMENTS

Mobile Business

Globe provides digital Mobile communication and internet-on-the-go services nationwide using a fully digital network based on the Global System for Mobile Communication (GSM), 3G, HSPA+, 4G, LTE and 5G technologies (<https://www.globe.com.ph/5g.html>). It provides voice, SMS, and data to its mobile subscribers through three major brands: Globe Postpaid, Globe Prepaid and TM (including fully Mobile, internet-on-the-go service and GOMO).

Postpaid

Globe Postpaid is the leading brand in the postpaid market, with various plan offerings. Over the years, these plans have evolved in order to cater to the changing needs, lifestyles and demands of its customers.

GPlan Plus

Globe introduces the All-New *GPlan Plus*, the most flexible mobile plan from *Globe Postpaid*. The All-New GPlan Plus is designed to cater to the evolving needs of today's consumers who demand more control over their mobile plans and seek value in every aspect of their subscriptions.

Through the GlobeOne app, users of All-New GPlan Plus 999 to 2499 can use Data Swap to convert their plan allowance into a variety of different offers, including call and text promos, unli data access to mobile games, and social media and messaging apps. They can also choose content subscriptions from BeIN Sports, Vivamax, Disney+, and Crunchyroll, as well as lifestyle vouchers from Lazada, Zalora, Pick.A.Roo, Lalamove, and Parlon.

To get more data, customers can also convert their call and text allowance into gigabytes or choose to get a 12- or 24-month contract period with their plan. The additional data can be used to further customize their plans to fit their unique needs and lifestyles. This Do-It-Yourself approach ensures that no data goes to waste, allowing customers to maximize the value of what they paid for.

Moreover, the All-New GPlan Plus includes great deals on the latest devices when customers apply for or renew their plans. Whether through Globe Stores or Globe Online Shop, the process is seamless, ensuring customers can easily access the latest technology and enhance their mobile experience.

Customers may opt to purchase select mobile devices at prices lower than SRP, with various payment options such as via credit card either straight or installments for 24 months at zero interest, and charge to bill for renewing customers. (See also <https://www.globe.com.ph/postpaid.html> for more details).

All-new Platinum GPlan and GPlan PLUS

Enjoy all the things that matter and live life worry-free with Globe Platinum, bringing simplicity made with greatness.

The All-new Platinum GPlan Plus comes with no lock-up, unlimited mobile data surfing, built-in inclusions such as Cyber Insurance, International Lounge Access via DragonPass, Gadget Xchange device protection coverage through the Gadget Xchange add-on, free access to THEA, your Platinum Digital Concierge, and a dedicated Platinum Relationship Manager. Beyond these services, customers also benefit from Globe Priority Network, ensuring fast speeds for uninterrupted browsing, streaming, and gaming. Positioned at the forefront of the mobile data highway, Globe Platinum customers get to experience optimal network performance.

All-new Platinum GPlan Plus 3799 comes with unlimited mobile data surfing, three days built-in data roaming, built-in Cyber Insurance with up to ₱50,000 coverage, and free one (1) DragonPass voucher for international airport lounge access; All-new Platinum GPlan Plus 4999 comes with unlimited mobile data surfing, five days built-in data roaming, built-in Cyber Insurance with up to ₱75,000 coverage, free two (2) DragonPass vouchers for international airport lounge access, free two (2) years Gadget Xchange coverage when you avail a device, and a dedicated Platinum Relationship Manager; All-new Platinum GPlan 7999 comes with unlimited mobile data surfing, seven days built-in data roaming, built-in Cyber Insurance with up to ₱100,000 coverage, free three (3) DragonPass vouchers for international airport lounge access, free two (2) years Gadget Xchange coverage when you avail a device, a dedicated Platinum Relationship Manager, and free one Home Squad visit.

Moreover, Globe Platinum aims to reinforce the Platinum Advantage by sharing more relevant, curated perks, and championing advocacies that matter. In April, Globe Platinum and Gogoro Smartscooters championed sustainability with the launch of Gogoro's newest product, Pulse, and also with several trial events.

From June until present, Globe Platinum has accelerated in sharing delightful perks, and privileges. Customers get a freebie when dining at renowned spots such as A Mano, Steak & Frice, Ramen Ron, and Cibo. When it comes to retail, Globe Platinum has partnered with Innovator, ArmouryPH, and AMEN, to provide online discounts when shopping luxury accessories, travel needs, and thoughtful jewelry. The brand has also extended customers' lifestyle privileges with the extension of Okada's Rewards Circle Elite card, providing them with an extensive array of benefits such as discounts and perks at the Philippines' largest integrated resort.

Globe Platinum has also continued in its support of the arts, and indulging customers in this passion by inviting customers to art and lifestyle-inclined events such as Beyond The Box x Toki, and Modern Contemporary Arts Festival 2024.

Globe likewise simplified the renewal of mobile postpaid plans (once the subscriber gets past their contract period of 24 months or 6 months) via online. Subscriber can simply go to www.globe.com.ph/shop/plan-renewal and follow these simple steps (1) Choose the preferred plan or device, and click "My Plan Renewal" (2) Verify the account details (3) Check the account qualifications (4) Accomplish the checkout form (5) Upon submitting the form, subscriber will receive a confirmation email regarding their order.

In addition, Globe launched Gadget Xchange, OneNumber and Globe Trade-In for its mobile postpaid customers in 2023.

- **Gadget Xchange** is the new device protection program for Globe Postpaid that lets you switch or replace your device, no questions asked. This means that no documentation will be requested (e.g., police reports, affidavit of loss) upon claim for device switch or replacement. The following services may be availed with Gadget Xchange: (1) Device switch (2) Device replacement and (3) Screen replacement. Gadget Xchange is available to new Globe Postpaid and Platinum customers and those qualified for plan renewal.
- **Globe's ONENUMBER** is an add-on service that allows you to share your mobile phone number with your smartwatch. With **ONENUMBER**, you can stay connected even if you're away from your phone. Globe Trade-in is a program that allows new and renewing Globe Postpaid customers to trade-in their old device in exchange for a cashback that will be applied to their postpaid bill.

- **Globe Trade-In** is a program that allows new and renewing Globe Postpaid customers to trade-in their old device in exchange for a cashback that will be applied to their postpaid bill. *Globe Trade-In* is currently available for customers residing in NCR, Cavite, Rizal, Pampanga, Davao and Cebu.

Prepaid

Globe Prepaid (including GOMO¹ and TM are the prepaid brands of Globe. Globe Prepaid is focused on the mainstream market while TM caters to the value-conscious segment of the market. Each brand is positioned at different market segments to address the needs of the subscribers by offering affordable innovative products and services.

Globe Prepaid and TM subscribers can reload airtime value or credits using various reloading channels including the GlobeOne app, Gcash, bank channels such as ATMs, credit cards, through internet banking, and online loading through <https://new.globe.com.ph/buy-load>. Subscribers can also top-up via AutoLoadMax retailers nationwide, all at affordable denominations and increments.

Loyalty & Rewards Program

The Globe Rewards Program - is the Company's way of granting special treats to its active customers for their continued loyal use of Globe's products and services. Awesome rewards await its loyal customers in exchange for the points earned -- more rewards points mean more wonderful perks. Customers need to register/join the Globe Rewards program so they can start earning points and enjoy their rewards. They just need to go to the GlobeOne App, Tap Redeem Rewards, and Click Join Now. Subscribers can:

- Earn Points from Prepaid reloads or monthly Postpaid payments made via the GlobeOne App
- Redeem Rewards in the form of Mobile and Broadband promos, Vouchers for local and global brands, Donation to beneficiaries, and as Cash to select ECPay Retailers. Subscribers have the option to redeem rewards instantly, or accumulate points to avail of higher value rewards.
- Enjoy Perks through special discounts, exclusive treats, and more wonderful surprises

Globe Rewards is also a service that supports customers and extends their buying power even beyond telco services such as food, medicine, and retail products. Customers can use their earned Rewards points to buy the products they need.

The Globe Rewards points can be used at over 100 local and global partners for shopping, dining, entertainment, travel, and Globe products nationwide. Customers can also use Globe Rewards points to shop in Lazada, order meals from GrabFood, watch Korean movies using Viu, or even play games through Razer Gold pins.

Redeeming of the Globe Rewards points was made easy via the New GlobeOne app:

Step 1- Download the New GlobeOne app and click on the "Rewards" tab.

Step 2 - Select an offer

Step 3 - Click "Redeem."

Step 4 - Wait for the confirmation notification, along with a message from 4438

See also [Globe rewards](#) for more details.

Living It

Globe Postpaid gives you online to offline exclusive perks and experiences with *Living It*. Enjoy *Living It experiences* such as access to major events, dining experiences, exclusive retail sales, and fitness classes curated especially for our Postpaid customers. They can also enjoy *Living It exclusive rewards* from lifestyle discount vouchers to chance to win gadgets and travel packages with their Globe Rewards points.

Mobile Data

Globe's Mobile Data services provide subscribers with the ability to access the internet through various devices like handsets, tablets, modems, and even smartwatches. Customers can choose from multiple consumable data plans, and exclusive promos are available on Globe One, offering additional data or extended validity. Globe continuously collaborates with local, regional, and global brands to bring relevant content tailored to its customers' diverse needs, including videos, music, games, and eCommerce. Popular content and entertainment services like Netflix, Disney+, Amazon Prime Video, Honor of Kings, Mobile Legends, and Lazada are accessible to Globe subscribers.

Moreover, Globe empowers its customers by offering services beyond entertainment, such as financial enablement through GCash and accessible healthcare through KonsultaMD. These services enhance customers' lives by making essential services more convenient and accessible.

Mobile Voice

Globe's voice services include local, national and international long-distance call services. It has one of the most extensive local calling options designed for multiple calling profiles. In addition to its standard, pay-per-use rates, subscribers can choose from various voice offerings for all-day, and in several denominations to suit different budgets.

Globe keeps Filipinos connected wherever they may be in the world, through its tie-up with 615⁸ roaming partners in 238 calling destinations worldwide. Globe also offers roaming coverage on-board selected shipping lines and airlines, via satellite. Globe also provides an extensive range of international call and text services to allow OFWs (Overseas Filipino Workers) to stay connected with their friends and families in the Philippines. This includes prepaid reloadable call cards and electronic PINs available in popular OFW destinations worldwide.

Mobile SMS

Globe's mobile SMS service includes local and international SMS offerings. Globe also offers various SMS packages to cater to the different needs and lifestyles of its postpaid and prepaid subscribers.

Fixed Line and Home Broadband Business

Globe offers a full range of fixed line communications services, wired and wireless Broadband access, and end-to-end connectivity solutions customized for consumers, SMEs (Small & Medium Enterprises), large corporations and businesses.

Fixed Line Voice

Globe's fixed line voice services include local, national and international long-distance calling services in postpaid and prepaid packages through its Globelines brand. Subscribers get to enjoy toll-free rates for national long-distance calls with other Globelines subscribers nationwide. Low-MSF (monthly service fee) fixed line voice services bundled with internet plans are available nationwide and can be customized with value-added services including multi-calling, call waiting and forwarding, special numbers and voicemail. For corporate and enterprise customers, Globe offers voice solutions that include regular and premium conferencing, enhanced voice mail, IP-PBX solutions and domestic or international toll-free services. With the Company's cutting-edge Next Generation Network (NGN), Globe Business Voice solutions offer enterprises a bevy of fully-managed traditional and IP-based voice packages that can be customized to their needs.

Corporate Data

Corporate Data services include end-to-end data solutions customized according to the needs of businesses. Globe's product offerings include international and domestic leased line services, wholesale and corporate internet access, data center services and other connectivity solutions tailored to the needs of specific industries.

Globe's international data services provide corporate and enterprise customers with the most diverse international connectivity solutions. Globe's extensive data network allows customers to manage their own virtual private networks, subscribe to wholesale internet access via managed international private leased lines, run various applications, and access other networks with integrated voice services over high-speed, redundant and reliable connections. In addition to bandwidth access from multiple international submarine cable operators, Globe also has three international cable landing stations situated in different locales to ensure redundancy and network resiliency.

The Company's domestic data services include data center solutions such as business continuity and data recovery services, 24x7 monitoring and management, dedicated server hosting, maintenance for application-hosting, managed space and carrier-class facilities for co-location requirements and dedicated hardware from leading partner vendors for off-site deployment. Other Corporate Data services include premium-grade access solutions combining voice, Broadband and video offerings designed to address specific connectivity requirements. These include symmetric Broadband, dedicated Internet service, and Managed WiFi for in-room internet access for hotels.

Globe Business knows that success is made up of different elements: effective products, streamlined processes, and reliable manpower, and that is why Globe's business solutions are a fusion of all three. Among the products and solutions are as follows:

- **Mobility** - mobility solutions that increase productivity within and beyond the workplace. The Group's enterprise mobility solutions include: (1) Postpaid – leveraging on flexible postpaid plans that suit companies of every scale; (2) Enterprise Mobile Management – allows customers to gain more control over enterprise mobile devices while simultaneously maximizing workforce productivity; and (3) Satellite Phones.
- **Voice** - The Group's wide range of cost-efficient voice solutions simplifies communications infrastructure and tailors services to fit business needs. Globe's voice products for business include Globelines; Toll-Free Services; Enhanced Managed Voice Solution (EMVS); Managed IP-PBX; SIP Trunk; Hosted Contact Center Solutions; and Collaboration Solutions.
- **Connectivity** - Globe Business offers a fast and resilient connection powered by dedicated and reliable technologies (comprising Domestic Data; International Data; Internet Services; Managed Services).

⁸ *Inbound and Outbound global roaming partners*

- **Cloud** - Improve efficiency and agility in the face of evolving business environments while keeping costs low with Globe's range of cloud services: Infrastructure-as-a-Service (IaaS); Backup-as-a-Service (BaaS); Disaster-Recovery-as-a-Service (DRaaS); Amazon Web Services; AWS Direct Connect.
- **Data Center** - Globe Data Center provides a superior experience that goes beyond technology. Allows customers to outsource data center hosting and management. The services offered include the following:
 - o Co-location - managed space for customer's servers and IT equipment that run mission critical systems and applications;
 - o Cross Connect - provides direct connection from customer racks to its service provider;
 - o LAN-Based Internet - provides a redundant, stable, secure and high-speed connection to hosted environments within the Globe Data Center;
 - o Media Storage - physical off-site data storage in a clean, controlled, safe and secure environment within the Data Center; and
 - o Disaster Recovery ("DR") Seats - Provides a DR facility and workstations for customers in the event of a disaster or a business interruption
- **Cybersecurity** - Globe Business' Cybersecurity allows customers to handle security threats and IT infrastructure cost-effectively, and allows management of tasks and functions efficiently. The platform allows access to the best-in-class tool sets, hardware, software, and even niche technology experts.
- **Business Applications** - a diverse range of solutions to streamline and enhance business operations, and raise efficiency, productivity, and customer satisfaction (G Suite; Go Canvas, Office 365; Learning Management Solutions, HR Solutions, M2M).
- **Business Continuity** - Enable enterprises with the right digital solutions for uninterrupted business operations for their customers. Ensure seamless connectivity (reliable and redundant data solutions, Prepaid Mobile Wifi and Corporate Managed Broadband), Empower remote workforce (Amazon Chime, Amazon Workdocs, Office 365 and Zoom), and Safeguard business operations (Amazon WorkSpaces, Amazon Appstream 2.0, SASE, Cloud/Application/Endpoint Security).

Home Broadband

Globe offers wired and fixed wireless broadband services, across various technologies and connectivity speeds for its residential and enterprise customers. *Globe At Home Broadband* consists of wired postpaid and prepaid Fiber broadband packages, and wireless Home Prepaid WiFi, backed by Globe's 4G network.

Globe At Home GFiber Plans provides the best connectivity for your home with fast and unlimited plans which ensures smooth connection to productivity apps like teleconferencing, high-definition streaming, and low latency gaming. Starting October 15, *GFiber plans* range from ₱1499 per month for up to 300 Mbps to as high as 1.5 Gbps for ₱7,499 per month. The *GFiber Unli Plan* also comes with access to relevant apps like Disney+ and devices that can provide Fiber-to-the-room connectivity depending on the plan you get. See also [GFiber broadband-plans](#) for more updated details.

As part of the Company's thrust to make fiber-speed internet accessible to all Filipinos, Globe launched the revolutionary offering GFiber Prepaid last July 2023. GFiber Prepaid is designed to reach the mass market segment which remains to be under-served. It aims to democratize access to fiber connectivity, offering a No Monthly Bills, Reloadable Unli Internet at up to 50Mbps speed. Customers can acquire a GFiber Prepaid service with a special introductory offer of a one-time fee of ₱999, inclusive of modem, installation and seven days of unlimited internet. GCash's G-Credit and G-Gives may be used to pay the one-time fee if the upfront cashout is an issue. Customers can also choose from a selection of unlimited data promos with *GFiberSurf199* for 7 days, *GFiberSurf399* for 15 days, *GFiberSurf699* for 30 days, and *GFiberSurfAnnual6999* for 365 days. Customers may also avail of promos with Disney+ access thru *GFiberSurf999* for 30 days and *GFiberSurf9999* for 1 year.

Moreover, GFiber Prepaid provides customers with a fully digital experience from application to scheduling of installation and account management. Customers can apply, register their accounts, load GFiberSurf promos, and manage their accounts by downloading the GlobeOne app. Also, as part of Globe's commitment to sustainability and circularity, GFiber Prepaid comes in recyclable and upcyclable packaging, which can be repurposed and used as a laptop stand.

In 2024, Globe is enhancing its service delivery and offering innovative plans aiming to broaden its customer base and meet the evolving digital needs of Filipinos.

- GCash users can now subscribe to GFiber Prepaid promos and get reloadable UNLI Fiber internet. On the app, they can click **load** then **broadband**, and choose the *GFiberSurf* promo they need. Users can schedule automatic reloads to ensure they don't lose internet service.
- Globe At Home is giving GFiber customers unlimited access to the world of entertainment via a free Blast TV subscription. This unlocks a vast selection of channels, movies, and series, ensuring that customers have access to top-notch digital content at their fingertips.

- Existing Globe mobile subscribers will get the best GFiber Prepaid offers which they can claim via rewards (discounts).

For areas without fiber connectivity, Globe At Home Prepaid WiFi is a reliable prepaid internet option for the household, that is not just easy to install (plug and play) but also easy on the budget. Customers can load FamSurf promos that are suitable for their surfing requirements for as low as P199. FamSurf GB's may be shared as mobile data to up to four mobile and other prepaid Wifi devices so that family members can stay online even if they are not at home. This can easily be done via GlobeOne app.

See also [broadband/prepaid-wifi](#) for the latest Home Prepaid WiFi offers; [broadband/help/home-prepaid-wifi-set-up](#) on how to get started with Home Prepaid Wifi.

NON-TELCO PRODUCTS AND SERVICES

Globe is steadfast in solidifying its standing as a leading innovator in the country. Leveraging its core telco business and driven by the surge in consumer digital adoption, the company now offers a diverse portfolio of promising high-growth enterprises spanning sectors such as fintech, healthtech, adtech, e-commerce, and climatech, among others.

917Ventures

917Ventures, Globe's corporate venture builder, specializes in identifying, launching, accelerating, and expanding promising business concepts. Operating as a startup incubator, 917Ventures provides teams, frameworks, infrastructure, and strategies that have been validated, tested, and backed by Globe, Ayala, and other partners to expedite the growth of new ventures. Here's an overview of the companies that make up its portfolio:

- **GCash**

Globe Fintech Innovations, Inc. (known as "Mynt"), is a strategic partnership formed between Globe, Ayala Corporation, and Ant Group (formerly Ant Financial Services Group, or "Ant"). Ant is renowned as one of the world's leading digital finance service providers through Alipay, part of the Alibaba Group.

Mynt is the first and only \$5 billion unicorn in the Philippines. It is a leader in mobile financial services focused on accelerating financial inclusion through mobile money, financial services, and technology. Mynt operates two fintech companies: G-Xchange, Inc. ("GXI"), the mobile wallet operator of GCash, offering convenient financial services to Filipinos, and Fuse Lending Inc. ("Fuse"), a technology-based lending company, which empowers Filipinos with access to microloans and business loans, enabling them to pursue their entrepreneurial aspirations and contribute to economic growth.

GCash remains the number one finance super-app and the largest digital cashless ecosystem in the country, bannered by ubiquity across its active user base. To complement its ubiquity across its consumers, GCash has also built the largest network of online and offline merchants and social sellers (over 6 million partners) while hosting over 1,000 merchant partners in its app, via GLife. Through the GCash App, customers can easily purchase prepaid airtime, pay bills nationwide, send and receive money anywhere in the Philippines, even to other bank accounts, and purchase from their partner merchants and social sellers.

For its commitment to digital financial inclusion, and for its work in increasing accessibility to innovative, meaningful, and responsive financial services that empower and uplift millions of Filipinos, GCash was recently named as part of Fortune's prestigious inaugural Fintech Innovators Asia 2024 list. Last year, GCash was also recognized by the Asia-Pacific Stevie Awards for the Innovative Use of Technology in Customer Service and for Innovation in Digital Transformation. Alongside this, GCash was given the Company of the Year Award for the Philippines' Financial Technology Industry from leading global analysis and growth strategy consulting firm Frost & Sullivan. These awards recognize GCash's pioneering use of digital solutions and innovative financial services and its strong overall achievements in the financial technology space.

GCash boasts of the most comprehensive suite of digital financial services, covering savings (via GSave), investments (via GFunds, GStocks, and GCrypto), and insurance products (via GInsure). On credit, backed by its proprietary trust platform and credit scoring via GScore, GCash has provided access to credit to over 7.8 million borrowers, of which the majority are from lower socio-economic classes and $\frac{2}{3}$ are women. These milestones were achieved through game-changing lending products covering credit lines (GCredit), cash loans (GLoan), buy-now-pay-later (BNPL via GGives), and micro-credit starter loans (Sakto Loan and Borrow Load), providing loans to more Filipinos who need it the most.

In line with its financial inclusion mandate, GCash has gone beyond the nation's borders and now offers payments in 51 countries through GCash Global Pay. In partnership with Alipay+, this feature offers a hassle-free travel experience abroad through a seamless and secure payment experience across various merchants through Scan to Pay. GCash also empowers overseas Filipinos in 16 countries to manage their finances through GCash Overseas,

which allows them to use their international mobile number to register for the GCash App and gives them access to services such as Buy Load, Pay Bills, and Send Money.

Moving beyond transactions, GCash incorporates sustainability across its innovation initiatives. The GForest movement empowers users to accumulate green energy and plant trees by simply using GCash. To date, more than 3.9M trees have been planted and 163K tonnes of carbon dioxide have been avoided, enabling our users to build a greener tomorrow.

- [Brave Connective Holdings, Inc. \(BCHI\)](#) provides a holistic adtech and data ecosystem through its four companies: AdSpark, Inquiro, m360, and DeepSea.
 - *AdSpark*, an award-winning and leading digital advertising agency that combines data-driven insights through its proprietary DeepSea platform with the creative ingenuity of Secret Menu. By blending advanced analytics and innovative storytelling, AdSpark delivers impactful campaigns.
 - *iNQUIRO*, a cutting-edge data analytics company that transforms insights into actionable intelligence for businesses. With innovative solutions and a commitment to empowering smarter decisions, Inquiro helps brands unlock growth and drive success.
 - *M360*, a leading communications platform offering seamless, multi-channel solutions through its innovative One API. Empowering businesses with scalable messaging capabilities, m360 connects brands to their customers effectively and efficiently.
 - *DeepSea*, an adtech company focused on enabling programmatic advertising capabilities that power agencies, advertisers, and publishers

ANNEX “C” – MANAGEMENT REPORT

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following is a discussion and analysis of Globe’s financial performance for the year ended 31 December 2024. The prime objective of this MD&A is to help the readers understand the dynamics of the Company’s business and the key factors underlying its financial results. Hence, Globe’s MD&A is comprised of a discussion of its core business, and analysis of the results of operations for each business segment. This section also focuses on key statistics from the audited consolidated financial statements and pertains to known risks and uncertainties relating to the telecommunications industry in the Philippines where we operate up to the stated reporting period. However, Globe’s MD&A should not be considered all inclusive, as it excludes unknown risks, uncertainties and changes that may occur in the general economic, political and environmental condition after the stated reporting period. Globe has adopted an expanded corporate governance approach in managing its business risks. An Enterprise Risk Management Policy was developed to systematically view the risks and to manage these risks in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The Company’s MD&A should be read in conjunction with its audited consolidated financial statements and the accompanying notes. All financial information is reported in Philippine Pesos (Php) unless otherwise stated.

Any references in this MD&A to “Globe” or “Company” include Globe Telecom, Inc., and its subsidiaries and affiliates.

Additional information about the Company, including annual and quarterly reports, can be found on our corporate website www.globe.com.ph

KEY PERFORMANCE INDICATORS

Globe is committed to efficiently managing the Company's resources and enhancing shareholder value. The Company regularly reviews its performance against its operating and financial plans and strategies, and uses key performance indicators to monitor its progress.

Some of its key performance indicators are set out below. Except for Net Income, these key performance indicators are not measurements in accordance with Philippine Financial Reporting Standards (PFRS) and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

AVERAGE REVENUE PER UNIT (ARPU)

ARPU measures the average monthly gross revenue generated for each subscriber. This is computed by dividing recurring gross service revenues (gross of interconnect charges) for a business segment for the period by the average number of the segment's subscribers and then dividing the quotient by the number of months in the period.

AVERAGE MONTHLY CHURN RATE

The average monthly churn rate is computed by dividing total disconnections (net of reconnections) for the segment by the average number of the segment's subscribers, and then divided by the number of months in the period. This is a measure of the average number of customers who leave, switch, or change to another type of service or to another service provider and is usually stated as a percentage.

EBITDA

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) is calculated as service revenues less subsidy¹, operating expenses and other income and expenses². This measure provides useful information regarding a company's ability to generate cash flows, incur and service debt, finance capital expenditures and working capital changes. As the Company's method of calculating EBITDA may differ from other companies, it may not be comparable to similarly titled measures presented by other companies.

EBITDA MARGIN

EBITDA margin is calculated as EBITDA divided by total service revenues. Total service revenue is equal to total gross operating revenue less non-service revenue. This is useful in measuring the extent to which subsidies and operating expenses (excluding property and equipment-related gains and losses and financing costs), use up revenue.

EBIT AND EBIT MARGIN

EBIT is defined as earnings before interest, property and equipment-related gains and losses and income taxes. This measure is calculated by deducting depreciation and amortization from EBITDA. Globe's method of calculating EBIT may differ from other companies and, hence, may not be comparable to similar measures presented by other companies. EBIT margin is calculated as EBIT divided by total service revenues.

NET INCOME

As presented in the unaudited condensed consolidated financial statements for applicable periods, net income provides an indication of how well the Company performed after all costs of the business have been factored in.

CORE NET INCOME

Core net income is defined as net income after tax (NIAT) but excluding foreign exchange and mark-to-market gains (losses), and non-recurring items.

¹ Computed as non-service revenues less cost of sales, mostly on sale of handsets/SIM packs, accessories & gadgets

² Operating expenses do not include any property and equipment-related gains and losses, equity share in net earnings (losses) of associates and joint ventures and financing costs

2024 FINANCIAL AND OPERATIONAL RESULTS

FINANCIAL HIGHLIGHTS

Results of Operations (Php Mn)	Year on Year		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
Operating Revenues	180,586	180,164	-
Service Revenues	165,016	162,333	2%
<i>Mobile*</i>	116,713	112,376	4%
<i>Home Broadband**</i>	23,785	25,112	-5%
<i>Corporate Data</i>	20,380	18,319	11%
<i>Fixed line Voice</i>	1,500	1,595	-6%
<i>Others***</i>	2,638	4,931	-47%
Non-Service Revenues	15,570	17,831	-13%
Costs and Expenses	93,772	98,738	-5%
Cost of Sales	16,429	18,217	-10%
Operating Expenses	77,343	80,521	-4%
EBITDA	86,814	81,427	7%
EBITDA Margin	52.6%	50.2%	
Depreciation	50,473	47,356	7%
EBIT	36,341	34,071	7%
EBIT Margin	22.0%	21.0%	
Non-Operating Charges	(6,010)	(1,655)	263%
Net Income After Tax (NIAT)	24,286	24,578	-1%
Core Net Income	21,498	18,916	14%
Normalized Net Income After Tax	21,674	19,134	13%
Normalized Core Net Income	21,498	19,070	13%

* Mobile business includes Mobile and fully Mobile Broadband

** Home Broadband includes fixed wireless and wired Broadband

*** Others includes non-telco revenues from subsidiaries

- Globe ended 2024 with strong results, setting a new record consolidated gross service revenues of ₱165.0 billion, reflecting a steady 2% growth compared to 2023. This milestone was achieved despite headwinds from home broadband normalization, the ECPay⁹ deconsolidation, and the prolonged impact of inflation, compounded by the devastating typhoons in the latter half of the year that weighed on consumer spending. The mobile and corporate data businesses were key drivers of this performance, contributing a combined 83% to total consolidated gross service revenues, up from 81% in the previous year. Notably, mobile revenues increased by 4%, while corporate data revenues surged by 11% in comparison to 2023. The shift towards data-driven services continues, with data revenues now representing 86% of consolidated gross service revenues, up from 83% in the prior year. Assuming the deconsolidation of ECPay from Globe's books in the full year of 2023, consolidated gross service revenues would have grown by 3% on a comparable basis.
 - The mobile business generated a record ₱116.7 billion in revenue for the full year 2024, surpassing the previous high of ₱112.4 billion in 2023, supported by the effective data monetization and market repair efforts. This was also bolstered by the continued network enhancements, leading to increased competitiveness and customer appeal. Consequently, mobile revenues now represent 71% of total consolidated gross service revenues, compared to 69% in 2023. Globe's mobile customer base also expanded, ending 2024 with 60.9 million subscribers, compared to 57.0 million a year ago.
 - Home Broadband service revenues stood at ₱23.8 billion or down 5% from 2023. This decline was mainly attributed to customer migration from fixed wireless to fiber products, underscoring the

⁹ The deal is currently undergoing thorough reviews. Completion is expected upon receipt of approvals from the relevant regulatory bodies and satisfaction of closing conditions.

substantial demand for high-speed internet. This market trend led to a 2% year-on-year increase in fiber revenues, partially offsetting the overall home broadband revenue decline. Sequentially, home broadband increased 2% quarter-on-quarter in Q4, driven by growing demand for fiber services. This marks the first sequential growth in 13 quarters since 3Q21, indicating a clear recovery trend in line with Globe's guidance.

- Corporate Data revenues posted an all-time high ₱20.4 billion, or up by 11% from a year ago notwithstanding a 14% decline in the fourth quarter. This strong performance was mostly from information and communication technology (ICT) and core data revenues. Higher ICT revenues this period was largely contributed by business application, and cybersecurity services.
- The annual decline of 6% in fixed line voice revenues was mainly due to lower outbound usage.
- The 47% drop in non-telco revenues from the ₱4.9 billion recorded at the end of 2023 was impacted by the deconsolidation of ECPay¹⁰, following the sale of a 77% stake to Mynt last year. Adjusting the 2023 figures to reflect the ECPay deconsolidation shows a smaller drop of 12%.
- Globe achieved a 3% year-on-year reduction in total operating expenses (including subsidy), from ₱80.9 billion in 2023 to ₱78.2 billion in 2024. This was primarily attributed to cost-saving measures, such as reduced spending in staff costs, marketing, provisions, repairs & maintenance and other expenses, and the impact of ECPay deconsolidation. However, excluding ECPay from 2023 figures for comparability, total operating expenses would have decreased by 2%.
- Total depreciation and amortization expenses for the year rose to ₱50.5 billion from ₱47.4 billion reported in 2023, given Globe's continued network investments.
- Overall, Globe's total costs and expenses for the year 2024 remained stable at ₱128.7 billion due to cost-saving measures implemented throughout the year.
- Globe's consolidated EBITDA soared to an unprecedented ₱86.8 billion, a 7% surge compared to last year. This outstanding performance was driven by a 2% increase in consolidated gross service revenues and a 3% decrease in operating expenses (including subsidy). The company's EBITDA margin for the year exceeded the 50% guidance, reaching an impressive 52.6%.
- Globe's full year 2024 non-operating charges stood at ₱6.0 billion versus last year's reported non-operating expenses of ₱1.7 billion. This increase was attributed to lower tower sale gains in 2024 and increased net interest expenses. However, the company's expansion of equity share in affiliates partially offset this decline.
- Globe ended 2024 with a consolidated net income of ₱24.3 billion, down 1% from the previous year mainly due to lower one-time gains from tower sales. Additionally, a 7% increase in depreciation expenses and higher non-operating charges fully offset the 7% surge in EBITDA. Excluding the one-time gain from the tower sale, normalized net income stood at ₱21.7 billion, which showed a robust annual 13% growth.
- Globe's core net income, adjusted to exclude non-recurring charges, foreign exchange, and mark-to-market charges, posted a solid 14% year-on-year growth, attaining ₱21.5 billion by the end of 2024. If ECPay had been deconsolidated from Globe's books for the full year of 2023, core net income for the year would have posted a 16% increase.
- Globe's full-year cash capital expenditures (capex) for 2024 reached approximately ₱56.2 billion, a 20% decrease compared to 2023. This strategic reduction aims to optimize capital utilization and achieve positive free cash flows by 2025. The cash capex to revenue ratio decreased from 44% in 2023 to 34% in 2024. Similarly, the cash capex to EBITDA ratio showed significant improvement, falling from 87% to 65% over the same period. Notably, 90% of the capex was invested in data requirements, ensuring uninterrupted access to digital solutions and connectivity services for Globe's customers.

¹⁰ The deal is currently undergoing thorough reviews. Completion is expected upon receipt of approvals from the relevant regulatory bodies and satisfaction of closing conditions.

OPERATING REVENUES BY SEGMENT

Operating Revenues By Business (Php Mn)	Year on Year		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
Mobile*	131,914	129,833	2%
Service Revenues	116,713	112,376	4%
Non-Service Revenues	15,201	17,457	-13%
Fixed Line and Home Broadband**	45,941	45,289	1%
Service Revenues	45,665	45,026	1%
Non-Service Revenues	276	263	5%
Others***	2,731	5,042	-46%
Service Revenues	2,638	4,931	-47%
Non-Service Revenues	93	111	-16%
Total Operating Revenues	180,586	180,164	-

* Mobile business includes Mobile and fully Mobile Broadband.

** Home Broadband includes fixed wireless and wired Broadband; Fixed line and Home Broadband includes corporate data, fixed line voice and Home Broadband.

***Others includes non-telco revenues from subsidiaries

Globe's total operating revenues for the year reached ₱180.6 billion, remaining relatively stable year-on-year. Consolidated gross service revenues reached a record ₱165.0 billion, a 2% increase from 2023, driven by mobile and corporate data, which contributed 83% of total revenues. However, this growth was partially offset by a 13% decline in non-service revenues.

Mobile service revenues represented 71% of Globe's total gross consolidated service revenues. Mobile service revenues rose by 4% in 2024, reaching ₱116.7 billion. This increase was fueled by a 7% uptick in mobile data revenues, which was partially offset by the declines in mobile voice and SMS revenues.

Globe's Fixed Line and Home Broadband revenues constituted 28% of Globe's total gross consolidated service revenues. Fixed line and Home Broadband revenues grew by 1%, reaching ₱45.7 billion from the ₱45.0 billion reported in 2023. This was largely due to the substantial contributions of Corporate Data, which counterbalanced the 6% and 5% declines in Fixed Line Voice and Home Broadband, respectively.

Non-service revenues from mobile services fell 13% year-on-year, while those from fixed line and home broadband services rose 5%. Non-service revenues from non-telco products and services decreased from ₱111 million in 2023 to ₱93 million in 2024.

MOBILE BUSINESS

Mobile Service Revenue (Php Mn)	Year on Year		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
Service			
Mobile Voice ¹	12,653	13,506	-6%
Mobile SMS ²	6,691	7,975	-16%
Mobile Data ³	97,369	90,895	7%
Mobile Service Revenues	116,713	112,376	4%

¹ Mobile Voice service revenues include the following:

- Prorated monthly service fees on consumable minutes of postpaid plans;
- Subscription fees on unlimited and bucket voice promotions including the expiration of the unused value of denomination loaded;
- Charges for intra-network and outbound calls in excess of the consumable minutes for various Globe Postpaid plans, including currency exchange rate adjustments, or CERA, net of loyalty discounts credited to subscriber billings; and
- Airtime fees for intra network and outbound calls recognized upon the earlier of actual usage of the airtime value or expiration of the unused value of the prepaid reload denomination (for Globe Prepaid and TM) net of (i) bonus credits and (ii) prepaid reload discounts; and revenues generated from inbound international and national long distance calls and international roaming calls; and
- Mobile voice service revenues of GTI and MVNO.

² Mobile SMS net service revenues consist of revenues from value-added services such as inbound and outbound SMS and MMS, and infotext, subscription fees on unlimited and bucket prepaid SMS services net of any interconnection or settlement payouts to international and local carriers and content providers.

³ Mobile Data service revenues consist of revenues from mobile internet browsing and content downloading, mobile commerce services, other add-on value added services (VAS), and service revenues of GXI and MVNO, net of any interconnection or settlement payouts to international and local carriers and content providers, except where Globe is acting as principal to the contract where revenues are presented at gross billed to subscriber and settlement pay-out are classified as part of costs and expenses. Revenues from premium content services (where Globe is acting as principal to the contract) is reported gross of licensors' fees.

Throughout the years, Globe has led the way in offering products and services tailored to customers' digital preferences, making it the go-to brand for Filipinos' digital lifestyle choices. This was achieved through partnerships with global content giants.

Globe launched its GlobeOne app, a digital tool designed to assist customers in managing their various Globe accounts. Through the GlobeOne app, Globe customers can conveniently monitor their Globe Postpaid, Globe Prepaid/TM, Home Prepaid WiFi, and Rewards accounts. The GlobeOne app can be easily downloaded from the App Store for iOS devices and the Google Play Store for Android devices, providing customers with seamless access to their account management needs.

Mobile Data

Mobile Browsing, Internet-on-the-Go and Other Data

Mobile data now constitutes a larger portion of mobile revenues, rising from 81% in 2023 to 83% in 2024. By year-end of 2024, mobile data revenues hit an all-time high of ₱97.4 billion as of end-December 2024, up by 7% from last year. This upward trend in mobile data revenues was largely driven by Filipinos' growing preference for the use of mobile applications to perform their various online activities. Mobile data traffic also grew to 6,351 petabytes, compared to 5,960 petabytes in 2023.

Globe Prepaid customers can choose from Globe promos that fit their needs and lifestyle for as low as ₱59 with 5GB for all sites and unli allnet texts, valid for 3 days. In addition, Globe continues to give its customers more options to level up their connection with Go+ promos for as low as ₱99 valid for 7 days and ₱250 valid for 15 days. Customers can have more GBs to use to address everything they need with data for all sites, data for apps of choice, unli allnet texts, and a free discount voucher from their favorite everyday apps. See also [prepaid/go-promos/plus](#) for more details. App-Exclusive promos are likewise available on GlobeOne and GCash which include the following:

Available on GlobeOne only:

- 1) Super Xclusive Go+99 - same as Go+99 but with free +4GB
- 2) UnliGo149 - 5GB for all sites + unli data for choice of apps, valid for 7 days
- 3) UnliGo299 - 10GB for all sites + unli data for choice of apps, valid for 15 days

Available on GCash and GlobeOne:

- 1) Go59 for Students - same as Go59 but with free +1GB for all Sites +1GB for GoLEARN&WORK apps, unli allnet texts, 3 days
- 2) GoEXTRA199 - 10GB for all sites + unli allnet calls and texts, valid for 15 days
- 3) Go+179 - 10GB for all sites + 16GB for 5G + unli allnet texts, valid for 15 days, plus a free discount voucher

See <https://www.globe.com.ph/prepaid/app-exclusive-promos> for more information.

Meanwhile, Globe “*Surf4All*” is the Philippines’ first-ever data-sharing promo. This offers users a high data allowance that’s usable on all sites and can be shared with up to four (4) users for one week. Customers get to enjoy up to 20GB of shareable data at an affordable ₱249. This Globe data promo allows its customers to share data with Prepaid, Postpaid, Platinum, Globe At Home Prepaid WiFi, MyFi and TM users. See also [Surf4all](#) for more details. Prepaid customers may also choose to subscribe to “*GoUnli*” offers to get unlimited calls and texts with data for all sites for as low as ₱20 per day (see [prepaid/gounli](#) for more details).

Meanwhile, TM customers can subscribe to the following: *FBML15* which gives customers 1GB for Facebook and Mobile Legends, valid for 3 days; *Big Bente* which offers 1.5GB for Facebook, Mobile Legends, Honor of Kings, & Tiktok, valid for 3 days and *EasySURF 50* which gives customers 6GB of total data (3GB for internet + 3GB content freebies for choice of app bundle: FunAliw and FunAchieve + unlimited texts to all networks, for ₱50 valid for 3 days. TM customers can also subscribe to a GlobeOne/GCash-exclusive offer with 9GB total data: 3GB open-access + 3GB 5G Access + 3GB (1GB/day) FunPinoy pack + unlimited texts to all networks, for ₱50 valid for 3 days; *EasySURF 75* gives customers 8GB (2GB data + 6GB freebie) with unlimited AllNet calls and text valid for 3 days. 7-days validity offers are likewise available: *EasySURF 99* which give its customers 16GB (2GB data + 14GB freebie) with unlimited AllNet texts and *EasySURF 140* which give its customers 18GB (4GB data + 14GB freebie) with unlimited AllNet calls and texts. *EasySURF 99* also has a GlobeOne/GCash-exclusive version with 17GB total data: 3GB open-access + 14GB (2GB/Day) choice of FunPinoy pack, unlimited texts to all networks, ₱99 valid for 7 days. In addition, 30-days validity offers for TM are also available: TM *EasyPLAN 150* for Unlimited calls & texts to all networks, 1GB open-access + 15GB (1GB/day) for FB, ML, Tiktok, YouTube, Instagram, ₱150 valid for 15 days; *TM EasyPLAN 150 in GCash/GlobeOne exclusive - Unlimited calls & texts to all networks, 1GB open-access + 30GB (2GB/day) for FB, ML, Tiktok, YouTube, Instagram, ₱150 valid for 15 days*; *TM EasyPLAN 300 - Unlimited calls & texts to all networks, 2GB open-access + 30GB (1GB/day) for FB, ML, Tiktok, YouTube, Instagram, ₱300 valid for 30 days*; *TM EasyPLAN 300 in GCash/GlobeOne exclusive - Unlimited calls & texts to all networks, 2GB open-access + 60GB (2GB/day) for FB, ML, Tiktok, YouTube, Instagram, ₱300 valid for 30 days, exclusive in GlobeOne & GCash*. TM customers can also register to *SURF4ALL 99* (9 GB for all apps & sites, shareable up to four friends or four devices), and *SURF4ALL 249* (20 GB for all apps & sites, shareable up to four friends or four devices) valid for 7 days.

See <https://www.tmtambayan.ph/> for more details on TM’s latest offers.

Likewise, the Company continued to offer *Roam Surf Data and App* packs to its prepaid and postpaid customers. Prepaid subscribers can choose from all-access data roaming packs for as low as ₱150 or their favorite apps (Facebook, Instagram, viber, WhatsApp, WeChat) for as low as ₱100. This offer allows prepaid customers to access the internet abroad, making their data connectivity experience more seamless and worry-free ([roam-surf-data-app-packs-prepaid](#) for more details). Meanwhile, *Globe Postpaid* customers can enjoy all-day or 24 hours all-access data roaming packs for as low as ₱149 with Easy Roam 149, or their favorite apps Facebook or viber with *Roam Facebook 299* and *Roam Viber 199* ([roam-surf-data-app-packs-postpaid](#) for more details). For added convenience, Postpaid customers can enjoy instant connectivity without needing to register for a promo. Once abroad, they can simply turn on their mobile data and data roaming to activate all-day data roaming with Roam Surf 399 in 100+ destinations, for only ₱399 valid for 24 hours.

Globe also introduced the discounted data roaming called *Roam Surf Longer Stay*. Subscribers can enjoy more gigabytes for more days while spending less - choose from 3, 5, 7, 15 or 30-day offers which come with 3GB up to 20GB data, and get up to 50% off (vs. the daily Roam Surf rate). Once subscribed to a promo, Postpaid subscribers simply need to turn on mobile data and data roaming in their settings upon arrival abroad to start surfing. For Prepaid subscribers, get your favorite Roam Surf promo via the GlobeOne app, GCash, or dial *143# and select MyAccount > Roaming & Intl.

The Company's latest innovation [Globe Roam Surf4All](#) brings ease and affordability to every trip, catering to the needs of budget-conscious families and travel groups. *Roam Surf4All* is available in over 100 countries and offers an unmatched level of convenience by allowing shared connectivity among multiple users. Customers only need to register to one Roam Surf4All promo and add/manage additional members via the GlobeOne app for the group to enjoy data roaming without having to stick together or be in close proximity. Currently available are three tailor-made packages, each designed to suit various travel durations and data needs: *Roam Surf4All 2599* with 5 GB for 5 days (₱104 per person per day); *Roam Surf4All 5499* with 10 GB for 15 days (₱73 per person per day) and *Roam Surf4All 7499* with 12 GB for 30 days. Globe Prepaid customers can also register to Roam Surf4All via GCash app.

Aside from these, Globe infuses convenience and affordability into wanderlust-driven adventures. The expanded *GoRoam* promos provide travelers with the convenience of a roaming service plus affordable options comparable to local rates in those countries. Globe's *GoRoam* is now available in 14 destinations, with country-exclusive packages rivaling local SIM connectivity prices. This allows customers to use their mobile devices abroad with the same comfort and cost-efficiency they enjoy in their country of destination. *GoRoam* offers include the following:

- 20 GB of data valid for 30 days in Singapore for ₱1,500
- 30 GB of data valid for 30 days in the USA for ₱3,000
- 20 GB of data valid for 15 days in the USA for ₱2,000
- 5 GB of data valid for 10 days in Hong Kong for ₱800
- 3 GB of data valid for 5 days in Taiwan for ₱600
- 15 GB of data valid for 8 days in Thailand for ₱800
- 5 GB of data valid for 10 days in Malaysia for ₱800
- 10GB of data valid for 30 days in Japan for ₱ 1,600
- 10GB of data valid for 30 days in Canada for ₱ 2,000
- 10GB of data valid for 30 days in Australia for ₱1,000
- 5GB of data valid for 30 days in Vietnam for ₱800
- 25GB of data valid 30 days in Indonesia for ₱600
- 8 GB of data valid for 28 days in the UAE for ₱2,000
- 20GB of data valid for 10 days in Maldives for ₱ 2,500

GoRoam promos are available via the GlobeOne app and GCash (for Globe Prepaid/TM). To register, access the app, click Buy Promos and search for *GoRoam* to see the available offers. Once registered, simply turn on your mobile data and data roaming to activate and start enjoying the promo abroad. You can easily manage and track your data usage on the app's dashboard.

To strengthen roaming's proposition, Globe has launched the advance booking capability via GlobeOne where customers can pre-book their data roaming packs up to 1 year in advance. Globe Prepaid customers will be charged upon booking, while Postpaid customers will be charged upon activation on the set travel period. If trip plans change, Prepaid customers will get refunded, while Postpaid customers will have their booked promo be cancelled for free.

In addition to 5G Roaming, Globe Postpaid and Prepaid subscribers can now experience VoLTE roaming in Asia and the US. This innovative solution ensures that Globe customers can enjoy uninterrupted high-quality voice calls and text messaging even as foreign networks phase out their legacy 2G and 3G infrastructure. VoLTE allows users to leverage LTE networks for high-definition voice calls, texts, and simultaneous mobile data usage without relying on older technologies. It provides uninterrupted connectivity, faster call setup, and the ability to use voice and data concurrently - all at no extra cost beyond regular roaming rates.

Mobile Voice

Mobile voice revenues, which accounted for 11% of total mobile service revenues, decreased by 6% to ₱12.7 billion in 2024 from ₱13.5 billion in 2023. This decline aligns with global trends as voice traffic continues to shift towards internet-based platforms.

The Company continues to provide attractive and affordable bulk voice offers. Globe Prepaid customers can register to GoUNLI promos to enjoy unlimited calls and texts to all networks, and all-access data for as low as ₱20. For worry-free connection for an entire month, customers can opt for GoUNLI350 (see <https://www.globe.com.ph/prepaid/gounli> for more information). Meanwhile, *TM* subscribers may choose from various combo offers for as low as ₱10 for call and text promos (visit <https://www.tmtambayan.ph/promos/ca10> for more information).

Filipinos who wish to stay connected with their loved ones abroad, Globe continues to offer its per-second charging for international voice calls for both Globe Postpaid and Globe Prepaid subscribers. Globe customers can enjoy affordable IDD rates, share cherished moments with as low as ₱5 per minute to the Middle East and Europe, and ₱2.50 per minute to North America and Asia.

Visit <https://www.globe.com.ph/international/call-and-text-abroad> for more information.

Roam Unli Call & Text is likewise available for Globe Postpaid customers for them to enjoy all-day calls and texts while roaming visit <https://www.globe.com.ph/international/roaming> for more details).

Mobile SMS

Mobile SMS revenues, which made up 6% of total mobile service revenues, stood at ₱6.7 billion by year-end, reflecting a 16% decline from the ₱8.0 billion achieved in 2023. Like mobile voice services, the drop in SMS traffic was attributed to the shift toward OTT messaging applications.

Globe continues to showcase a comprehensive line up of mobile SMS value offers ranging from unlimited and bucket text services. Visit the <https://www.globe.com.ph/prepaid/promos> for more information on the latest prepaid promos.

With TM's continued dedication of giving its subscribers wonderful and value-for-money offers, TM customers can get to choose from a wide array of promo offers ranging from bucket or unlimited SMS. *All-NetSurf10* for 100 mins + 100 SMS to all networks + 100MB FB/ML, ₱10 valid for 1 day, exclusively available in GlobeOne & GCash; *All-NetSurf20* for Unlimited calls & texts to all networks + 300MB open-access + 300MB (150MB/Day) FunAliw apps, ₱20 valid for 2 days and *All-NetSurf30* for Unlimited calls & texts to all networks + 750MB open-access + 300MB (450MB/Day) FunALIW apps, ₱30 valid for 3 days.

Meanwhile, for Filipinos who wish to send messages to their family and friends in the USA Mainland, Canada, Kuwait, Guam, Greece, and Mexico, they can subscribe to Unli iTXT 20 for only ₱20 a day. To register, text UNLI ITXT 20 to 8080 or dial *143# and select Roaming & Int'l > Call and Text Abroad.

Visit <https://www.globe.com.ph/international/call-and-text-abroad> for more information.

VoLTE and VoWiFi

VoLTE (Voice over LTE) is a technology that enables voice calls to be made over the LTE network instead of traditional 2G or 3G networks. VoWiFi (Voice over WiFi), also known as Wi-Fi Calling, is a complementary technology to VoLTE that allows voice calls to be made over a Wi-Fi network.

Both VoLTE and VoWiFi can be utilized even if the recipient's device is not VoLTE-capable. When a call is made between two VoLTE/VoWiFi devices, a long-beep ringtone is heard, similar to international direct dialing (IDD) calls. However, if a call is made between a VoLTE or VoWiFi device and a 3G/2G device, the normal ringtone will be used.

Globe has implemented VoLTE services for its postpaid customers, aiming to enhance their mobile experience. VoLTE has been fully activated in all cities within Metro Manila and neighboring provinces, expanding accessibility for postpaid customers. This development improves the quality and reliability of voice calls.

Postpaid customers are encouraged to verify whether their mobile phone supports VoLTE, explore new VoLTE-ready locations, and gather additional information about VoLTE through these [Online FAQs](#).

Globe is progressively implementing VoLTE and VoWiFi services, which are currently accessible in select locations starting from December 18, 2020. Eligible prepaid customers can also access VoLTE services as of November 7, 2022.

To achieve VoLTE Roaming capabilities, Globe's technical team successfully conducted VoLTE Outbound Roaming and VoLTE Inbound Roaming calls with Airtel. This demonstrates the readiness of Globe's network to support both outbound and inbound VoLTE Roaming services.

While VoLTE roaming is still under development, Globe customers in countries without 2G or 3G access can opt for data roaming offers. These offers allow customers to make and receive calls and messages through Over-the-top (OTT) apps such as Viber, WhatsApp, and Messenger. Customers can conveniently register and track their data usage through the GlobeOne app.

See also <https://www.globe.com.ph/volte.html> and <https://www.globe.com.ph/help/postpaid/volte.vowifi> for more details.

Key Mobile Drivers

	Year on Year		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
<u>Cumulative Subscribers (or SIMs) - Net</u>	60,906,496	57,047,237	7%
Globe Postpaid	2,429,816	2,545,462	-5%
Prepaid	58,476,680	54,501,775	7%
<i>Globe Prepaid¹</i>	32,078,927	29,884,300	7%
<i>TM</i>	26,397,753	24,617,475	7%
<u>Net Subscriber (or SIM) Additions</u>	3,859,259	(29,699,435)	-113%
Globe Postpaid	(115,646)	15,768	-833%
Prepaid	3,974,905	(29,715,203)	-113%
<i>Globe Prepaid¹</i>	2,194,627	(14,652,676)	-115%
<i>TM</i>	1,780,278	(15,062,527)	-112%
<u>Average Revenue Per Subscriber (ARPU)²</u>			
Globe Postpaid	914	855	7%
Prepaid			
<i>Globe Prepaid¹</i>	148	121	22%
<i>TM</i>	113	84	35%
<u>Average Monthly Churn Rate (%)</u>			
Globe Postpaid	1.6%	1.5%	
Prepaid			
<i>Globe Prepaid¹</i>	1.9%	5.8%	
<i>TM</i>	2.2%	6.4%	

¹Globe Prepaid include GOMO subscribers

²ARPU is computed by dividing recurring gross service revenues (gross of interconnect expenses) segment by the average number of the segment's subscribers and then dividing the quotient by the number of months in the period.

Globe closed 2024 with a total mobile subscriber base of 60.9 million subscribers from 57.0 million a year ago. This was primarily attributed to improvement in churn. *Globe Prepaid*, including GOMO, and *TM* accounted for 98% of the total SIMs acquired during the year. Despite the decline in gross acquisitions, Globe managed to achieve a notable turnaround in subscriber growth, reversing the previous year's net reduction of 29.7 million subscribers. The company ended 2024 with a net incremental subscriber base of 3.9 million. This improvement was driven by a reduction in the overall churn rate from 5.9% in 2023 to 2.0% in 2024. The higher churn rate in 2023 was largely due to the SIM card registration (SCR) exercise.

The succeeding sections cover the key segments and brands of the Mobile business – *Globe Postpaid*, *Globe Prepaid* (including fully-mobile broadband subscribers and GOMO) and *TM*.

Globe Postpaid

Globe Postpaid had a total of over 2.4 million cumulative subscribers as of the end of December 2024, down by 5% from 2023. *Globe Postpaid*'s gross acquisitions for the year stood at 349,621 or 24% lower than last year. The combination of higher churn and lower gross acquisitions during the year resulted in a net reduction of 115,646 postpaid subscribers, compared to a net increase of 15,768 in the previous year.

Full-year 2024 *Globe Postpaid* ARPU registered at ₱914, which was higher versus 2023 by 7%.

Prepaid

Globe's prepaid segment, which includes the *Globe Prepaid*¹¹ and *TM* brands, accounts for 96% of its total cumulative mobile subscriber base. As of end-December 2024, cumulative prepaid subscribers stood at 58.5 million up by 7% from 54.5 million subscribers reported in 2023.

According to the National Telecommunications Commission (NTC) Memorandum Circular 03-07-2009, the first expiry periods ranged from 3 days for loads worth ₱10 or below to 120 days for reloads amounting to ₱300 and above. The second expiry remained at 120 days from the date of the new first expiry periods. The first expiry was reset based on the longest expiry period among current and previous reloads. Under this policy, subscribers were included in the subscriber count until churned.

However, a more recent Joint Memorandum Circular No. 05-12-2017 issued by the NTC, the Department of Information and Communications Technology (DICT), and the Department of Trade and Industry (DTI) mandates that all prepaid loads shall have a one-year expiration period regardless of the amount. In compliance with this regulation, Globe implemented a one-year expiration period for prepaid loads worth 300 pesos and above on January 6, 2018. Later, on July 5, 2018, Globe extended the implementation to all Globe prepaid loads, including denominations below 300 pesos.

In a separate development, the SIM Card Registration Act (SRA) (Republic Act No. 11934) was signed into law on October 10, 2022. This law requires all SIM owners to register their SIMs to continue using them for mobile internet, calls, and texts. The registration applies to all SIMs, both in card and electronic form, used in mobile phones, prepaid WiFi kits, or other devices. Failure to register will result in the deactivation of the SIM and the inability to use it. As per the law, all SIMs sold by telecommunications companies, authorized distributors, or resellers will be initially deactivated and only activated once the buyer registers the SIM on authorized registration platforms.

The Philippines' SIM Registration Act is intended to address the growing problem of cybercrime in the country, particularly the proliferation of smishing and other forms of scam and spam messaging enabled by the anonymity afforded by prepaid SIMs.

The succeeding sections discuss the performance of the *Globe Prepaid* and *TM* brands in more detail.

a. Globe Prepaid

Globe Prepaid gross acquisitions (including *GOMO*) ended at 9.1 million in 2024, 18% lower compared to last year. Despite this, the total net incremental *Globe Prepaid* subscribers reached 2.2 million, a significant improvement compared to the previous year's net reduction of 14.7 million. This primarily stemmed from an improved churn rate, which decreased from 5.8% in 2023 to 1.9% this year. The SCR was the primary cause of the increased churn rate in 2023. Total cumulative *Globe Prepaid* subscribers grew 7% over the previous year, hitting approximately 32.1 million by the end of 2024.

Globe Prepaid ARPU posted at ₱148, or 22% increase from ₱121 from a year ago.

b. TM

TM's gross acquisitions decreased by 11%, resulting in 8.5 million subscribers at the end of 2024, compared to 9.5 million subscribers in 2023. Despite the decline in gross acquisitions, the improvement in churn led to a net increase of 1.8 million *TM* subscribers during the year, compared to a net reduction of 15.1 million

¹¹ *Globe Prepaid* subscribers include *GOMO* subscribers. *GOMO* is a fully digital service brand of Globe created to address the needs of the underserved digitally savvy yuppie segment. Simply buy the sim from gomo.ph or thru the *GOMO PH* mobile app

subscribers (post SCR) in 2023. Meanwhile, as of the end of 2024, the total cumulative *TM* subscribers stood at 26.4 million, up 7% from the 24.6 million subscribers reported in 2023.

Likewise, *TM* ARPU was 35% better than last year's ₱84, ending the year at ₱113.

FIXED LINE AND HOME BROADBAND BUSINESS

Service Revenues (Php Mn)	Year on Year		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
Service			
Home Broadband ¹	23,785	25,112	-5%
Corporate Data ²	20,380	18,319	11%
Fixed line Voice ³	1,500	1,595	-6%
Fixed Line & Home Broadband Service Revenues	45,665	45,026	1%

¹ Home Broadband service revenues consist of the following:

- a) Monthly service fees of wired, fixed wireless, bundled voice and data subscriptions;
- b) Browsing revenues from all postpaid and prepaid wired, fixed wireless Broadband packages in excess of allocated free browsing minutes and expiration of unused value of prepaid load credits;
- c) Value-added services such as games; and
- d) Installation charges and other fees associated with the service.
- e) Revenues from premium content services (where Globe is acting as principal to the contract) are reported gross of the licensors' fees. The latter is reflected as part of maintenance expenses.

² Corporate data (previously called Fixed line data) service revenues consist of the following:

- a) Monthly service fees from international and domestic leased lines;
- b) Revenues from value-added services and ICT;
- c) Connection charges associated with the establishment of service.

³ Fixed line voice service revenues consist of the following:

- a) Monthly service fees;
- b) Revenues from local, international and national long-distance calls made by postpaid, prepaid fixed line voice subscribers and payphone customers, as well as Broadband customers who have subscribed to data packages bundled with a voice service. Revenues are net of prepaid and payphone call card discounts;
- c) Revenues from inbound local, international and national long-distance calls from other carriers terminating on Globe's network;
- d) Revenues from additional landline features such as caller ID, call waiting, call forwarding, multi-calling, voice mail, duplex and hotline numbers and other value-added features;
- e) Installation charges and other fees associated with the establishment of the service; and
- f) Revenues from DUO and SUPERDUO (Fixed line portion) service consist of monthly service fees for postpaid and subscription fees for prepaid.

Home Broadband

	Year on Year		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
Cumulative Broadband Subscribers			
Fixed Wireless	462,788	618,972	-25%
Wired	1,280,693	1,131,525	13%
Total (end of period)	1,743,481	1,750,497	-

Globe's Fixed Line and Home Broadband full-year 2024 revenues stood at ₱45.7 billion, a 1% increase from the ₱45.0 billion reported in 2023, as the solid contributions of Corporate Data were offset by the 6% and 5% decline in Fixed Line Voice and Home Broadband, respectively.

Globe continued to strengthen its home broadband business, focusing on optimizing offerings to align with changing market demands while driving long-term growth. The Home Broadband business generated ₱23.8 billion for the year, registering a 5% dip compared to 2023. This was largely attributed to the ongoing shift from fixed wireless services to the more reliable and in-demand fiber broadband offerings. The increase of 2% in fiber revenue with fiber subscribers growing by 16% compared to 2023 partially offset the overall decline in home broadband revenues. Although fixed wireless revenues remain on a downward trend, the pace of decline is easing, and GFiber Prepaid's growing momentum presents a promising opportunity for broadband expansion.

Furthermore, GFiber Prepaid (GFP) continues to gain traction as the fastest-growing prepaid fiber brand, reaching 260,000 subscribers with a 74% quarter-on-quarter growth. GFP continues to build strong customer loyalty and trust highlighted by high customer engagement, with reload rates of 78%, the highest across all prepaid brands. This growing demand for flexible and affordable prepaid fiber services underscores the effectiveness of Globe's customer acquisition strategy and its commitment to providing seamless connectivity solutions.

Total home broadband subscriber base now stands at 1.74 million compared to 1.75 million a year earlier with the 25% dip from fixed wireless partially offset by the 13% increase in fixed wired customers.

Corporate Data

Corporate Data ended the year with record high ₱20.4 billion revenues, or up a strong 11% from a year ago, largely coming from information and communication technology (ICT) revenues (15%) and core data services (9%). The increase in ICT revenues was mostly from business application, and cybersecurity services.

Fixed line Voice

Globe's total *Fixed line Voice* revenues however, declined year-on-year by 6%.

OTHER GLOBE REVENUES

International Long Distance (ILD) Services

Both Globe and Innove offer ILD voice services which cover international call services between the Philippines to 238 destinations with 615¹² roaming partners. This service generates revenues from both inbound and outbound international call traffic, with pricing based on agreed international termination rates for inbound traffic revenues and NTC-approved ILD rates for outbound traffic revenues.

Globe's ILD voice revenues from the mobile and fixed line businesses remained steady at ₱1.6 billion.

Meanwhile, Globe sustained its promotion on OFW SIM packs and the discounted call rate offers.

¹² Inbound and Outbound global roaming partners

Non-telco products and services

Beyond its core telco business, Globe has transformed into a robust digital ecosystem that offers a wide range of products and services. These offerings aim to address the needs of various sectors, including financial inclusion, healthcare, education, environmental sustainability, and business enablement, among others.

The Company's non-telco revenues for the full year of 2024 posted a 47% year-on-year drop compared to the ₱4.9 billion reported in 2023. This substantial decrease was mainly due to the deconsolidation of ECPay¹³ from Globe's books following the sale of its 77% stake to Mynt. However, if this deconsolidation had been factored into Globe's records during the full year 2023, the overall non-telco revenues would have been lower by only 12%.

917Ventures

Globe's corporate venture builder, 917Ventures portfolio companies, includes telehealth service platform KonsultaMD and Brave Connective Holdings, Inc., which brings together under its umbrella the companies that will help businesses strengthen their connection with customers through the use of data, analytics, targeting, and storytelling.

- *Brave Connective Holdings, Inc. (BCHI)* - links together under its umbrella, the companies that bring brands closer to their customers through the use of data, storytelling, and messaging. BCHI provides omnitech solutions through AI-driven insights, innovative programmatic tools, and multi-channel communication.
 - ❖ *AdSpark*, an award-winning and leading digital advertising agency that combines data-driven insights through its proprietary DeepSea platform with the creative ingenuity of SecretMenu. By blending advanced analytics and innovative storytelling, AdSpark delivers impactful campaigns.
 - ❖ *iNQUIRO*, a cutting-edge data analytics company that transforms insights into actionable intelligence for businesses. With innovative solutions and a commitment to empowering smarter decisions, Inquiro helps brands unlock growth and drive success.
 - ❖ *M360*, a leading communications platform offering seamless, multi-channel solutions through its innovative One API. Empowering businesses with scalable messaging capabilities, m360 connects brands to their customers effectively and efficiently.
 - ❖ *DeepSea*, enables programmatic advertising by leveraging first party data, millions of audiences and wide variety & unique audience segments to advertisers.

¹³ The deal is currently undergoing thorough reviews. Completion is expected upon receipt of approvals from the relevant regulatory bodies and satisfaction of closing conditions.

OPERATING EXPENSES

Globe's total costs and expenses for the year 2024 remained stable at ₱128.7 billion. This was primarily attributed to cost-saving measures, such as reduced spending in staff costs, marketing, provisions, repairs & maintenance and other expenses, as well as the impact of ECPay deconsolidation.

(Php Mn)	Year on Year		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
Interconnect	1,620	1,367	18%
Marketing and Subsidy	4,837	5,162	-6%
Staff Costs	17,920	18,959	-5%
Utilities, Supplies & Other Administrative Expenses	11,530	11,426	1%
Lease	2,984	2,828	6%
Repairs & Maintenance	13,208	13,345	-1%
Provisions	4,227	5,217	-19%
Services and Others	21,876	22,603	-3%
Operating Expenses & Subsidy	78,202	80,907	-3%
Depreciation and Amortization	50,473	47,356	7%
Costs and Expenses	128,675	128,263	-

Interconnect

Globe's interconnect charges grew 18%, amounting to ₱1.6 billion by the end of December 2024, from ₱1.4 billion reported the previous year. This was mainly due to Application to Person (A2P) domestic SMS payout and data roaming, partly offset by lower international outbound SMS and NDD.

Marketing & Subsidy

Marketing and subsidy costs decreased year-on-year, declining by 6% from ₱5.2 billion to ₱4.8 billion this period. The decrease was caused by lower spending on commissions, production costs and promotions, tempered by higher spend for online and media placements.

Staff Costs

Staff costs declined by 5% year-on-year to ₱17.9 billion from ₱19.0 billion last year mainly due to reduced headcount.

Utilities, Supplies and Other Administrative Expenses

Globe's administrative expenses, which include utilities and supplies, rose by 1% to ₱11.5 billion as of end-December 2024, compared to ₱11.4 billion in the same period last year. This increase was primarily driven by higher utility costs, which were partially offset by lower supply expenses.

Lease

Lease expenses, constituting 4% of operating expenses and subsidy, increased by 6% year-on-year, primarily attributed to higher lease costs associated with data center and transponder.

Repairs & Maintenance

Repairs & maintenance costs saw a modest drop of 1% year-on-year, bulk from lower business application services (BAS) payout, which was partly offset by higher hardware and software costs.

Provisions

This account includes provisions associated with trade, non-trade, traffic receivables, and inventory obsolescence. Globe's provisions decreased by 19% year-on-year primarily attributable to lower trade and inventory provisions.

Services and Others

Globe's services and other expenses, which account for 28% of its total operating expenses and subsidy, dropped by 3% from ₱22.6 billion in 2023. This reduction was driven by lower bank charges, partially offset by increased services costs from managed services and platform fees.

Depreciation and Amortization

Globe's continued network investments resulted in increased depreciation and amortization expenses, which rose to ₱50.5 billion in 2024 from ₱47.4 billion in 2023.

OTHER INCOME STATEMENT ITEMS

Other income statement items include net financing costs, net foreign exchange gain (loss), interest income, and net property and equipment-related income (charges) as shown below:

(Php Mn)	Year on Year		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
Financing Costs			
Interest Expense	(14,126)	(11,656)	21%
Swap costs and other financing costs	(318)	(490)	-35%
Foreign Exchange Gain (Loss)	(2,432)	1,042	-333%
	(16,876)	(11,104)	52%
Other Income			
Gain (Loss) on derivative instruments	2,957	(741)	-499%
Interest Income	918	678	36%
Others	6,991	9,512	-27%
<i>Equity share from Affiliates (net)</i>	4,273	2,590	65%
<i>Frequency Amortization</i>	(376)	(376)	-
<i>Others – net</i>	3,094	7,298	-58%
Total Income (Other Expenses)	(6,010)	(1,655)	263%

Globe's full year 2024 non-operating charges stood at ₱6.0 billion versus last year's reported non-operating expenses of ₱1.7 billion. This increase was attributed to lower tower sale gains in 2024 and increased net interest expenses. However, the company's expansion of equity share in affiliates partially offset this decline.

Globe saw a significant growth on its share in Mynt's equity earnings driven by Mynt's strong performance in 2024 which was partially tempered by one-time adjustments taken up on long-outstanding balance sheet accounts following the completion of process reviews conducted within Mynt. Mynt's contribution to Globe's pre-tax net income rose substantially, from 7% in 2023 to 12% in 2024. This resulted in Globe's equity earnings from affiliates reaching a record of ₱3.8 billion, a 59% jump from ₱2.4 billion in 2023.

(See related discussion on derivative instruments and swap costs in the Foreign Exchange and Interest Rate Exposure section).

LIQUIDITY AND CAPITAL RESOURCES

	31-Dec 2024	31 Dec 2023	YoY Change (%)
Balance Sheet Data (Php Mn)			
Total Assets	633,636	611,628	4%
Total Debt	249,460	249,956	-
Total Stockholders' Equity	167,779	159,927	5%
Financial Ratios (x)			
Total Debt to EBITDA (gross)	2.66	2.75	
Total Debt to EBITDA (net)	2.43	2.57	
Debt Service Coverage	3.42	2.18	
Interest Coverage (Gross)	4.55	4.95	
Total Debt to Total Capitalization (Book)	0.60	0.61	
Total Debt to Total Capitalization (Market)	0.44	0.50	

Note: Net debt is calculated by subtracting cash, cash equivalents and short-term investments from total debt

Globe's financial health is robust, with ample liquidity and gearing that comfortably meets bank covenants.

As of December 31, 2024, the Globe's consolidated assets stood at ₱633.6 billion, a significant increase from the ₱611.6 billion reported on December 31, 2023. Furthermore, the consolidated cash and cash equivalents reached ₱21.4 billion by the end of December 2024, compared to ₱16.6 billion reported at the end of December 2023. The Globe's cash equivalents consist of short-term, highly liquid time deposit placements.

Globe's current ratio stood at 0.62:1 as of December 31, 2024, and 0.61:1 as of December 31, 2023. While Globe's average current ratio was below the SEC's minimum of 1:1, Globe believes it has sufficient liquidity sources to meet its debt maturities, currently and prospectively.

The financial tests under Globe's loan agreements include compliance with the following ratios:

- Total debt* to EBITDA not exceeding 3.5:1;
- Total Debt service coverage¹ exceeding 1.3 times; and
- Secured debt ratio² not exceeding 0.2 times.

*Composed of loans payable and net derivative liabilities

¹ Debt service coverage ratio is defined as the ratio of EBITDA to required debt service, where debt service includes subordinated debt but excludes shareholder loans.

² Secured debt ratio is defined as the ratio of the total amount for the period of all present consolidated obligations for payment, which are secured by Permitted Security Interest as defined in the loan agreement to the total amount of consolidated debt.

As of 31 December 2024, Globe is well within the ratios prescribed under its loan agreements.

On November 2, 2021, Globe Telecom issued US\$600 million senior perpetual capital securities with an initial distribution rate of 4.20% payable semi-annually and callable on or after August 2, 2026. The distribution rate is subject to a step up on the fifth anniversary and shall be recalculated every five years thereafter. The capital securities were classified as equity since there is no fixed redemption date and the redemption is at the option of Globe Telecom. Globe Telecom also has the right to defer payment of any or all of the distribution. On November 3, 2021, the capital securities were listed in Singapore Exchange Securities Trading Limited.

Distribution to holders of capital securities in full year 2024 and 2023 amounted to ₱1.4 billion and ₱1.3 billion, respectively.

Consolidated Net Cash Flows

(Php Mn)	31-Dec 2024	31-Dec 2023	YoY Change (%)
Net Cash from Operating Activities	84,782	80,447	5%
Net Cash from Investing Activities	(30,745)	(54,479)	-44%
Net Cash from Financing Activities	(49,462)	(27,559)	79%

Net cash flows provided by operating activities in 2024 was at ₱84.8 billion, or 5% higher versus the previous year.

Meanwhile, net cash used in investing activities amounting to ₱30.7 billion, was 44% lower from the year earlier. Consolidated cash capital expenditures as of end-December 2024 amounted to ₱56.2 billion, or a 20% drop from ₱70.6 billion last year.

(Php Mn)	31-Dec 2024	31-Dec 2023	YoY Change (%)
Cash Capital Expenditures¹	56,194	70,628	-20%
Total Additions to Property and equipment and Intangible assets ²	57,249	97,261	-41%
Cash Capital Expenditures¹ / Service Revenues (%)	34%	44%	

¹ Cash capital expenditures-property & equipment and intangibles as of report date

² Include property and equipment, intangibles and capitalized borrowing costs acquired as of report date regardless of whether payment has been made or not.

Consolidated net cash used for financing activities amounted to ₱49.5 billion in 2024 versus last year's ₱27.6 billion. Consolidated total debt stood at ₱249.5 billion at the end of December of 2024 from approximately ₱250.0 billion at the end of December 2023.

100% of US\$ consolidated loans have been effectively converted to PHP via US\$853 million in currency hedges. After swaps, effectively none of the total debt is denominated in US\$.

Below is the schedule of debt maturities for Globe for the years stated below based on total outstanding debt as of December 31, 2024:

Year Due	Principal* (US\$ Mn)
2025	455.85
2026	384.45
2027	400.80
2028 through 2036	3,092.64
Total	4,333.74

* Principal amount before debt issuance costs

Globe has available uncommitted short-term credit facilities of ₱85,788 million and USD 114 million, ₱71,380 million and USD 114 million as of December 31, 2024 and December 31, 2023, respectively.

Globe also has available committed short-term credit facilities of ₱3,000 million and USD 50 million, ₱3,000 million as of December 31, 2024 and December 31, 2023, respectively. There are nil and ₱2,000 million long term committed credit facilities as of December 31, 2024 and December 31, 2023, respectively.

There are ₱7,263 million and ₱18,525 million outstanding short-term loans as of December 31, 2024 and December 31, 2023, respectively.

Stockholders' equity as of end-December 2024 was higher by 5% to ₱167,779 million this year from ₱159,927 million as of end-December 2023. Globe's capital stock consists of the following:

Voting Preferred Stock

Voting Preferred stock at a par value of ₱5 per share of which 158.5 million shares are outstanding out of a total authorized of 160 million shares.

The dividends for voting preferred stock are declared upon the sole discretion of Globe Telecom's BOD. To date, none of the voting preferred shares have been converted to common shares.

Non-Voting Preferred Stock and Treasury Shares

Non-Voting Preferred stock at a par value of ₱50 per share of which 20 million shares are issued out of a total authorized of 40 million shares.

On August 22, 2021, Globe telecom redeemed the 20 million non-voting preferred shares for ₱10 billion and were presented as Treasury Shares as of December 31, 2024 and 2023.

Common Stock

Common stock at par value of ₱50 per share of which 144.4 million are issued and outstanding out of a total authorized of 168.9 million shares.

Cash Dividends

The dividend policy of Globe as approved by the Board of Directors is to declare cash dividends to its common stockholders on a regular basis as may be determined by the Board. The dividend payout rate is reviewed annually and subsequently each quarter of the year, to take into consideration Globe Telecom's operating results, cash flows, debt covenants, capital expenditure levels and liquidity.

In accordance with the Corporation's amended By-Laws, as ratified by stockholders in the annual stockholders' meeting held on April 20, 2021, dividends were to be paid electronically to stockholders with enrolled accounts. Stockholders without enrolled accounts could pick up their dividend checks at Stock Transfer Service, Inc., located at 34/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, on the declared payment dates.

On February 6, 2024, the Globe Board of Directors approved an amendment to the dividend policy, raising the payout range from 60-75% to 60-90% of the previous year's core net income. This adjustment provides Globe with greater flexibility in future dividend declarations due to anticipated earnings and cash flow improvements resulting from reduced capital expenditures. Furthermore, the expanded payout range allows the company to optimize shareholder value and enhance dividend payout competitiveness among regional peers.

The Board of Directors of Globe approved in separate approvals the declaration of the quarterly distributions of cash dividends of ₱25 per share, paid each last March 7, June 13, September 5 and December 6, 2024. Each cash dividend payment total to about ₱3.6 billion, bringing total distribution by end of December 2024 to ₱14.4 billion.

Also, on November 7, 2024, the Board of Directors of Globe approved the declaration of the cash dividend for holders of its voting preferred shares paid last December 6, 2024 to shareholders on record as of November 21, 2024. The amount of the cash dividend is based on the 2024 Benchmark rate of the 3-day average of the 5-year BVAL* (i.e., average of October 25, 28, 29, 2024) plus 2%. The aggregate dividend payment for the voting preferred shares is about ₱61.3 million.

Return on Average Equity (ROE)

Consolidated Return on Average Equity (ROE) registered at 14.8% as of end-December 2024, compared to 15.7% in 2023 using trailing 12 months net income and based on average equity balances for the year ended. Using trailing 12 months core net income, which excludes the effects of non-recurring expenses on net income, return on average equity as of end-December 2024 and 2023 were 13.1% and 12.1% respectively.

Earnings Per Share (EPS)

Accordingly, consolidated basic earnings per common share were ₱158.48 and ₱160.45, while consolidated diluted earnings per common share were ₱157.83 and ₱159.74 as of end-December 2024 and 2023, respectively.

FINANCIAL RISK MANAGEMENT

FOREIGN EXCHANGE EXPOSURE

Foreign exchange risks are managed such that USD inflows from operations (transaction exposures) are balanced or offset by the net USD liability position of the company (translation exposures). Globe's objective is to maintain a position which results in, as close as possible, a neutral effect to the P&L relative to movements in the foreign exchange market.

Transaction exposures

Globe has natural net US\$ inflows arising from its operations. Consolidated foreign currency-linked revenues made up 5% of total gross service revenues for the period ending December 31, 2024, and 6% for the same period in 2023. Conversely, the company's foreign-currency linked expenses for the same periods were 16% and 15% of total operating expenses, respectively.

The US\$ flows are as follows:

	Dec. 31, 2024
US\$ and US\$ Linked Revenues	₱9.0 billion
US\$ Operating Expenses	₱12.2 billion
US\$ Net Interest Expense	₱2.2 billion

Due to these net US\$ outflows, a depreciation of the Peso has a negative impact on Globe's Peso EBITDA. Globe occasionally enters into short-term foreign currency contracts to hedge against peso depreciation.

Includes the following revenues:

- (1) billed in foreign currency and settled in foreign currency, and*
- (2) billed in Pesos at rates linked to a foreign currency tariff and settled in Pesos*

Translation Exposures

Globe's foreign exchange translation exposures result primarily from movements of the Philippine Peso (Php) against the U.S. Dollars (USD) with respect to USD-denominated financial assets, USD-denominated financial liabilities and certain USD-denominated revenues. Majority of revenues are generated in Php, while bulk of capital expenditures are in USD. In addition, 20% of debt as of December 31, 2024 are denominated in USD before taking into account any swap and hedges. After swaps, effectively none of the total debt is denominated in US\$.

Information on Globe's foreign currency-denominated monetary assets and liabilities as of December 31, 2024 are as follows:

	Dec. 31, 2024
US\$ Assets	US\$ 136 million
US\$ Liabilities	US\$ 1,460 million
Net US\$ Liability Position	US\$ 1,324 million

As of end-December 2024, Globe posted a total of ₱2,432 million net foreign exchange losses.

Globe's foreign exchange risk management policy is to maintain a hedged financial position, after taking into account expected USD flows from operations and financing transactions. Globe Telecom enters into short-term foreign currency forwards and long-term foreign currency swap contracts in order to achieve this target.

As of end-December 2024, Globe has US\$173 million in cross currency swap contracts which are hedges of the interest and foreign exchange risks of some of our US\$ loans maturing in March 2025, March 2027 and August 2027. The MTM of the outstanding swap contracts stood at a gain of ₱1,527 million as of end-December 2024.

As of end-December 2024, Globe has US\$680 million in principal only swap contracts which are hedges of the foreign exchange risks of some of our US\$ loans maturing in May 2027, July 2030, July 2033 and July 2035. The MTM of the swap contracts stood at a gain of ₱3,343 million as of end-December 2024.

Globe has US\$449 million short-term FX swap contracts which remain outstanding as of end-December 2024. The mark-to-market of the outstanding FX swap contracts stood at a loss of ₱223 million as of end-December 2024.

INTEREST RATE EXPOSURE

Interest rate exposures are managed using a mix of fixed and floating rate debt that are meant to achieve a balance between cost and volatility.

As of end-December 2024, Globe has a total of US\$173 million in cross currency swaps that were entered into contracts to achieve these targets. The US\$ swaps fixed some of the Company's outstanding floating rate debts with quarterly payment intervals up to March 2025, March 2027 and August 2027.

As of end-December 2024, 62% (excluding short-term debt) of peso debt is fixed, while 88% of USD debt is fixed after swaps.

CREDIT EXPOSURES FROM FINANCIAL INSTRUMENTS

Outstanding credit exposures from financial instruments are monitored daily and allowable exposures are reviewed quarterly.

For investments, Globe does not have investments in foreign securities (bonds, collateralized debt obligations (CDO), collateralized mortgage obligations (CMO), or any instruments linked to the mortgage market in the US). Globe's excess cash is invested in short term bank deposits.

Globe also does not have any investments or hedging transactions with investment banks. Derivative transactions as of the end of the period are with large foreign and local banks. Furthermore, Globe does not have instruments in its portfolio which became inactive in the market nor does the company have any structured notes which require use of judgment for valuation purposes.

VALUATION OF DERIVATIVE TRANSACTIONS

The company uses valuation techniques that are commonly used by market participants and that have been demonstrated to provide reliable estimates of prices obtained in actual market transactions. The company uses readily observable market yield curves to discount future receipts and payments on the transactions. The net present value of receipts and payments are translated into Peso using the foreign exchange rate at time of valuation to arrive at the mark to market value. For derivative instruments with optionality, the company relies on valuation reports of its counterparty banks, which are the company's best estimates of the close-out value of the transactions.

Gains (losses) on derivative instruments represent the net mark-to-market (MTM) gains (losses) on derivative instruments. As of December 31, 2024, the MTM value of the derivatives of the Globe amounted to ₱4,646 million while net gains on derivative instruments arising from changes in MTM reflected in the consolidated income statements as of end-December 2024 amounted to ₱2,957 million.

To measure riskiness, the Company provides a sensitivity analysis of its profit and loss from financial instruments resulting from movements in foreign exchange and interest rates. The interest rate sensitivity estimates the changes to the following P&L items, given an indicated movement in interest rates: (1) interest income, (2) interest expense, (3) mark-to-market of derivative instruments. The foreign exchange sensitivity estimates the P&L impact of a change in the USD/PHP rate as it specifically pertains to the revaluation of the net unhedged liability position of the company, and foreign exchange derivatives.

CORPORATE DEVELOPMENTS FOR YEAR 2024:

Tower Sale and Leaseback Deal

Globe has officially turned over the ownership of 6,672 towers out of 7,506 towers sold, raising ~₱85.7 billion. This represents 88.9% of the total tower deal, with 2,410 towers transferred in 2022, 2,057 towers in 2023, and 2,205 towers in 2024. Globe sold tower portfolios to Unity Digital Infrastructure Inc., Frontier Tower Associates Philippines Inc., Phil-Tower Consortium, Inc. and MIESCOR Infrastructure Development Corporation.

In 2024, Globe gained approximately ₱28.3 billion in proceeds from transferring 1,124 towers in the first half of the year and 1,081 in the second half. Furthermore, Globe concluded its sale and leaseback agreement with Frontier Towers through the transfer of 3,529 towers.

- On 7 February 2024, Globe closed 100 towers to be acquired by PhilTower for approximately ₱1.5 billion.
- On 14 March 2024, Globe closed 154 towers to be acquired by MIDC for approximately ₱1.85 billion.
- On 25 March 2024, Globe closed 33 towers to be acquired by Unity for approximately ₱396 million.
- On 25 March 2024, Globe closed 91 towers to be acquired by Frontier Towers for approximately ₱1.16 billion.
- On 16 April 2024, Globe closed 90 towers to be acquired by PhilTower for approximately ₱1.3 billion.
- On 26 April 2024, Globe closed 181 towers to be acquired by MIDC for approximately ₱2.17 billion.
- On 10 May 2024, Globe closed 100 towers to be acquired by PhilTower for approximately ₱1.5 billion.
- On 21 June 2024, Globe closed 48 towers to be acquired by PhilTower for approximately ₱710 million. Cumulatively, Globe has closed 1,148 out of 1,350 towers to be acquired by PhilTower.
- On 28 June 2024, Globe closed 140 towers to be acquired by MIDC for approximately ₱1.68 billion. Cumulatively, Globe has closed 1,669 out of 2,180 towers to be acquired by MIDC.
- On 28 June 2024, Globe closed 187 towers to be acquired by Frontier Towers for approximately ₱2.38 billion.
- On 23 July 2024, Globe achieved the 8th and final closing of 1,037 towers to be acquired by Frontier Towers for approximately ₱13.17 billion. Cumulatively, Globe has closed 100% of the 3,529 towers to be acquired by Frontier Towers.
- On 28 October 2024, Globe closed 25 towers to be acquired by Unity for approximately ₱300 million.
- On 19 December 2024, Globe closed 19 towers to be acquired by Unity for approximately ₱228 million. Cumulatively, Globe has closed 326 out of 447 towers to be acquired by Unity.

Details on these transactions have been extensively discussed in the disclosures filed with the SEC and PSE and may be accessed from the PSE and Company websites.

Product Update:

- Just in time for the holidays, Globe at Home has unveiled its latest portfolio of offers, enticing broadband users to make the switch and enjoy reliable connection with their loved ones with even better GFiber plans plus exclusive holiday freebies. Globe at Home's new GFiber portfolio delivers exceptional speeds from 300 Mbps to 1.5 Gbps, offering low latency at competitive monthly fees plus exclusive perks for the ultimate fiber experience.
<https://www.globe.com.ph/about-us/newsroom/consumer/new-gfiber-plan>
- Globe At Home breaks new ground with a first-of-its-kind product for prepaid fiber customers, offering the flexibility to double their internet speeds to up to 100 Mbps whenever they choose. GFiber Prepaid offers flexible options of 7 days, 30 days, or even a full year. For example, users can enjoy speeds of up to 100 Mbps for 7 days at ₱399 or 30 days at ₱1,299, allowing them to tailor their internet experience to fit their usage needs and budget. For ₱699, users can get 30 days of UNLI internet at speeds of up to 50 Mbps.
<https://www.globe.com.ph/about-us/newsroom/consumer/gfiber-prepaid-100-mbps>
- Globe recently launched its enhanced GoRoam UAE offering, designed to provide affordable and reliable connectivity to Filipinos living and working in the United Arab Emirates. The new GoRoam UAE offers a substantial increase in data allocation, providing 10 GB valid for 30 days, close to offers of local SIMs in the UAE. This ensures that OFWs can stay connected with family and friends in the Philippines while staying within budget. OFWs can access their favorite messaging apps without any restrictions via roaming, particularly voice and video calling services that are inaccessible in the UAE.
<https://www.globe.com.ph/about-us/newsroom/consumer/goroam-uae-launch>
- Globe has expanded the reach of its country-exclusive offers at never-before-seen rates to popular destinations, including Japan, Canada, Vietnam, and Australia. GoRoam's expansion builds upon its successful "Roam Like A Local" promos earlier launched in Hong Kong, Taiwan, Indonesia, UAE, Thailand, Malaysia, Singapore, South Korea, and the United States.
<https://www.globe.com.ph/about-us/newsroom/consumer/goroam-expands-destinations>
- GOMO, the brand shaking up the digital world, is enhancing your borderless life with its latest innovation: GOMO Fiber. For just ₱999, which includes the modem and one-time installation fee, you can get fiber-

fast internet, plus a free seven-day trial of unlimited fiber, so you can instantly feel the difference whether you're streaming, gaming, working from home, or binge-watching your favorite show.

<https://www.globe.com.ph/about-us/newsroom/consumer/gomo-fiber-launch>

Data Center Update:

- STT GDC Philippines operates with an IT capacity of 22 MW. The Company is on track to achieve 33 MW by 2025, scaling further to 52 MW by 2026. This growth aligns with its commitment to meeting market demand while providing reliable, world-class infrastructure to its clients. With over 3,200 racks and an impressive 75% utilization rate (including contracted space), its operational performance reflects strong market confidence and robust sales pipelines.
- STT GDC Philippines is at the forefront of supporting AI workloads and will launch an AI Direct-to-Chip Liquid Cooling showroom in STT Makati on February 20, 2025.
- The STT Fairview project is progressing on schedule, with Phase 1B currently underway. The site will launch in the second quarter of 2025, starting with an anchor tenant, and will deliver 12 MW of IT load by the end of the year.
- The STT Cavite 2 construction has achieved structural completion in January 2025 and is set to be ready-for-service by late 2025.

Network Related Update:

- Globe has successfully deployed the Philippines' first fully functional Private 5G Network designed to address major operational pain points and challenges in different industries. Installed at a Globe facility in Makati City, this dedicated, on-premise wireless network showcases the potential of 5G to power advanced digital solutions that support critical functions with utmost reliability and efficiency.
<https://www.globe.com.ph/about-us/newsroom/corporate/ph-1st-private-5g-network-b2b>
- Globe is set to establish the first off-grid solar-powered cell site on Taganak Island in the Turtle Islands—a heritage-protected area and wildlife sanctuary in Tawi-Tawi—to bridge the digital divide in the remote area. The facility is expected to provide around 10,000 residents in the isolated islands with reliable mobile and data connectivity to support essential services, environmental protection, and economic growth. It is also seen to benefit visitors to the wildlife sanctuary, keeping them connected during their trip to the far-flung destination. The project is set for completion around mid-2025.
<https://www.globe.com.ph/about-us/newsroom/corporate/solar-powered-cell-site-turtle-islands>
- Advancing network innovation and sustainability, Globe has started rolling out 32T32R Massive MIMO (Multiple Input, Multiple Output) technology for enhanced LTE capacity and 5G expansion in 200 dense urban areas, set for completion within the year. The cutting-edge solution from vendor partners including Nokia boosts efficiency and reduces energy consumption, marking a significant step in Globe's commitment to increasing network capacity and delivering world-class service while minimizing its environmental impact.
<https://www.globe.com.ph/about-us/newsroom/corporate/energy-efficient-tech-lte-5g>
- Qualcomm, in partnership with Amdocs, has announced a significant expansion of its RAN Automation platform, Edgewise, within Globe Telecom's network. This includes Qualcomm's cutting-edge AI-based Energy Efficiency Orchestration application, which has been operational nationwide at Globe for the past seven months and is powered by AWS Cloud infrastructure. To date, Qualcomm's Edgewise Energy Saving Solution has achieved an impressive 4.2% reduction in energy consumption. This outcome underscores the tangible benefits of Qualcomm's advanced technology in delivering substantial environmental and operational gains for telecom operators like Globe.
<https://www.globe.com.ph/about-us/newsroom/corporate/globe-qualcomm-energy-ai>
- Globe has successfully upgraded 450 cities and towns across the Philippines to fiber-optic technology, strengthening its commitment to providing top-tier connectivity to its wireline customers while promoting sustainability through energy-efficient, future-ready solutions. The migration, which entails replacing copper cables with fiber, covers towns and cities in at least 60 provinces across the country.
<https://www.globe.com.ph/about-us/newsroom/corporate/globe-fiber-migration-450-cities>
- Globe further strengthens its commitment to enhancing connectivity in Mindanao, building a new tower in Malaybalay City, and upgrading 16 sites across Bukidnon. The site upgrades were strategically implemented, with three each in Libona, Manolo Fortich, and Quezon; two each in Malaybalay City and Valencia City; and one each in Lantapan, San Fernando, and Maramag.
<https://www.globe.com.ph/about-us/newsroom/corporate/new-tower-malaybalay-city>

1. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:

Contingencies

Globe is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decisions by the courts or are being contested, the outcome of which are not presently determinable. In the opinion of management and legal counsel, the possibility of outflow of economic resources to settle the contingent liability is remote. (see Note 34 of the attached consolidated financial statement)

Interconnection Charge for Short Messaging Service

On October 10, 2011, the NTC issued Memorandum Circular (MC) No. 02-10-2011 titled Interconnection Charge for Short Messaging Service requiring all public telecommunication entities to reduce their interconnection charge to each other from ₱0.35 to ₱0.15 per text, which Globe Telecom complied as early as November 2011. On December 11, 2011, the NTC One Stop Public Assistance Center (OSPAC) filed a complaint against Globe Telecom, Smart and Digitel alleging violation of the said MC No. 02-10-2011 and asking for the reduction of SMS off-net retail price from ₱1.00 to ₱0.80 per text. Globe Telecom filed its response maintaining the position that the reduction of the SMS interconnection charges does not automatically translate to a reduction in the SMS retail charge per text.

On November 20, 2012, the NTC rendered a decision directing Globe Telecom to:

- Reduce its regular SMS retail rate from ₱1.00 to not more than ₱0.80;
- Refund/reimburse its subscribers the excess charge of ₱0.20; and
- Pay a fine of ₱200.00 per day from December 1, 2011 until date of compliance.

On May 7, 2014, NTC denied the Motion for Reconsideration (MR) filed by Globe Telecom last December 5, 2012 in relation to the November 20, 2012 decision. Globe Telecom's assessment is that Globe Telecom is in compliance with the NTC Memorandum Circular No. 02-10-2011. On June 9, 2014, Globe Telecom filed a petition for review of the NTC decision and resolution with the Court of Appeals (CA).

The CA granted the petition in a resolution dated September 3, 2014 by issuing a 60-day temporary restraining order on the implementation of Memorandum Circular 02-10-2011 by the NTC. On October 15, 2014, Globe Telecom posted a surety bond to compensate for possible damages as directed by the CA.

On June 27, 2016, the CA rendered a decision reversing the NTC's abovementioned decision and resolution requiring telecommunications companies to cut their SMS rates and return the excess amount paid by subscribers. The CA said that the NTC order was baseless as there is no showing that the reduction in the SMS rate is mandated under MC No. 02-10-2011; there is no showing, either, that the present ₱1.00 per text rate is unreasonable and unjust, as this was not mandated under the memorandum. Moreover, under the NTC's own MC No. 02-05-2008, SMS is a value-added service (VAS) whose rates are deregulated. The respective motions for reconsideration filed by NTC and that of intervenor Bayan Muna Party List (Bayan Muna) Representatives Neri Javier Colmenares and Carlos Isagani Zarate were both denied.

The NTC thus elevated the CA's ruling to the Supreme Court (SC) via a Petition for Review on Certiorari dated September 15, 2017.

For its part, Bayan Muna filed its own Petition for Review on Certiorari of the CA's Decision. On January 4, 2018, Globe received a copy of the SC's Resolution dated November 6, 2017, requiring it to comment on said petition of Bayan Muna. Subsequently, on February 21, 2018, Globe received a copy of the SC's Resolution dated December 13, 2017 consolidating the Petitions for Review filed by Bayan Muna and NTC, and requiring Globe to file its comment on the petition for review filed by NTC. Thus, on April 2, 2018, Globe filed its Consolidated Comment on both Bayan Muna and the NTC's petitions for review. On September 18, 2018, Globe received a copy of Bayan Muna's Consolidated Reply to Globe's Consolidated Comment and Digitel and Smart's Comment.

Globe Telecom believes that it did not violate NTC MC No. 02-10-2011 when it did not reduce its SMS retail rate from ₱1.00 to ₱0.80 per text, and hence, would not be obligated to refund its subscribers. However, if it is ultimately decided by the Supreme Court (on the appeal taken thereto by the NTC from the adverse resolution of the CA) that Globe Telecom is not compliant with said circular, Globe may be contingently liable to refund to its subscribers the ₱0.20 difference (between ₱1.00 and ₱0.80 per text) reckoned from November 20, 2012 until said decision by the SC becomes final and executory. Management does not have an estimate of the potential claims currently.

Guidelines on Unit of Billing of Mobile Voice Service

On July 23, 2009, the NTC issued NTC MC No. 05-07-2009 (Guidelines on Unit of Billing of Mobile Voice Service). The MC provides that the maximum unit of billing for the Cellular Mobile Telephone System (CMTS) whether postpaid or prepaid shall be six (6) seconds per pulse. The rate for the first two (2) pulses, or equivalent if lower period per pulse is used, may be higher than the succeeding pulses to recover the cost of the call set-up. Subscribers may still opt to be billed on a one (1) minute per pulse basis or to subscribe to unlimited service offerings or any service offerings if they actively and knowingly enroll in the scheme.

On December 28, 2010, the Court of Appeals (CA) rendered its decision declaring null and void and reversing the decisions of the NTC in the rates applications cases for having been issued in violation of Globe Telecom and the other carriers' constitutional and statutory right to due process. However, while the decision is in Globe Telecom's favor, there is a provision in the decision that NTC did not violate the right of petitioners to due process when it declared via circular that the per pulse billing scheme shall be the default.

On January 21, 2011, Globe Telecom and two other telecom carriers, filed their respective Motions for Partial Reconsideration (MPR) on the pronouncement that "the Per Pulse Billing Scheme shall be the default". The petitioners and the NTC filed their respective Motion for Reconsideration, which were all denied by the CA on January 19, 2012.

On March 12, 2012, Globe and Innove elevated to the SC the questioned portions of the Decision and Resolution of the CA dated December 28, 2010 and its Resolution dated January 19, 2012. The other service providers, as well as the NTC, filed their own petitions for review. The adverse parties have filed their comments on each other's petitions, as well as their replies to each other's comments. Parties were required to file their respective Memoranda and Globe filed its Memorandum on May 25, 2018.

On September 18, 2024, Globe and Innove received the SC Decision promulgated on February 13, 2023 sustaining the said CA's Decision dated December 28, 2010 and Resolution dated January 19, 2012. The dispositive portion of which reads:

Accordingly, the December 28, 2010 Decision and January 19, 2012 Resolution of the Court of Appeals in CA-G.R. SP Nos. 111947, 111970, 112006, and 112198 are upheld.

The December 5, 2009 Orders and December 9, 2009 Show Cause Orders and Cease and Desist Orders issued by the National Telecommunications Commission in NTC Case Nos. 2009-138, 2009-139, 99-121, 2009-140, 2009-268, 2009-269, 2009-270, and 2009-271 are reversed and set aside.

The writ of preliminary injunction issued by the Court of Appeals in CA-G.R. SP Nos. 111947 and 111970 enjoining the National Telecommunications Commission and its representatives from enforcing all the assailed Orders in the two cases, are hereby made permanent. The National Telecommunications Commission and all persons acting on its behalf are also permanently enjoined from implementing the assailed Orders in CA G.R. SP Nos. 112006 and 112198. So ordered.

NTC filed its Motion for Reconsideration (MR) of the SC's Decision promulgated on February 13, 2023, a copy of which was received by Globe and Innove on October 1, 2024. Globe and Innove await the SC's Resolution requiring the filing of comment on said MR.

Acquisition by Globe Telecom and PLDT of the Entire Issued and Outstanding Shares of VTI

In a letter dated June 7, 2016 issued by Philippine Competition Commission (PCC) to Globe Telecom, PLDT, SMC and VTI regarding the Joint Notice filed by the aforementioned parties on May 30, 2016, disclosing the acquisition by Globe Telecom and PLDT of the entire issued and outstanding shares of VTI, the PCC claims that the Notice was deficient in form and substance and concludes that the acquisition cannot be claimed to be deemed approved.

On June 10, 2016, Globe Telecom formally responded to the letter reiterating that the Notice, which sets forth the salient terms and conditions of the transaction, was filed pursuant to and in accordance with MC No. 16-002 issued by the PCC. MC No. 16-002 provides that before the implementing rules and regulations for RA No. 10667 (the Philippine Competition Act of 2015) come into full force and effect, upon filing with the PCC of a notice in which the salient terms and conditions of an acquisition are set forth, the transaction is deemed approved by the PCC and as such, it may no longer be challenged. Further, Globe Telecom clarified in its letter that the supposed deficiency in form and substance of the Notice is not a ground to prevent the transaction from being deemed approved. The only exception to the rule that a transaction is deemed approved is when a notice contains false material information. In this regard, Globe Telecom stated that the Notice does not contain any false information.

On June 17, 2016, Globe Telecom received a copy of the second letter issued by PCC stating that notwithstanding the position of Globe Telecom, it was ruled that the transaction was still subject for review

On July 12, 2016, Globe Telecom asked the CA to stop the government's anti-trust body from reviewing the acquisition of SMC's telecommunications business. Globe Telecom maintains the position that the deal was approved after Globe Telecom notified the PCC of the transaction and that the anti-trust body violated its own rules by insisting on a review. On the same day, Globe Telecom filed a Petition for Mandamus, Certiorari and Prohibition against the PCC, docketed as CA-G.R. SP No. 146538. On July 25, 2016, the CA, through its 6th Division issued a resolution denying Globe Telecom's application for TRO and injunction against PCC's review of the transaction. In the same resolution, however, the CA required the PCC to comment on Globe Telecom's petition for certiorari and mandamus within 10 days from receipt thereof. The PCC filed said comment on August 8, 2016. In said comment, the PCC prayed that the ₱70.00 billion deal between PLDT-Globe Telecom and San Miguel be declared void for PLDT and Globe Telecom's alleged failure to comply with the requirements of the Philippine Competition Act of 2015. The PCC also prayed that the CA direct Globe Telecom to: cease and desist from further implementing its co-acquisition of the San Miguel telecommunications assets; undo all acts consummated pursuant to said acquisition; and pay the appropriate administrative penalties that may be imposed by the PCC under the Philippine Competition Act for the illegal consummation of the subject acquisition.

Meanwhile, PLDT filed a similar petition with the CA, docketed as CA G.R. SP No. 146528, which was raffled off to its 12th Division. On August 26, 2016, PLDT secured a TRO from said court. Thereafter, Globe Telecom's petition was consolidated with that of PLDT, before the 12th Division. The consolidation effectively extended the benefit of PLDT's TRO to Globe Telecom. The parties were required to submit their respective Memoranda, after which, the case shall be deemed submitted for resolution.

On February 17, 2017, the CA issued a Resolution denying PCC's Motion for Reconsideration dated September 14, 2016 for lack of merit. In the same Resolution, the Court granted PLDT's Urgent Motion for the Issuance of a Gag Order and ordered the PCC to remove the offending publication from its website and also to obey the sub judice rule and refrain from making any further public pronouncements regarding the transaction while the case remains pending. The Court also reminded the other parties, PLDT and Globe, to likewise observe the sub judice rule. For this purpose, the Court issued its gag order admonishing all the parties "to refrain, cease and desist from issuing public comments and statements that would violate the sub judice rule and subject them to indirect contempt of court. The parties were also required to comment within ten days from receipt of the Resolution, on the Motion for Leave to Intervene, and Admit the Petition-in Intervention dated February 7, 2017 filed by Citizenwatch, a non-stock and non-profit association.

On April 18, 2017, PCC filed a petition before the SC docketed as G.R. No. 230798, to lift the CA's order that has prevented the review of the sale of San Miguel Corp.'s telecommunications unit to PLDT Inc. and Globe Telecom. On April 25, 2017, Globe filed before the SC a Motion for Intervention with Motion to Dismiss the petition filed by the PCC.

As of June 30, 2017, the SC did not issue any TRO on the PCC's petition to lift the injunction issued by the CA. Hence, the PCC remains barred from reviewing the SMC deal.

On July 26, 2017, Globe received the SC en banc Resolution granting Globe's Extremely Urgent Motion to Intervene. In the same Resolution, the Supreme Court treated as Comment, Globe's Motion to Dismiss with Opposition Ad Cautelam to PCC's Application for the Issuance of a Writ of Preliminary Injunction and/or TRO.

On August 31, 2017, Globe received another Resolution of the SC en banc, requiring the PCC to file a Consolidated Reply to the Comments respectively filed by Globe and PLDT, within ten (10) days from notice. On November 16, 2017, after several extensions of time were granted to the PCC, the Corporation through its external counsel, received a copy of the Consolidated Reply dated November 7, 2017 filed by the PCC.

In the meantime, in a Decision dated October 18, 2017, the CA, in CA-G.R. SP No. 146528 and CA-G.R. SP No. 146538, granted Globe and PLDTs Petition to permanently enjoin and prohibiting PCC from reviewing the acquisition and compelling the PCC to recognize the same as deemed approved. PCC elevated the case to the SC via Petition for Review on Certiorari.

On June 1, 2018, the Corporation received a copy of the Court of Appeals' Notice of Resolution dated May 25, 2018 and attached Resolution dated May 24, 2018 denying Citizenwatch's Motion for Partial Reconsideration on the ground of lack of legal standing and mootness. No further action has been taken since the Resolution dated May 24, 2018 of the Court of Appeals.

Co-use of frequencies by PLDT/Smart and Globe Telecom as a result of the acquisition of controlling shares in VTI

On January 21, 2019, Globe filed its Comment to a petition filed by lawyers Joseph Lemuel Baligod and Ferdinand Tecson before the Supreme Court, against the NTC, PCC, Liberty Broadcasting Network, Inc., (LBNI), Bell Telecommunications Inc. (BellTel), Globe, PLDT and Smart, docketed as G.R. No. 242352. The petition sought to, among others, enjoin PLDT/Smart and Globe from co-using the frequencies assigned to LBNI and BellTel in view of alleged irregularities in NTC's assignment of these frequencies to these entities. In its Comment, Globe argued that the frequencies were assigned in accordance with existing procedures prescribed by law and that to prevent the use of the frequencies will only result to its being idle and unutilized. Moreover, in view of the substantial investments made by Globe, for the use of these frequencies, enjoining its use will cause grave and irreparable injury not only to Globe but to subscribers who will be deprived of the benefits of fast and reliable telecommunications services. The other Respondents have likewise filed their respective Comments to the petition.

Right of Innove to Render Services and Build Telecommunications Infrastructure in BGC

PLDT and its affiliate, Bonifacio Communications Corporation (BCC) and Innove and Globe Telecom are in litigation over the right of Innove to render services and build telecommunications infrastructure in the Bonifacio Global City (BGC). In the case filed by Innove before the NTC against BCC, PLDT and the Fort Bonifacio Development Corporation (FBDC), the NTC has issued a Cease and Desist Order preventing BCC from performing further acts to interfere with Innove's installations in the BGC.

On January 21, 2011, BCC and PLDT filed with the CA a Petition for Certiorari and Prohibition against the NTC, et al. seeking to annul the Order of the NTC dated October 28, 2008 directing BCC, PLDT and FBDC to comply with the provisions of NTC MC 05-05-02 and to cease and desist from performing further acts that will prevent Innove from implementing and providing telecommunications services in the Fort Bonifacio Global City pursuant to the authorization granted by the NTC. On April 25, 2011, Innove Communications, filed its comment on the Petition.

On August 16, 2011, the CA ruled that the petition against Innove and the NTC lacked merit, holding that neither BCC nor PLDT could claim the exclusive right to install telecommunications infrastructure and provide telecommunications services within the BGC. Thus, the CA denied the petition and dismissed the case. PLDT and BCC filed their motions for reconsideration thereto, which the CA denied.

On July 6, 2012, PLDT and BCC assailed the CA's rulings via a petition for review on certiorari with the Supreme Court. Innove and Globe filed their comment on said petition on January 14, 2013, to which said petitioners filed their reply on May 21, 2013. On December 22, 2021, Innove filed its Memorandum with the Supreme Court in compliance with the Court's Resolution dated October 06, 2021. The Supreme Court subsequently issued a Resolution dated September 14, 2022, directing the Clerk of Court of the Court of Appeals, Manila to elevate the complete records of CA G.R. SP No. 117535 to the Supreme Court within ten (10) days from receipt of said Resolution. In its Decision dated April 19, 2023, the Supreme Court dismissed BCC and PLDT's petition for lack of merit and affirmed the Court of Appeals' Decision dated August 16, 2011 and the Resolution dated May 18, 2012 in CA G.R. SP No. 117535, sustaining the NTC's cease and desist order versus the enforcement by PLDT and BCC of their so-called contractual exclusivity to provide telecommunications services in BGC. Finally, on November 6, 2023, Innove received the Supreme Court's Entry of Judgement certifying that on April 19, 2023, a decision was rendered and that the same has, on July 26, 2023, become final and executory and recorded in the Book of Entries of Judgments.

2. Causes of any material change from period to period: 2024 vs. 2023

Below are the items in the consolidated financial position with material movements from 2023 to 2024.

Statements of Financial Position (Php Mn)		DECEMBER 31		YoY Movement
		2024	2023	
ASSETS				
Current Assets				
Cash and cash equivalents	A	21,354	16,645	4,709
Trade receivables – net	B	19,660	18,098	1,563
Contract Assets - net	C	5,443	6,224	(781)
Inventories and supplies-net	D	2,965	3,388	(423)
Derivative assets - current	F	177	517	(340)
Prepayments and other current assets - net	K	19,970	19,328	642
		69,569	64,200	5,369
Assets classified as held for sale	E	7,649	22,724	(15,075)
Total Current Assets		77,218	86,924	(9,706)
Noncurrent Assets				
Property and equipment - net	G	352,115	334,409	17,706
Intangible assets and goodwill - net	H	20,131	23,373	(3,242)
Right of use assets – net	I	90,464	69,539	20,926
Investments in joint ventures	J	59,369	55,336	4,033
Derivative assets – net of current portion	F	5,042	4,200	842
Deferred income tax assets – net		1,971	2,280	(309)
Other noncurrent assets – net	K	27,325	35,568	(8,242)
		556,418	524,704	31,714
TOTAL ASSETS		633,636	611,628	22,008
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and accrued expenses	L	78,107	87,664	(9,557)
Deferred revenues – current	M	6,050	7,155	(1,105)
Loans Payable -current	P	26,350	36,793	(10,443)
Derivative liabilities – current	F	573	482	91
Lease Liability - Current	Q	8,176	5,899	2,276
Provisions	N	3,394	2,961	433
Income tax payable	O	902	1,605	(703)
		123,552	142,559	(19,007)
Noncurrent Liabilities				
Loans payable – net of current portion	P	223,110	213,163	9,948
Deferred income tax liabilities – net		4,363	5,984	(1,621)
Lease liabilities – net of current portion	Q	107,932	82,825	25,107
Pension Liabilities	R	2,827	2,718	109
Deferred revenues - net of current portion	M	645	765	(120)
Other long-term liabilities	S	3,428	3,688	(260)
		342,305	309,141	33,164
TOTAL LIABILITIES		465,857	451,701	14,155

EQUITY

Capital Stock	9,012	9,004	8
Additional paid in capital	54,569	54,269	300
Cost of share-based compensation	872	803	69
Capital Securities	29,978	29,978	0
Other reserves	(2,270)	(1,333)	(936)
Treasury Stocks	(10,000)	(10,000)	-
Retained earnings	85,588	77,149	8,439
Equity attributable to equity holders of the Parent	167,748	159,869	7,879
Noncontrolling interest	31	58	(27)
TOTAL EQUITY	167,779	159,927	7,852
TOTAL LIABILITIES AND EQUITY	633,636	611,628	22,008

Assets

- A** Cash and cash equivalents – Increase in cash and cash equivalents of ₱4.7B was primarily due to the net effect of ₱84.8B net cash generated from operating activities, (₱30.7B) net cash flows used in investing activities and (₱49.5B) net cash flows from financing activities.
- B** Trade receivables – ₱1.6B increase was mainly attributable to increase in non-telco receivables partially offset by improvements in collection efficiency.
- C** Contract assets – Decrease of ₱781M was mainly due to the net effect of (₱6.0B) reduction in contract assets representing the amounts that were billed to the subscribers and (₱0.7B) impairment loss during the year, partly offset by ₱5.9B new contract assets arising from the sales of mobile devices bundled with wireless postpaid plans.
- D** Inventories and supplies – Decrease of ₱423M mainly due to lower inventory volume at period end as a result of high inventory issuances.
- E** Assets classified as held-for-sale – Decrease of ₱15.1B was due to turnover of ownership of 2,205 telecom towers in relation to the sale and leaseback transaction.
- F** Net derivative assets – Increase of ₱411M is due to changes in fair values of currency and forwards swaps.
- G** Property and equipment – Increase of ₱17.7B due to the net effect of ₱57.0B additions during the year on continuous network expansion; (₱35.0B) depreciation expense; (₱2.8B) net transfers to intangible and ROU asset, and net disposals amounting to (₱2.2B).
- H** Intangible assets and goodwill – Decrease of ₱3.2B due to regular annual amortization which were offset by additions to application software licenses.
- I** Right of use assets – Increase of ₱20.9B was the net effect of the ₱27.2B additional long-term leases during the year, including the tower sale and leaseback transaction, reduced by (₱9.0B) amortization expenses.
- J** Investments in joint ventures – Increased by ₱4.0B primarily from the share in net income of joint ventures during the year coupled with capital infusions.
- K** Prepayments and other assets – The 7.6B decrease was mostly from the lower advance payments to contractors and suppliers that remained outstanding at the end of the year.

Liabilities

- L** Trade payables and accrued expenses – ₱9.6B decrease was mainly attributable to lower balance of accrued project costs at the end of the year.
- M** Deferred revenues – ₱1.2B decrease was mainly attributable to lower balance of deferred revenues from prepaid wireless subscribers and advance monthly service fees.
- N** Provisions – Increase of ₱433M on additional provisions recognized during the year.
- O** Income taxes payable – Decrease of ₱703M on lower taxable income during the year.
- P** Loans payable - Decrease of ₱495M coming from higher settlements during the year versus the loan availments.
- Q** Lease liabilities – Increase of ₱27.4B was primarily due to additions during the year, bulk from network site leases, partially offset by lease payments during the year.
- R** Pension liabilities – Increase of ₱109M was the net effect of pension, interest and remeasurement costs recognized during the year, benefit payments and contributions to the retirement fund. d
- S** Other long-term liabilities – Decrease of ₱260M mainly attributable to lower ARO

3. Description of material commitments and general purpose of such commitments. Material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during the period.

Material commitments and contingent obligations are disclosed in Notes 33 and 34, respectively, in the attached Notes to the Audited Financial Statements.

4. Seasonal Aspects that have a material effect on the FS

No seasonal aspects that have a material effect on the financial statements.

5. Any Known Trends, Events or Uncertainties (Material Impact on Liquidity & Sales)

Globe Principal Risks

The achievement of Globe's key business objectives can be affected by a wide array of internal and external risk factors. Some of these risk factors are universal while some are unique to the telecommunications industry. The risks vary widely in occurrence and severity, some of which are beyond the company's control. There may also be risks that are either presently unknown or not currently assessed as significant, which may later prove to be material.

Globe aims to manage these exposures through developing appropriate RM strategies, establishing strong internal controls and capabilities, risk transfer methodologies (e.g., insurance covers) and close monitoring of risks (including emerging risks) and mitigation plans. This section outlines the various principal risks that impact Globe, listed in no particular order of significance:

Political and Socio-Economic Risks (External)

Globe's growth and financial health is influenced by the nation's political and socio-economic structures and conditions. The uncertainties in the political, geopolitical and social environment may have an adverse impact on the Philippine economy which in turn directly impacts the company's business, financial condition or results of operations, including the ability to sustain and enhance the growth of its customer base, improve its revenue base and implement its business strategies.

Globe is also susceptible to regional and geo-political shifts, as Globe relies on foreign vendors for telecommunications equipment/hardware, IT software and services including cloud-based services, handsets, among others. Key areas of concern include, but not limited to:

- International and regional conflicts, trade wars resulting in higher costs;

- Protectionism and deglobalization leading to supply chain disruptions; and
- Threats to national security, such as terrorism, nation sponsored cyberattacks, pandemics, among others, resulting in business disruptions.

Mitigation:

- A regular environmental scanning exercise is performed to ensure the identification of any uncertainties arising from global and local political and socio-economic factors;
- Create fall-back policies in cases of supply chain disruptions due to international trade ban and territorial lockdown;
- Maintaining a healthy relationship with various government sectors including dialog with regulators and legislators; and
- Strengthening the tie-ups with government programs and initiatives.

Regulatory Risk (External)

Globe is regulated by the National Telecommunications Commission (NTC), an attached agency of the Department of Information and Communications Technology (DICT), for its telecommunications business, and by the Securities and Exchange Commission (SEC) for other aspects of the business as well as the Philippine Stock Exchange (PSE) as one of its capital market regulators, to name a few. On the other hand, the Philippine Competition Commission (PCC) has oversight on the company's mergers, acquisitions, and other similar transactions as it is tasked to effectively level the playing field among businesses and penalize anti-competitive agreements and abuse of market dominance.

Globe is also working with the government in implementing key laws and regulations that affect the telecommunications industry. These include, but not limited to:

- Continuous improvements on the country's telecom network;
- Sharing of network/facilities across operators;
- Number portability;
- Regulations on service pricing and tariffs;
- Spectrum reallocations by regulators;
- National roaming capabilities; and
- Sustainability-linked laws and regulations impacting the telecom sector.

Globe is closely monitoring the developments in relation to laws and regulations and has taken the necessary steps to ensure compliance. Compliance to new laws or regulations may significantly affect the company's operations and increase compliance costs. The Company maintains strong lines of communication with our government partners both local and national levels and remains supportive and compliant with regulations set by the government.

Mitigation:

- Maintain strong lines of communication with the government at the local and national levels, ensuring compliance with regulations set by the government;
- Partner with the government in improving communities and contributing to nation building;
- Quarterly reporting to the Board of Directors on the updates from upcoming laws and regulations and the current implementation status of new laws and regulations; and
- Enhance compliance effectiveness of Globe by/through:
 - Proactive internal compliance assessments;
 - Enhancing internal controls on processes impacted by specific laws and regulations;
 - Training the required staff and management on new laws and regulations; and
 - Programs that will establish and enhance the culture of compliance.

Competition Risk (External)

A. Traditional Competition (External)

Competition remains intense in the Philippine telecommunications industry amidst a mature mobile market and high growth data business, as new and incumbent competitors seek to increase market share with aggressive offerings. These factors are seen to further heighten the competitive dynamics amidst a mature mobile market.

Mitigation:

- Assert Globe's market position through the offering of personalized plans and launching of innovative products and services that are relevant and responsive to the need of the customers, focusing on superior customer experience;

- Continuously invest, build, and improve the Globe network to deliver superior network experience to customers;
- Launch programs that aim to maintain high value customers and improve customer loyalty for both consumer and business segments; and
- Leverage synergies within the Globe group to deliver superior customer service.

B. Substitute and Alternative Competition (External)

The competitiveness of the industry is further underscored by alternatives such as instant messaging, social network services and voice over internet protocol (VOIP). These alternatives are also driven by the proliferation of affordable smartphones and internet-capable mobile devices. The entry of Satellite Internet providers, using the Low Earth Orbit (LEO) technology, also poses a threat in disrupting the Telecom sector as a whole, with their promise of a high-speed broadband internet service available to areas unserved by local internet providers.

As customers move towards an “everything on demand” lifestyle, there is an increased demand for telecom operators to be more than just service providers, opening the door for companies to offer content, media, and other services bundled with internet services at competitive prices as substitute products and services as compared with traditional telecom data services.

As new technology and innovations emerge, such as Artificial Intelligence (AI), Smart Cities, exploration towards Satellite Internet Access, among others, potential new substitutes and alternatives to existing telecom services may arise in the future that can impact the company’s growth and sustainability should it fail to respond well.

Mitigation:

- Partner with leading providers of content, mobile messaging, social media and other popular applications in order to provide products and services that anticipate and cater to shifting customer preferences;
- Enable swift responses to new market developments and customer preferences by implementing an agile organization and open technologies;
- Develop innovative services with new business and pricing models that will cater to the changing needs of the customers, as well as adopt new technologies that improve overall service delivery; and
- Develop a monitoring program that will identify key changes and developments in market environment, supply chain management, technological advancements and customer preferences.

Talent and Succession Risks (Internal)

Globe believes that its greatest asset is its people, thus ensuring that the company is able to acquire and retain competent, purpose-driven, and future-thinking talents is crucial to the company’s continued success. Succession planning is also a critical area in order to build a Globe that lasts, developing the next generation of leaders ensures that there will always be people who can, and will, lead Globe into the future.

Increasing need for specialized talent that is in short supply, the threat of talent poaching both from competition and other industries that aim to acquire talents with telecom exposure, the allure of working abroad versus working locally due to better compensation, opportunities, and alternative working arrangements (e.g., full work from home, rise of digital nomads, etc.) are the key risks that Globe faces in securing talent. On the other hand, the lack of ready-now talents for key leadership positions, as well as the inability to provide the right work environment, office culture, and development opportunities where high potential talents can thrive and develop into the next generation of leaders and where the entire people of the organization remains engaged and productive, are the key risks that Globe faces in retaining and developing talent.

Mitigation:

- Development of robust talent succession development program that identifies high potential talents and ensure a healthy supply of ready-now talents to key leadership positions;
- Implementation of various people engagement and development programs and activities that boost employee morale, including programs that promote workplace psychological safety and fostering purpose-driven mindset to all Globe employees;
- Robust internal training programs for continuous learning and development, including specialized courses that upskill the workforce to new technologies and disciplines that would otherwise be not readily available on traditional learning channels;
- Strategic partnerships with universities and academic institutions to harness fresh talents and meet the organization’s long-term talent needs and promote internal growth;

- Strict compliance monitoring for accredited third-party vendor partners on pertinent labor laws and regulations; and
- Implementing measures to secure employee health and wellbeing, including mental health.

Financial Risks (External/Internal)

A. Foreign Exchange Risk (External)

Globe is exposed to two types of Foreign Exchange (FOREX) risks - transaction exposures and translation exposure. FOREX transaction exposures results from inflows of US Dollar (USD) from operations during a peso appreciation. The company's FOREX translation exposures result primarily from movements of the Philippine peso against the USD with respect to USD-denominated financial assets, liabilities, revenues and expenditures.

There are no assurances that declines in the value of the peso will not occur in the future or that the availability of foreign exchange will not be limited. Recurrence of these conditions may adversely affect the company's financial condition and results of operations.

Mitigation:

- Manage FOREX risks in such a way that transaction exposures will offset translation exposures. This is done by:
 - Assessing FOREX risk through sensitivity analysis estimating the Profit & Loss (P&L) impact of a change in the USD/PHP rate;
 - Entering into forward contracts to hedge against peso appreciation in the case of a FOREX transaction exposure;
 - Entering into short-term foreign currency forwards and long-term foreign currency swaps in the case of a FOREX translation exposure; and
 - Entering into principal-only swaps to hedge FOREX risk exposure to principal repayments on USD debts.

B. Interest Rate Risk (External)

In order to fund the company's major expenditures, Globe has entered into various short and long-term debt obligations, which exposes the company to the risk of changes in interest rates.

Mitigation:

- Manage interest rate risk in such a way that levels of debt can achieve a balance between cost and volatility. This is achieved through:
 - Assessing interest rate risk through sensitivity analysis estimating the P&L impact of an indicated movement in interest rates;
 - Setting a target level of fixed and variable debt mix; and
 - Entering into interest rate swaps to reduce volatility related to interest rate movements.

C. Liquidity Risk (Internal)

Globe revolves in an industry where there are rapid technological advances. This puts a great pressure on the company's financial structure to generate sufficient cash flows to finance its capital investments and refinance its outstanding debts.

Mitigation:

- Evaluate Globe's projected and actual cash flows and continuously assess conditions in the financial markets for opportunities to pursue fund raising activities;
- Strengthen Capital Expenditure (CAPEX) planning supported by data-driven decision making process; and
- Ensure stable access to the capital market by maintaining an investment grade credit rating, strong liquidity position and balance in resource allocation between CAPEX and Operational Expenditures (OPEX).

Information and Communications Technology Risk (Internal)

The transformation of Globe's product portfolio from traditional telecom services to a data driven ecosystem of product and service offerings is enabled by the right systems and technologies. Mobile data applications and the rising popularity of smartphones, social media platforms as enabled by mobile and connected devices continue to drive the exponential surge in data traffic. Consequently, this leads to a clamor for fast, reliable, yet affordable data services. In response, Globe's Network infrastructure and Information Technology platforms and systems undergo constant change and improvement to remain robust and anticipate and meet

future demands. This ensures improved network quality, enhanced customer service and experience, optimized total cost of ownership.

Globe considers the following factors as its key risks in this area:

- Anticipating and selecting the right mix of technologies to adopt and implement;
- Constant change and improvement leading to disruption of customer service and experience;
- Technology ecosystems not working harmoniously with one another ;
- Continuous upgrade and change-out of legacy/outdated platforms;
- Total cost of ownership and operation are not optimized; and
- The right technologies are not implemented at the right place at the right time.

Mitigation:

- Continuous environmental scanning for the latest innovations and trends in telecom technologies, devices, and gadgets to determine the right information and communication technologies needed to both support new products and services, and for future-proofing both from a technology and cost to maintain and operate perspective;
- Adoption of best practice frameworks and standards to ensure that Network and IT transformation programs meet global standards in execution, efficiency, and security; and
- Institutionalize appropriate program governance organizations with Management oversight to ensure that key Network and IT transformation programs are on track, its risks managed, integrates harmoniously with the overall technology ecosystem, and does not result in unintended disruptions that negatively impact customer experience.

Business Disruptions (External/Internal)

The quality and continued delivery of Globe's services are highly dependent on Globe's network/IT infrastructure and a well-functioning work force, which are vulnerable to threats caused by extreme weather disturbances, natural calamities, fire, acts of terrorism, intentional damage, malicious acts, pandemic and other similar events which could negatively impact the attainment of revenue targets and the company's reputation.

Mitigation:

- Enhance Globe's incident and crisis management plans and capabilities and incorporate disaster risk reduction and response objectives in the company's business continuity planning;
- Regular exercising of established plans to ensure that they stay relevant and effective, updating the plans as needed; and
- Continuous partnerships with local and national government, as well as non-government organizations, in responding to natural and man-made crises.

Cybersecurity Risk (External/Internal)

The cybersecurity landscape is rapidly evolving and users are heavily relying on digitized information and sharing vast amounts of data across complex and inherently vulnerable networks. As Globe continues to introduce personalized products and services and customized transactions to its customers, it stores personal information through product and service preferences and transaction history. This exposes Globe to various forms of cyberattacks which could result in disruption of business operations, damage to reputation, legal and regulatory fines and customer claims.

New technologies and systems being installed in the name of advanced capabilities and processing efficiencies may introduce new risks which could outpace the organization's ability to properly identify, assess and address such risks. Further, new business models that rely heavily on global digitization, use of cloud, big data, mobile and social media expose the organization to even more cyberattacks.

Mitigation:

- Strengthening and enhancement of Globe's existing security detection, vulnerability and patch management, configuration management, identity access management, event monitoring, data loss prevention and network/end-user perimeter capabilities to ensure that cyber threats are effectively managed;
- Implementing programs that enhance information security awareness among the organization;
- Conducting information security reviews on outsourced processes and systems from Globe's third party suppliers; and
- Educating the youth to better understand the impact of their online behavior so they can be responsible digital citizens, thereby lessening cyber threats to Globe.

Data Privacy (External/Internal)

In the course of regular business, Globe acquires personal information of its customers and retains the same either electronically or via hard copies. Existing laws require that information, especially customer information, must be adequately protected against unauthorized access and or/disclosure. The risk of data leakage is high with the level of empowerment granted to in-house and outsourced employees handling sales and after sales support transactions to enable the efficient discharge of their functions.

A Chief Information Security Officer (CISO) ensures the adequacy of information/cybersecurity capabilities and controls. On the other hand, a Data Protection Officer manages programs and initiatives to address the risks relating to the confidentiality and integrity of customer information while ensuring compliance with the Data Privacy Act of 2012 (Republic Act 10173).

Mitigation:

- Promote employee awareness on data protection and loss prevention through regular corporate communication channels;
- Enforce employee accountability on maintaining confidentiality of data handled, including disclosures and information shared in various social media platforms;
- Strengthen controls over processes that require handling of customers' personal information and existing security capabilities to prevent compromise of customer data; and
- Conduct regular compliance reviews of third party suppliers handling customer information to Data Privacy Act of 2012 (Republic Act 10173).

Digital Transformation Risk (Internal)

In the age of Digital, Globe strives to be an agile organization - in the technologies it uses, in its day-to-day processes, and in its people and how the company is organized, to keep up with the needs and demands of its customers. Failure to drive the entire organization to quickly adapt to new ways of working, to new technologies that reduce complexity and increase efficiency, and make the right shift in skills and competencies necessary for Globe to lead in the digital space and forge into adjacent spaces, may lead to missed business opportunities, ineffective and bureaucratic processes and systems, and inefficient use of limited resources.

Mitigation:

- Implement cultural change programs and adoption of new ways of working, focusing on customer centricity, innovation, and agile;
- Opportunistic hiring of talents required for innovation and new investment areas; and
- Build the right leadership structures and systems that will support an agile, future-ready, and customer centric organization.

Reputation and Customer Experience Risk (External)

Globe is recognized as one of the Philippines' top companies providing innovative and superior products and services, creating wonderful experiences and constantly striving to delight its customers at every corner. Globe is also recognized as a company that commits its purpose of creating a Globe of Good by helping build a Digital Nation, caring for the Environment, as well as treating people right and leaving a Positive Societal Impact to the nation.

These promises and commitments expose the company to reputational risks. Damage to Globe's reputation and erosion of brand equity could also be triggered by several factors such as the inability to swiftly and adequately handle customer complaints, negative social media sentiments, adverse public perceptions, failure to deliver on customer promises, inability to understand customer preferences and overall service experience, among others.

Mitigation:

- Frequent reviews of existing processes influenced by customers to identify and address existing gaps, minimizing exposure from risk areas;
- Train front line staff to enhance customer handling and dispute resolution;
- Implement comprehensive programs that farm customer feedbacks effectively and analyze them to create customer centric strategies; and
- Closely monitor customer online sentiments to immediately address customer issues before it surfaces to mainstream online platforms.

Revenue Leakage Risk (Internal)

The telecommunications industry is inherently vulnerable to revenue leakage, with the continuing innovations in Telecom Technologies, Network and IT systems and the multitude of its service/bundle/plan offerings accompanying such advancements. The pace at which new offers are launched in the market and the speed of technological innovations being adopted by Globe, coupled with the ongoing Network and IT transformation programs heightens the need to identify and plug revenue leakages becomes an even more important capability in maximizing revenues and returns.

Mitigation:

- Identify and embed appropriate revenue assurance controls into new products and services;
- Ensure solid internal controls on existing revenue-impacting processes through periodic controls review exercises, controls discovery and review of critical processes; and
- Implement a revenue assurance tool that would increase efficiency in its operations through automated execution of controls.

Fraud (Internal/External)

Globe runs the risk of falling victim to fraud perpetrated by unscrupulous persons or syndicates either to avail of “free” services, to take advantage of device offers or defraud Globe’s customers. With the increased complexity of technologies, network elements and IT infrastructure, new types of fraud that are more difficult to detect or combat could also arise. This risk also involves irregularities in transactions or activities executed by employees for personal gain.

Mitigation:

- Institutionalize processes and build capabilities that enable the early detection, investigation, resolution and enforcement of sanctions and legal options, close monitoring and timely reporting of various instances of fraudulent activities;
- Increase organizational awareness of fraud policies and its consequences through regular communication channels of the company. The company promotes a positive work environment through clear organizational structure, written policies and fair employment practices, effectively preventing employee fraud and theft;
- Strengthen internal controls on processes with high vulnerability on fraud risks;
- Implement various programs to equip its customers with the right information so that they do not fall victim to fraudsters; and
- Closely coordinates with law enforcement agencies to help protect its customers from activities meant to defraud them.

3rd Party Risk (External)

In an increasingly globalized and interconnected world, Globe seeks out various 3rd party providers who play significant roles in delivering superior products and services, managing total cost to operate to remain competitive. Globe banks on the partners’ industry expertise and wealth of experience to extend the reach and expand the capabilities of the company. Currently, Globe engages 3rd party partners across key aspects of the company’s operations - from supply chain and procurement, managed services, billing and collection, facilities management and security, call center services, store operations, among others.

As a result, these partners indirectly carry the Globe brand. Thus, this exposes the company to 3rd party risks on business continuity, cybersecurity, legal and regulatory compliance, supply chain management, and responsible business operations, to name a few.

Mitigation:

- Implementation of strict vendor accreditation, selection/award and retention process. Vendors are also closely monitored for compliance with agreed-upon quality and service level standards as a means for retention, and imposition of rewards and penalties;
- Vendor trainings and indoctrination on Globe’s processes, policies, quality standards and targets;
- Conduct 3rd party partner audits on key standards and best practices such as business continuity management, information security management system, environmental compliance, among others; and
- Identification of alternative suppliers for key network components, devices, services, etc.

Environmental, Social, and Governance (ESG)-linked Risks (Internal/External)

Globe regularly conducts a materiality assessment to determine sustainability-linked or ESG-linked risks. These risks can cause not just financial and reputational damage but also negative impacts to the environment and society if left unguarded. Globe’s stakeholders are interested to know its ability to effectively mitigate said risks. Investors and creditors in particular are looking into how companies address ESG-linked risks as

part of their investment decisions. Employees and customers have been seen to give more preference to companies that incorporate sustainable practices into their businesses. Governments and regulators around the world, including here in the Philippines, are ramping up regulations that will not only require companies to report on ESG-linked risks as part of ensuring good corporate governance practices, but also take measures to mitigate and address these risks. ESG-linked risks include, but are not limited to:

- A. Environmental Risks** - responsible use of natural resources, biodiversity conservation, responsible handling and disposal of waste, management and control of pollution, reduction of carbon and resource consumption footprint, assessment of vulnerability to climate-related risk and opportunities, adoption of green technologies and other opportunities.
- B. Social Risks** - human rights, adherence to labor standards, equal opportunities, employee health, safety, and welfare, transparency and accountability over products and services, privacy and data security, unfair and unethical sourcing of resources and labor, and delivering positive impact to the communities served.
- C. Governance Risks** - responsible business operations, commitment to good corporate governance practices, board management practices, transparency and accountability at the top management level, transparent and responsible reporting of financial and tax information, compliance with prevailing laws and regulations, stand against corruption and unethical business practices.

Mitigation:

- Establish board oversight over the management of environmental, social, and governance (ESG) risks;
- Commitments by management towards sustainability frameworks and principles that tackle one or more ESG-linked risks (e.g., UN SDGs, UN Global Compact, TCFD framework adoption, among others);
- Institutionalize capabilities, processes, and frameworks that address one or more ESG-linked risks, which include 3rd party audit and certification of said capabilities wherever possible to ensure that practices are up to international and/or generally accepted standards as well as seek 3rd party consultants' help and expertise to build capabilities whenever applicable;
- Institutionalize an enterprise-wide sustainability strategy that oversees Globe's programs and initiatives as well as ensure delivery of commitments made to various sustainability targets (e.g., UN SDG commitments, carbon reduction commitments, GSMA commitments, among others);
- Monitor ESG-linked trends to anticipate risks, opportunities, and impacts;
- Regularly report on progress on sustainability-related targets and initiatives; and
- Regular awareness campaigns and training across the company to continuously build support for and raise appreciation on sustainable practices and how they contribute to the creation of value for the company.

2023 FINANCIAL AND OPERATIONAL RESULTS

GROUP FINANCIAL HIGHLIGHTS

Results of Operations (Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Operating Revenues	180,164	175,040	3%
Service Revenues	162,333	157,979	3%
<i>Mobile*</i>	112,376	107,520	5%
<i>Home Broadband**</i>	25,112	27,094	-7%
<i>Corporate Data</i>	18,319	17,198	7%
<i>Fixed line Voice</i>	1,595	1,989	-20%
<i>Others***</i>	4,931	4,178	18%
Non-Service Revenues	17,831	17,061	5%
Costs and Expenses	98,738	95,948	3%
Cost of Sales	18,217	17,692	3%
Operating Expenses	80,521	78,256	3%
EBITDA	81,427	79,092	3%
EBITDA Margin	50%	50%	
Depreciation	47,356	45,653	4%
EBIT	34,071	33,439	2%
EBIT Margin	21%	21%	
Non-Operating Charges	(1,655)	10,662	-116%
Net Income After Tax (NIAT)	24,578	34,604	-29%
Core Net Income	18,916	19,169	-1%
Normalized Net Income After Tax	19,134	19,973	-4%
Normalized Core Net Income	19,070	19,169	-1%

* Mobile business includes Mobile and fully Mobile Broadband

** Home Broadband includes fixed wireless and wired Broadband

*** Others includes non-telco revenues from subsidiaries

- Full-year consolidated service revenues grew 3% to a new record high of ₱162.3 billion from the previous record of ₱158.0 billion reported in 2022, due to the outstanding performance of the mobile and corporate data businesses as complemented by the robust growth from its non-telco services. The significant increase in data revenues, which accounts for 83% of total service revenues mainly drove this year's performance. This result was achieved notwithstanding the deconsolidation of ECPay from Globe's books (with the sale of its 77% stake in ECPay to Mynt last September 2023¹⁴). On a comparable basis, if we adjust the prior period assuming the deconsolidation of ECPay¹⁵, Globe's total gross service revenues still would have grown by 3% year-on-year.
 - Mobile business revenues registered a 5% increase from 2022 at ₱112.4 billion from last year's revenues of ₱107.5 billion mostly coming from the prepaid brands.
 - Home Broadband service revenues stood at ₱25.1 billion or down 7% from 2022. This was mainly due to the expected lower performance of Globe At Home Prepaid WiFi, offsetting the growth in Home Broadband Postpaid, particularly on fiber. Postpaid fiber subscriber and revenues posted a yearly growth of 1% and 14%, respectively. Meanwhile, the fixed wireless access revenues and operating metrics continued to normalize. Consistent with the Company's guidance, the decline in the fixed wireless subscribers is decelerating and the downward pressure from this business is expected to ease in 2024.
 - Corporate Data revenues also improved in the fourth quarter leading its full-year revenues to an all-time high ₱18.3 billion, or up by 7% from a year ago largely from information and communication technology (ICT) revenues. Higher ICT revenues this period was mainly contributed by business application, cloud, and cybersecurity services.

¹⁴ The deal is currently undergoing thorough reviews. Completion is expected upon receipt of approvals from the relevant regulatory bodies and satisfaction of closing conditions.

¹⁵ Globe actual GSR for 2022 was restated to be comparable with 2023 total GSR where ECPay was consolidated for 9 months (Jan-Sept).

- Fixed line voice revenues likewise declined year-on-year by 20%, coming from lower outbound usages and monthly service fees (MSF).
- Non-telco products and services generated a total of ₱4.9 billion revenues as of end-December 2023, or up by 18% from last year due to expansion in subsidiaries revenues.
- Total operating expenses and subsidy as of end-December 2023 amounted to ₱80.9 billion from ₱78.9 billion in 2022, or up by 3% due mainly to the increases across almost all expense line items except for marketing and subsidy and staff costs.
- Total depreciation and amortization expenses for the year rose to ₱47.4 billion from ₱45.7 billion reported in 2022, given Globe's continued network investments.
- Overall, Globe ended 2023 with total costs and expenses of ₱128.3 billion or 3% higher from ₱124.5 billion a year ago. Higher expenses for the year were mainly to support management strategies and various initiatives.
- Globe's consolidated EBITDA, which totaled ₱81.4 billion, was up 3% from last year's level of ₱79.1 billion due to the healthy topline improvement this period. EBITDA margin as of end-December 2023 stood at 50%, still aligned with the Company's full year guidance.
- Non-operating charges as of end-December 2023 stood at ₱1.7 billion versus last year's operating income of ₱10.7 billion, or down by 116% year-on-year, owing to the one-time net gain of ₱8.5 billion (post-tax) on the partial sale of Globe's data center business reported in the first quarter of 2022.
- The Globe Group ended 2023 with ₱24.6 billion consolidated net income, down by 29% from the reported net income in 2022. This was primarily due to the 4% higher depreciation expenses coupled by this year's non-operating charges (versus last year's non-operating income), which fully offset the 3% EBITDA growth. Last year's non-operating income was due to the one-time net gain on the partial sale of Globe's data center business booked in the first quarter of 2022. Excluding the impact of the one-time gains, normalized net income would have been ₱19.1 billion, down by 4% from 2022.
- Globe's core net income, which excludes the impact of non-recurring charges, one-time gain, foreign exchange gains and mark-to-market charges, stood at ₱18.9 billion, slightly decreased by 1% year-on-year. Similarly, normalized core net income was 1% lower than last year.
- Total cash capex as of end-December 2023 amounted to ₱70.6 billion, lower by 30% from last year's level of ₱101.4 billion. About 91% of the total capex for the period was spent on the data network with the Company's continued focus on network excellence.

Likewise, Globe streamlined its purchase order (PO) issuances beginning 2023. Purchase order issuances for 2023 amounted to US\$600 million or less than half of the actual cash capex, and is also equivalent to around 36% of the average annual PO issuances in the past 5 years. These PO issuances are leading indicators for future capex payment levels. The significantly low PO issuance in 2023 will enable the reduction of capex over the next few years and will allow the Company to get back to positive free cash flow territory as planned.

GROUP OPERATING REVENUES BY SEGMENT

Operating Revenues By Business (Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Mobile*	129,833	124,085	5%
Service Revenues	112,376	107,520	5%
Non-Service Revenues	17,457	16,565	5%
Fixed Line and Home Broadband**	45,289	46,671	-3%
Service Revenues	45,026	46,281	-3%
Non-Service Revenues	263	390	-33%
Others***	5,042	4,284	18%
Service Revenues	4,931	4,178	18%
Non-Service Revenues	111	106	4%
Total Operating Revenues	180,164	175,040	3%

* Mobile business includes Mobile and fully Mobile Broadband.

** Home Broadband includes fixed wireless and wired Broadband; Fixed line and Home Broadband includes corporate data, fixed line voice and Home Broadband.

***Others includes non-telco revenues from subsidiaries

The Globe Group ended the year with total operating revenues of ₱180.2 billion, up by 3% from the ₱175.0 billion recorded last year. This was driven by the 3% year-on-year improvement in the topline to reach ₱162.3 billion in 2023 from ₱158.0 billion in 2022. Corporate data and mobile services, complemented by the continuous growth from non-telco services, mainly fueled this year's topline expansion.

Mobile service revenues accounted for 69% of Globe's consolidated service revenues for the year just ended. The mobile business continued to perform strongly, ending the year with a historic high of ₱112.4 billion compared to the previous record level of ₱107.5 billion reported in 2022. The notable 5% year-on-year improvement was largely contributed by prepaid with the pent-up demand for affordable mobile devices, alongside the increasing time spent on high-bandwidth online video services and social media content over smartphones.

Fixed line and Home Broadband full year 2023 revenues stood at ₱45.0 billion, or 3% lower than a year ago, due mainly to the revenue declines from Fixed line voice and Home Broadband business, which fully offset the solid contributions of Corporate Data.

Mobile non-service revenues increased year-on-year by 5%. Fixed Line and Home Broadband non-service revenues, however, declined significantly by 33% compared to the previous year. Meanwhile, non-service revenues from non-telco products and services improved from ₱106 million in 2022 vs. ₱111 million in 2023.

MOBILE BUSINESS

Mobile Service Revenue (Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Service			
Mobile Voice ¹	13,506	14,917	-9%
Mobile SMS ²	7,975	8,845	-10%
Mobile Data ³	90,895	83,758	9%
Mobile Service Revenues	112,376	107,520	5%

¹ Mobile Voice service revenues include the following:

- Prorated monthly service fees on consumable minutes of postpaid plans;
- Subscription fees on unlimited and bucket voice promotions including the expiration of the unused value of denomination loaded;
- Charges for intra-network and outbound calls in excess of the consumable minutes for various Globe Postpaid plans, including currency exchange rate adjustments, or CERA, net of loyalty discounts credited to subscriber billings; and
- Airtime fees for intra network and outbound calls recognized upon the earlier of actual usage of the airtime value or expiration of the unused value of the prepaid reload denomination (for Globe Prepaid and TM) net of (i) bonus credits and (ii) prepaid reload discounts; and revenues generated from inbound international and national long distance calls and international roaming calls; and
- Mobile voice service revenues of GTI and MVNO.

² Mobile SMS net service revenues consist of revenues from value-added services such as inbound and outbound SMS and MMS, and infotext, subscription fees on unlimited and bucket prepaid SMS services net of any interconnection or settlement payouts to international and local carriers and content providers.

³ Mobile Data service revenues consist of revenues from mobile internet browsing and content downloading, mobile commerce services, other add-on value added services (VAS), and service revenues of GXI and MVNO, net of any interconnection or settlement payouts to international and local carriers and content providers, except where Globe is acting as principal to the contract where revenues are presented at gross billed to subscriber and settlement pay-out are classified as part of costs and expenses. Revenues from premium content services (where Globe is acting as principal to the contract) is reported gross of licensors' fees.

Over the years, Globe has pioneered efforts in introducing products and services that cater to the customer's digital preferences, enabling Globe to be the preferred brand for Filipinos' digital lifestyle choices. This was done through collaborative partnerships with global giants in the world of content. The Company partnered with internet giant Google to provide free access to Google Mobile services and to provide its subscribers the ability to charge purchases of applications to their postpaid bill or prepaid load, bypassing the need for credit cards and enhancing the convenience for Globe and TM customers. Likewise, the Company was able to tailor-make lifestyle packages for all its subscribers to meet their social networking needs and crowd-sourced content (via Facebook and Wattpad), chatting and digital communication (Viber), music (Spotify), sports (NBA) and media. Moreover, Globe's array of content partners including premium online streaming platforms like Netflix, iflix, Prime, HBO GO, VIU; social media networks such as YouTube; online shopping sites; and mobile games usher in a whole new entertainment experience.

The GlobeOne app is the new digital companion to help customers to manage their accounts. With the GlobeOne app, Globe customers can monitor their Globe Postpaid, Globe Prepaid/TM, Home Prepaid WiFi, and Rewards. The New GlobeOne is available via App Store and Google Play Store.

Mobile Data

Mobile Browsing, Internet-on-the-Go and Other Data

Mobile data, the biggest contributor to the mobile business, accounted for 81% of total mobile service revenues (vs. 78% in 2022). As of end-December 2023 mobile data revenues posted a record ₱90.9 billion, or 9% above than the ₱83.8 billion reported last year. The sustained growth momentum in mobile data revenues was driven by the increasing data consumption with consumers' heightened need to stay connected for work, school and entertainment.

Globe Prepaid customers can enjoy "Go promos" with the biggest GBs for ALL sites and apps. These promos

were made to help everyone ease into the new normal without the worry of running out of data and being limited by a list of apps. Customers can choose from different “Go promos” for as low as Php 50 with the biggest GBs, unlimited texts to all networks, and more. See [prepaid/go-promos](#) for more details.

In addition, Globe further gave its customers more options to level up their connection with *Go+* promos for as low as Php99 valid for 7 days up to Php 400 valid for 15 days. Customers can have more GBs to use to address everything they need with open-access data, unli calls and texts, and now with more freebies to choose from—GBs for content apps, GoSave, and GoHealth. See also [prepaid/go-promos/plus](#) for more details.

Meanwhile, Globe “*Surf4All*” is the Philippines’ first-ever data-sharing promo. This offers users a high data allowance that’s usable on all sites and can be shared with up to four (4) users for one week. Customers get to enjoy up to 20GB (15GB base data allocation + limited-time 5GB bonus data) of shareable data at an affordable ₱249. This new Globe data promo allows its customers to share data with Prepaid, Postpaid, Platinum, Globe At Home Prepaid WiFi, MyFi and TM users. See also [surf4all](#) for more details.

Globe’s Mobile browsing services also include the consumable mobile internet plan “*GoSurf*”, which gives its subscribers bulk megabytes of mobile data consumable per kilobyte for as low as ₱15 for 2 days. See also [prepaid/gosurf](#) for more details. Globe Prepaid customers may also choose to subscribe to “*GoSakto*” to create their own prepaid combo with a mix of calls, text, and surf promos, select a duration, assign their own promo name, which can also be shared with friends (see [prepaid/gosakto](#) for details). Prepaid customers may also choose to subscribe to “*GoUnli*” offers to get unlimited calls and texts with Free data for their favorite apps for as low as ₱20 per day (see [prepaid/gounli](#) for more details).

Meanwhile, TM customers can subscribe to the following *EasySurf* promos for as low as ₱10: *EasySurf10* give customers 40MB valid for 1 day; *EasySurf15* give customers 100MB plus 30MB for Instagram valid for 2 day; *EasySurf30* give customers 300MB plus 50MB for Facebook, Viber, or Snapchat valid for 2 day; *EasySurf50* give customers 6GB (3GB data + 3GB freebie) with unlimited AllNet text valid for 3 day; *EasySurf75* gives customers 8GB (2GB data + 6GB freebie) with unlimited AllNet calls and text valid for 3 days. 7-days validity offers are likewise available: *EasySurf99* which give its customers 16GB (2GB data + 14GB freebie) with unlimited AllNet texts and *EasySurf140* which give its customers 18GB (4GB data + 14GB freebie) with unlimited AllNet calls and texts. In addition, 30-days validity offers for TM are also available (*EasySurf299* for 2GB, *EasySurf599* for 5GB, *EasySurf999* for 10GB, *EasySurf1299* for 15GB, *EasySurf1999* for 30 GB and *EasySurf2499* for 50GB) plus 10GB for choice of app bundle: FunAliw, FunKwentuhan, FunRaket, FunAchieve, FunKDrama, FunLaro, & Watch&Play. TM customers can also register to *Surf4all99* (9 GB for all apps & sites, shareable up to four friends or four devices), and *Surf4all249* (20 GB for all apps & sites, shareable up to four friends or four devices) valid for 7 days.

See <https://www.tmtambayan.ph/promos/a20.html> for more details on TM’s latest offers.

Likewise, the Company continued to offer *Roam Surf Data and App* packs to its prepaid and postpaid customers. Prepaid subscribers can choose from all-access data roaming packs for as low as ₱150 or their favorite apps (Facebook, Instagram, viber, WhatsApp, WeChat) for as low as ₱100. This offer allows prepaid customers to access the internet abroad, making their data connectivity experience more seamless and worry-free ([roam-surf-data-app-packs-prepaid](#) for more details). Meanwhile, *Globe Postpaid* customers can enjoy all-day or 24 hours all-access data roaming packs for as low as ₱149 or their favorite apps Facebook or viber with *Roam Facebook 299* and *Roam Viber 199* ([roam-surf-data-app-packs-postpaid](#) for more details). Globe also introduced the discounted data roaming called *Roam Surf Longer Stay*. Subscribers can enjoy more gigabytes for more days while spending less - choose from 3, 5, 7, 15 or 30-day offers which come with 3GB up to 20GB data, and get up to 50% off (vs. the daily Roam Surf rate). In addition, Globe Postpaid and Prepaid subscribers can now experience 5G roaming. For Postpaid subscribers, simply turn on your mobile data and set your data roaming settings to 5G. For Prepaid subscribers, get your favorite Roam Surf promo via the GlobeOne app, GCash, or dial *143# and select MyAccount > Roaming & Intl.

Aside from these, Globe infuses convenience and affordability into wanderlust-driven adventures. The expanded GoRoam offering is the perfect digital companion to your Taiwan escapades, offering competitively priced data packages nearly at par with local SIM rates. Globe customers can avail of the Taiwan-exclusive GoRoam package for just ₱550, which comes with 2.4 GB of data valid for 30 days. GoRoam also covered other popular Asian destinations: Get GoRoam Thailand with 15 GB of data at ₱500, usable for eight days; GoRoam Hong Kong’s 3 GB of data for ₱600, good for five days. Access the GlobeOne app to register to these offers at never-before-seen roaming rates.

In 2023, Globe launched a new innovation that makes data roaming more affordable, and now, easily shareable. The new *Globe Roam Surf4All* brings ease and affordability to every trip, catering to the needs of budget-

conscious families and travel groups. *Roam Surf4All* is available in over 100 countries and offers an unmatched level of convenience by allowing shared connectivity among multiple users. Affordability is at the heart of *Roam Surf4All*. Splitting costs with friends or family makes it incredibly budget-friendly, starting at as low as ₱73.00 per person per day for up to 15 days. Say goodbye to extra charges for security deposits, courier, and insurance fees. Customers may choose from three tailor-made packages, each designed to suit various travel durations and data needs: Roam Surf4All 2599 with 5 GB for 5 days (₱104 per person per day); Roam Surf4All 5499 with 10 GB for 15 days (₱73 per person per day); Roam Surf4All 7499 with 15 GB for 30 days (Coming soon at ₱50 per person per day). With the GlobeOne app, managing your group and tracking your data usage is a breeze. Add up to four members to your travel group and keep an eye on everyone's data use effortlessly, all in real-time. Members can be Globe Platinum, Postpaid, Prepaid or TM customers, provided they are all roamers.

With Globe's commitment to enrich its lineup of content partners to cater to its customers' evolving digital lifestyle, Filipinos can now catch the Korean wave on Viu, the localized digital platform providing online Asian video content. Simply text VIU99 to 8080, click on the activation link that will be sent via text, confirm the Mobile number, and download the Viu app to start enjoying your 30-day subscription to Viu Premium. The worldwide hit app *TikTok* is also included in the affordable data promos for Globe Mobile users for as low as ₱15 per day with *TIKTOK15*. For hardcore video creators, there are bigger data promos such as *TIKTOK50* with 600MB for 7 days and *TIKTOK199* with 1GB for 30 days. Customers can register to their preferred promo by texting the keyword to 8080.

Mobile Voice

Mobile voice revenues, which accounted for 12% of total mobile service revenues, ended the year at ₱13.5 billion, down by 9% from ₱14.9 billion in 2022. Consistent with global trends, voice revenues declined given the continued migration of voice traffic to alternative internet-based applications.

To support the revenue stream, the Company continues to provide attractive and affordable bulk voice offers such: (1) *Tawag 236** for 20-minute consumable calls for only ₱20 - *Globe Postpaid* and *Globe Prepaid* subscribers by simply replacing the 0 at the start of the number with 236 (dial 236 + 10-digit Globe number); (2) *Super Sakto Calls** - calls to Globe and TM numbers for only ₱0.15 per second by just replacing the zero at the beginning of the Globe or TM number with 232 (dial 232 + 10-digit Globe number) for the special rate to apply; (3) *GoCall100* provides *Globe Prepaid* subscribers 500 minutes of on-net calls to Globe/TM for only ₱100 for 7 days. Meanwhile, *TM* subscribers may choose *UnliTawag15* which gives its subscribers unlimited calls to all Globe and TM subscribers for as low as ₱15 valid for 1 day. Through the *Extend all-you-can promo*, *TM* subscribers can extend for another 24 hours their favorite *TM* promo for only ₱5 up to 365 times by simply texting "EXTEND" to 8888 before their current promo expires.

Filipinos who wish to stay connected with their loved ones abroad, Globe continues to offer its pioneering per-second charging for international voice calls, IDD Sakto Calls for both *Globe Postpaid* and *Globe Prepaid* subscribers. *Globe Prepaid*'s GoTipIDD service remains to be the lowest per-minute IDD rates in the market (Go tipIDD30 for as low as ₱2.50 per minute valid for three (3) days; Go tipIDD50 valid for seven (7) days; Go tipIDD100 valid for 15 days). For *TM* customers, they may opt to subscribe to *TM TipIDD30* which offers four (4) minutes of international calls to Saudi, UAE, Kuwait, Bahrain, Italy, UK, Australia and Japan for only ₱30 a day. Globe also provides unlimited calls to 49 countries for as low as ₱99 to select destinations worldwide with *Globe*'s *Unli IDD*. *Unli IDD99* provides for one day unlimited calls to three (3) unique international numbers for only ₱99; *Unli IDD499* for unlimited calls to 5 unique international numbers for 7 days and *Unli IDD 999* for unlimited calls to 10 unique international numbers for 30 days. In addition, Globe also provides a bucket IDD service to popular and selected overseas destinations with *Go IDD*. *Globe Prepaid* customers can make IDD calls for as low as ₱1.50 per minute to the U.S. Mainland, Canada, China, Hawaii, Hong Kong, Singapore, and Thailand for only ₱200, valid for 30 days. Meanwhile, *GoCallIDD* is an IDD promo with the lowest rates to the Middle East at ₱5 per minute. It also allows customers to call Europe for only ₱5 per minute and North America and Asia Pacific for only ₱2.50 per minute. *GoCallIDD* comes in four variants. See [promos/GoCallIDD](#) for more details and [Call-and-Text-Abroad](#) for international voice and SMS promos.

Roam Unli Call & Text is likewise available for *Globe Postpaid* customers for them to enjoy all-day calls and texts while roaming ([promos/roam-unli-call-text](#) for more variants under this promo). Also, Roam Saver is a pay-per-use promo that lets *Globe Postpaid* customers enjoy discounted calls and texts while roaming in over 60 international destinations worldwide, for a fixed registration fee of ₱199 ([promos/roam-saver](#) for more details). The Company also provides its subscribers with the best possible mix of voice, SMS, and Mobile browsing services through its combo packages. For *Globe Prepaid*, subscribers have the choice to avail of *Go AllNet* or

^{16*}With at least ₱7.50 load requirement

GoUnli promos. *Go AllNet* promos provide unlimited SMS to all networks, plus calls to Globe/TM and calls to all networks and consumable mobile browsing ([prepaid/GoAllNet](#)).

Meanwhile, *GoUnli* promos provide unlimited calls and texts with Free data for your favorite apps for as low as ₱20 per day (see [prepaid/GoUnli](#) for more details). *GoAll20* is Globe Prepaid's promo available in selected areas in the Philippines which offers unlimited texts to all networks, 30 minutes of calls to Globe/TM numbers and Free access to Facebook.

Mobile SMS

Mobile SMS revenues, which accounted for 7% of total mobile service revenues, closed the year at ₱8.0 billion or 10% lower against the ₱8.8 billion reported in 2022. Similar to voice, mobile SMS declined, with traffic moving to over-the-top (OTT) messaging apps.

Globe continues to showcase a comprehensive line up of mobile SMS value offers ranging from unlimited and bucket text services. Globe continues to provide its prepaid subscribers with all-day unlimited on-net SMS with Unli Text promos: UnliTxt20 valid for 1 day for ₱20; UnliTxt40 valid for 2 days for ₱40 and UnliTxt80 valid for 5 days for ₱80. GoUnlitxt49 was also made available in the market which offers its subscribers unlimited on-net texts to Globe/TM for only ₱49 valid for 7 days. For budget conscious customers, SuliTxt15 provides its subscribers with 100 text messages to Globe/TM for one day. With the use of the GoSakto, Globe Prepaid subscribers can create a promo exactly how they want it based on their lifestyle and budget.

With TM's continued dedication of giving its subscribers wonderful and value-for-money offers, TM customers can get to choose from a wide array of promo offers ranging from bucket or unlimited SMS. With SuliTxt5, TM subscribers can send 25 texts to TM/Globe, valid for 1 day for only ₱5. UnliAllNet10 which provides its subscribers with unlimited texts to all networks for ₱10 a day or subscribe to Txt10 for unlimited text to TM/Globe, valid for 2 days. Also available is AstigTxt30 which gives TM subscribers 5 days of unlimited text to TM/Globe for ₱30. Dagdagtxt was likewise introduced to the market which provides additional 100 all-network texts as an add-on to an UnliCall promo for only ₱5 a day. Moreover, TM subscribers can also enjoy unlimited one day text to TM/Globe as an add-on to their UnliTawag15 subscription for just a minimal price of ₱5.

Meanwhile, for Filipinos who wish to send messages to their family and friends in the USA Mainland, Canada, Kuwait, Guam, Greece, and Mexico, they can subscribe to Unli iTXT 20 for only ₱20 a day. To register, text UNLI ITXT 20 to 8080 or dial *143# and select Roaming & Int'l > Call and Text Abroad.

GoWiFi¹⁷

In support of national development by providing access to user-friendly and cost-effective internet connectivity to more Filipinos, GoWiFi continues its expansion plans nationwide, particularly in high-traffic areas like malls, hospitals, and schools to make high-quality internet connection accessible and affordable to more Filipinos. GoWiFi is currently accessible in over 3,700 locations nationwide, enabling users to get connected with up to 100MBps of high-speed internet within the coverage of a GoWiFi site, regardless of network provider.

GoWiFi services are available in 2 modes: regular (free) GoWiFi and premium (paid) GoWiFi Auto. Both are open to all users with WiFi-enabled devices, regardless of network service provider (local or while roaming in the Philippines). To connect to free GoWiFi, just open the Wi-Fi-enabled device's WiFi settings and connect to the "@FreeGoWiFi" hotspot, register, choose from the different WiFi package and start surfing. To connect to premium wifi, connect to "@<site>_FreeGoWiFi SSID, register, then select a WiFi offer.

For more information, visit the [GoWiFi](#) page and <https://www.globe.com.ph/gowifi.html> for the latest GoWiFi offers.

VoLTE and VoWiFi

VoLTE stands for voice over LTE. It's a technology that lets you make voice calls over the LTE network, rather than the 2G and 3G networks which we normally use. VoWiFi, or voice over Wi-Fi, stands for Wi-Fi Calling which is a complementary technology to VoLTE and lets you make voice calls over a Wi-Fi network. VoLTE or VoWiFi can be used even if the called party doesn't have a VoLTE-capable device. Calls between VoLTE/VoWiFi - VoLTE/VoWiFi will have a long-beep ringtone, similar to IDD calls. For calls between VoLTE or VoWiFi and 3G/2G, the call will have the normal ringtone.

¹⁷ GoWiFi is Globe Telecom's premium public WiFi service. The GoWiFi service for Prepaid users was discontinued on October 17, 2023. For Postpaid users, access to GoWiFi ended on November 30, 2023.

Globe's efforts to provide a better mobile experience to its customers have made it possible to have Voice Over LTE (VoLTE) service available to postpaid customers. Globe has also fully activated VoLTE in all cities in Metro Manila and nearby provinces. This development has made it possible for more postpaid customers to access the service, improving voice call experience. Postpaid customers are encouraged to check if their mobile phone is VoLTE-capable, read about new VoLTE-ready locations or find what they need to know about VoLTE through these [Online FAQs](#).

VoLTE and VoWiFi are being implemented in phases and are now available in key areas starting December 18, 2020. Globe is likewise offering VoLTE to eligible prepaid customers starting November 7, 2022.

On its way to providing VoLTE Roaming capability, Globe's technical team performed successful VoLTE Outbound Roaming and VoLTE Inbound Roaming calls with Airtel. This demonstrates the readiness of its mobile network to support outbound and inbound VoLTE Roaming. While VoLTE roaming is still being built, Globe customers in countries that no longer have any 2G or 3G access may opt to subscribe to data roaming offers that allow them to make and receive calls and messages through Over-the-top (OTT) apps such as Viber, WhatsApp, and Messenger. Customers may easily register and track their data usage via the GlobeOne app. See also <https://www.globe.com.ph/volte.html> and <https://www.globe.com.ph/help/postpaid/volte.vowifi> for more details.

Key Mobile Drivers

	Globe Group		
	Year on Year		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
<u>Cumulative Subscribers (or SIMs) - Net</u>			
Globe Postpaid	57,047,237	86,746,672	-34%
Prepaid	2,545,462	2,529,694	1%
<i>Globe Prepaid¹</i>	54,501,775	84,216,978	-35%
<i>TM</i>	29,884,300	44,536,976	-33%
<i>TM</i>	24,617,475	39,680,002	-38%
<u>Net Subscriber (or SIM) Additions</u>	(29,699,435)	(37,990)	78077%
Globe Postpaid	15,768	32,827	-52%
Prepaid	(29,715,203)	(70,817)	41861%
<i>Globe Prepaid¹</i>	(14,652,676)	2,011,309	-829%
<i>TM</i>	(15,062,527)	(2,082,126)	623%
<u>Average Revenue Per Subscriber (ARPU)²</u>			
Globe Postpaid	855	839	2%
Prepaid			
<i>Globe Prepaid¹</i>	121	98	24%
<i>TM</i>	84	63	34%
<u>Average Monthly Churn Rate (%)</u>			
Globe Postpaid	1.5%	1.6%	
Prepaid			
<i>Globe Prepaid¹</i>	5.8%	2.8%	
<i>TM</i>	6.4%	4.0%	

¹Globe Prepaid include GOMO subscribers

²ARPU is computed by dividing recurring gross service revenues (gross of interconnect expenses) segment by the average number of the segment's subscribers and then dividing the quotient by the number of months in the period.

Globe closed 2023 with a total mobile subscriber base (post SIM card registration) of 57 million, 34% lower from 2022 as a result of the SIM card registration (SCR) exercise. Combined, Globe Prepaid (including GOMO) and TM gross acquisitions comprised 98% of total acquired SIMs during the period. With the drop in gross acquisitions coupled with the overall churn rate increase for the year 2023 of 5.9% from 3.3% a year ago, net reduction in subscribers totaled to 29.7 million this period versus 38 thousand subscribers reported last year. Globe deactivated about 30 million SIMs, most of which are inactive users as a result of the SCR.

The succeeding sections cover the key segments and brands of the Mobile business – *Globe Postpaid*, *Globe Prepaid* (including fully-mobile broadband subscribers and *GOMO*) and *TM*.

Globe Postpaid

Globe Postpaid had a total of over 2.5 million cumulative subscribers as of the end of December 2023, up by 1% from 2022. *Globe Postpaid*'s gross acquisitions for the year stood at 460,681 or 11% lower than last year. With this year's lower acquisition, offsetting the slight improvement in churn, total net addition in postpaid subscribers stood at 15.8 thousand versus last year's net incremental of 32.8 thousand.

Full-year 2023 *Globe Postpaid* ARPU registered at ₱855, which was higher versus 2022 by 2%.

Prepaid

Globe's prepaid segment, which includes the *Globe Prepaid*, *GOMO*¹⁸ and *TM* brands, accounts for 96% of its total cumulative mobile subscriber base. As of end-December 2023, cumulative prepaid subscribers stood at about 54.5 million, or lower than last year's 84.2 million mostly due to the SIM registration (SCR) exercise.

Based on the National Telecommunications Commission (NTC) Memorandum Circular 03-07-2009, the first expiry periods ranging from 3 days for ₱10 or below to 120 days for reloads amounting to ₱300 and above. The second expiry remains at 120 days from the date of the new first expiry periods. The first expiry is reset based on the longest expiry period among current and previous reloads. Under this policy, subscribers are included in the subscriber count until churned. Under the new pronouncement based on the National Telecommunications Commission (NTC), Department of Information and Communications Technology (DICT), and Department of Trade and Industry (DTI) Joint Memorandum Circular No. 05-12-2017 all prepaid load will now carry a one-year expiration period regardless of amount. In compliance with this regulation, effective January 6, 2018, Globe implemented a one-year expiration period for prepaid loads worth 300 pesos and above. Then on July 5, 2018, Globe expanded the implementation to all Globe prepaid loads, including those with denominations below 300 pesos.

Republic Act No. 11934, or the SIM Card Registration Act, was signed into law on October 10, 2022. The Philippines' SIM Registration Act is envisioned to address escalating cybercrime in the country, including the proliferation of smishing and other forms of scam and spam messaging aided by the anonymity afforded by prepaid SIMs. Registration via the GlobeOne app started last January 2023, while on-site assisted registration started last February 2023 for Globe customers facing challenges using digital or online platforms, using feature or basic phones, or having no internet access. New Globe SIM users have up to 72 hours to get their SIMs registered to activate call, text and data services. For existing Globe Postpaid customers, all their data and information are deemed included in the platform and Globe shall get in touch with each postpaid customer to confirm and complete their registration details to align it with the requirements of the law. The SIM Card Registration ended last July 25, 2023 (with the 90-days extension from the original deadline of April 26).

The succeeding sections discuss the performance of the *Globe Prepaid* and *TM* brands in more detail.

b. Globe Prepaid

Globe Prepaid gross acquisitions (including *GOMO*) ended at 11.1 million in 2023 or 34% down year-on-year. Total net reduction in *Globe Prepaid* subscribers as of end-December 2023 stood at 14.7 million versus

¹⁸ *Globe Prepaid* subscribers include *GOMO* subscribers. *GOMO* is a fully digital service brand of Globe created to address the needs of the underserved digitally savvy yuppie segment. Simply buy the sim from gomo.ph or thru the *GOMO PH* mobile app.

last year's net incremental of 2.0 million resulting from the SCR. Total cumulative *Globe Prepaid* subscribers closed the year at 29.9 million, or a 33% drop from the 44.5 million as of end-December of 2022.

Globe Prepaid ARPU posted at ₱121, or 24% increase from ₱98 from a year ago. The higher ARPU is more reflective of the company's quality subscriber base post SIM card registration (SCR) exercise.

b. *TM*

TM's gross acquisitions declined year-on-year by 46% to only 9.5 million subscribers in 2023 from 17.5 million reported in 2022. *TM* churn rate for the period increased to 6.4% from last year's 4.0% bringing total net reduction in *TM* subscribers in the year just ended to 15.1 million versus 2.1 million in 2022. Total cumulative *TM* subscribers stood at 24.6 million as of end-December of 2023, or 38% lower from the 39.7 million reported in 2022 due to the same reason cited above.

Likewise, *TM* ARPU was 34% better than last year's ₱63, ending the year at ₱84, which is now more reflective of the company's quality subscriber base post SIM card registration (SCR) exercise.

FIXED LINE AND HOME BROADBAND BUSINESS

Service Revenues (Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Service			
Home Broadband ¹	25,112	27,094	-7%
Corporate Data ²	18,319	17,198	7%
Fixed line Voice ³	1,595	1,989	-20%
Fixed Line & Home Broadband Service Revenues	45,026	46,281	-3%

¹ Home Broadband service revenues consist of the following:

- f) Monthly service fees of wired, fixed wireless, bundled voice and data subscriptions;
- g) Browsing revenues from all postpaid and prepaid wired, fixed wireless Broadband packages in excess of allocated free browsing minutes and expiration of unused value of prepaid load credits;
- h) Value-added services such as games; and
- i) Installation charges and other fees associated with the service.
- j) Revenues from premium content services (where Globe is acting as principal to the contract) are reported gross of the licensors' fees. The latter is reflected as part of maintenance expenses.

² Corporate data (previously called Fixed line data) service revenues consist of the following:

- d) Monthly service fees from international and domestic leased lines;
- e) Revenues from value-added services and ICT;
- f) Connection charges associated with the establishment of service.

³ Fixed line voice service revenues consist of the following:

- g) Monthly service fees;
- h) Revenues from local, international and national long-distance calls made by postpaid, prepaid fixed line voice subscribers and payphone customers, as well as Broadband customers who have subscribed to data packages bundled with a voice service. Revenues are net of prepaid and payphone call card discounts;
- i) Revenues from inbound local, international and national long-distance calls from other carriers terminating on Globe's network;
- j) Revenues from additional landline features such as caller ID, call waiting, call forwarding, multi-calling, voice mail, duplex and hotline numbers and other value-added features;
- k) Installation charges and other fees associated with the establishment of the service; and
- l) Revenues from DUO and SUPERDUO (Fixed line portion) service consist of monthly service fees for postpaid and subscription fees for prepaid.

Home Broadband

	Globe Group		
	Year on Year		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Cumulative Broadband Subscribers			
Fixed Wireless	618,972	1,427,868	-57%
Wired	1,131,525	1,134,669	-
Total (end of period)	1,750,497	2,562,537	-32%

Globe Group's *Fixed line and Home Broadband* full-year 2023 revenues stood at ₱45.0 billion, 3% lower than the ₱46.3 billion reported in 2022, due mainly to the 20% drop in fixed line voice and 7% decline in Home Broadband business, which fully offset the solid contributions of Corporate Data.

Globe Home Broadband revenues fell by 7% year-on-year and 1% quarter-on-quarter with the continued decline in Home Prepaid WiFi as partly offset by higher Home Broadband Postpaid, particularly on Fiber. Postpaid fiber subscribers and revenues posted a year-on-year increase of 1% and 14%, respectively.

Meanwhile, the fixed wireless access revenues and operating metrics continued to normalize. Consistent with the Company's guidance, the decline in the fixed wireless subscribers is decelerating and the downward pressure from this business is expected to ease in 2024.

Total home broadband subscriber base now stands at 1.8 million, a 32% dip from the year earlier with the 57% decline from fixed wireless. As of end-December of 2023, Home Prepaid Wi-Fi (HPW) data traffic further slipped to only 289 petabytes from 450 petabytes in 2022.

Corporate Data

Corporate Data also improved in the fourth quarter, leading its full-year revenues to an all-time high ₱18.3 billion, or up by 7% from a year ago largely from information and communication technology (ICT) revenues. Higher ICT revenues was mostly from business application, cloud, and cybersecurity services.

Fixed line Voice

Globe's total *Fixed line Voice* revenues however, declined year-on-year by 20%.

OTHER GLOBE GROUP REVENUES

International Long Distance (ILD) Services

Both Globe and Innove offer ILD voice services which cover international call services between the Philippines to 237 destinations with 790 roaming partners. This service generates revenues from both inbound and outbound international call traffic, with pricing based on agreed international termination rates for inbound traffic revenues and NTC-approved ILD rates for outbound traffic revenues.

Globe's ILD voice revenues from the mobile and fixed line businesses declined year-on-year by 17% (from ₱1.9 billion in 2022 to only ₱1.6 billion in 2023). This is attributed to the continued migration of international traffic through other internet-based applications.

Meanwhile, Globe sustained its promotion on OFW SIM packs and the discounted call rate offers.

Non-telco products and services

As Globe continues to expand its beyond telco initiatives with a growing portfolio of digital companies in spaces such as fintech, healthtech, adtech, and entertainment, its non-telco revenues jumped to ₱4.9 billion in 2023 from ₱4.2 billion last year due to the expansion in subsidiaries' revenues.

Kickstart

Globe's corporate venture capital arm, Kickstart Ventures, is one of the most active venture capital firms in the Philippines. Kickstart manages two funds for Globe and advises the Ayala Corporation Technology Innovation Venture (ACTIVE) Fund, the largest fund to come out of the Philippines. From these three funds, Kickstart now has 64 investments in 9 countries, backing 135 founders.

Asticom Technology, Inc.

Asticom is a tech-enabled shared services and outsourcing company under the Globe Group. It employs over 5,000 headstrong workforce nationwide, serving more than 200 clients from all over the country.

917Ventures

917Ventures includes the largest healthtech play in the Philippines, KonsultaMD. 917Ventures also has adtech company AdSpark; loyalty, and e-commerce solutions provider RUSH; a cloud based multi-channel communications platform M360; iNQUIRO which offers suite of data-driven products and solutions designed to create value for enterprises and their customers; DeepSea which is an adtech company focused on enabling programmatic advertising capabilities that power agencies, advertisers, and publishers; and KodeGo which is a tech school offering bootcamps on different IT courses to equip beginners and career shifters with critical and highly sought-after skills.

- *KonsultaMD*, the largest healthtech play in the Philippines, provides accessible healthcare to Filipinos through a one-stop health SuperApp. With its consolidation with *HealthNow* and *AIDE*, the *KonsultaMD* SuperApp brings together *KonsultaMD*'s expertise in on-demand doctor consultations, *HealthNow*'s strength in medicine delivery, and *AIDE*'s mastery of providing health services at home.

The new *KonsultaMD* SuperApp offers the full healthcare experience from 24/7 doctor consultations, pharmacy, to diagnostics at-home. With over 1,000 healthcare providers, 50+ specializations, and more than 2,000 pharmacy offers, *KonsultaMD* continues to serve Filipinos nationwide in 16+ dialects. With a vision to uplift the healthcare journey of every Filipino, *KonsultaMD* is a one-stop-shop superapp for health.

- *Brave Connective Holdings, Inc. (BCHI)*
 - *AdSpark*, the award-winning and largest locally ad-based data powered digital media and creative agency which has launched more than 3,000 digital campaigns.
 - *M360*, largest A2P multi-channel messaging platform, capable of sending messages to over 700 partner network operators in 190 countries via SMS or chat apps. Generates over 1.1 billion average monthly traffic with access to over 150 million mobile SMS users and over 45 million OTT users in the Philippines.
 - *DeepSea*, enables programmatic advertising by leveraging first party data, millions of audiences and wide variety & unique audience segments to advertisers
 - *iNQUIRO*, suite of data-driven products and solutions designed to create value for enterprises and their customers.
- *Rush*, the loyalty and ecommerce arm of Globe's 917Ventures.
- *KodeGo*, tech bootcamp offering online IT programs and company matching support.
- Globe Group's 917Ventures, Ayala Corporation, and *Gogoro Inc.* made history with the launch of Gogoro Smartscooters® and battery-swapping in the Philippines. The companies are introducing a new era in sustainable transportation that brings together smart, convenient and accessible electric two-wheelers to customers.

Yondu

Yondu is a top-notch IT solutions company providing cloud services and software development, among other innovative technology solutions, for Philippine businesses.

GROUP OPERATING EXPENSES

Globe ended the year 2023 with total costs and expenses amounting to ₱128.3 billion or 3% higher from ₱124.5 billion a year ago, due to increases on almost all cost line items except for marketing & subsidy as well as staff cost. Higher expenses for the period were mainly to support various management initiatives.

(Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Interconnect	1,367	1,362	-
Marketing and Subsidy	5,162	7,016	-26%
Staff Costs	18,959	19,136	-1%
Utilities, Supplies & Other Administrative Expenses	11,426	10,309	11%
Lease	2,828	2,794	1%
Repairs & Maintenance	13,345	11,657	14%
Provisions	5,217	4,907	6%
Services and Others	22,603	21,706	4%
Operating Expenses & Subsidy	80,907	78,887	3%
Depreciation and Amortization	47,356	45,653	4%
Costs and Expenses	128,263	124,540	3%

Interconnect

Globe group's interconnect charges were flat year-on-year at ₱1.4 billion as of end December 2023.

Marketing & Subsidy

Marketing and Subsidy expenses declined by 26% year-on-year to only ₱5.2 billion from ₱7.0 billion reported a year ago due to this year's lower merchandising materials, online placements and TV airtime, coupled with lower subsidy and commissions.

Staff Costs

Staff costs slightly dropped by 1% at nearly ₱19.0 billion in 2023 from ₱19.1 billion in 2022 mainly on lower head count.

Utilities, Supplies and Other Administrative Expenses

Utilities, supplies, and other administrative expenses, which contribute 14% of total operating expenses and subsidy, rose by 11%, totaling to ₱11.4 billion from ₱10.3 billion reported in 2022. The increase was largely due to higher electricity rates and consumption compared to last year.

Lease

Lease expenses, accounts for 3% of operating expenses and subsidy. Lease expenses slightly grew by 1% in 2023 from ₱2.8 billion in 2022.

Repairs and Maintenance

Repairs and maintenance costs for the year stood at ₱13.3 billion, up by 14% from the ₱11.7 billion reported last year. This was mostly from higher business application services (BAS) payout, increase on tower maintenance cost, and preventive maintenance on communication equipment.

Provisions

This account includes provisions related to trade, non-trade and traffic receivables and inventory obsolescence. Globe's provisions increased year-on-year by 6% due mainly to higher inventory provisions and other probable losses.

Services and Others

Accounting for 28% of total operating expenses and subsidy, services and other expenses grew by 4% from ₱21.7 billion reported in 2022. This was largely from higher contracted services, platform fees, shipment and freight.

Depreciation and Amortization

Total depreciation and amortization expenses for the year rose to ₱47.4 billion from ₱45.7 billion reported in 2022. Bulk of the increase in depreciation charges was attributed to the sustained capex investments.

OTHER INCOME STATEMENT ITEMS

Other income statement items include net financing costs, net foreign exchange gain (loss), interest income, and net property and equipment-related income (charges) as shown below:

(Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Financing Costs			
Interest Expense	(11,656)	(8,951)	30%
Swap costs and other financing costs	(490)	(1,140)	-57%
Foreign Exchange Gain (Loss)	1,042	(5,343)	-120%
	(11,104)	(15,434)	-28%
Other Income			
Gain (Loss) on derivative instruments	(741)	5,798	-113%
Interest Income	678	340	99%
Others	9,512	19,958	-52%
<i>Equity share from Affiliates (net)</i>	2,590	1,395	86%
<i>Frequency Amortization</i>	(376)	(312)	20%
<i>Others – net</i>	7,298	18,875	-61%
Total Income (Other Expenses)	(1,655)	10,662	-116%

The Globe Group's full year 2023 non-operating charges stood at ₱1.7 billion versus last year's reported non-operating income of ₱10.7 billion. Last year's non-operating income was mainly attributed to the one-time net gain of ₱8.4 billion (post-tax) on the partial sale of Globe's data center business reported in the first quarter of 2022.

(See related discussion on derivative instruments and swap costs in the Foreign Exchange and Interest Rate Exposure section).

LIQUIDITY AND CAPITAL RESOURCES

	Globe Group		
	31-Dec 2023	31 Dec 2022	YoY Change (%)
Balance Sheet Data (Php Mn)			
Total Assets	611,628	555,677	10%
Total Debt	249,956	233,205	7%
Total Stockholders' Equity	159,927	152,533	5%
Financial Ratios (x)			
Total Debt to EBITDA (gross)	2.75	2.35	
Total Debt to EBITDA (net)	2.57	2.20	
Debt Service Coverage	2.18	3.82	
Interest Coverage (Gross)	4.95	7.81	
Debt to Equity (Gross) **	1.56	1.53	
Debt to Equity (Net) **	1.46	1.43	
Total Debt to Total Capitalization (Book)	0.61	0.60	
Total Debt to Total Capitalization (Market)	0.50	0.43	

Note: Net debt is calculated by subtracting cash, cash equivalents and short-term investments from total debt

Globe's balance sheet and cash flows remain strong with ample liquidity and gearing ratios comfortably within bank covenants.

Globe Group's consolidated assets as of 31 December 2023 amounted to ₱611.6 billion compared to ₱555.7 billion as of December 31, 2022. Consolidated cash and cash equivalents was at ₱16.6 billion as of end-December of 2023 compared to ₱18.0 billion as of end-December of 2022. The Globe Group's cash equivalents consist of short-term, highly liquid time deposit placements.

Included in the Globe Group's cash and cash equivalents are bank deposits maintained by ECPay amounting to nil and ₱2.3 billion as of December 31, 2023 and 2022, respectively, which are restricted for specific purposes to meet obligations with merchants and partners. Total cash and cash equivalents of the Globe Group net of the portion restricted for specific purposes amounted to ₱16.6 billion and ₱15.7 billion as of December 31, 2023 and 2022, respectively.

Globe's current ratio stood at 0.61:1 as of 31 December 2023 and 0.66:1 as of 31 December 2022 which are at par with industry standards. While Globe's average current ratio was below the SEC's minimum of 1:1, Globe believes it has sufficient liquidity sources to meet its debt maturities, currently and prospectively.

The financial tests under Globe's loan agreements include compliance with the following ratios:

- Total debt* to equity not exceeding 3:1**
- Total debt* to EBITDA not exceeding 3.5:1;
- Total Debt service coverage¹ exceeding 1.3 times; and
- Secured debt ratio² not exceeding 0.2 times.

**Composed of loans payable and net derivative liabilities*

***No longer part of loan covenants following the redemption of ₱3,000 million retail bonds in July 2023.*

¹ Debt service coverage ratio is defined as the ratio of EBITDA to required debt service, where debt service includes subordinated debt but excludes shareholder loans.

² Secured debt ratio is defined as the ratio of the total amount for the period of all present consolidated obligations for payment, which are secured by Permitted Security Interest as defined in the loan agreement to the total amount of consolidated debt

As of 31 December 2023, Globe is well within the ratios prescribed under its loan agreements.

On November 2, 2021, Globe Telecom issued US\$600 million senior perpetual capital securities with an initial distribution rate of 4.20% payable semi-annually and callable on or after August 2, 2026. The distribution rate is subject to step up on the fifth anniversary and shall be recalculated every five years thereafter. The capital securities were classified as equity since there is no fixed redemption date and the redemption is at the option of Globe Telecom. Globe Telecom also has the right to defer payment of any or all of the distribution. On November 3, 2021, the capital securities were listed in Singapore Exchange Securities Trading Limited.

Distributions to holders of capital securities in full year 2023 and 2022 amounted to ₱1.33 billion and ₱1.31 billion, respectively.

Consolidated Net Cash Flows

(Php Mn)	Globe Group		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Net Cash from Operating Activities	80,447	65,155	23%
Net Cash from Investing Activities	(54,479)	(73,851)	-26%
Net Cash from Financing Activities	(27,559)	2,203	-1351%

Net cash flows provided by operating activities in 2023 was at ₱80.4 billion, or 23% higher versus the previous year.

Meanwhile, net cash used in investing activities amounting to ₱54.5 billion, was 26% lower from the year earlier. Consolidated cash capital expenditures as of end-December 2023 amounted to ₱70.6 billion, or a 30% drop from ₱101.4 billion last year.

(Php Mn)	Globe Group		
	31-Dec 2023	31-Dec 2022	YoY Change (%)
Cash Capital Expenditures¹	70,628	101,367	-30%
Total Additions to Property and equipment and Intangible assets ²	97,261	90,084	8%
Cash Capital Expenditures¹ / Service Revenues (%)	44%	64%	

¹ Cash capital expenditures-property & equipment and intangibles as of report date

² Include property and equipment, intangibles and capitalized borrowing costs acquired as of report date regardless of whether payment has been made or not.

Consolidated net cash used for financing activities amounted to ₱27.6 billion in 2023 versus last year's net cash provided by financing activities of ₱2.2 billion in 2022. Consolidated total debt, likewise increased by 7% from ₱233.2 billion at the end of December 2022 to ₱250.0 billion at the end of December of 2023.

100% of US\$ consolidated loans have been effectively converted to PHP via US\$930 million in currency hedges. After swaps, effectively none of the total debt is denominated in US\$.

Below is the schedule of debt maturities for Globe for the years stated below based on total outstanding debt as of December 31, 2023:

Year Due	Principal* (US\$ Mn)
2024	665.05
2025	344.35
2026	399.96
2027 through 2036	3,123.73
Total	4,533.10

* Principal amount before debt issuance costs

The Globe Group has available uncommitted short-term credit facilities of ₱71,380 million and USD 114 million, ₱44,188 million and USD 94 million as of December 31, 2023 and December 31, 2022, respectively.

The Globe Group also has available ₱3,000 million committed short-term credit facilities as of December 31, 2023 and December 31, 2022. There are ₱2,000 million and nil long term committed credit facilities as of December 31, 2023 and December 31, 2022, respectively.

There are ₱18,525 million and ₱26,180 million outstanding short-term loans as of December 31, 2023 and December 31, 2022, respectively.

Stockholders' equity as of end-December 2023 was higher by 5% from ₱152,533 million to ₱159,927 million this period. Globe's capital stock consists of the following:

Voting Preferred Stock

Voting Preferred stock at a par value of ₱5 per share of which 158.5 million shares are outstanding out of a total authorized of 160 million shares.

The dividends for voting preferred stock are declared upon the sole discretion of the Globe Telecom's BOD. To date, none of the voting preferred shares have been converted to common shares.

Non-Voting Preferred Stock

Non-Voting Preferred stock at a par value of ₱50 per share of which 20 million shares are issued out of a total authorized of 40 million shares.

On August 22, 2021, Globe telecom redeemed the 20 million non-voting preferred shares for ₱10 billion.

Treasury Shares

The Globe Group's treasury shares pertain to the 20 million non-voting preferred shares that were redeemed on August 22, 2021 for ₱10 billion.

Common Stock

Common stock at par value of ₱50 per share of which 144.2 million are issued and outstanding out of a total authorized of 168.9 million shares.

Cash Dividends

The dividend policy¹⁹ of Globe as approved by the Board of Directors is to declare cash dividends to its common stockholders on a regular basis as may be determined by the Board. The dividend payout rate is reviewed annually and subsequently each quarter of the year, to take into consideration Globe Telecom's operating results, cash flows, debt covenants, capital expenditure levels and liquidity.

On November 5, 2018, the Board of Directors likewise approved the proposed change in the dividend policy from 75% to 90% of prior year's core net income to 60% to 75% of prior year's core net income, to be applied to the 2019 to 2023 dividend declaration. The amended policy will provide Globe with increased flexibility with respect to capital management. This adjustment will also ensure the sustainability of the operations in this investment-heavy environment, while protecting future dividends, once planned expansion yields beneficial results.

The Board of Directors of Globe approved in separate approvals the declaration of the quarterly distributions of cash dividends of ₱25 per share, paid each last March 8, June 2, September 8 and December 1, 2023. Each cash dividend payment total to about ₱3.6 billion, bringing total distribution by end of December 2023 to ₱14.4 billion.

Also, on November 3, 2023, the Board of Directors of Globe approved the declaration of the cash dividend for holders of its voting preferred shares paid last December 1, 2023 to shareholders on record as of November 17, 2023. The amount of the cash dividend is based on the 2019 Benchmark rate of the 3-day average of the 5-year BVAL* (i.e. average of October 24, 25, 28, 2019) plus 2%. The aggregate dividend payment for the voting preferred shares was about ₱50.0 million.

¹⁹ See Note 36 of the attached consolidated financial statement for Events After Reporting Period regarding the change in the dividend policy to 60% to 90% (from 60% to 75%) of prior year's core net income to be applied starting 2024 dividend declaration.

Return on Average Equity (ROE)

Consolidated Return on Average Equity (ROE) registered at 15.7% as of end-December 2023, compared to 25.9% in 2022 using trailing 12 months net income and based on average equity balances for the year ended. Using trailing 12 months core net income, which excludes the effects of non-recurring expenses on net income, return on average equity as of end-December 2023 and 2022 were 12.1% and 17.0% respectively.

Earnings Per Share (EPS)

Accordingly, consolidated basic earnings per common share were ₱160.45 and ₱245.44, while consolidated diluted earnings per common share were ₱159.74 and ₱244.25 as of end-December 2023 and 2022, respectively.

FINANCIAL RISK MANAGEMENT

FOREIGN EXCHANGE EXPOSURE

Foreign exchange risks are managed such that USD inflows from operations (transaction exposures) are balanced or offset by the net USD liability position of the company (translation exposures). Globe Group's objective is to maintain a position which results in, as close as possible, a neutral effect to the P&L relative to movements in the foreign exchange market.

Transaction exposures

Globe has natural net US\$ inflows arising from its operations. Consolidated foreign currency-linked revenues¹ were at 6% of total gross service revenues for the periods ended 31 December 2023 and 2022, respectively. In contrast, Globe's foreign-currency linked expenses were at 15% and 18% of total operating expenses for the same periods ended.

The US\$ flows are as follows:

	Dec. 31, 2023
US\$ and US\$ Linked Revenues	₱9.1 billion
US\$ Operating Expenses	₱12.3 billion
US\$ Net Interest Expense	₱2.3 billion

Due to these net US\$ outflows, a depreciation of the Peso has a negative impact on Globe's Peso EBITDA. Globe occasionally enters into forward contracts to hedge against a peso depreciation.

Includes the following revenues:

- (1) billed in foreign currency and settled in foreign currency, and*
- (2) billed in Pesos at rates linked to a foreign currency tariff and settled in Pesos*

Translation Exposures

Globe's foreign exchange translation exposures result primarily from movements of the Philippine Peso (Php) against the U.S. Dollars (USD) with respect to USD-denominated financial assets, USD-denominated financial liabilities and certain USD-denominated revenues. Majority of revenues are generated in Php, while bulk of capital expenditures are in USD. In addition, 21% of debt as of December 31, 2023 are denominated in USD before taking into account any swap and hedges. After swaps, effectively none of the total debt is denominated in US\$.

Information on Globe's foreign currency-denominated monetary assets and liabilities as of December 31, 2023 are as follows:

	Dec. 31, 2023
US\$ Assets	US\$ 200 million
US\$ Liabilities	US\$ 1,646 million
Net US\$ Liability Position	US\$ 1,446 million

As of end-December 2023, the Globe Group posted a total of ₱1,042 million net foreign exchange gains.

The Globe Group's foreign exchange risk management policy is to maintain a hedged financial position, after taking into account expected USD flows from operations and financing transactions. Globe Telecom enters into short-term foreign currency forwards and long-term foreign currency swap contracts in order to achieve this target.

As of end-December 2023, Globe has US\$250 million in cross currency swap contracts which are hedges of the interest and foreign exchange risks of some of our US\$ loans maturing in August 2024, March 2025, March 2027 and August 2027. The MTM of the outstanding swap contracts stood at a gain of ₱1,478 million as of end-December 2023.

As of end-December 2023, Globe has US\$680 million in principal only swap contracts which are hedges of the foreign exchange risks of some of our US\$ loans maturing in July 2025, May 2027, July 2027 and July 2030. The MTM of the swap contracts stood at a gain of ₱2,811 million as of end-December 2023.

Globe has US\$308 million short-term FX swap contracts which remain outstanding as of end-December 2023. The mark-to-market of the outstanding FX swap contracts stood at a loss of ₱51 million as of end-December 2023.

Globe has US\$26 million in outstanding forward USD purchase contracts which remain outstanding as of end-December 2023. The mark-to-market of the outstanding forward USD purchase contracts stood at a loss of ₱3 million as of end-December 2023.

INTEREST RATE EXPOSURE

Interest rate exposures are managed via targeted levels of fixed versus floating rate debt that are meant to achieve a balance between cost and volatility. Globe's policy is to maintain between 44-88% of its peso debt in fixed rate, and between 31-62% of its US\$ debt in fixed rate.

As of end-December 2023, Globe has a total of US\$250 million in cross currency swaps that were entered into contracts to achieve these targets. The US\$ swaps fixed some of the Company's outstanding floating rate debts with quarterly payment intervals up to August 2024, March 2025, March 2027 and August 2027.

As of end-December 2023, 68% (excluding short-term debt) of peso debt is fixed, while 88% of USD debt is fixed after swaps.

In 2020, the Globe Group's USD fixed rate loans ratio increased to 91% as a result of the issuance of the USD 600 million fixed rate notes.

CREDIT EXPOSURES FROM FINANCIAL INSTRUMENTS

Outstanding credit exposures from financial instruments are monitored daily and allowable exposures are reviewed quarterly.

For investments, the Globe Group does not have investments in foreign securities (bonds, collateralized debt obligations (CDO), collateralized mortgage obligations (CMO), or any instruments linked to the mortgage market in the US). Globe's excess cash is invested in short term bank deposits.

The Globe Group also does not have any investments or hedging transactions with investment banks. Derivative transactions as of the end of the period are with large foreign and local banks. Furthermore, the Globe Group does not have instruments in its portfolio which became inactive in the market nor does the company have any structured notes which require use of judgment for valuation purposes.

VALUATION OF DERIVATIVE TRANSACTIONS

The company uses valuation techniques that are commonly used by market participants and that have been demonstrated to provide reliable estimates of prices obtained in actual market transactions. The company uses readily observable market yield curves to discount future receipts and payments on the transactions. The net present value of receipts and payments are translated into Peso using the foreign exchange rate at time of valuation to arrive at the mark to market value. For derivative instruments with optionality, the company relies on valuation reports of its counterparty banks, which are the company's best estimates of the close-out value of the transactions.

Gains (losses) on derivative instruments represent the net mark-to-market (MTM) gains (losses) on derivative instruments. As of December 31, 2023, the MTM value of the derivatives of the Globe Group amounted to

₱4,234.8 million while net losses on derivative instruments arising from changes in MTM reflected in the consolidated income statements as of end-December 2023 amounted to ₱740.7 million.

To measure riskiness, the Company provides a sensitivity analysis of its profit and loss from financial instruments resulting from movements in foreign exchange and interest rates. The interest rate sensitivity estimates the changes to the following P&L items, given an indicated movement in interest rates: (1) interest income, (2) interest expense, (3) mark-to-market of derivative instruments. The foreign exchange sensitivity estimates the P&L impact of a change in the USD/PHP rate as it specifically pertains to the revaluation of the net unhedged liability position of the company, and foreign exchange derivatives.

Causes of any material change from period to period: 2023 vs. 2022

Below are the items in the consolidated financial position with material movements from 2022 to 2023.

Statements of Financial Position (Php Mn)		DECEMBER 31		YoY Movement
		2023	2022	
ASSETS				
Current Assets				
Cash and cash equivalents	A	16,645	18,034	(1,389)
Trade receivables – net	B	18,098	23,563	(5,466)
Contract Assets - net	C	6,224	6,891	(668)
Inventories and supplies-net	D	3,388	3,882	(493)
Derivative assets - current	F	517	502	14
Prepayments and other current assets - net	K	21,638	19,706	1,932
		66,510	72,579	(6,069)
Assets classified as held for sale	E	20,414	27,949	(7,535)
Total Current Assets		86,924	100,528	(13,604)
Noncurrent Assets				
Property and equipment - net	G	334,409	281,899	52,510
Intangible assets and goodwill - net	H	23,373	25,083	(1,709)
Right of use assets – net	I	69,539	37,108	32,431
Investments in joint ventures	J	55,336	52,138	3,198
Derivative assets – net of current portion	F	4,200	4,627	(427)
Deferred income tax assets – net		2,280	2,228	52
Other noncurrent assets – net	K	35,568	52,067	(16,499)
		524,704	455,150	69,554
TOTAL ASSETS		611,628	555,677	55,951
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and accrued expenses	L	87,664	88,381	(717)
Contract liabilities and deferred revenues – current	M	7,920	7,576	344
Loans Payable -current	P	36,793	46,172	(9,379)
Derivative liabilities – current	F	482	609	(127)
Lease Liability - Current	Q	5,899	4,522	1,377
Provisions	N	2,961	2,583	378
Income tax payable	O	1,605	3,622	(2,017)
		143,324	153,466	(10,141)
Noncurrent Liabilities				
Loans payable – net of current portion	P	213,163	187,033	26,130
Deferred income tax liabilities – net		5,984	6,446	(462)
Lease liabilities – non current	Q	82,825	49,709	33,116

Pension Liabilities	R	2,718	1,963	755
Other long-term liabilities	S	3,688	4,528	(840)
		308,377	249,679	58,698
TOTAL LIABILITIES		451,701	403,145	48,557

EQUITY

Capital Stock		9,004	8,996	8
Additional paid in capital		54,269	53,945	324
Cost of share-based compensation		803	849	(46)
Capital Securities		29,978	29,978	-
Other reserves		(1,333)	(116)	(1,217)
Treasury Stocks		(10,000)	(10,000)	-
Retained earnings		77,149	68,540	8,610
Equity attributable to equity holders of the Parent		159,869	152,190	7,679
Noncontrolling interest		58	343	(285)
TOTAL EQUITY		159,927	152,533	7,394
TOTAL LIABILITIES AND EQUITY		611,628	555,677	55,951

Assets

- A** Cash and cash equivalents – Decrease in cash and cash equivalents of ₱1.4B was primarily due to the net effect of (₱54.5B) net cash flows used in investing activities, (₱27.6B) net cash flows from financing activities and ₱80.4B net cash generated from operating activities.
- B** Trade receivables – ₱5.5B decrease was mainly attributable to deconsolidation of a subsidiary coupled with improvements in collection efficiency.
- C** Contract assets – Decrease of ₱668M was mainly due to the net effect of (₱6.6B) reduction in contract assets representing the amounts that were billed to the subscribers during the year, (₱0.9B) impairment loss on contract assets that were recognized during the year, and ₱6.9B new contract assets recognized during the year arising from the sales of mobile devices bundled with wireless postpaid plans.
- D** Inventories and supplies – Decrease of ₱493M mainly due to lower inventory volume at period end as a result of high inventory issuances.
- E** Assets classified as held-for-sale – Decrease of ₱7.5B due to turnover of ownership of 2,057 telecom towers in relation to the sale and leaseback of telecom towers.
- F** Net derivative assets – Decrease of ₱285B is due to changes in fair values of currency and forwards swaps.
- G** Property and equipment – Increase of ₱52.5B due to the net effect of ₱97.2B additions during the year due to the continuous network expansion; (₱33.5B) depreciation recognized during the year; (₱6.8B) assets under construction that were completed during the year and reclassified as intangible assets; (₱3.4B) assets reclassified as assets held for sale as a result of the tower sale and leaseback transaction; and net disposals amounting to (₱1.1B).
- H** Intangible assets and goodwill – Decrease of ₱1.7B due to deconsolidation of a subsidiary, (P1.2Bn pertains to goodwill) coupled with regular annual amortization which were offset by additions to application software licenses.
- I** Right of use assets – Increase of ₱32.4B is due to the net effect of the P40.7B additional long-term leases of network sites acquired during the year and new tower leases as a result of the tower sale and leaseback transaction, and (P6.9B) amortization during the year.

- J** Investments in joint ventures – Increase of ₱3.2B was primarily due to share in net income of joint ventures recognized during the year coupled with additional capital infusions.
- K** Prepayments and other assets – The 14.6B decrease is mostly due to the lower amount of advance payments made to contractors and suppliers that remained outstanding at the end of the year which were offset by increase in outstanding non-trade receivables arising from the deconsolidation of subsidiary.

Liabilities

- L** Trade payables and accrued expenses – ₱716.5M decrease was mainly attributable to deconsolidation of a subsidiary offset by higher balance of accrued project costs and taxes payable.
- M** Contract liabilities and deferred revenues – no material movements noted from previous year.
- N** Provisions – Increase of ₱377.5M due to additional provisions recognized for new pending unresolved claims over Globe Group's businesses.
- O** Income taxes payable – Decrease of ₱2.0B is primarily due to lower taxable income during the year.
- P** Loans payable - Increase of ₱16.8B is due to drawn term loans from various banks which were partially offset by settlements of other bank loans and retail bonds.
- Q** Lease liabilities – Increase of ₱34.5B was primarily due to the additional long-term leases of network sites acquired during the year and new tower leases as a result of the tower sale and leaseback transaction which were partially offset by lease payments during the year.
- R** Pension liabilities – Increase of ₱754.8M was mainly due to the net effect of ₱2.1B remeasurement loss charged to OCI as a result of change in actuarial assumptions, ₱807M pension expense recognized in profit or loss during the year, and (₱2.3B) employer contributions during the year.
- S** Other long-term liabilities – Decrease of ₱840M mainly attributable to lower ARO

2022 FINANCIAL AND OPERATIONAL RESULTS

GROUP FINANCIAL HIGHLIGHTS

Results of Operations (Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Operating Revenues	175,040	168,497	4%
Service Revenues	157,979	152,263	4%
<i>Mobile*</i>	107,520	104,392	3%
<i>Home Broadband**</i>	27,094	29,392	-8%
<i>Corporate Data</i>	17,198	14,170	21%
<i>Fixed line Voice</i>	1,989	2,280	-13%
<i>Others***</i>	4,178	2,029	106%
Non-Service Revenues	17,061	16,234	5%
Costs and Expenses	95,948	93,575	3%
Cost of Sales	18,749	18,073	4%
Operating Expenses	77,199	75,502	2%
EBITDA	79,092	74,922	6%
EBITDA Margin	50%	49%	
Depreciation	45,653	41,133	11%
EBIT	33,439	33,789	-1%
EBIT Margin	21%	22%	
Non-Operating Charges	(10,662)	4,749	-324%
Net Income After Tax (NIAT)	34,604	23,724	46%
Core Net Income	19,169	21,246	-10%
Normalized Net Income After Tax	19,973	17,730	13%
Normalized Core Net Income	19,169	18,945	1%

* Mobile business includes Mobile and fully Mobile Broadband

** Home Broadband includes fixed wireless and wired Broadband

*** Others includes non-telco revenues from subsidiaries

- Full-year consolidated service revenues grew 4% to a record ₱158.0 billion from the ₱152.3 billion reported in 2021, due to the stellar performance of the mobile and corporate data business as complemented by the sustained growth from non-telco services. The significant increase in data revenues, which accounts for 81% of total service revenues mainly fueled this year's performance, given the accelerated digital adoption among Filipinos.
 - Mobile business revenues registered a 3% increase from a year ago at ₱107.5 billion from last year's revenue of ₱104.4 billion largely contributed by prepaid brands on the strength of an 8% year-on-year increase in mobile data revenue.
 - Home Broadband service revenues for the full year 2022 reached only ₱27.1 billion or down 8% from 2021. This was mainly attributed to lower acquisitions of Globe At Home Prepaid WiFi offsetting the increase in Home Broadband Postpaid, particularly on fiber which grew by 35% and 84% year-on-year in terms of postpaid fiber subscribers and revenues, respectively.
 - Corporate Data full-year revenues posted an all-time high ₱17.2 billion, or up 21% from a year ago largely from information and communication technology (ICT) revenues. Higher ICT revenues this period was mainly contributed by business application, cloud, and data center services.
 - Fixed line voice revenues likewise declined year-on-year by 13%, coming from lower outbound usages and monthly service fees (MSF).
 - Non-telco products and services generated a total of ₱4.2 billion revenues as of end-December 2022, or up by 106% from last year due to expansion in subsidiaries revenues mostly from ECPay, Yondu, and Asticom.
 - Total operating expenses and subsidy as of end-December 2022 amounted to ₱78.9 billion from ₱77.3 billion in 2021, or up by 2% due mainly to the increases coming from several expense line items except for lease, services, marketing and subsidy, as the company faced several macroeconomic challenges in the year, including natural disasters (Typhoon Odette), hyperinflation, high interest rate environment

and weakened Philippine peso.

- Total depreciation and amortization expenses for the year rose to ₱45.7 billion from ₱41.1 billion reported in 2021, given Globe's continued massive network investments and higher amortization for capitalized leases.
- Overall, Globe ended 2022 with total costs and expenses of ₱124.5 billion or 5% higher from ₱118.5 billion a year ago. Higher expenses for the year were mainly to support management strategies, business, and data-network expansion.
- Globe's consolidated EBITDA, which totaled ₱79.1 billion, up 6% from last year's level of ₱74.9 billion due to healthy topline figures this period. EBITDA margin likewise grew to 50% from last year's 49%.
- Non-operating income as of end-December 2022 stood at ₱10.7 billion, owing to the one-time net gain of ₱8.4 billion (post-tax) on the partial sale of Globe's data center business reported in the first quarter of 2022 and the net gain of ₱6.2 billion (post-tax) from the sale and leaseback of its tower assets.
- The Globe Group ended 2022 with ₱34.6 billion consolidated net income, up by 46% from the reported net income in 2021. This was primarily from the 6% increase in EBITDA, and the one-time gains booked this year which fully offset the 11% increase in depreciation expenses. Excluding the impact of the one-time gains, normalized net income would have been ₱20.0 billion, up by 13% from 2021.
- Globe's core net income, which excludes the impact of non-recurring charges, one-time gain, foreign exchange gains and mark-to-market charges, stood at ₱19.2 billion, down by 10% year-on-year. Similarly, normalized core net income was 1% higher than last year.
- Total cash capex as of end-December 2022 peaked at ₱101.4 billion, higher by 4% from last year's level of ₱92.8 billion. This marked the highest investment in its mobile and broadband network to provide world-class internet experience for Globe customers nationwide. About 86% of the total capex for the period was spent on the data network with the Company's continued focus on increasing capacity, cell site upgrades, expanding 5G in more areas in the country and fast-track fiberization of Filipino homes nationwide for a better internet experience.

GROUP OPERATING REVENUES BY SEGMENT

Operating Revenues By Business (Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Mobile*	124,085	119,592	4%
Service Revenues	107,520	104,392	3%
Non-Service Revenues	16,565	15,200	9%
Fixed Line and Home Broadband**	46,671	46,806	-
Service Revenues	46,281	45,842	1%
Non-Service Revenues	390	964	-60%
Others***	4,284	2,099	104%
Service Revenues	4,178	2,029	106%
Non-Service Revenues	106	70	53%
Total Operating Revenues	175,040	168,497	4%

* Mobile business includes Mobile and fully Mobile Broadband.

** Home Broadband includes fixed wireless and wired Broadband; Fixed line and Home Broadband includes corporate data, fixed line voice and Home Broadband.

***Others includes non-telco revenues from subsidiaries

The Globe Group ended the year with total operating revenues of ₱175.0 billion, up by 4% from the ₱168.5 billion recorded last year. This was driven by the 4% year-on-year improvement in the topline to reach ₱158.0 billion in 2022 from ₱152.3 billion in 2021. Corporate data and mobile services, complemented by the continuous growth from non-telco services, mainly drove the topline expansion as more Filipinos adopt the digital lifestyle.

Mobile service revenues accounted for 68% of Globe's consolidated service revenues for the year just ended. The mobile business sustained its upward performance, ending the year with ₱107.5 billion compared to ₱104.4 billion reported the previous year and the second highest in company history. The revenue improvement came mostly from prepaid with greater public mobility and the resumption of face-to-face classes and work.

Globe Group's Fixed line and Home Broadband full year 2022 revenues stood at ₱46.3 billion, 1% higher year-on-year from ₱45.8 billion in 2021, bolstered by the solid contributions of Corporate Data which fully covered for the decline in Home Broadband and Fixed line voice.

Mobile non-service revenues increased year-on-year by 9%. Fixed Line and Home Broadband non-service revenues, however, declined significantly by 60% compared to the previous year. Meanwhile, non-service revenues from non-telco products and services improved from ₱70 million in 2021 vs. ₱106 million in 2022.

MOBILE BUSINESS

Mobile Service Revenue (Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Service			
Mobile Voice ¹	14,917	17,229	-13%
Mobile SMS ²	8,845	9,350	-5%
Mobile Data ³	83,758	77,813	8%
Mobile Service Revenues	107,520	104,392	3%

¹ Mobile Voice service revenues include the following:

- Prorated monthly service fees on consumable minutes of postpaid plans;
- Subscription fees on unlimited and bucket voice promotions including the expiration of the unused value of denomination loaded;
- Charges for intra-network and outbound calls in excess of the consumable minutes for various Globe Postpaid plans, including currency exchange rate adjustments, or CERA, net of loyalty discounts credited to subscriber billings; and
- Airtime fees for intra network and outbound calls recognized upon the earlier of actual usage of the airtime value or expiration of the unused value of the prepaid reload denomination (for Globe Prepaid and TM) which occurs between 3 and 120 days after activation depending on the prepaid value reloaded by the subscriber net of (i) bonus credits and (ii) prepaid reload discounts; and revenues generated from inbound international and national long distance calls and international roaming calls; and
- Mobile voice service revenues of GTI and MVNO.

² Mobile SMS net service revenues consist of revenues from value-added services such as inbound and outbound SMS and MMS, and infotext, subscription fees on unlimited and bucket prepaid SMS services net of any interconnection or settlement payouts to international and local carriers and content providers.

³ Mobile Data service revenues consist of revenues from mobile internet browsing and content downloading, mobile commerce services, other add-on value added services (VAS), and service revenues of GXI and MVNO, net of any interconnection or settlement payouts to international and local carriers and content providers, except where Globe is acting as principal to the contract where revenues are presented at gross billed to subscriber and settlement pay-out are classified as part of costs and expenses. Revenues from premium content services (where Globe is acting as principal to the contract) is reported gross of licensors' fees.

Over the years, Globe has pioneered efforts in introducing products and services that cater to the customer's digital preferences, enabling Globe to be the preferred brand for Filipinos' digital lifestyle choices. This was done through collaborative partnerships with global giants in the world of content. The Company partnered with internet giant Google to provide free access to Google Mobile services and to provide its subscribers the ability to charge purchases of applications to their postpaid bill or prepaid load, bypassing the need for credit cards and enhancing the convenience for Globe and TM customers. Likewise, the Company was able to tailor-make lifestyle packages for all its subscribers to meet their social networking needs and crowd-sourced content (via Facebook and Wattpad), chatting and digital communication (Viber), music (Spotify), sports (NBA) and media. Moreover, Globe's array of content partners including premium online streaming platforms like Netflix, iflix, Prime, HBO GO, VIU; social media networks such as YouTube; online shopping sites; and mobile games usher in a whole new entertainment experience.

Globe introduced the GlobeOne app which is the new digital companion to help customers to manage their accounts. With the new GlobeOne app, Globe customers can monitor their Globe Postpaid, Globe Prepaid/TM, Home Prepaid WiFi, and Rewards. The New GlobeOne is available via App Store and Google Play Store.

Mobile Data

Mobile Browsing, Internet-on-the-Go and Other Data

Mobile data, the biggest contributor to the mobile business, accounted for 78% of total mobile service revenues (vs. 75% in 2021). As of end-December 2022 mobile data revenues posted a record ₱83.8 billion, or 8% above than the ₱77.8 billion reported last year. The sustained growth momentum in mobile data revenues was driven by the increasing data consumption as mobility of Filipinos are now back to pre-pandemic levels with the resumption of face-to-face work and school.

Globe Prepaid customers can enjoy “Go promos” with the biggest GBs for ALL sites and apps. These promos were made to help everyone ease into the new normal without the worry of running out of data and being limited by a list of apps. Customers can choose from different “Go promos” for as low as Php 50 with the biggest GBs, unlimited texts to all networks, and more. See [prepaid/go-promos](#) for more details.

In addition, Globe further gave its customers more options to level up their connection with *Go+* promos for as low as Php99 valid for 7 days up to Php 400 valid for 15 days. Customers can have more GBs to use to address everything they need with open-access data, unli calls and texts, and now with more freebies to choose from—GBs for content apps, GoSave, and GoHealth. See also [prepaid/go-promos/plus](#) for more details.

Meanwhile, Globe “*Surf4All*” is the Philippines’ first-ever data-sharing promo. This offers users a high data allowance that’s usable on all sites and can be shared with up to four (4) users for one week. Customers get to enjoy up to 20GB (15GB base data allocation + limited-time 5GB bonus data) of shareable data at an affordable ₱249. This new Globe data promo allows its customers to share data with Prepaid, Postpaid, Platinum, Globe At Home Prepaid Wi-Fi, MyFi and TM users. See also [surf4all](#) for more details.

Globe’s Mobile browsing services also include the consumable mobile internet plan “*GoSurf*”, which gives its subscribers bulk megabytes of mobile data consumable per kilobyte for as low as ₱15 for 2 days. See also [prepaid/gosurf](#) for more details. Globe Prepaid customers may also choose to subscribe to “*GoSakto*” to create their own prepaid combo with a mix of calls, text, and surf promos, select a duration, assign their own promo name, which can also be shared with friends (see [prepaid/gosakto](#) for details). Prepaid customers may also choose to subscribe to “*GoUnli*” offers to get unlimited calls and texts with Free data for their favorite apps for as low as ₱20 per day (see [prepaid/gounli](#) for more details).

Meanwhile, TM customers can subscribe to the following EasySurf promos for as low as ₱10: EasySurf10 give customers 40MB valid for 1 day; EasySurf15 give customers 100MB plus 30MB for Instagram valid for 2 day; EasySurf30 give customers 300MB plus 50MB for Facebook, Viber, or Snapchat valid for 2 day; EasySurf50 give customers 1GB plus 1GB/day for choice of app bundle: Watch & Play, Share & Shop or Listen & Discover, 1 GB GoWiFi access and Unli allnet texts valid for 3 day. 30-day validity offers for TM are also available (EasySurf 299 for 2GB, EasySurf599 for 5GB, EasySurf999 for 10GB, EasySurf 1299 for 15GB, EasySurf1999 for 30 GB and EasySurf2499 for 50GB) plus 10GB for choice of app bundle: Watch & Play, Share & Shop or Listen & Discover, and 1 GB GoWiFi access. SuperSurf for unlimited mobile internet are likewise available for ₱50 for 1-day unli internet and ₱200 for 5 days unli internet subject to fair use policy. In addition, exclusive to the GlobeOne App, TM customers can check out EZ90 for Allnet Calls as well as Allnet Doble FunAliw20 and 70 that comes with free content offers from apps like Facebook, Mobile Legends, YouTube, and TikTok. Globe Prepaid on the other hand can register to their favorite Go50, Go90, and Go+99 or try Unligo. Unligo gives users unlimited access to their favorite apps whether for videos, games, or social media. Check <https://www.tmtambayan.ph/promos/a20.html> for more details on TM’s latest offers.

Likewise, the Company continued to offer *Roam Surf Data and App* packs to its prepaid and postpaid customers. Prepaid subscribers can choose from all-access data roaming packs for as low as ₱150 or their favorite apps (Facebook, Instagram, viber, WhatsApp, WeChat) for as low as ₱100. This offer allows prepaid customers to access the internet abroad, making their data connectivity experience more seamless and worry-free ([roam-surf-data-app-packs-prepaid](#) for more details). Meanwhile, *Globe Postpaid* customers can enjoy all-day or 24 hours all-access data roaming packs for as low as ₱149 or their favorite apps Facebook or viber with *Roam Facebook 299* and *Roam Viber 199* ([roam-surf-data-app-packs-postpaid](#) for more details). Globe also introduced the discounted data roaming called *Roam Surf Longer Stay*. Subscribers can enjoy more gigabytes for more days while spending less - choose from 3, 5, 7, 15 or 30-day offers which come with 3GB up to 20GB data, and get up to 50% off (vs. the daily Roam Surf rate). In addition, Globe Postpaid and Prepaid subscribers can now experience 5G roaming. For Postpaid subscribers, simply turn on your mobile data and set your data roaming settings to 5G. For Prepaid subscribers, get your favorite Roam Surf promo via the GlobeOne app, GCash, or dial *143# and select MyAccount > Roaming & Intl.

With Globe’s commitment to enrich its lineup of content partners to cater to its customers’ evolving digital lifestyle, Filipinos can catch the Korean wave on Viu, the localized digital platform providing online Asian video content. Simply text VIU99 to 8080, click on the activation link that will be sent via text, confirm the Mobile number, and download the Viu app to start enjoying your 30-day subscription to Viu Premium. The worldwide hit app *TikTok* is also included in the affordable data promos for Globe Mobile users for as low as Php15 per day with *TIKTOK15*. For hardcore video creators, there are bigger data promos such as *TIKTOK50* with 600MB for 7 days and *TIKTOK199* with 1GB for 30 days. Customers can register to their preferred promo by texting the keyword to 8080.

Mobile Voice

Mobile voice revenues, which accounted for 14% of total mobile service revenues, ended the year at ₱14.9 billion, down by 13% from ₱17.2 billion in 2021. Consistent with global trends, voice revenues declined given the continued migration of voice traffic to alternative internet-based applications.

To support the revenue stream, the Company continues to provide attractive and affordable bulk voice offers such: (1) *Tawag 236** for 20-minute consumable calls for only ₱20 - *Globe Postpaid* and *Globe Prepaid* subscribers by simply replacing the 0 at the start of the number with 236 (dial 236 + 10-digit Globe number); (2) *Super Sakto Calls** - calls to Globe and TM numbers for only ₱0.15 per second by just replacing the zero at the beginning of the Globe or TM number with 232 (dial 232 + 10-digit Globe number) for the special rate to apply; (3) *GoCall100* provides *Globe Prepaid* subscribers 500 minutes of on-net calls to Globe/TM for only ₱100 for 7 days. Meanwhile, *TM* subscribers may choose *UnliTawag15* which gives its subscribers unlimited calls to all Globe and TM subscribers for as low as ₱15 valid for 1 day. Through the *Extend all-you-can promo*, *TM* subscribers can extend for another 24 hours their favorite *TM* promo for only ₱5 up to 365 times by simply texting “EXTEND” to 8888 before their current promo expires.

Filipinos who wish to stay connected with their loved ones abroad, Globe continues to offer its pioneering per-second charging for international voice calls, IDD Sakto Calls for both *Globe Postpaid* and *Globe Prepaid* subscribers. *Globe Prepaid*’s *GoTipIDD* service remains to be the lowest per-minute IDD rates in the market (*Go tipIDD30* for as low as ₱2.50 per minute valid for three (3) days; *Go tipIDD50* valid for seven (7) days; *Go tipIDD100* valid for 15 days). For *TM* customers, they may opt to subscribe to *TM TipIDD30* which offers four (4) minutes of international calls to Saudi, UAE, Kuwait, Bahrain, Italy, UK, Australia and Japan for only ₱30 a day. Globe also provides unlimited calls to 49 countries for as low as ₱99 to select destinations worldwide with *Globe*’s *Unli IDD*. *Unli IDD99* provides for one day unlimited calls to three (3) unique international numbers for only ₱99; *Unli IDD499* for unlimited calls to 5 unique international numbers for 7 days and *Unli IDD 999* for unlimited calls to 10 unique international numbers for 30 days. In addition, Globe also provides a bucket IDD service to popular and selected overseas destinations with *Go IDD*. *Globe Prepaid* customers can make IDD calls for as low as ₱1.50 per minute to the U.S. Mainland, Canada, China, Hawaii, Hong Kong, Singapore, and Thailand for only ₱200, valid for 30 days. Meanwhile, *GoCallIDD* is an IDD promo with the lowest rates to the Middle East at ₱5 per minute. It also allows customers to call Europe for only ₱5 per minute and North America and Asia Pacific for only ₱2.50 per minute. *GoCallIDD* comes in four variants. See [promos/GoCallIDD](#) for more details and [Call-and-Text-Abroad](#) for international voice and SMS promos.

Roam Unli Call & Text is likewise available for *Globe Postpaid* customers for them to enjoy all-day calls and texts while roaming ([promos/roam-unli-call-text](#) for more variants under this promo). Also, Roam Saver is a pay-per-use promo that lets *Globe Postpaid* customers enjoy discounted calls and texts while roaming in over 60 international destinations worldwide, for a fixed registration fee of ₱199 ([promos/roam-saver](#) for more details).

The Company also provides its subscribers with the best possible mix of voice, SMS, and Mobile browsing services through its combo packages. For *Globe Prepaid*, subscribers have the choice to avail of *Go AllNet* or *GoUnli* promos. *Go AllNet* promos provide unlimited SMS to all networks, plus calls to Globe/TM and calls to all networks and consumable mobile browsing ([prepaid/GoAllNet](#)).

Meanwhile, *GoUnli* promos provide unlimited calls and texts with Free data for your favorite apps for as low as ₱20 per day (see [prepaid/GoUnli](#) for more details). *GoAll20* is *Globe Prepaid*’s promo available in selected areas in the Philippines which offers unlimited texts to all networks, 30 minutes of calls to Globe/TM numbers and Free access to Facebook.

Mobile SMS

Mobile SMS revenues, which accounted for 8% of total mobile service revenues, closed the year at ₱8.8 billion or 5% lower against the ₱9.4 billion reported in 2021. Similar to voice, mobile SMS declined, with traffic moving to over-the-top (OTT) messaging apps.

Globe continues to showcase a comprehensive line up of mobile SMS value offers ranging from unlimited and bucket text services. Globe continues to provide its prepaid subscribers with all-day unlimited on-net SMS with *Unli Text* promos: *UnliTxt20* valid for 1 day for ₱20; *UnliTxt40* valid for 2 days for ₱40 and *UnliTxt80* valid for 5 days for ₱80. *GoUnlitxt49* was also made available in the market which offers its subscribers unlimited on-net texts to Globe/TM for only ₱49 valid for 7 days. For budget conscious customers, *SuliTxt15* provides its subscribers with 100 text messages to Globe/TM for one day. With the use of the *GoSakto*, *Globe Prepaid* subscribers can create a promo exactly how they want it based on their lifestyle and budget.

^{20*}With at least ₱7.50 load requirement

With TM's continued dedication of giving its subscribers wonderful and value-for-money offers, TM customers can get to choose from a wide array of promo offers ranging from bucket or unlimited SMS. With SuliTxt5, TM subscribers can send 25 texts to TM/Globe, valid for 1 day for only ₱5. UnliAllNet10 which provides its subscribers with unlimited texts to all networks for ₱10 a day or subscribe to Txt10 for unlimited text to TM/Globe, valid for 2 days. Also available is AstigTxt30 which gives TM subscribers 5 days of unlimited text to TM/Globe for ₱30. Dagdagtxt was likewise introduced to the market which provides additional 100 all-network texts as an add-on to an UnliCall promo for only ₱5 a day. Moreover, TM subscribers can also enjoy unlimited one day text to TM/Globe as an add-on to their UnliTawag15 subscription for just a minimal price of ₱5.

Meanwhile, for Filipinos who wish to send messages to their family and friends in the USA Mainland, Canada, Kuwait, Guam, Greece, and Mexico, they can subscribe to Unli iTXT 20 for only ₱20 a day. To register, text UNLI ITXT 20 to 8080 or dial *143# and select Roaming & Int'l > Call and Text Abroad.

GoWiFi²¹

In support of national development by providing access to user-friendly and cost-effective internet connectivity to more Filipinos, GoWiFi continues its expansion plans nationwide, particularly in high-traffic areas like malls, hospitals, and schools to make high-quality internet connection accessible and affordable to more Filipinos. GoWiFi is currently accessible in over 3,700 locations nationwide, enabling users to get connected with up to 100Mbps of high-speed internet within the coverage of a GoWiFi site, regardless of network provider.

GoWiFi services are available in 2 modes: regular (free) GoWiFi and premium (paid) GoWiFi Auto. Both are open to all users with WiFi-enabled devices, regardless of network service provider (local or while roaming in the Philippines). To connect to free GoWiFi, just open the Wi-Fi-enabled device's Wi-Fi settings and connect to the "@FreeGoWiFi" hotspot, register, choose from the different Wi-Fi package and start surfing. To connect to premium wifi, connect to "@<site>_FreeGoWiFi SSID, register, then select a Wi-Fi offer.

For more information, visit the [GoWiFi](#) page and <https://www.globe.com.ph/gowifi.html> for the latest GoWiFi offers.

VoLTE and VoWiFi

VoLTE stands for voice over LTE. It's a technology that lets you make voice calls over the LTE network, rather than the 2G and 3G networks which we normally use. VoWiFi, or voice over Wi-Fi, stands for Wi-Fi Calling which is a complementary technology to VoLTE and lets you make voice calls over a Wi-Fi network. VoLTE or VoWiFi can be used even if the called party doesn't have a VoLTE-capable device. Calls between VoLTE/VoWiFi - VoLTE/VoWiFi will have a long-beep ringtone, similar to IDD calls. For calls between VoLTE or VoWiFi and 3G/2G, the call will have the normal ringtone. VoLTE and VoWiFi are being implemented in phases and are now available in key areas starting December 18, 2020.

See also <https://www.globe.com.ph/help/postpaid/volte.vowifi> for more details.

Globe's efforts to provide a better mobile experience to its customers have made it possible to have Voice Over LTE (VoLTE) service available to postpaid customers. Globe has also fully activated VoLTE in all cities in Metro Manila and nearby provinces. This development has made it possible for more postpaid customers to access the service, improving voice call experience. Postpaid customers are encouraged to check if their mobile phone is VoLTE-capable, read about new VoLTE-ready locations or find what they need to know about VoLTE through these [Online FAQs](#).

²¹ GoWiFi is Globe Telecom's premium public WiFi service

Key Mobile Drivers

	Globe Group		
	Year on Year		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
<u>Cumulative Subscribers (or SIMs) - Net</u>	86,746,672	86,784,662	-
Globe Postpaid	2,529,694	2,496,867	1%
Prepaid	84,216,978	84,287,795	-
<i>Globe Prepaid¹</i>	44,536,976	42,525,667	5%
<i>TM</i>	39,680,002	41,762,128	-5%
<u>Net Subscriber (or SIM) Additions</u>	(37,990)	10,139,095	-100%
Globe Postpaid	32,827	(16,680)	-297%
Prepaid	(70,817)	10,155,775	-101%
<i>Globe Prepaid¹</i>	2,011,309	4,416,565	-54%
<i>TM</i>	(2,082,126)	5,739,210	-136%
<u>Average Revenue Per Subscriber (ARPU)²</u>			
Globe Postpaid	839	821	2%
Prepaid			
<i>Globe Prepaid¹</i>	98	99	-1%
<i>TM</i>	63	66	-4%
<u>Average Monthly Churn Rate (%)</u>			
Globe Postpaid	1.6%	1.6%	
Prepaid			
<i>Globe Prepaid¹</i>	2.8%	2.9%	
<i>TM</i>	4.0%	3.5%	

¹Globe Prepaid include GOMO subscribers

²ARPU is computed by dividing recurring gross service revenues (gross of interconnect expenses) segment by the average number of the segment's subscribers and then dividing the quotient by the number of months in the period.

Globe closed 2022 with a total mobile subscriber base of 86.7 million, or slightly lower from last year due to lower acquisitions and increase in churn. Combined, Globe Prepaid (including GOMO) and TM gross acquisitions comprised 99% of acquired SIMs during the year. Net reduction in subscribers stood at 37,990 in 2022 from the 10.1 million net acquisition last year due mainly to 15% reduction in acquisition and 13% higher churn volume in 2022 compared to the previous year.

The succeeding sections cover the key segments and brands of the Mobile business – *Globe Postpaid*, *Globe Prepaid* (including fully-mobile broadband subscribers and *GOMO*) and *TM*.

Globe Postpaid

Globe Postpaid had a total of over 2.5 million cumulative subscribers as of the end of December 2022, up by 1% from 2021. *Globe Postpaid*'s gross acquisitions for the period stood at 517,208 or 9% higher than last year. With this improvement in acquisition for the year, total net incremental in postpaid subscribers stood at 32.8 thousand versus last year's net reduction of 16.7 thousand.

Full-year 2022 *Globe Postpaid* ARPU registered at ₱839, which was higher versus 2021 by 2%.

Prepaid

Globe's prepaid segment, which includes the *Globe Prepaid*²² and *TM* brands, accounts for 97% of its total cumulative mobile subscriber base. As of end-December 2022, cumulative prepaid subscribers stood at about 84.2 million, or slightly lower than last year's 84.3 million.

Based on the National Telecommunications Commission (NTC) Memorandum Circular 03-07-2009, the first expiry periods ranging from 3 days for ₱10 or below to 120 days for reloads amounting to ₱300 and above. The second expiry remains at 120 days from the date of the new first expiry periods. The first expiry is reset based on the longest expiry period among current and previous reloads. Under this policy, subscribers are included in the subscriber count until churned. Under the new pronouncement based on the National Telecommunications Commission (NTC), Department of Information and Communications Technology (DICT), and Department of Trade and Industry (DTI) Joint Memorandum Circular No. 05-12-2017 all prepaid load will now carry a one-year expiration period regardless of amount. In compliance with this regulation, effective January 6, 2018, Globe implemented a one-year expiration period for prepaid load worth 300 pesos and above. Then on July 5, 2018, Globe expanded the implementation to all Globe prepaid loads, including those with denominations below 300 pesos.

Republic Act No. 11934, or the SIM Card Registration Act, was signed into law on October 10, 2022. The Philippines' SIM Registration Act is envisioned to address escalating cybercrime in the country, including the proliferation of smishing and other forms of scam and spam messaging aided by the anonymity afforded by prepaid SIMs. All prepaid customers have until April 26, 2023 to register. New Globe SIM users have up to 72 hours from December 27 to get their SIMs registered to activate call, text and data services. For existing Globe Postpaid customers, all their data and information are deemed included in the platform and Globe shall get in touch with each postpaid customer to confirm and complete their registration details to align it with the requirements of the law. Registration via the GlobeOne app started last January 2023, while on-site assisted registration will start in February 2023 for Globe customers facing challenges using digital or online platforms, using feature or basic phones, or have no internet access.

The SIM Registration is expected to result in a lower subscriber base for the company, as non-active SIMs are churned out of the system. The company does not expect any impact to its topline due to this exercise and therefore, will result in a much better view of Globe's ARPU and active subscriber base levels.

The succeeding sections discuss the performance of the *Globe Prepaid* and *TM* brands in more detail.

c. *Globe Prepaid*

Globe Prepaid gross acquisitions (including GOMO) registered at 16.8 million as of end-December 2022 or 9% down year-on-year. Despite improvement in Prepaid churn rate from last year's 2.9% to only 2.8% this period, total net incremental subscribers ended the year at over 2.0 million versus last year's 4.4 million mainly due to lower acquisitions in 2022. Total cumulative *Globe Prepaid* subscribers stood at 44.5 million as of end-December of 2022, or 5% up from the 42.5 million as of end-December of 2021.

Globe Prepaid ARPU stood at ₱98, which was slightly lower by 1% from a year ago.

b. *TM*

TM's gross acquisitions declined year-on-year by 20% to only 17.5 million subscribers in 2022 from 22.0 million reported in 2021. *TM* churn rate for the period increased to 4.0% from last year's 3.5% bringing total net reduction in *TM* subscribers in 2022 to 2.1 million versus net incremental of 5.7 million in 2021. Total cumulative *TM* subscribers stood at 39.7 million as of end-December of 2022, or 5% lower from the 41.8 million reported in 2021.

TM ARPU dropped year-on-year by 4%.

²² *Globe Prepaid* subscribers include GOMO subscribers. GOMO is a fully digital service brand of Globe created to address the needs of the underserved digitally savvy yuppie segment. Simply buy the sim from gomo.ph or thru the GOMO PH mobile app.

FIXED LINE AND HOME BROADBAND BUSINESS

Service Revenues (Php Mn)	Globe Group		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Service			
Home Broadband ¹	27,094	29,392	-8%
Corporate Data ²	17,198	14,170	21%
Fixed line Voice ³	1,989	2,280	-13%
Fixed Line & Home Broadband Service Revenues	46,281	45,842	1%

¹ Home Broadband service revenues consist of the following:

- Monthly service fees of wired, fixed wireless, bundled voice and data subscriptions;
 - Browsing revenues from all postpaid and prepaid wired, fixed wireless Broadband packages in excess of allocated free browsing minutes and expiration of unused value of prepaid load credits;
 - Value-added services such as games; and
 - Installation charges and other fees associated with the service.
- Revenues from premium content services (where Globe is acting as principal to the contract) are reported gross of the licensors' fees. The latter is reflected as part of maintenance expenses.

² Corporate data (previously called Fixed line data) service revenues consist of the following:

- Monthly service fees from international and domestic leased lines;
- Revenues from value-added services and ICT;
- Connection charges associated with the establishment of service.

³ Fixed line voice service revenues consist of the following:

- Monthly service fees;
- Revenues from local, international and national long-distance calls made by postpaid, prepaid fixed line voice subscribers and payphone customers, as well as Broadband customers who have subscribed to data packages bundled with a voice service. Revenues are net of prepaid and payphone call card discounts;
- Revenues from inbound local, international and national long-distance calls from other carriers terminating on Globe's network;
- Revenues from additional landline features such as caller ID, call waiting, call forwarding, multi-calling, voice mail, duplex and hotline numbers and other value-added features;
- Installation charges and other fees associated with the establishment of the service; and
- Revenues from DUO and SUPERDUO (Fixed line portion) service consist of monthly service fees for postpaid and subscription fees for prepaid.

Home Broadband

	Globe Group		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Cumulative Broadband Subscribers			
Fixed Wireless	1,434,413	2,721,130	-47%
Wired	1,128,124	964,784	17%
Total (end of period)	2,562,537	3,685,914	-30%

Globe Group's *Fixed line and Home Broadband* full-year 2022 revenues stood at ₱46.3 billion, slightly above by 1% year-on-year from ₱45.8 billion in 2021, bolstered by the solid contributions of Corporate Data.

Globe Home Broadband revenues fell by 8% year-on-year with the continued decline in *@Home Broadband Prepaid WiFi* as partly offset by the higher *@Home Broadband Postpaid*, particularly on Fiber. Postpaid fiber subscribers and revenues posted a year-on-year increase of 35% and 84%, respectively.

Total *Home Broadband* subscriber base now stands at 2.6 million, a 30% dip from the year earlier with the 47% decline from fixed wireless. As of end-December of 2022, *Home Prepaid Wi-Fi (HPW)* data traffic further slipped to only 450 petabytes from 808 petabytes in 2021.

Corporate Data

Corporate Data ended the year with record high ₱17.2 billion revenues, or 21% better than a year ago, largely coming from information and communication technology (ICT) revenues. Step up in ICT revenues was mostly from business application services, cloud solutions and data center services.

Fixed line Voice

Globe's total *Fixed line Voice* revenues however, declined year-on-year by 13%.

OTHER GLOBE GROUP REVENUES

International Long Distance (ILD) Services

Both Globe and Innove offer ILD voice services which cover international call services between the Philippines to 237 destinations with 782 roaming partners. This service generates revenues from both inbound and outbound international call traffic, with pricing based on agreed international termination rates for inbound traffic revenues and NTC-approved ILD rates for outbound traffic revenues.

Globe's ILD voice revenues from the mobile and fixed line businesses declined year-on-year by 19% (from ₱2.3 billion in 2021 to only ₱1.9 billion in 2022). This is attributed to the continued migration of international traffic through other internet-based applications.

Meanwhile, Globe sustained its promotion on OFW SIM packs and the discounted call rate offers.

Non-telco products and services

As Globe continues to expand its beyond telco initiatives with a growing portfolio of digital companies in spaces such as fintech, healthtech, adtech, and entertainment, its non-telco revenues jumped to ₱4.2 billion in 2022 from ₱2.0 billion last year. The substantial revenue contributions from ECPay, Yondu, and Asticom led to its outstanding performance in 2022.

Kickstart

Globe's corporate venture capital arm, Kickstart Ventures, is one of the most active venture capital firms in the Philippines. Kickstart manages two funds for Globe and advises the \$180M Ayala Corporation Technology Innovation Venture (ACTIVE) Fund, the largest fund to come out of the Philippines. Out of these three funds, Kickstart now has 63 investments in 9 countries, backing 131 founders.

Asticom

Asticom is a tech-enabled shared services and outsourcing company under the Globe Group. It employs over 5,000 headstrong workforce nationwide, serving more than 200 clients from all over the country.

917Ventures

917Ventures includes the largest healthtech play in the Philippines, *KonsultaMD*. 917Ventures also has adtech company *AdSpark*; loyalty, and e-commerce solutions provider *RUSH*; a cloud based multi-channel communications platform *M360*; *iNQUiRO* which offers suite of data-driven products and solutions designed to create value for enterprises and their customers; *DeepSea* which is an adtech company focused on enabling programmatic advertising capabilities that power agencies, advertisers, and publishers; and *GoLearn* which is a tech school offering bootcamps on different IT courses to equip beginners and career shifters with critical and highly sought-after skills.

- *KonsultaMD*, the largest healthtech play in the Philippines, provides accessible healthcare to Filipinos through a one-stop health SuperApp. With its consolidation with *HealthNow* and *AIDE*, the *KonsultaMD SuperApp* brings together *KonsultaMD*'s expertise in on-demand doctor consultations, *HealthNow*'s strength in medicine delivery, and *AIDE*'s mastery of providing health services at home.

The new *KonsultaMD SuperApp* offers the full healthcare experience from 24/7 doctor consultations, pharmacy, to diagnostics at-home. With over 1,000 healthcare providers, 50+ specializations, and more than

2,000 pharmacy offers, *KonsultaMD* continues to serve Filipinos nationwide in 16+ dialects. With a vision to uplift the healthcare journey of every Filipino, *KonsultaMD* is a one-stop-shop superapp for health.

- *Brave Connective Holdings, Inc. (BCHI)*
 - *AdSpark*, the award-winning and largest locally ad-based data powered digital media and creative agency which has launched more than 3,000 digital campaigns.
 - *M360*, largest A2P multi-channel messaging platform, capable of sending messages to over 700 partner network operators in 190 countries via SMS or chat apps. Generates over 1.1 billion average monthly traffic with access to over 150 million mobile SMS users and over 45 million OTT users in the Philippines.
 - *DeepSea*, enables programmatic advertising by leveraging first party data, millions of audiences and wide variety & unique audience segments to advertisers
 - *iNQUiRO*, suite of data-driven products and solutions designed to create value for enterprises and their customers.
- *Rush*, the loyalty and ecommerce arm of Globe's 917Ventures made it to the Top 10 ecommerce solutions companies for 2022 of APAC CIO Outlook – the only Philippine firm on the index.
- *KodeGo*, tech bootcamp offering online IT programs and company matching support. Winner of Ayala Innovation Excellence Awards (AIXA) 2022.
- Globe Group's 917Ventures, Ayala Corporation, and *Gogoro Inc.* made history with the launch of Gogoro Smartscooters® and battery-swapping in the Philippines. The companies are introducing a new era in sustainable transportation that brings together smart, convenient and accessible electric two-wheelers to customers.

Gogoro Philippines is set to open the Gogoro Experience Center (GEC) in Makati City, its first retail space in the country on November 7, 2023. The opening of GEC is a significant milestone before the start of Gogoro's commercial operations in the Philippines.

Yondu

Yondu is a top-notch IT solutions company providing cloud services and software development, among other innovative technology solutions, for Philippine businesses.

GROUP OPERATING EXPENSES

Globe ended the year with total costs and expenses at ₱124.5 billion or 5% higher from ₱118.5 billion a year ago, due to increases on most cost line items except for marketing & subsidy, lease and services. Higher expenses for the period were mainly to support management strategies, business, and data-network expansion.

(Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Interconnect	1,362	1,182	15%
Marketing and Subsidy	8,073	9,295	-13%
Staff Costs	19,136	18,248	5%
Utilities, Supplies & Other Administrative Expenses	10,309	7,522	37%
Lease	2,794	4,274	-35%
Repairs & Maintenance	11,657	10,194	14%
Provisions	4,907	4,411	11%
Services and Others	20,649	22,215	-7%
Operating Expenses & Subsidy	78,887	77,341	2%
Depreciation and Amortization	45,653	41,133	11%
Costs and Expenses	124,540	118,474	5%

Interconnect

Globe group's full year interconnect charges grew by 15%, posting ₱1.4 billion in 2022 from ₱1.2 billion last year. The growth in interconnection fees was largely due to higher Application to Person (A2P) domestic SMS payout, partly offset by outbound IDD.

Marketing & Subsidy

Marketing and Subsidy expenses declined by 13% year-on-year to only ₱8.1 billion from ₱9.3 billion reported a year ago due to this year's lower spending for event ads, TV airtime, merchandising materials and production cost, coupled with lower subsidy.

Staff Costs

Staff costs were up 5% at ₱19.1 billion in 2022 from ₱18.2 billion in 2021.

Utilities, Supplies and Other Administrative Expenses

Utilities, supplies, and other administrative expenses, which contribute 13% of total operating expenses and subsidy, rose by 37%, totaling to ₱10.3 billion from ₱7.5 billion reported in 2021. Bulk of the increase was mainly from higher electricity rate/KwH and usage than last year, coupled with higher costs related to powergen.

Lease

Lease expenses in 2022 dropped by 35% to reach only ₱2.8 billion this period from ₱4.3 billion a year ago, mainly from cell sites following the assessment on accounting for leases, which moved the expense from opex to capitalized lease or depreciation. Lease expenses account for 4% of total operating expenses and subsidy.

Repairs and Maintenance

Repairs and maintenance costs for the year stood at ₱11.7 billion, up by 14% from the ₱10.2 billion reported a year ago. This was largely coming from business application services (BAS) payout and communication equipment maintenance.

Provisions

This account includes provisions related to trade, non-trade and traffic receivables and inventory obsolescence. Globe group's provisions increased year-on-year by 11% due mostly to higher trade provisions.

Services and Others

Accounting for 26% of total operating expenses and subsidy, services and other expenses declined by 7% from ₱22.2 billion reported in 2021. This was largely coming from professional and advisory fees, and other contracted services.

Depreciation and Amortization

Total depreciation and amortization expenses for the year rose to ₱45.7 billion from ₱41.1 billion reported in 2021. Bulk of the increase in depreciation charges was largely to the continuous capex investments and higher amortization for capitalized leases.

OTHER INCOME STATEMENT ITEMS

Other income statement items include net financing costs, net foreign exchange gain (loss), interest income, and net property and equipment-related income (charges) as shown below:

(Php Mn)	Globe Group		
	Year on Year		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Financing Costs			
Interest Expense	(8,951)	(7,318)	22%
Swap costs and other financing costs	(1,140)	(1,423)	-20%
Foreign Exchange Gain (Loss)	(5,343)	(3,656)	46%
	(15,434)	(12,397)	25%
Other Income			
Gain (Loss) on derivative instruments	5,798	3,215	80%
Interest Income	340	150	127%
Others	19,958	4,283	366%
<i>Equity share from Affiliates (net)</i>	<i>1,395</i>	<i>1,190</i>	<i>17%</i>
<i>Frequency Amortization</i>	<i>(312)</i>	<i>(309)</i>	<i>1%</i>
<i>Others – net</i>	<i>18,875</i>	<i>3,402</i>	<i>455%</i>
Total Income (Other Expenses)	10,662	(4,749)	-324%

The Globe Group's full year 2022 non-operating income stood at ₱10.7 billion versus last year's reported non-operating charges of ₱4.7 billion. This was attributed to the one-time net gain of ₱8.4 billion (post-tax) on the partial sale of Globe's data center business reported in the first quarter of 2022 and the net gain of ₱6.2 billion (post-tax) from the sale and leaseback of the first few tranches of its tower assets, as partly offset by higher interest expense.

(See related discussion on derivative instruments and swap costs in the Foreign Exchange and Interest Rate Exposure section).

LIQUIDITY AND CAPITAL RESOURCES

	Globe Group		
	31-Dec 2022	31 Dec 2021	YoY Change (%)
Balance Sheet Data (Php Mn)			
Total Assets	555,677	458,460	21%
Total Debt	233,205	210,054	11%
Total Stockholders' Equity	152,533	114,396	33%
Financial Ratios (x)			
Total Debt to EBITDA (gross)	2.35	2.65	
Total Debt to EBITDA (net)	2.20	2.38	
Debt Service Coverage	3.82	4.54	
Interest Coverage (Gross)	7.81	8.84	
Debt to Equity (Gross)	1.53	1.84	
Debt to Equity (Net) ¹	1.43	1.65	
Total Debt to Total Capitalization (Book)	0.60	0.65	
Total Debt to Total Capitalization (Market)	0.43	0.32	

**Net debt is calculated by subtracting cash, cash equivalents and short-term investments from total debt*

Globe's balance sheet and cash flows remain strong with ample liquidity and gearing comfortably within bank covenants.

Globe Group's consolidated assets as of 31 December 2022 amounted to ₱555.7 billion compared to ₱458.5 billion as of December 31, 2021. Consolidated cash, cash equivalents and short-term investments (including investments in assets available for sale and held to maturity investments) was at ₱18.0 billion as of end-December of 2022 compared to ₱24.2 billion as of end-December of 2021.

Globe closed 2022 with gross debt to equity ratio on a consolidated basis at 1.53:1 and is still within the 3.0:1 debt to equity limit dictated by Globe's debt covenants. Meanwhile, net debt to equity ratio was at 1.43:1 as of end-December 2022 and 1.65:1 as of end December 2021. Globe's current ratio stood at 0.66:1 as of 31 December 2022 and 0.56:1 as of 31 December 2021 which are at par with industry standards. While Globe's average current ratio was below the SEC's minimum of 1:1, Globe believes it has more than sufficient cash flows from operations to meet its debt maturities, currently and prospectively.

The financial tests under Globe's loan agreements include compliance with the following ratios:

- Total debt* to equity not exceeding 3.0:1;
- Total debt to EBITDA not exceeding 3.5:1;
- Total Debt service coverage¹ exceeding 1.3 times; and
- Secured debt ratio² not exceeding 0.2 times.

**Composed of notes payable, current portion of long-term debt, long term debt and net derivative liabilities*

As of 31 December 2022, Globe is well within the ratios prescribed under its loan agreements.

¹ Debt service coverage ratio is defined as the ratio of EBITDA to required debt service of the Borrower on a consolidated basis.

² Secured debt ratio is defined as the ratio of the total amount for the period of all present consolidated obligations for payment, which are secured by Permitted Security Interest as defined in the loan agreement to the total amount of consolidated debt.

On July 23, 2020, Globe Telecom issued USD 300 million 10-year and USD 300 million 15-year US dollar denominated senior notes with a coupon rate of 2.5% and 3.0%, respectively. The notes are unrated and have been listed on the Singapore Exchange Securities Trading Limited on July 24, 2020. The net proceeds from the issue of the notes will be used to finance Globe's capital expenditures, maturing and/or existing obligations, and for general corporate requirements.

On November 2, 2021, Globe Telecom successfully issued US\$600 million senior perpetual capital securities with an initial distribution rate of 4.20% payable semi-annually and callable on or after August 2, 2026. The distribution rate is subject to a step up on the fifth-year anniversary and shall be recalculated every five years thereafter. The Perpetual Capital security shall account for as an equity instrument. On November 3, 2021, the capital securities were listed in Singapore Exchange Securities Trading Limited.

Distributions to holders of capital securities amounted to ₱1,306.73 million in 2022.

Consolidated Net Cash Flows

(Php Mn)	Globe Group		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Net Cash from Operating Activities	62,879	65,141	-3%
Net Cash from Investing Activities	(71,575)	(96,562)	-26%
Net Cash from Financing Activities	2,203	36,062	-94%

Net cash flows provided by operating activities in 2022 was at ₱62.9 billion, or 3% lower versus the previous year.

Meanwhile, net cash used in investing activities amounting to ₱71.6 billion, was 26% lower from last year. Consolidated cash capital expenditures as of end-December 2022 amounted to ₱101.4 billion, or 9% higher from last year's ₱92.8 billion.

(Php Mn)	Globe Group		
	31-Dec 2022	31-Dec 2021	YoY Change (%)
Cash Capital Expenditures¹	101,367	92,808	9%
Total Additions to Property and equipment and Intangible assets ²	90,084	123,473	-27%
Cash Capital Expenditures¹ / Service Revenues (%)	64%	61%	

¹ Cash capital expenditures-property & equipment and intangibles as of report date

² Include property and equipment, intangibles and capitalized borrowing costs acquired as of report date regardless of whether payment has been made or not.

Consolidated net cash provided by financing activities amounted to ₱2.2 billion in 2022, lower versus last year's ₱36.1 billion. Consolidated total debt, likewise increased by 11% from ₱210.1 billion at the end of December 2021 to ₱233.2 billion at the end of December of 2022.

100% of US\$ consolidated loans have been effectively converted to PHP via US\$994 million in currency hedges. After swaps, effectively none of the total debt is denominated in US\$.

Below is the schedule of debt maturities for Globe for the years stated below based on total outstanding debt as of December 31, 2022:

Year Due	Principal* (US\$ Mn)
2023	831.13
2024	328.36
2025	334.10
2026 through 2035	2,706.91
Total	4,200.50

* Principal amount before debt issuance costs

The Globe Group has available uncommitted short-term credit facilities of ₱44,188 million and USD 94 million, ₱43,577 million and USD 134 million as of December 31, 2022 and December 31, 2021, respectively.

The Globe Group also has available ₱3,000 million committed short-term credit facilities as of December 31, 2022 and December 31, 2021. There are nil and ₱8,000 million long term committed credit facilities as of December 31, 2022 and December 31, 2021, respectively.

There are ₱26 billion and ₱335 million outstanding short-term loans as of December 31, 2022 and December 31, 2021, respectively.

Stockholders' equity as of end-December 2022 was higher by 33% from ₱152,533 million to ₱114,396 million this period. Globe's capital stock consists of the following:

Voting Preferred Stock

Voting Preferred stock at a par value of ₱5 per share of which 158.5 million shares are outstanding out of a total authorized of 160 million shares.

The dividends for voting preferred stock are declared upon the sole discretion of Globe Telecom's BOD. To date, none of the voting preferred shares have been converted to common shares.

Non-Voting Preferred Stock

Non-Voting Preferred stock at a par value of ₱50 per share of which 20 million shares are issued out of a total authorized of 40 million shares.

On August 22, 2021, Globe telecom redeemed the 20 million non-voting preferred shares for ₱10 billion.

Treasury Shares

The Globe Group's treasury shares pertain to the 20 million non-voting preferred shares that were redeemed on August 22, 2021 for ₱10 billion.

Common Stock

Common stock at par value of ₱50 per share of which 144.1 million are issued and outstanding out of a total authorized of 168.9 million shares.

On April 26, 2022, the stockholders of Globe Telecom approved the amendments to the articles of incorporation to increase Globe Telecom's authorized common capital stock by 20,000,000 shares from 148,934,373 shares to 168,934,373 shares with par value being retained at ₱50.00 per share.

On June 20, 2022, the board of directors of Globe Telecom approved the offer and issuance of common shares by way of stock rights to eligible shareholders of record, and the subsequent listing of said shares. The common shares for this offer will be issued out of the increase in the Company's authorized capital stock, which was approved by Globe's board of directors and stockholders on April 25, 2022 and April 26, 2022, respectively.

On October 24, 2022, the Securities and Exchange Commission approved the amendments to the articles of incorporation to increase Globe Telecom's authorized common capital stock from ₱7,446,719 to ₱8,446,719 consisting of 168,934,373 shares with par value being retained at ₱50.00 per share.

On October 28, 2022, Globe Telecom formally listed 10,119,047 common shares newly issued to stockholders that participated in the Rights Offer (the "Offer") on the Philippine Stock Exchange. The common shares were sold in the Offer at ₱1,680.00 per share, raising gross proceeds of approximately ₱17.00 billion.

Cash Dividends

The dividend policy of Globe as approved by the Board of Directors is to declare cash dividends to its common stockholders on a regular basis as may be determined by the Board. The dividend payout rate is reviewed annually and subsequently each quarter of the year, to take into consideration Globe Telecom's operating results, cash flows, debt covenants, capital expenditure levels and liquidity.

Globe distributes cash dividends to its shareholders at the rate of 60% to 75% of prior year's core net income, and is committed to a sustainable dividend policy in line with earnings and cash flow generation.

The Board of Directors of Globe approved in separate approvals the declaration of the quarterly distributions of cash dividends of ₱27 per share, paid each last March 10, 2022, June 3, 2022, and September 9, 2022. On November 11, 2022, the Board of Directors approved the declaration of the fourth quarter cash dividend of ₱25

per share paid last December 9, 2022. Each cash dividend payment total to about ₱3.6 billion, bringing total distribution by end of December 2022 to ₱14.4 billion.

Also, on November 11, 2022, the Board of Directors of Globe approved the declaration of the cash dividend for holders of its voting preferred shares paid last December 9, 2022 to shareholders on record as of November 25, 2022. The amount of the cash dividend is based on the 2019 Benchmark rate of the 3-day average of the 5-year BVAL* (i.e. average of October 24, 25, 28, 2019) plus 2%. The aggregate dividend payment for the voting preferred shares was about ₱50.0 million.

Return on Average Equity (ROE)

Consolidated Return on Average Equity (ROE) registered at 25.9% as of end-December 2022, compared to 24.1% in 2021 using trailing 12 months net income and based on average equity balances for the year ended. Using trailing 12 months core net income, which excludes the effects of non-recurring expenses on net income, return on average equity as of end-December 2022 and 2021 were 17.0% and 20.9% respectively.

Earnings Per Share (EPS)

Accordingly, consolidated basic earnings per common share were ₱245.44 and ₱173.18, while consolidated diluted earnings per common share were ₱244.25 and ₱172.25 as of end-December 2022 and 2021, respectively.

FINANCIAL RISK MANAGEMENT

FOREIGN EXCHANGE EXPOSURE

Foreign exchange risks are managed such that USD inflows from operations (transaction exposures) are balanced or offset by the net USD liability position of the company (translation exposures). Globe Group's objective is to maintain a position which results in, as close as possible, a neutral effect to the P&L relative to movements in the foreign exchange market.

Transaction exposures

Globe has natural net US\$ inflows arising from its operations. Consolidated foreign currency-linked revenues¹ were at 6% of total gross service revenues for the periods ended 31 December 2022 and 2021, respectively. In contrast, Globe's foreign-currency linked expenses were at 18% and 17% of total operating expenses for the same periods ended.

The US\$ flows are as follows:

	Dec. 31, 2022
US\$ and US\$ Linked Revenues	₱ 8.9 billion
US\$ Operating Expenses	₱14.1 billion
US\$ Net Interest Expense	₱ 1.8 billion

Due to these net US\$ outflows, a depreciation of the Peso has a negative impact on Globe's Peso EBITDA. Globe occasionally enters into forward contracts to hedge against a peso depreciation.

Includes the following revenues:

- (1) billed in foreign currency and settled in foreign currency, and*
- (2) billed in Pesos at rates linked to a foreign currency tariff and settled in Pesos*

Translation Exposures

Globe's foreign exchange translation exposures result primarily from movements of the Philippine Peso (Php) against the U.S. Dollars (USD) with respect to USD-denominated financial assets, USD-denominated financial liabilities and certain USD-denominated revenues. Majority of revenues are generated in Php, while bulk of capital expenditures are in USD. In addition, 24% of debt as of December 31, 2022 are denominated in USD before taking into account any swap and hedges. After swaps, effectively none of the total debt is denominated in US\$.

Information on Globe's foreign currency-denominated monetary assets and liabilities as of December 31, 2022 are as follows:

Dec. 31, 2022	
US\$ Assets	US\$ 144 million
US\$ Liabilities	US\$ 1,592 million
Net US\$ Liability Position	US\$ 1,447 million

As of end-December 2022, the Globe Group posted a total of ₱5,343 million net foreign exchange losses.

The Globe Group's foreign exchange risk management policy is to maintain a hedged financial position, after taking into account expected USD flows from operations and financing transactions. Globe Telecom enters into short-term foreign currency forwards and long-term foreign currency swap contracts in order to achieve this target.

As of end-December 2022, Globe has US\$294 million in cross currency swap contracts which are hedges of the interest and foreign exchange risks of some of our US\$ loans maturing in December 2023, August 2024, March 2025, March 2027 and August 2027. The MTM of the outstanding swap contracts stood at a gain of ₱1,920 million as of end-December 2022.

As of end-December 2022, Globe has US\$700 million in principal only swap contracts which are hedges of the foreign exchange risks of some of our US\$ loans maturing in May 2023, July 2025, May 2027, July 2027 and July 2030. The MTM of the swap contracts stood at a gain of ₱2,732 million as of end-December 2022.

Globe has US\$237 million short-term FX swap contracts which remain outstanding as of end-December 2022. The mark-to-market of the outstanding FX swap contracts stood at a loss of ₱111 million as of end-December 2022.

Globe has US\$18 million in outstanding forward USD purchase contracts which remain outstanding as of end-December 2022. The mark-to-market of the outstanding forward USD purchase contracts stood at a loss of ₱20 million as of end-December 2022.

INTEREST RATE EXPOSURE

Interest rate exposures are managed via targeted levels of fixed versus floating rate debt that are meant to achieve a balance between cost and volatility. Globe's policy is to maintain between 44-88% of its peso debt in fixed rate, and between 31-62% of its US\$ debt in fixed rate.

As of end-December 2022, Globe has a total of US\$294 million in cross currency swaps that were entered into contracts to achieve these targets. The US\$ swaps fixed some of the Company's outstanding floating rate debts with quarterly payment intervals up to December 2023, August 2024, March 2025, March 2027 and August 2027.

As of end-December 2022, 86% (excluding short-term debt) of peso debt is fixed, while 86% of USD debt is fixed after swaps.

In 2020, the Globe Group's USD fixed rate loans ratio increased to 91% as a result of the issuance of the USD 600 million fixed rate notes.

CREDIT EXPOSURES FROM FINANCIAL INSTRUMENTS

Outstanding credit exposures from financial instruments are monitored daily and allowable exposures are reviewed quarterly.

For investments, the Globe Group does not have investments in foreign securities (bonds, collateralized debt obligations (CDO), collateralized mortgage obligations (CMO), or any instruments linked to the mortgage market in the US). Globe's excess cash is invested in short term bank deposits.

The Globe Group also does not have any investments or hedging transactions with investment banks. Derivative transactions as of the end of the period are with large foreign and local banks. Furthermore, the Globe Group does not have instruments in its portfolio which became inactive in the market nor does the company have any structured notes which require use of judgment for valuation purposes.

VALUATION OF DERIVATIVE TRANSACTIONS

The company uses valuation techniques that are commonly used by market participants and that have been demonstrated to provide reliable estimates of prices obtained in actual market transactions. The company uses readily observable market yield curves to discount future receipts and payments on the transactions. The net present value of receipts and payments are translated into Peso using the foreign exchange rate at time of valuation to arrive at the mark to market value. For derivative instruments with optionality, the company relies on valuation reports of its counterparty banks, which are the company's best estimates of the close-out value of the transactions.

Gains (losses) on derivative instruments represent the net mark-to-market (MTM) gains (losses) on derivative instruments. As of December 31, 2022, the MTM value of the derivatives of the Globe Group amounted to P4,520.0 million while net gain on derivative instruments arising from changes in MTM reflected in the consolidated income statements as of end-December 2022 amounted to ₱5,797.8 million.

To measure riskiness, the Company provides a sensitivity analysis of its profit and loss from financial instruments resulting from movements in foreign exchange and interest rates. The interest rate sensitivity estimates the changes to the following P&L items, given an indicated movement in interest rates: (1) interest income, (2) interest expense, (3) mark-to-market of derivative instruments. The foreign exchange sensitivity estimates the P&L impact of a change in the USD/PHP rate as it specifically pertains to the revaluation of the net unhedged liability position of the company, and foreign exchange derivatives.

Causes of any material change from period to period: 2022 vs. 2021

Below are the items in the consolidated financial position with material movements from 2021 to 2022.

Statements of Financial Position (Php Mn)		DECEMBER 31		YoY Movement
		2022	2021	
ASSETS				
Current Assets				
Cash and cash equivalents	A	18,034	24,239	(6,205)
Trade receivables – net	B	23,563	16,697	6,867
Contract Assets - net	C	6,891	6,246	646
Inventories and supplies-net	D	3,882	4,045	(163)
Derivative assets - current	F	502	263	240
Prepayments and other current assets - net	K	19,706	13,957	5,749
		72,579	65,446	7,133
Assets classified as held for sale	E	27,949	-	27,949
Total Current Assets		100,528	65,446	35,082
Noncurrent Assets				
Property and equipment - net	G	281,899	270,747	11,152
Intangible assets and goodwill - net	H	25,083	20,761	4,321
Right of use assets – net	I	37,108	19,687	17,421
Investments in joint ventures	J	52,138	42,569	9,569
Derivative assets – net of current portion	F	4,627	2,769	1,858
Deferred income tax assets – net		2,228	2,034	194
Other noncurrent assets – net	K	52,067	34,445	17,621
		455,150	393,014	62,136
TOTAL ASSETS		555,677	458,460	97,218
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and accrued expenses	L	88,381	84,576	3,805
Contract liabilities and deferred revenues – current	M	7,576	8,411	(835)
Loans Payable -current	P	46,172	16,019	30,154
Derivative liabilities – current	F	609	1,115	(505)
Lease Liability - Current		4,522	3,664	858
Provisions	N	2,583	2,769	(185)
Income tax payable	O	3,622	974	2,648
		153,466	117,527	35,939
Noncurrent Liabilities				
Loans payable – net of current portion	P	187,033	194,035	(7,002)
Contract liabilities - net of current portion		297	74	223
Deferred income tax liabilities – net		6,446	6,063	384
Derivative liabilities - non current	F	-	112	(112)
Lease liabilities – non current	Q	49,709	16,215	33,494
Pension Liabilities	R	1,963	5,044	(3,080)
Other long-term liabilities		4,231	4,995	(764)
		249,679	226,537	23,142
TOTAL LIABILITIES		403,145	344,064	59,081

EQUITY

Capital Stock	8,996	8,474	522
Additional paid in capital	53,945	37,227	16,718
Cost of share-based compensation	849	844	5
Capital Securities	29,978	29,978	-
Other reserves	(116)	(2,195)	2,079
Treasury Stocks	(10,000)	(10,000)	-
Retained earnings	68,540	49,775	18,764
Equity attributable to equity holders of the Parent	152,190	114,102	38,088
Noncontrolling interest	343	294	49
TOTAL EQUITY	152,533	114,396	38,137
TOTAL LIABILITIES AND EQUITY	555,677	458,460	97,218

Assets

- A** Decrease in cash and cash equivalents of ₱6.2 billion was primarily due to the net effect of (₱71.6 billion) net cash flows used in investing activities, ₱62.9 billion cash flows generated from operating activities and ₱2.2 billion net cash provided by financing activities.
- B** Trade Receivable – ₱6.9 billion increase was mainly attributable to the increase in receivables of non-telco subsidiaries which are primarily driven by the increase in non-telco revenues.
- C** Contract assets – Increase of ₱646 million was mainly due to the net effect of ₱7.9 billion new contract assets recognized during the year arising from the sales of mobile devices bundled with wireless postpaid plans, (₱6.6 billion) reduction in contract assets representing the amounts that were billed to the subscribers during the year and (₱0.7 billion) impairment loss on contract assets that were recognized during the year.
- D** Inventories and Supplies – No material movements noted from the previous year
- E** Assets Held for Sale – Increase of ₱28 billion mainly due to the property and equipment and ROU assets that were reclassified as assets held for sale in relation to the sale and leaseback transaction of telecom towers.
- F** Net Derivative Assets – Increase of ₱2.7 billion is due to changes in fair values of forwards, interest and currency swaps.
- G** Property and equipment – Increase of ₱11.2 billion due to the net effect of ₱86.7 billion additions during the year due to the continuous network expansion; (₱34.1 billion) depreciation recognized during the year; (₱31.7 billion) assets reclassified as assets held for sale as a result of the tower sale and leaseback transaction; (₱7.3 billion) assets under construction that were completed during the year and reclassified as intangible assets; and net disposals amounting to (₱2.6 billion) largely due to the sale of controlling interest on data center business.
- H** Intangible Assets – Increase of ₱4.3 billion is mostly due to the additions to application software licenses and other intangible assets which were offset by the regular annual amortizations.
- I** Right of use assets – Increase of ₱17.4 billion is due to the net effect of the ₱33.9 billion additional long-term leases of network sites acquired during the year and new tower leases as a result of the tower sale and leaseback transaction; (₱11.1 billion) ROU assets that were reclassified to assets held for sale as a result of the tower sale and leaseback transaction and (₱5.3 billion) amortization during the year.
- J** Investment in Joint Venture – Increase of ₱9.6 billion was primarily due to gain recognized on fair value adjustment on retained interest on investment in Globe STT GDC, Inc. (GSG), coupled with the share in net income of joint ventures recognized during the year.

- K** Prepayments and Other Assets – The ₱23.4 billion increase is mostly due to the higher amount of advance payments made to contractors and suppliers that remained outstanding at the end of the year, acquisition of investment properties consisting of land and building, and prepayments among others.

Liabilities

- L** Trade Payables – ₱3.8 billion increase is mostly due to the higher balance of payable to suppliers, contractors, other creditors and taxes partially offset by lower accrued project costs and accrued expenses.
- M** Contract liabilities and other deferred revenues – Decrease of ₱835 million is mainly attributable to lower deferred revenue from prepaid load and contingent liability rewards.
- N** Provisions – No material movements noted from the previous year.
- O** Income Taxes Payable – Increase of ₱2.6 billion is primarily due to higher income tax before tax and benefit of CREATE in 2021.
- P** Loans payable - Increase of ₱23.2 billion is due to drawn term loans from various banks which was partially offset by settlements of other bank loans.
- Q** Lease liabilities – Increase of ₱34.4 billion was primarily due to the additional long-term leases of network sites acquired during the year and new tower leases as a result of the tower sale and leaseback transaction which were partially offset by lease payments during the year.
- R** Pension liabilities – Decrease of ₱3.1 billion was mainly due to the net effect of (₱3.7 billion) remeasurement gain charged to other comprehensive income (OCI) as a result of change in actuarial assumptions, (₱800 million) employer contributions during the year and ₱1.4 billion pensions expense recognized in profit or loss during the year.

INDEPENDENT PUBLIC ACCOUNTANTS

INDEPENDENT AUDIT FEES AND SERVICES

The Audit and Related Party Transactions Committee (the Committee) has an existing policy to review and pre-approve the audit and non-audit services rendered by Globe's independent auditors. It does not allow Globe to engage the independent auditors for certain non-audit services prohibited expressly by SEC regulations to be performed by independent auditors for its audit clients. This is to ensure that the independent auditors maintain the highest level of independence from the Globe, both in fact and appearance.

In its annual stockholders meeting last 24 April 2024, the shareholders appointed the accounting firm of IL/PwC, the Philippine member firm of the PwC global network, as the Independent Auditors of Globe for the calendar year 2024.

Fees approved in connection with the audit services rendered by IL/PwC pursuant to the regulatory and statutory requirements for the years ended 31 December 2024 and 2023, amount to ₱17.34 million and ₱17.02 million, exclusive of 3% out-of-pocket expenses (OPE), respectively. In addition to performing the audit of Globe's financial statements, IL/PwC was also contracted to provide non-audit services in accordance with established oversight and procurement policies. The aggregate fees billed by IL/PwC in 2024 are shown below with comparative figures for 2023:

	2024	2023
	<i>(Amount in millions)</i>	
Total Audit Fees¹	₱17.34	₱17.02
Non-audit services fees:		
Other assurance services	0.32	2.85 ²
All other services	0.63	2.36
Total Non-audit fees	0.95	5.21
Total Audit and Non-audit fees	₱18.29	₱22.23

¹Excludes 2024 and 2023 audit fees rendered by external auditors other than IL/PwC:

GT SG, ₱339K (₱396K in 2023) performed by Ardent Associates LLP

GT EU, ₱210K (₱221K in 2023) performed by Wellden and Turnbull LLP

²The ₱2.85Mn fees in 2023, previously presented as audit-related services, are now presented under non-audit services (i.e. other assurance services) in compliance with SEC's Memorandum Circular No. 18, Series of 2024.

Audit Fees represent the audit of Globe's annual financial statements and review of quarterly financial statements in connection with statutory and regulatory filings or engagements for the years ended 2024 and 2023.

Non-Audit Services Fees represent the following:

- Other assurance services rendered in relation to the agreed-upon procedures performed for the digital solutions businesses under Asticom. In 2023, these pertain to the services rendered related to Globe's IT Solutions Companies' restructuring and issuance of comfort letters and agreed-upon procedures on the offering circular and the company's application for an increase in authorized capital stock.
- All other services represent the fixed fee for Globe's whistleblowing reporting programs. In 2023, these pertain to the valuation services performed and the fixed fee for Globe's whistleblowing reporting programs.

IL/PwC has confirmed to the Committee that the 2024 non-audit services rendered by them are allowed to be provided to an audit client under existing SEC regulations and the Code of Ethics of Professional Accountants in the Philippines and do not conflict with their role as Independent Auditors of Globe.

II. CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURES

There were no disagreements with Globe's Independent Auditors on any matter of accounting principles or practices, financial statement disclosures, auditing scope and procedures.

NATURE AND SCOPE OF BUSINESS

Globe Telecom, Inc. is a leading digital platform in the Philippines, with major interests in telecommunications, venture capital and venture building, shared services and digital marketing solutions. The company serves the telecommunications and technology needs of consumers and businesses across an entire suite of products and services including mobile, fixed, broadband, data connectivity, internet and managed services. Globe currently has 60.9 million mobile subscribers, 1.74 million Home Broadband customers, and over 711 thousand landline subscribers. The company is supported by 6,381 employees and over 456 thousand AutoloadMax (AMAX) retailers nationwide.

Globe is one of the largest companies in the country, and has been consistently recognized both locally and internationally for its corporate governance practices. It is listed on the Philippine Stock Exchange under the ticker symbol GLO and had a market capitalization of US\$5.5 billion as of the end of December 2024. Globe's inclusion in the Fortune Southeast Asia 500 list is a testament to its growth and unwavering commitment to serving customers with purpose.

The Company's principal shareholders are Ayala Corporation and Singapore Telecom, both acknowledged industry leaders in the country and in the region. Aside from providing financial support, this partnership has created various synergies and has enabled the sharing of best practices in the areas of purchasing, technical operations, and marketing, among others.

Sustainability at Globe is anchored on The Globe Purpose, "Uplift Filipino Lives Everyday". As a purpose-led organization, the Company aims to contribute to the UN Sustainable Development Goals by promoting innovation and technology for greater social and environmental impact. Globe became a signatory to the United Nations Global Compact in 2019, wherein the company has committed to implement universal sustainability principles on human rights, labor, environment, and anti-corruption (Ten Principles of the UN Global Compact).

Globe is the first publicly listed company in the Philippines to get the Science Based Targets initiative's (SBTi) validation and approval of its science-based net-zero target by 2050. (Published in the SBTi website (<https://sciencebasedtargets.org/companies-taking-action>) in March 2024).

Globe is composed of the following companies:

- **Globe Telecom, Inc. (Globe)** provides digital wireless communications services in the Philippines under Globe Postpaid and Prepaid (including fully Mobile, internet-on-the-go service and GOMO), and Touch Mobile (TM). Globe provides digital mobile communication and internet-on-the-go services nationwide using a fully digital network based on the Global System for Mobile Communication (GSM), 3G, HSPA+, 4G, LTE and 5G technologies. It provides voice, SMS, data and value-added services to its mobile subscribers. It also offers domestic and international long distance communication services or carrier services.
- **Innove Communications Inc. (Innove)**, a wholly-owned subsidiary, holds a license to provide digital wireless communication services in the Philippines. Innove also has a license to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services.

On November 2, 2015, Innove and Techzone Philippines incorporated TechGlobal Data Center, Inc. (TechGlobal), a joint venture company formed for the purpose of operating and managing all kinds of data centers, and providing information technology-enabled, knowledge-based and computer-enabled support services. Innove and Techzone hold ownership interest of 49% and 51%, respectively. TechGlobal started commercial operations in August 2017.

- **GTI Business Holdings, Inc. (GTI) and Subsidiaries**
Globe Telecom owns 100% of GTI. GTI was incorporated and registered under the laws of the Philippines, on November 25, 2008, as a holding company.

GTI Corporation (GTIC)

In July 2009, GTI incorporated a wholly owned subsidiary, GTI Corporation (GTIC), a company organized under the General Corporation Law of the United States of America, State of Delaware as a wireless and data communication services provider.

Globe Telecom HK Limited (GTHK)

In December 2011, GTI incorporated a wholly owned subsidiary, GTHK, a limited company organized under the Companies Ordinance of Hong Kong as a marketing and distribution company.

On March 17, 2015, GTHK applied for a services-based operator license (SBO) with the Office of the Communications Authority in Hong Kong (OFCA) which was subsequently approved on May 7, 2015.

As of June 1, 2020, the SBO was cancelled and surrendered to the OFCA and GTHK has been winding down its operations. GTHK was previously engaged in the marketing and selling of telecommunication products and services in the international market, except the United States of America and the Philippines, under a distributor arrangement.

On March 27, 2024, the sole director resolved and signed a written resolution with the purpose of placing GTHK into liquidation. As of the reporting date, the completion of the regulatory requirements on the liquidation of GTHK is still in process.;

Globetel European Limited (GTEU)

On May 10, 2013, GTI incorporated a wholly owned subsidiary, GTEU as holding company for the operating companies of Globe located in the United Kingdom, Spain and Italy.

Globetel Singapore Pte. Ltd. (GTSG)

On November 12, 2014, GTI incorporated GTSG, a wholly owned subsidiary, for the purpose of offering full range of international data services in Singapore under a facilities-based operations license (FBO) with Infocomm Media and Development Authority (IMDA) in Singapore which was granted on January 7, 2015;

CaelumPacific Corp. (CaelumPacific) and Subsidiaries

On July 30, 2020, GTI incorporated CaelumPacific, a wholly owned subsidiary organized under the laws of the Philippines for the purpose of providing technical consulting and IT related services.

On July 31, 2020, Caelum US Holdings Inc. (Caelum US), a wholly owned subsidiary of Caelum Pacific, was incorporated under the laws of the state of Delaware as a holding company.

On August 3, 2020, Caelum Northwest Corp. (Caelum Northwest), a wholly owned subsidiary of Caelum US, was incorporated under the laws of the state of Washington for the purpose of customized cloud software development and providing cloud consulting services.

On November 3, 2020, the definitive agreements between Caelum Group and Cascadeo were signed and executed following the completion of all relevant conditions relating to the sale of assets of Cascadeo in the Philippines and the US. Cascadeo is a group of companies in the Philippines and US which offers cloud-native consulting and managed services capabilities for enterprises and small and medium business customers. The asset purchase agreement entered into by Caelum Group and Cascadeo entities also mandated a holding company established by the sellers to invest in 16.67% of CaelumPacific's capital, effectively reducing GTIBH's ownership to 83.33%.

On May 30, 2021, the Board of Directors approved GTI's additional capital infusion amounting to \$500,000, effectively increasing GTI's ownership to 85%.

On February 11, 2022, the Board of Directors approved GTI's additional capital infusion amounting to \$2.00 million, which further increased GTI's ownership to 88%.

On December 15, 2022, the ownership of CaelumPacific and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom.

On March 7, 2024, the sole director of Caelum Northwest approved the dissolution of the Company. Subsequently, on July 29, 2024, the Department of Revenue State of Washington issued a revenue clearance certificate, allowing Caelum Northwest to proceed with its dissolution. As of November 7, 2024, regulatory requirements for the dissolution of Caelum Northwest are still subject to completion.

On October 28, 2024, the ownership of CaelumPacific and Subsidiaries was transferred from Yondu, Inc. to GTI, a wholly-owned subsidiary of Globe Telecom.

- **Kickstart Ventures, Inc. (Kickstart) and Subsidiaries**

On March 28, 2012, Globe Telecom incorporated Kickstart, a stock corporation organized under the laws of the Philippines and formed primarily for the purpose of investing in individual, corporate, or start-up businesses, and to do research, technology development and commercializing of new business ventures.

In February 2014, Kickstart acquired 40% equity interest in Flipside Publishing Services, Inc. (FPSI). Since Kickstart was able to demonstrate control over FPSI despite having less than 50% ownership interest, FPSI was assessed to be a subsidiary of Kickstart and is included in the consolidation of Globe. FPSI is engaged in acquiring publishing rights to produce, publish, market, and sell printed and electronic books (e-books) and other electronic documents and content for international and domestic sales. FPSI ceased operations in July 2016. FPSI remains a dormant company as of reporting date.

In February 2020, Kickstart registered three Cayman Islands exempted companies with limited liabilities, namely (1) Kickstart Capital Co. Ltd. (KCCL), a wholly owned subsidiary of Kickstart; (2) AG Active Associated I, Limited, a wholly owned subsidiary of KCCL; and, (3) Kickstart Ventures Co. Ltd., a 65% owned subsidiary of KCCL. These entities were formed as a platform for the management of third-party venture capital investment funds.

On December 15, 2023, KCCL incorporated its wholly-owned subsidiary, Kickstart Holdings Company, Ltd., (KHCL) for future venture capital investments.

- **Asticom Holding Co. Inc. (Asticom, formerly known as Asticom Technology, Inc.) and Subsidiaries**

On June 3, 2014, Globe Telecom signed an agreement with Azalea Technology Investments Inc. (ASTI) and SCS Computer Systems, Pte. Ltd. acquiring 100% ownership stake in Asticom. Asticom is primarily engaged in providing business process and shared service support, as well as IT system integration and consultancy services.

On August 20, 2020, Asticom incorporated its wholly owned subsidiary, Asticom Business Services, Inc. (ABSI). ABSI was incorporated to leverage Asticom's business growth, particularly its full-BPO services offering.

On January 26, 2021, Asticom incorporated its wholly owned subsidiary, Fiber Infrastructure and Network Services Inc. (FINSI). FINSI was incorporated to provide end-to-end services and industry-specific solutions to telecommunications and telecommunications-related companies. In March 2021, FINSI started its commercial operation.

On April 12, 2021, Asticom incorporated its wholly owned subsidiary, BRAD Warehouse and Logistics Services Inc. (BRAD). BRAD was incorporated to engage in the business of transporting, shipping, receiving, storing and managing products and services using technology platforms for third-party providers.

On November 29, 2021, ABSI acquired 100% of HCX Technology Partners, Inc., a full-fledged systems integration company offering human capital, customer relationship management and digital solutions to its clients.

On July 27, 2022, Asticom incorporated its wholly owned subsidiary, Acquiro Solutions and Tech Inc. (ACQR) to provide manpower services for support and shared services of administrative functions, information technology including consultancy services for offshore development services and other related services.

On June 14, 2024, SEC approved the amendment of Asticom's article of incorporation which effectively changes its corporate name to Asticom Holding Co. Inc., as well as its primary purpose as an investing and holding company.;

- **Globe Capital Venture Holdings Inc. (GCVHI) and Subsidiaries**

On June 29, 2015, Globe Telecom incorporated its wholly owned subsidiary, GCVHI as an investing and holding company primarily engaged in purchasing, subscribing, owning, holding, assigning real and personal property, shares of stock and other securities. In August 2019, GCVHI was rebranded to "917 Ventures" and will house Globe Telecom's non-telco incubated products.

On October 13, 2015, GCVHI incorporated its wholly owned subsidiary Adspark Holdings, Inc. (AHI), a holding company established for the acquisition of additional investment in Globe Telecom's non-core business. AHI holds 100% of Adspark Inc. (AI), an advertising company. AI holds 100% of Socialytics Inc.

(Socialytics), a social media marketing firm. On September 1, 2021, AHI acquired 100% of Techgroowers, Inc., a company engaged in data and software-related services through the utilization of telecommunications facilities. On March 22, 2022, the SEC approved the amendment of Techgroowers' articles of incorporation which effectively changes its corporate name to M360, Inc., as well as its primary purpose which is to engage in the business of application-to-person (A2P) messaging.

On February 4, 2020, GCVHI incorporated 917Ventures, Inc. as a holding company for GCVHI's business incubators.

On December 1, 2022, AHI acquired 49% and 51% of outstanding shares of Inquiro from 917Ventures, Inc. and Jerusalem Ventures Holdings Inc. (JVHI), respectively. The acquisition increased Globe's ownership interest from 49% to 100% and was accounted for as an acquisition of a subsidiary. Inquiro was incorporated to provide data management and other data-related services, through the utilization of telecommunication facilities.

On February 14, 2023, the SEC approved the amendment of AHI's articles of incorporation which effectively changed its corporate name to Brave Connective Holdings, Inc. (BCHI).

On June 5, 2023, 917Ventures, Inc. incorporated its wholly owned subsidiary Slyce Digital, Inc. to engage in the business of developing, marketing, advertising, managing, and operating technology platforms.;

- **Bayan Telecommunications Inc. (BTI) and Subsidiaries**

Globe Telecom owns 99% of BTI, a stock corporation organized under the laws of the Philippines and enfranchised under RA No. 11503 and its related laws to render domestic and international telecommunications services. BTI is a facilities-based provider of data services and fixed-line telecommunications.

BTI's subsidiaries are: Radio Communications of the Philippines, Inc. (RCPI), Telecoms Infrastructure Corp. of the Philippines (Telicphil), Sky Internet, Incorporated (Sky Internet), GlobeTel Japan (formerly BTI Global Communications Japan, Inc.), and NDTN Land, Inc. (NLI), (herein collectively referred to as "BTI Group").;

- **Taodharma Inc. (Tao)**

Globe Telecom owns 67% of Tao, an entity incorporated and registered under the laws of the Philippines. Tao operates and maintains retail stores in strategic locations within the Philippines that sell telecommunications or internet-related services, and devices, gadgets and accessories.;

- **GTowers Inc (GTowers)**

On August 17, 2018, GTowers was incorporated as a wholly owned subsidiary of Globe Telecom. GTowers is still under pre-operating stage as of reporting date.;

- **Yondu, Inc. and Subsidiaries**

Globe Telecom owns 100% of Yondu, an entity engaged in the development and creation of wireless products and services accessible through mobile devices or other forms of communication devices. It also provides internet and mobile value-added services, information technology and technical services including software development and related services. Yondu is registered with the Department of Transportation and Communication (DOTC) as a content provider.

Yondu holds 100% of Rocket Search, Inc. (formerly Yondu Software Labs, Inc.), a company primarily engaged in providing information technology (IT) products and services and engaged in IT placement services.

On December 15, 2022, Yondu acquired the ownership of Third Pillar Business Applications, Inc. (TPBAI) and Subsidiaries and CaelumPacific and Subsidiaries from GTI, a wholly-owned subsidiary of Globe Telecom.

On October 28, 2024, Yondu sold its ownership of CaelumPacific and Subsidiaries to GTI, a wholly-owned subsidiary of Globe Telecom.;

Third Pillar Business Applications, Inc. (TPBAI) and Subsidiaries

On August 17, 2020, GTI entered into a Share Purchase Agreement for the acquisition of 67% of TPBAI. TPBAI, a corporation organized under the laws of the Philippines, is engaged in systems integration, license reselling, and data management services.

Third Pillar Global Delivery Center Inc. (TPGDC) is a wholly owned subsidiary of TBAI that is engaged in software implementation and maintenance services and the outsourcing arm of TPBAI.

On January 1, 2022, TPBAI incorporated Third Pillar Asia Pacific Pte. Ltd. (TPAPPL), a wholly owned subsidiary organized under the laws of Singapore, as part of TPBAI's expansion to Asia Pacific.;

On December 15, 2022, the ownership of TPBAI and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom;

On July 8, 2024, the Board of Directors approved Yondu's additional capital infusion amounting to ₱20.00 million, which further increased Yondu's ownership to 85%;

- **Electronic Commerce Payments, Inc. (ECPay)**

On October 25, 2019, Globe Telecom acquired 77% ownership of ECPay. ECPay is primarily engaged in the business of providing IT and e-commerce solutions, including, but not limited to, prepaid phone and internet products, bills payments and others.

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Globe Fintech Innovations, Inc. (Mynt) for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million. The closing of the transaction and actual transfer of ownership is still subject to the Philippine Competition Commission (PCC) approval. On September 29, 2023, Globe Telecom ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained Globe's exposures and rights to variable returns. At the date of deconsolidation, the fair value of Globe's interest in ECPay amounting to ₱2,310.00 million has been reclassified to Assets held-for-sale under the current assets section in Globe's consolidated statement of financial position. Accordingly, resulting gain was recognized in the consolidated statements of comprehensive income amounting to ₱76.67 million in 2023.

The Company is a grantee of various authorizations and licenses from the National Telecommunications Commission (NTC) as follows: (1) license to offer and operate facsimile, other traditional voice and data services and domestic line service using Very Small Aperture Terminal (VSAT) technology; (2) license for inter-exchange services; and (3) Certificate of Public Convenience and Necessity (CPCN) for: (a) international digital gateway facility (IGF) in Metro Manila, (b) nationwide digital cellular mobile telephone system under the GSM standard (CMTS-GSM), (c) nationwide local exchange carrier (LEC) services after being granted a provisional authority in June 2005, and (d) international cable landing stations located in Nasugbu, Batangas, Ballesteros, Cagayan and Brgy. Talomo, Davao City.

Globe is organized along two key customer facing units (CFUs) tasked to focus on the integrated mobile, Fixed Line and international voice and roaming needs of specific market segments. The Company has a Consumer CFU with dedicated marketing and sales groups to address the needs of retail customers, and a Business CFU (Globe Business) focused on the needs of big and small businesses. Globe Business provides end-to-end mobile and Fixed Line solutions and is equipped with its own technical and customer relationship teams to serve the requirements of its client base. Globe Business also caters to the international voice and roaming needs of overseas Filipinos, whether transient or permanent. Moreover, it is tasked to grow the Company's international revenues by leveraging Globe's product portfolio and developing and capitalizing on regional and global opportunities.

BOARD OF DIRECTORS AND KEY OFFICERS

Board of Directors (2024-2025)

Name	Position
Jaime Augusto Zobel de Ayala	Chairman (NED)
Tan Mee Ling Aileen	Co-Vice Chair (NED)
Cezar P. Consing	Co-Vice Chair (NED)
Ernest L. Cu	Executive Director, President and Chief Executive Officer
Jaime Alfonso Antonio Zobel de Ayala	Director (NED)
Delfin L. Lazaro	Director (NED)
Ng Kuo Pin	Director (NED)
Cirilo P. Noel	Lead Independent Director (NED, ID)
Natividad N. Alejo	Independent Director (NED, ID)
Ramon L. Jocson	Independent Director (NED, ID)
Antonio Jose U. Periquet, Jr.	Independent Director (NED, ID)

Notes: Non-Executive Director (NED), Independent Director (ID)

Please refer to Annex “A” of the information statement for the Board of Directors qualifications, positions held in the past five years, and personal data as of December 31, 2024.

Officers – Globe

Name	Position
Ernest L. Cu ¹	President and Chief Executive Officer (CEO)
Juan Carlo C. Puno ⁴	Chief Financial Officer (CFO), Treasurer, and Chief Risk Officer (CRO)
Renato M. Jiao	Chief Human Resources Officer (CHRO)
Rebecca V. Eclipse	Chief Transformation and Operations Officer (CTOO) and Chief Customer Experience Officer (CCEO)
Vicente Froilan M. Castelo	General Counsel (GC)
Maria Franchette M. Acosta ²	Corporate Secretary
Marisalve Ciocon-Co	Chief Compliance Officer, Senior Vice President - Legal and Compliance, and Assistant Corporate Secretary
Carmeli Pauline M. Briones	Chief Audit Executive (CAE)
Darius Jose R. Delgado ³	Chief Commercial Officer (CCO)
Maria Yolanda C. Crisanto	Chief Sustainability and Corporate Communications Officer
Raul M. Macatangay	Chief Information Officer (CIO)

¹ Member, Board of Directors

² Corporate Disclosure for the appointment of Atty. Maria Franchette M. Acosta as our Corporate Secretary was submitted on [05 April 2024](#).

³ Corporate Disclosure for the appointment of Mr. Darius Jose R. Delgado as our Chief Commercial Officer (CCO) was submitted on [28 August 2024](#).

⁴ Corporate Disclosure for the appointment of Mr. Juan Carlo C. Puno as Chief Financial Officer (CFO), Treasurer, and Chief Risk Officer (CRO) was submitted on [16 September 2024](#).

Please refer to Annex “A” of the information statement for the profile of Globe’s key officers.

ANNEX “D” – MARKET PRICE AND DIVIDENDS

A. Market Price - Principal Market where the registrant’s equity is traded

Globe’s common shares are traded in the Philippine Stock Exchange. Below are the quarterly high and low prices in the last two (2) fiscal years.

<u>Calendar Period</u>	COMMON SHARES	
	Price Per Share (PHP)	
	<u>High</u>	<u>Low</u>
2023		
First Quarter	2,250	1,722
Second Quarter	1,864	1,685
Third Quarter	1,937	1,731
Fourth Quarter	1,833	1,699
2024		
First Quarter	1,815	1,698
Second Quarter	2,118	1,712
Third Quarter	2,362	2,052
Fourth Quarter	2,472	2,006

The price information as of the close of the latest practicable trading date, March 10, 2025 is ₱2,200 per common share.

B. Shareholders

There are approximately 3,991 registered holders of common equity and five (5) holders of voting preferred shares as of January 31, 2025.

The following are the top 20 registered holders* of the Company’s securities:

	Stockholder Name	No. of Common Shares	No. of Voting Preferred Shares	% Owned out of total voting and O/S shares¹
1	Asiacom Philippines, Inc		158,515,017	52.36%
2	Singapore Telecom Int’l. Pte. Ltd.	62,646,487**		20.68%
3	Ayala Corporation	44,266,630		14.61%
4	PCD Nominee Corp. (Filipino)	19,003,556		6.27%
5	PCD Nominee Corp. (Non-Filipino)	16,214,979**		5.35%
6	Social Security System	952,900		0.31%
7	Social Security System Assigned to Employees Compensation Fund	143,400		0.05%
8	Renato Manuel M. Jiao	37,825		0.01%
9	Ernest Lawrence L. Cu	28,371		0.01%
10	Guillermo D. Luchangco	24,000		0.01%
11	Social Security System Assigned to Mandatory Provident Fund	22,500		0.01%
12	Ernest L. Cu	22,309		0.01%
13	The First National Investment Co., Inc.	21,001		0.01%
14	Joseph Paul Caliro	15,790		0.01%
15	Stella Christine A. Dizon	13,700		0.00%
16	Joel R. Agustin	13,550		0.00%
17	Cedar Commodities, Inc.	12,900		0.00%
18	Carmina Delfina J. Herbosa	12,470		0.00%
19	Emmanuel Lazaro R. Estrada	11,650		0.00%

20	Hermelina T. Hizon	10,365		0.00%

¹Total voting and outstanding shares includes common and voting preferred shares.

^{*}Based on the top 100 shareholders as reported by the Company's stock transfer agent

^{**}4,732,823 common shares of Singapore Telecom Int'l Pte., Ltd. are lodged with PCD Nominee Corporation (Non-Filipino)

C. Dividends

Dividends declared by the Company on its stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors. As a policy and as much as practicable, Globe observes a 30-day period for the payment of dividends to shareholders from the declaration date of such dividends.

Cash dividends are subject to approval by the Company's Board of Directors but no stockholder approval is required. Total cash dividends distributed for the past 3 years are listed below.

COMMON CASH DIVIDEND (Per Share)			
AMOUNT (Php)	DECLARATION DATE	RECORD DATE	PAYMENT DATE
27.00	February 8, 2022	February 22, 2022	March 10, 2022
27.00	May 4, 2022	May 19, 2022	June 3, 2022
27.00	August 11, 2022	August 25, 2022	September 9, 2022
25.00	November 11, 2022	November 25, 2022	December 9, 2022
25.00	February 6, 2023	February 20, 2023	March 8, 2023
25.00	May 4, 2023	May 18, 2023	June 2, 2023
25.00	August 11, 2023	August 29, 2023	September 8, 2023
25.00	November 3, 2023	November 17, 2023	December 1, 2023
25.00	February 6, 2024	February 21, 2024	March 7, 2024
25.00	May 14, 2024	May 28, 2024	June 13, 2024
25.00	August 6, 2024	August 20, 2024	September 5, 2024
25.00	November 7, 2024	November 21, 2024	December 6, 2024

VOTING PREFERRED STOCK CASH DIVIDEND (Per Share)			
AMOUNT (Php)	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.32	November 11, 2022	November 25, 2022	December 9, 2022
0.32	November 3, 2023	November 17, 2023	December 1, 2023
0.39	November 7, 2024	November 21, 2024	December 6, 2024

On November 8, 2011, the Board of Directors approved the current dividend policy of Globe Telecom to distribute cash dividend at the rate of 75% to 90% of prior year's core net income.

On August 6, 2013, the Board of Directors further approved the change in distribution from semi-annual dividend payments to quarterly dividend distributions. On December 10, 2013, the BOD approved to defer the implementation of the quarterly dividend payout to the third quarter of 2014.

On November 5, 2018, the Board of Directors likewise approved the proposed change in the dividend policy from 75% to 90% of prior year's core net income to 60% to 75% of prior year's core net income, to be applied starting 2019 dividend declaration.

On February 6, 2024, the BOD approved the proposed change in the dividend policy to 60% to 90% (from 60% to 75%) of prior year's core net income, to be applied starting 2024 dividend declaration.

The Board of Directors of Globe approved in separate approvals the declaration of the quarterly distributions of cash dividends of ₱25 per share, paid each last March 7, June 13, September 5 and December 6, 2024. Each cash dividend payment total to about ₱3.6 billion, bringing total distribution by end of December 2024 to ₱14.4 billion.

Also, on November 7, 2024, the Board of Directors of Globe approved the declaration of the cash dividend for holders of its voting preferred shares paid last December 6, 2024 to shareholders on record as of November 21, 2024. The amount of the cash dividend is based on the 2024 Benchmark rate of the 3-day average of the 5-year BVAL* (i.e. average of October 25, 28, 29, 2024) plus 2%. The aggregate dividend payment for the voting preferred shares is about ₱61.3 million.

Stock dividends, which come in the form of additional shares of stock, are subject to approval by both the Company's Board of Directors and the Company's stockholders. No stock dividends have been distributed since the 25% stock dividend back in 2002.

D. Recent Sale of Securities

On June 17, 2022, the board of directors of Globe approved the offer and issuance of common shares by way of stock rights to eligible shareholders of record, and the subsequent listing of said shares. The common shares for this offer were issued out of the increase in the Company's authorized capital stock, which was approved by Globe's board of directors and stockholders on April 25, 2022 and April 26, 2022, respectively.

On October 28, 2022, Globe formally listed 10,119,047 common shares newly issued to stockholders that participated in the Rights Offer (the "Offer") on the Philippine Stock Exchange. The common shares were sold in the Offer at ₱1,680.00 per share, raising gross proceeds of approximately ₱17.00 billion.

E. Corporate Governance

Corporate Governance Framework

Globe Telecom, Inc. (“Globe Telecom” or “the Company”) continues to recognize the importance of good governance in realizing its vision, carrying out its mission, and living out its values to create sustainable value for its shareholders and all its stakeholders. The impact of global conditions and challenges further underscores the need to uphold the Company’s high standards of CG to strengthen its structures and processes. The Board of Directors, together with management, fully understand that the CG proactive culture begins with the leaders of the Company. As strong advocates of fairness, accountability, stakeholder engagement, transparency and integrity in all aspects of the business, the Board of Directors, the Management, officers, and employees of the Company commit themselves to the principles and best practices of governance in the attainment of corporate goals aligned with the Company’s strategic direction.

Our Board of Directors is our highest governance body. It establishes our company’s vision, mission, and strategic direction, as well as monitors the implementation of the corporate strategy and the overall corporate performance of the company to ensure transparency, accountability, integrity and fairness, and to protect the long-term interests of our stakeholders. Eleven (11) board members are elected by our shareholders during our annual stockholders’ meeting (ASM) and hold office for the ensuing year until the next ASM. The President and Chief Executive Officer (CEO) is elected as the sole executive director, while the other members as non-executive directors (NEDs) who are not involved in the day-to-day management of business. Among the board members are four independent NEDs, one of whom is the lead independent director (ID). The IDs, as defined in the MCG, are independent of the Company, from Management and major/substantial shareholders and are free from any business or relationship that could materially interfere in their exercise of independent judgment in carrying out their responsibilities as directors. Appointments of the Board of Directors and key officers are determined at the organizational meeting held immediately after ASM.

The thrust for a CG proactive business culture emanates from the top. The Board, as part of its functions and responsibilities, leads, develops and reviews the Company’s strategic direction and business strategies regularly. The Board has committees, in accordance with the company By-Laws and the Manual of Corporate Governance (MCG), to support it in the performance of its functions and to aid in CG responsibilities. These committees also serve as venues to discuss matters in relation to the specific responsibilities of each committee. Currently, the Board has six committees namely the Executive Committee, Nomination and Governance Committee, Compensation and Remuneration Committee, Audit and Related Party Transactions Committee (ARC), Finance Committee and Board Risk Oversight and Sustainability Committee (BROSC).

Management is entrusted with implementation and close monitoring of Board-approved business strategies, and is likewise tasked to conduct the Company’s business with the highest CG standards and business conduct. Members of Management are invited to report to and consult with the Board about business strategies and operations on a regular basis through Board meetings and different Committee meetings throughout the year. During Committee meetings, directors are able to conduct more detailed discussions with Management.

Board Committee	Role
Executive Committee	Provides guidance to management in: (a) formulating the basic strategies for achieving targets set by the Board; (b) putting in place the infrastructure for control and operational risk management systems that assess risks on an integrated cross-functional approach, and review and assess the adequacy of Globe Telecom’s operational risk management process, specifically on strategic, technology, and operational risk, jointly with Management. This function shall include receiving from senior management periodic information on risk exposures and risk management activities; (c) considering and/or completing mergers, acquisitions and strategic investments; and (d) undertaking strategic projects and significant transformation initiatives that include corporate governance campaigns, regulatory compliance and sustainability programs.

Audit and Related Party Transactions	Provides assistance to the Board of Directors in fulfilling its oversight responsibility to the shareholders relating to: (a) the integrity of the financial statements and the disclosures, and financial reporting process and principles; (b) internal controls; (c) policies and processes on external/independent auditor's appointment, enhancing independence and audit quality, remuneration, and assessment of performance of the external auditors; (d) adequacy and effectiveness of the internal audit function; (e) compliance with legal, regulatory, and corporate governance requirements; and, (f) assessment, review, approval and disclosure of related party transactions (RPTs) according to Globe Telecom's RPT policy.
Compensation and Remuneration	Provides assistance to the Board of Directors in governance matters relating to compensation and benefits of directors, key officers, personnel and other employees of Globe Telecom.
Nomination and Governance	Provides assistance to the Board of Directors in relation to: (a) installing and maintaining a process to ensure that all directors to be nominated for election at the next regular ASM have the qualifications and none of the disqualifications for directors stated in Globe Telecom's By-Laws, MCG and relevant laws, rules and regulations; (b) selecting a mix of competent directors, each of whom can add value and create independent judgment as to the formulation of sound corporate strategies and policies; and, (c) previewing and evaluating the qualifications of all persons nominated to positions in Globe Telecom, which require appointment by the Board.
Finance	Oversees Globe Telecom's financial policy and strategy, including capital structure, dividend policy, acquisitions and divestments, treasury activities, tax strategy and compliance, retirement fund contributions, and financing proposals brought to the Board of Directors for approval.
Board Risk Oversight and Sustainability Committee (BROSC)	Provides assistance to the Board of Directors in relation to risk governance in Globe Telecom, which include, among others: (a) ensuring that there is an effective, efficient and integrated risk management (RM) process working in place; (b) enabling the identification, analysis, and assessment of key risk exposures, its impact to Globe Telecom's strategic and business objectives, as well as the formulation of an effective RM strategy. This includes exposures related to environmental, social, and governance (ESG) risks, as well as climate-related risks and opportunities; (c) cultivating a sound organizational structure with an effective enterprise RM (ERM) and sustainability framework working in place; (d) establishing clear definitions of risk-taking authority, ownership, accountability, and proper segregation of duties; and, (e) fostering a risk-aware culture that is pervasive throughout Globe, and ensuring transparency in reporting of key risks to relevant stakeholders.

The Board, in its decision-making function, is also encouraged to decide with integrity, accountability and on behalf of the good interest of the Company and all its stakeholders. The Company's Board diversity policy states that no director or candidate for director shall be discriminated upon by reason of gender, age, disability, ethnicity, nationality or political, religious, or cultural backgrounds.

Evaluation System to Measure Level of Compliance of the Board and Management

The Board values inputs and suggestions that feedback mechanisms provide to assist them as they reflect on their performance as individual directors and as a governing body. As such, our Board of Directors participates in an annual self-assessment exercise, through a self-assessment questionnaire, that covers a thorough evaluation criteria focused on the structure, efficiency and effectiveness of the Board, participation

and engagement of each member to their respective Committees, as well as the performance of Management and the Chairman of the Board, including the President and CEO²³. The criteria also reflects the specific duties, responsibilities, and accountabilities of each Board member assessed in line with Globe's By-Laws, MCG, Charters, and governing policies. For transparency and an additional layer of feedback mechanism for Globe shareholders, the questionnaire is also posted on our company website. The self-assessment exercise is facilitated by the Chief Compliance Officer. In accordance with our MCG and Charter of the Board, every three years, the assessment shall also be supported by an external facilitator selected for this purpose. Aon Hewitt Pte Ltd. was the external facilitator engaged by Globe in 2023 to support the self-assessment exercise for the Board of Directors covering their performance and service for the year 2022. An annual executive session also takes place dedicated to evaluating and discussing matters concerning the Board, including evaluating Globe's performance and an independent review of its Management team. There is likewise an annual strategy workshop held at the beginning of the year to discuss Globe's strategic direction for the entire year. The Board, together with the key officers, also actively attends training programs and seminars annually to keep abreast of updates in CG and relevant discussions to support their leadership roles in the Company. Attendance of the Board and the key officers to the CG training programs are disclosed to pertinent regulatory agencies through the Securities and Exchange Commission's (SEC) Integrated Annual CG Report and also made available on the company website.

In accordance with the MCG, part of the Board's responsibilities is to ensure that compliance with the Code of Conduct (CoC) and company policies are properly and efficiently implemented and monitored throughout the organization. The Chief Compliance Officer, among her other duties and responsibilities, also plays a significant role in ensuring awareness and observance of all provisions in the CoC, MCG, company policies, relevant Charters and applicable rules and regulations at the Board and Management levels. Together with the President and CEO, the Chief Compliance Officer issues an annual Certification of Compliance with the MCG. Meanwhile, the Company's Chief Human Resource Officer (CHRO) issues an annual Certification of Compliance with the CoC. The Office of the Chief Compliance Officer also drives the Company's CG initiatives and advocacy.

Corporate Governance Culture

Globe Telecom acknowledges that having CG integrated in business operations is a commitment to a corporate journey that the Company chooses to invest time and effort in. The principles of fairness, transparency, integrity, sustainability and accountability should also be experienced among employees. As such, collaborations of the Company's Compliance and Governance team, under the Corporate and Legal Services Group (CLSG) with the Internal Audit, Risk Management, Investor Relations, Sustainability and Corporate Communications groups are sustained. In addition to the published reports and other activities with stakeholders, these collaborations bear internal campaigns that further promote appreciation for CG and sustainability among Globe employees as well as an updated website for Globe's investors and stakeholders.

Through these kinds of activities, the Company is able to extend principles of CG, sustainability and a culture of care and engagement to its employees as well as to communities in need. Globe Telecom will sustain these initiatives to continue to empower our stakeholders.

Measures being Undertaken

The basic mechanisms for CG are principally contained in our Articles of Incorporation and By-Laws. These documents lay down, among others, the basic structure of governance, minimum qualifications of directors, and the principal duties of the Board and Officers of the Company. Our MCG, Charters, policies, and Code of Conduct (COC) and Ethics act as supplements. These legal documents outline the core of the Company's operational framework including the principal duties of the members of the Board with emphasis on the governance structure, composition and diversity in the Board, ensuring that duties and responsibilities are performed in a manner that safeguards the interest of the Company and protects its stakeholders amidst an increasingly competitive environment. Amendments to the By-Laws and AOI received SEC approval in February 2021 and October 2022, respectively.

The Company established its MCG in line and compliant with the regulations implemented by the SEC. Updates thereto are aligned with international CG best practices espoused in the ASEAN Corporate Governance Scorecard (ACGS), established by the ASEAN Capital Markets Forum (ACMF), which we have also adopted to continue to raise and monitor our CG standards and practices. The MCG covers the Board's

²³ Company website – Board Performance: <https://www.globe.com.ph/about-us/corporate-governance/board-of-directors/performance.html>.

governance responsibilities, communication and information within the Company and with the stakeholders, internal control system and risk management framework, cultivating a synergic relationship with shareholders, and duties to stakeholders, among others. The Globe Charter of the Board of Directors and different Board Committee Charters also undergo regular review and updates as necessary, to ensure these remain aligned with the CG standards and principles adopted by the Company. We revised our MCG in 2015 to comply with the SEC-mandated provisions that highlight the protection of stakeholders' interests, among other CG principles. Our MCG was further updated in 2017 to align with the provisions identified in SEC Memorandum Circular No. 19, Series of 2016 or the Code of Corporate Governance for Publicly-Listed Companies. In April 2024, the Board Risk Oversight Committee was renamed to Board Risk Oversight and Sustainability Committee, to align with its current practice - assessing risks and opportunities related not only to the business but also to sustainability. Our Charter of the Board of Directors and different Board Committee Charters were also reviewed and/or enhanced in accordance with our updated MCG, the ACGS, and the SEC Code of CG, among other guidelines, an example of which is the [BROSC Charter](#) and its update last July 2024, which explicitly designates the committee's role in overseeing all sustainability-related policies, strategies, and programs, ensuring that Globe effectively addresses related risks and opportunities while meeting stakeholder expectations. To date, there has not been any deviation from our MCG.

We are in full compliance with the SEC's Code of CG, all listing and disclosure rules of the PSE, and regulations issued by the SEC for which an annual Certificate of Compliance is issued and signed by our Compliance Officer and countersigned by our President and CEO.

We also restructured our company website to enhance investor-friendliness and the convenient access of information relevant to shareholders and our various stakeholders. Other than comprehensive information about our business, products and services, our website also contains disclosures and reports, CG scorecards and surveys, press releases and an archive thereof, as well as our corporate policies, charters and manuals, vision, mission, core values, investor relations program, sustainability, and corporate social responsibility activities, among others.

Further, the Annual Integrated Report we submit includes the Integrated Annual Corporate Governance Report (i-ACGR). It likewise contains a detailed and comprehensive approach to Globe's value creation process with a strategic amalgamation of financial and non-financial disclosures including discussion on our CG system and activities.

Corporate Governance Policies and Practices

Globe Telecom's Code of Conduct (CoC) is also made available through the company website. The CoC contains the Company's internal policies including policy on conflict of interest and whistleblower policy, policy on unethical, corrupt and other prohibited practices, dealings with employees, customers and suppliers. The CoC covers employees, Management and members of the Board. These standards, policies and practices are the key to the balance of control and governance at Globe Telecom. The Human Resources Group (HR) ensures the proper dissemination of the CoC and relevant policies to all employees through a dedicated internal HR channel.

Globe Telecom's whistleblower policy provides various channels, which include a hotline, the Globe Whistleblower Network Portal (GWeN)²⁴, an electronic mail (e-mail) address as well as a designated group, that allow employees, suppliers, and even third parties to report suspected violations by employees, officers and directors, and suppliers and partners of Company policies on improper activities, and other violations of the Company Code of Conduct or the Company's ethical standards. The Company aims to provide feedback within twenty-four (24) hours upon receipt of the e-mail. All reports, issues, concerns and/or grievances submitted to the Company will be treated with confidentiality to ensure the safety of the whistleblower and parties involved. The identity and source of the information are likewise protected to the extent required by law. The GWeN portal is managed by an independent institution, namely PricewaterhouseCoopers Consulting Services Philippines Co. Ltd.

These policies, together with the anti-corruption policy, policy on RPTs, insider trading policy, policy relating to health, safety, and welfare of employees, policy on data privacy and intellectual property rights, and other company policies are also on the company website for investors and other stakeholders to refer to at their convenience: <https://www.globe.com.ph/about-us/corporate-governance/company-policies>.

²⁴ Globe Whistleblower Network: <https://reportage.tips/GLOBE/>

Investor Relations, Disclosure and Transparency

The Company recognizes the importance of regular communication with its investors, and is committed to high standards of disclosure, transparency, and accountability through its Investor Relations (IR) program. Globe Telecom's IR Program is geared towards fulfilling the Company's commitment to a transparent disclosure regime and accessibility for all its stakeholders.

As a publicly listed company in the PSE, subjected to the rules and regulations of the Exchange, the SEC, PDEX (Philippine Dealing and Exchange Corp.) and other market regulators, the Company complies with reportorial requirements, rules and applicable laws as well as regulations of these relevant regulatory agencies. The Company continues to provide a fair, accurate, complete and meaningful assessment and presentation of its financial performance and prospects through various disclosures that include, but are not limited to, the annual report, quarterly financial reports, and analyst or investor presentations. Updates and reports dedicated to the Company's CG activities and policies are done through the SEC's Integrated Annual CG Report or the i-ACGR (formerly known as the Annual Corporate Governance Report or the ACGR). In addition, any material, market-sensitive information such as dividend declarations are also disclosed to the SEC and PSE and PDEX. All of which are released through various media channels including press releases and company website posting.

Globe's Integrated Report is prepared in accordance with the Integrated Reporting Framework, Global Reporting Initiative Standard Guidelines and the 2030 United Nations Sustainable Development Goals. The Integrated Report highlights the Company's shift to sustainable value creation, containing information about the Company's strategies, governance and performance in the context of its external environment and how these create value over the short, medium and long terms. The Report also aims to enhance appreciation among Globe's stakeholders of how the Company contributes to addressing the major challenges and key issues in today's society, linking Globe's sustainability performance to its business results. The Report also highlights the strategy of the Company in line with its market vision, anticipating a shift towards a more digital lifestyle for every Filipino.

In addition to the annual shareholders meeting (ASM), Globe extends various venues for its stakeholders to communicate effectively with the Company through the conduct of analysts' briefings, ad-hoc briefings, investor conferences, media briefings, one-on-one or small group meetings and dedicated investor days that are organized by the Company's IR Department and/or Corporate Communications Department or in partnership with its shareholders, broker or other partner institutions. Other than keeping the company website up-to-date, these venues provide another means for the Company to discuss its quarterly financial results, announcements, material disclosures and other relevant information with its stakeholders. The Company continued to streamline communication efforts and align with its stakeholders by maintaining various customer touch points. These include, but are not limited to, Globe e-mail, live chat, SMS, website, and social media channels (e.g., Facebook, Twitter, Instagram) to provide customers with real-time information and quicker responses to concerns. A conference call facility is set up during analysts' briefings and meetings to enable wider participation among shareholders and other stakeholders. The Company also participates in both local and international investor conferences, which host various shareholders and other stakeholders. Details and information on these conferences are published on the company website. The Company has sustained this convenient and accessible line of communication through its IR Program in the last financial year and will continue to enhance this in the succeeding years.

Company Website

Globe Telecom fully understands that the changes and progress in digital lifestyle include the fast-paced character of its customers, shareholders and different stakeholders. As such, the Company's website must also be an effective channel of information and a manifestation of the Company's CG advocacy. Among other information, the Company keeps its website up-to-date with corporate announcements, reports and disclosures that are accessible to all stakeholders.

The Company website has dedicated pages for CG (<https://www.globe.com.ph/about-us/corporate-governance>), Investor Relations (<https://www.globe.com.ph/about-us/investor-relations>) and Sustainability (<https://www.globe.com.ph/about-us/sustainability>), among other relevant pages to the business, and continues to improve the website to ensure user-friendliness and accessibility for all stakeholders.

The Company ensures that its company website is also aligned with the CG and disclosure standards in the ACGS, SEC i-ACGR and company internal policies. The company website contains comprehensive

information about Globe's business, products and services, disclosures and reports, CG scorecard and report, press releases and an archive thereof as well as the Company's corporate policies, charters and manuals, vision, mission, core values, investor relations program, sustainability and corporate social responsibility activities, among others. The Company ensures that all information included in the website is accurate and up-to-date.

Corporate Governance Awards and Recognition

As a result of its strong adherence to the pillars of corporate governance (CG), Globe Telecom's CG standards and practices continue to be acknowledged by domestic and international award giving bodies. Globe received Five Golden Arrows for the third consecutive year, from the Institute of Corporate Directors (ICD) at the 20243 awarding ceremony, solidifying its position as a top-performing publicly-listed company in the Philippines under the 20232 ASEAN Corporate Governance Scorecard (ACGS).

Globe received Environment, Social, and Governance (ESG) scores, ratings and recognition from other award-giving bodies for its sustainability strategies, governance, and programs. In 2024, Globe maintained its MSCI ESG Rating "AA" for the second consecutive year and the highest MSCI ESG Rating for Philippine telcos, while maintaining its Sustainalytics Medium Risk Rating and inclusion in the FTSE4Good Index Series. The 2024 Consumer Choice Awards Philippines: Mobile Network Survey by Standard Insights also recognized Globe as the Most Sustainable Brand.

The awards and recognition received by Globe Telecom are publicly accessible and reflected on the company website: <https://www.globe.com.ph/about-us/corporate-governance/awards.html>.

Plans to Improve Corporate Governance

As Globe continues to grow and diversify its products and services, the Company firmly believes that it should continue to create positive environmental and societal impact by upholding good corporate governance practices and globally recognized sustainability standards and frameworks.

Sustainability in Globe is its Purpose in action—"Uplift Filipino Lives Everyday".

Recognizing that collaboration is essential to achieve sustainable development, Globe actively engages with stakeholders to collectively work on addressing pressing issues. Hence, Globe became a signatory, now a Participant, to the United Nations Global Compact in 2019 committing to uphold the Ten Principles in the areas of human rights, labor, environment and anti-corruption. It also supports 10 out of the 17 UN Sustainable Development Goals, with particular focus on SDG 9 - Industry, Innovation and Infrastructure, and SDG 13 - Climate Action. The Company is also a Participant to the #RaceToZero campaign of United Nations Framework Convention on Climate Change (UNFCCC).

In 2024, Globe became the first publicly listed company in the Philippines to get the Science-Based Targets initiative's (SBTi) validation and approval of its near-term and net-zero science-based greenhouse gas (GHG) emission reduction targets. The Company aims for a 42% reduction in absolute Scopes 1 and 2 GHG emissions by 2030, based on a 2021 baseline, and a 25% reduction in absolute Scope 3 GHG emissions within the same period. For the long term, Globe aims to reduce absolute Scopes 1, 2, and 3 GHG emissions by 90% by 2050 from a 2021 baseline.

Globe's materiality study, which considers global and local trends, stakeholder concerns, and risks identified during the Annual Risk Refresh, is a guide in prioritizing the initiatives of the company. Material topics, alongside top key risks, serve as foundations in strategy development. This strategic approach ensures that sustainability is embedded in the business as demonstrated in how Globe innovates and enhances its products and services and how it interacts with their stakeholders.

Strategy development is guided by international sustainability frameworks and standards such as the UN Sustainable Development Goals, UN Global Compact, and GSMA ESG Metrics for Mobile. Globe engages with its stakeholders to drive collaboration towards the shared achievement of sustainable development goals.

To strengthen corporate governance, updated/new Environment, Social, and Governance (ESG)-linked policies have been released in 2022 and 2023:

- [Environmental Sustainability Policy](#)
- [Health and Safety Policy](#)

- [Business Continuity Management Policy](#)
- [Tax Policy Statement](#)
- [Responsible Management of Reorganization Policy Commitment](#)
- [Human Rights Policy Commitment](#)
- [Diversity, Equity, and Inclusion Policy Commitment](#)
- [Supplier Code of Ethics](#)
- [Sustainable Supply Chain Policy Commitment](#)

All company policies are accessible here: <https://www.globe.com.ph/about-us/corporate-governance/company-policies>



Globe Telecom, Inc.
The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City,
Taguig, Philippines 1634

 www.globe.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

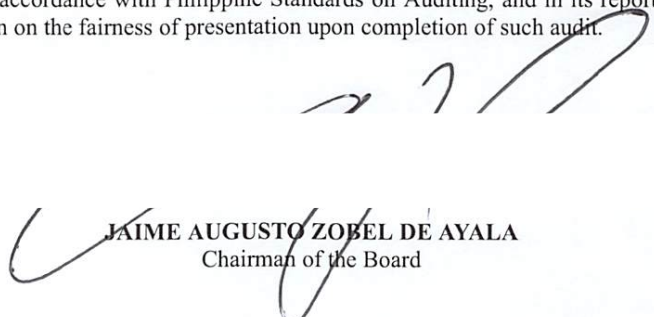
The management of Globe Telecom, Inc. and Subsidiaries ("Globe") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024, and 2023 and for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards, 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 Globe'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 Globe or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing Globe'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.

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of Globe 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.


JAIME AUGUSTO ZOBEL DE AYALA
Chairman of the Board

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

Name	Passport or ID No.	Date of Issue	Expiry Date
Jaime Augusto Zobel De Ayala			

Doc. No. ; 1423
Page No. ; 30
Book No. ; 16
Series of 2025


KRISTINE MARGARETE M. BERROYA
Notary Public for Taguig City



Globe Telecom, Inc.
The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City,
Taguig, Philippines 1634

 www.globe.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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The Board of Directors is responsible for overseeing Globe'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.

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of Globe 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.


ERNEST L. CU

President and Chief Executive Officer

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

Name	Passport or ID No.	Date of Issue	Expiry Date
Ernest L. Cu			

Doc. No. : 184
Page No. : 30
Book No. : II
Series of : 2025

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig
Appointment No. 138 (2024-2025)
Valid until December 31, 2025
PTR No. A-6128623/01-25-2024/Taguig
IBP O.R. No. 301152/01-02-2024/Pasig City
Roll of Attorneys No. 67554
28th Floor, The Globe Tower
32nd Street cor. 7 Avenue
Bonifacio Global City, Taguig



Globe Telecom, Inc.
The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City,
Taguig, Philippines 1634

 www.globe.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

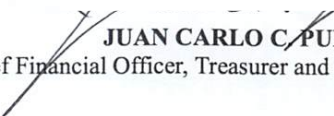
The management of Globe Telecom, Inc. and Subsidiaries ("Globe") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024, and 2023 and for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards, 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 Globe'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 Globe or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing Globe'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.

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of Globe 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.


JUAN CARLO C. PUNO
Chief Financial Officer, Treasurer and Chief Risk Officer

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

Name	Passport or ID No.	Date of Issue	Expiry Date
Juan Carlo C. Puno			

Doc. No. ; 111
Page No. ; 30
Book No. ; 11
Series of 2025

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig



Independent Auditor's Report

To the Board of Directors and Shareholders of
Globe Telecom, Inc.
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Globe Telecom, Inc. and its subsidiaries (together, the "Group") as at December 31, 2024 and 2023, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the consolidated financial statements, comprising material accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

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Independent Auditor's Report
To the Board of Directors and Shareholders of
Globe Telecom, Inc.
Page 2

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of material accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key Audit Matter

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.

Key audit matter identified in our audit is revenue recognition.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Refer to notes 2.13 and 32 to the consolidated financial statements. Revenue recognition has been identified as a key audit matter primarily due to the significant volume of transactions processed through various systems which heavily relies on automated processes and controls from account activation, recording of usage, billing and ultimate revenue recognition. In particular, the Group's revenue streams include a significant amount of postpaid service revenues which are billed under various cycles, hence, timing of revenue recognition requires significant audit attention.	We addressed the matter by understanding the Group's revenue recognition policies in accordance with PFRS 15, Revenue from Contracts with Customers, and the related business processes and information technology (IT) environment. We evaluated the design and tested the operating effectiveness of automated and manual controls surrounding revenue recognition. In particular, we tested controls from account activation to termination, provisioning, call data capture, charging, billing interface and revenue recording covering all assertions with respect to revenue. With the assistance of our IT specialists, we evaluated the design and tested the operating effectiveness of IT general controls over the relevant IT systems, including the interface controls between IT systems and applications.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Globe Telecom, Inc.
Page 3

Key audit matter	How our audit addressed the key audit matter
	In particular, to ensure that postpaid revenues are recognized in the proper period, we performed a combination of controls and substantive testing approach as follows: • We tested the design and operating effectiveness of key controls over charging, billing and recording of revenue transactions. • We tested the reliability of key system generated reports and reconciliations which serve as basis for recognizing postpaid revenue in the correct reporting period. • On a sampling basis, we performed substantive audit procedures over postpaid revenue recognized before and after the reporting period end to validate that the sampled subscriber transactions are recognized in the correct reporting period.

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 Integrated Report, 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 Integrated Report 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 these 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.

When we read the other information identified above which have not yet been received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Globe Telecom, Inc.
Page 4

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

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

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group 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 or to cease operations of the Group, 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 PSA 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 PSA, 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.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Globe Telecom, Inc.
Page 5

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Globe Telecom, Inc.
Page 6

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, actions taken to eliminate threats or safeguards applied.

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
Aldie P. Garcia.

Isla Lipana & Co.

A handwritten signature in black ink that reads "Aldie P. Garcia". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Aldie P. Garcia
Partner

CPA Cert. No. 107076

P.T.R. No. 0011459, issued on January 3, 2025, Makati City

TIN 923-763-007

BIR A.N. 08-000745-143-2025; issued on January 8, 2025; effective until January 7, 2028

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 6, 2025



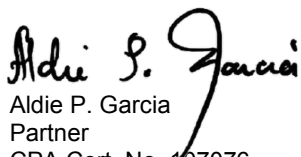
**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of
Globe Telecom, Inc.
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City

We have audited the consolidated financial statements of Globe Telecom, Inc. (the "Parent Company") and its subsidiaries (together the "Group") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, on which we have rendered the attached report dated February 6, 2025. The supplementary information shown in the Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration, Map of Relationships of the Companies within the Group, and Schedules A, B, C, D, E, F, and G, as additional components required by the Revised SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to auditing procedures applied in the audit of the basic consolidated financial statements.

In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.


Aldie P. Garcia
Partner

CPA Cert. No. 107076

P.T.R. No. 0011459, issued on January 3, 2025, Makati City

TIN 923-763-007

BIR A.N. 08-000745-143-2025; issued on January 8, 2025; effective until January 7, 2028

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Makati City
February 6, 2025

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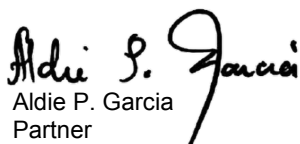


**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of
Globe Telecom, Inc.
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Globe Telecom, Inc. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 6, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

Isla Lipana & Co.


Aldie P. Garcia
Partner

CPA Cert. No. 107076

P.T.R. No. 0011459, issued on January 3, 2025, Makati City

TIN 923-763-007

BIR A.N. 08-000745-143-2025; issued on January 8, 2025; effective until January 7, 2028

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 6, 2025

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GLOBE TELECOM, INC. AND SUBSIDIARIES

Consolidated Financial Statements
December 31, 2024, 2023 and 2022





GLOBE TELECOM, INC. AND SUBSIDIARIES **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
ASSETS			
Current Assets			
Cash and cash equivalents	5	P21,353,659	P16,645,077
Trade receivables – net	6	19,660,468	18,097,898
Contract assets – net	7.1	5,442,961	6,223,595
Inventories and supplies – net	9	2,964,814	3,388,420
Derivative assets – current	8	177,153	516,718
Prepayments and other current assets	10.1	19,970,116	19,328,108
		69,569,171	64,199,816
Assets classified as held-for-sale	11, 13.1, 14.2	7,648,795	22,724,321
		77,217,966	86,924,137
Noncurrent Assets			
Property and equipment – net	11	352,115,098	334,408,653
Intangible assets and goodwill – net	12	20,130,902	23,373,106
Right of use assets – net	13.1	90,464,458	69,538,796
Investments in joint ventures	14	59,368,924	55,335,717
Derivative assets – net of current portion	8	5,041,998	4,200,246
Deferred income tax assets – net	28	1,971,459	2,279,979
Other noncurrent assets	10	27,325,318	35,567,551
		556,418,157	524,704,048
TOTAL ASSETS		P633,636,123	P611,628,185
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables and accrued expenses	15	P78,107,332	P87,664,258
Loans payable – current	17	26,349,796	36,792,956
Lease liabilities – current	13.2	8,175,643	5,899,426
Deferred revenues – current	7.2	6,049,750	7,154,714
Provisions	16	3,393,957	2,960,993
Income tax payable	28	902,334	1,605,015
Derivative liabilities – current	8	573,005	482,182
		123,551,817	142,559,544
Noncurrent Liabilities			
Loans payable – net of current portion	17	223,110,113	213,162,613
Lease liabilities – net of current portion	13.2	107,932,231	82,825,056
Deferred income tax liabilities – net	28	4,363,232	5,983,954
Pension liability	27.1	2,826,848	2,718,312
Deferred revenues – net of current portion	7.2	644,855	764,888
Other long-term liabilities	18	3,427,798	3,687,080
		342,305,077	309,141,903
Total Liabilities		465,856,894	451,701,447
Equity			
Capital Stock	20	9,011,592	9,004,030
Additional paid in capital		54,568,560	54,268,520
Cost of share-based compensation		871,722	802,701
Capital securities	20.3	29,977,639	29,977,639
Other reserves	20.8	(2,269,627)	(1,333,253)
Treasury shares	20.4	(10,000,000)	(10,000,000)
Retained earnings		85,588,481	77,149,257
Equity attributable to equity holders of the Parent		167,748,367	159,868,894
Non-controlling interest		30,862	57,844
Total Equity		167,779,229	159,926,738
TOTAL LIABILITIES AND EQUITY		P633,636,123	P611,628,185

See accompanying Notes to Consolidated Financial Statements.



Globe

GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME

		For the Years Ended December 31		
	Notes	2024	2023	2022
<i>(In Thousand Pesos, Except Per Share Figures)</i>				
REVENUES				
Service revenues		P165,016,289	P162,333,484	P157,979,335
Nonservice revenues		15,569,771	17,830,971	17,061,388
	32	180,586,060	180,164,455	175,040,723
INCOME				
Gain on sale of controlling interest on data center business	14.3	-	-	10,511,945
Equity share in net income of joint ventures	14	3,897,012	2,214,761	1,083,202
Gain on sale and leaseback of telecom towers - net	11	3,482,083	7,258,378	8,260,927
Interest income	21	918,338	677,570	340,109
Gain on disposal of property and equipment - net		206,500	371,655	321,354
Other income - net	22	1,734,944	959,898	2,474,814
		10,238,877	11,482,262	22,992,351
COSTS AND EXPENSES				
General, selling and administrative expenses	23	72,836,753	74,681,050	74,227,306
Depreciation and amortization	24	50,473,040	47,356,043	45,653,296
Cost of inventories sold	9	16,428,713	18,217,044	17,691,677
Financing costs	25	14,444,270	12,145,879	10,091,289
Interconnect costs	32, 33.1	1,619,788	1,367,052	1,362,309
Impairment and other losses	26	4,691,290	5,463,979	4,906,747
		160,493,854	159,231,047	153,932,624
INCOME BEFORE INCOME TAX		30,331,083	32,415,670	44,100,450
PROVISIONS (BENEFIT) FOR INCOME TAX				
Current		6,919,731	7,853,664	9,696,533
Deferred		(874,417)	(16,004)	(200,132)
	28	6,045,314	7,837,660	9,496,401
NET INCOME		24,285,769	24,578,010	34,604,049
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified into profit or loss in subsequent periods:				
Transactions on cash flow hedges - net		(870,457)	185,047	(1,379,590)
Exchange differences arising from translations of foreign investments		270,419	(22,443)	698,533
	20.8	(600,038)	162,604	(681,057)
Item that will not be reclassified into profit or loss in subsequent periods:				
Changes in fair value of financial assets at fair value through other comprehensive income		155,313	231,871	29,104
Remeasurement gain (loss) on defined benefit plan		(499,467)	(1,604,048)	2,740,701
	20.8	(344,154)	(1,372,177)	2,769,805
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		(944,192)	(1,209,573)	2,088,748
TOTAL COMPREHENSIVE INCOME		P23,341,577	P23,368,437	P36,692,797

(Forward)



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME

		For the Years Ended December 31		
	Notes	2024	2023	2022
<i>(In Thousand Pesos, Except Per Share Figures)</i>				
Total net income attributable to:				
Equity holders of the Parent		P24,304,433	P24,512,760	P34,563,011
Non-controlling interest		(18,664)	65,250	41,038
		24,285,769	24,578,010	34,604,049
Total other comprehensive income (loss) attributable to:				
Equity holders of the Parent	20.8	(936,374)	(1,216,947)	2,078,822
Non-controlling interest	20.8	(7,818)	7,374	9,926
		(944,192)	(1,209,573)	2,088,748
Total comprehensive income attributable to:				
Equity holders of the Parent		23,368,059	23,295,813	36,641,833
Non-controlling interest		(26,482)	72,624	50,964
		P23,341,577	P23,368,437	P36,692,797
Earnings Per Share				
Basic	29	P158.48	P160.45	P245.44
Diluted	29	P157.83	P159.74	P244.25
Cash dividends declared per common share	20.5	P100.00	P100.00	P106.00

See accompanying Notes to Consolidated Financial Statements.



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2024										
	Capital Stock	Additional Paid-in Capital	Cost of Share-Based Compensation	Capital Securities	Other Reserves	Retained Earnings	Treasury Shares	Total Equity Attributable to Parent	Non-controlling Interest	Total
	Notes (Note 20)	Capital	Compensation	(Note 20.3)	(Note 20.8)	Earnings	(Note 20.4)			
(In Thousand Pesos)										
As of January 1, 2024		₱9,004,030	₱54,268,520	₱802,701	₱29,977,639	(₱1,333,253)	₱77,149,257	(₱10,000,000)	₱159,868,894	₱57,844
Total comprehensive income for the year		-	-	-	-	(936,374)	24,304,433	-	23,368,059	(26,482)
Dividends on:	20.5	-	-	-	-	-	-	-	23,341,577	-
Common Stock		-	-	-	-	(14,434,240)	-	(14,434,240)	-	(14,434,240)
Preferred Stock - voting		-	-	-	-	(61,297)	-	(61,297)	-	(61,297)
Distributions on Capital Securities	20.3	-	-	-	-	(1,369,672)	-	(1,369,672)	-	(1,369,672)
Share-based compensation	27.3.1	-	-	376,623	-	-	-	376,623	-	376,623
Issue of shares under share-based compensation plan		7,562	300,040	(307,602)	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	(500)	(500)
As of December 31, 2024		₱9,011,592	₱54,568,560	₱871,722	₱29,977,639	(₱2,269,627)	₱85,588,481	(₱10,000,000)	₱167,748,367	₱30,862
									₱167,779,229	

(Forward)



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For the Year Ended December 31, 2023									
	Capital Stock Notes (Note 20)	Additional Paid-in Capital	Cost of Share-Based Compensation	Capital Securities (Note 20.3)	Other Reserves (Note 20.8)	Retained Earnings	Treasury Shares (Note 20.4)	Total Equity Attributable to Parent	Non- controlling Interest	Total
As of January 1, 2023	₱8,995,602	₱53,944,871	₱848,890	₱29,977,639	(₱116,306)	₱68,539,651	(₱10,000,000)	₱152,190,347	₱342,523	₱152,532,870
Total comprehensive income for the year	-	-	-	-	(1,216,947)	24,512,760	-	23,295,813	72,624	23,368,437
Dividends on:	20.5	-	-	-	-	(14,418,658)	-	(14,418,658)	-	(14,418,658)
Common Stock	-	-	-	-	-	(50,027)	-	(50,027)	-	(50,027)
Preferred Stock - voting	-	-	-	-	-	(1,330,619)	-	(1,330,619)	-	(1,330,619)
Distributions on Capital Securities	20.3	-	-	-	-	-	-	-	-	-
Share-based compensation	27.3.1	-	285,888	-	-	-	-	285,888	-	285,888
Issue of shares under share-based compensation plan	-	8,428	323,649	(332,077)	-	-	-	-	-	-
Non-controlling interest adjustment arising from subsidiary classified as assets held-for-sale	14.2	-	-	-	-	-	-	-	(357,303)	(357,303)
Others	-	-	-	-	-	(103,850)	-	(103,850)	-	(103,850)
As of December 31, 2023	₱9,004,030	₱54,268,520	₱802,701	₱29,977,639	(₱1,333,253)	₱77,149,257	(₱10,000,000)	₱159,868,894	₱57,844	₱159,926,738

(Forward)



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Notes	For the Year Ended December 31, 2022									
		Capital Stock (Note 20)	Additional Paid-in Capital	Cost of Share-Based Compensation	Capital Securities (Note 20.3)	Other Reserves (Note 20.8)	Retained Earnings	Treasury Shares (Note 20.4)	Total Equity Attributable to Parent	Non-controlling Interest	Total
As of January 1, 2022		₱8,473,535	₱37,226,626	₱843,826	₱29,977,845	(₱2,195,128)	₱49,775,474	(₱10,000,000)	₱114,102,178	₱293,688	₱114,395,866
Total comprehensive income for the year		-	-	-	-	2,078,822	34,563,011	-	36,641,833	50,964	36,692,797
Dividends on:	20.5	-	-	-	-	-	(14,442,073)	-	(14,442,073)	-	(14,442,073)
Common Stock		-	-	-	-	-	(50,027)	-	(50,027)	-	(50,027)
Preferred Stock - voting		-	-	-	-	-	(1,306,734)	-	(1,306,734)	-	(1,306,734)
Distributions on Capital Securities	20.3	-	-	-	-	-	-	-	-	-	-
Share-based compensation	27.3.1	-	-	440,894	-	-	-	-	440,894	-	440,894
Issue of shares under share-based compensation plan		16,115	419,715	(435,830)	-	-	-	-	-	-	-
Issuance cost of capital securities		-	-	-	(206)	-	-	-	(206)	-	(206)
Issuance of shares by way of stock rights		505,952	16,298,530	-	-	-	-	-	16,804,482	-	16,804,482
Non-controlling interest adjustment arising from increase in ownership share	20.2	-	-	-	-	-	-	-	-	(2,129)	(2,129)
As of December 31, 2022		₱8,995,602	₱53,944,871	₱848,890	₱29,977,639	(₱116,306)	₱68,539,651	(₱10,000,000)	₱152,190,347	₱342,523	₱152,532,870

(Forward)

CREATE. WONDERFUL.



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the Years Ended December 31		
	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱30,331,083	₱32,415,670	₱44,100,450
Adjustments for:				
Depreciation and amortization	24	50,473,040	47,356,043	45,653,296
Impairment and other losses	26	4,691,290	5,463,979	4,906,747
Financing cost	25	14,444,270	12,145,879	10,091,289
Equity share in net (income) in joint ventures	14	(3,897,012)	(2,214,761)	(1,083,202)
Gain on sale of controlling interest on data center business	14.3	-	-	(10,511,945)
Foreign exchange losses (gains) – net	22	2,431,889	(1,042,052)	5,343,019
(Gain) Loss on derivative instruments	22	(2,957,406)	740,686	(5,797,800)
Pension expense	27	930,637	842,239	1,089,723
Share-based compensation	27	376,623	285,888	440,894
Interest income	21	(918,338)	(677,570)	(340,109)
Gain on settlement and remeasurement of ARO	18, 22	-	-	(2,629)
Gain on sale and leaseback of telecom towers - net	11	(3,482,083)	(7,258,378)	(8,260,927)
Gain on disposal of property and equipment		(206,500)	(371,655)	(321,354)
Gain on sale of investments	14, 22	-	(76,669)	(101,655)
Operating income before working capital changes		92,217,493	87,609,299	85,205,797
Changes in operating assets and liabilities:				
Decrease (Increase) in:				
Trade receivables – net		(2,292,557)	(2,036,751)	(10,142,232)
Inventories and supplies		267,560	89,047	(82,149)
Contract assets		113,163	(279,226)	(616,657)
Prepayments and other current assets		440,718	(1,021,630)	(5,013,014)
Other noncurrent assets		1,499,941	547,578	(288,404)
Increase (Decrease) in:				
Trade payables and accrued expenses		(720,722)	382,459	3,156,758
Deferred revenues		(1,224,997)	47,019	(611,873)
Other long-term liabilities		(1,613,598)	(2,397,643)	(990,006)
Cash generated from operations		88,687,001	82,940,152	70,618,220
Income taxes paid		(3,905,160)	(2,493,272)	(5,463,218)
Net cash flows from operating activities		84,781,841	80,446,880	65,155,002
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property and equipment	11	(55,960,088)	(70,534,793)	(97,983,036)
Investment properties		-	-	(5,622,764)
Investment in joint ventures	14	(270,150)	(749,390)	(585,530)
Intangible assets	12	(233,565)	(92,878)	(3,383,869)
Release of loans receivable to related parties	10	-	(636,000)	(681,000)
Proceeds from sale and leaseback of telecom towers - net	11	27,821,162	24,858,693	29,940,218
Collections of loans receivable from related parties	10	101,000	-	408,000
Cash from subsidiary classified as assets held-for-sale	14.2	-	(2,457,220)	-
Interest received		857,470	660,328	311,379
Dividends received	14	598,500	-	-
Proceeds from sale of property and equipment		1,068,740	747,121	750,716
Net cash received from sale of data center business	14.3	-	-	5,030,000
Proceeds from sale of investments		-	-	175,725
Cash used in investing activities		(26,016,931)	(48,204,139)	(71,640,161)
Income taxes paid		(4,728,481)	(6,274,463)	(2,211,098)
Net cashflows used in investing activities		(30,745,412)	(54,478,602)	(73,851,259)

(Forward)



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the Years Ended December 31			
	Notes	2024	2023	2022	
(In Thousand Pesos)					
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings:					
Long-term	17	₱27,000,000	₱45,000,000	₱8,000,000	
Short-term	17	23,310,000	63,250,000	82,020,167	
Repayments of borrowings:					
Long-term	17	(18,396,869)	(20,214,691)	(15,934,168)	
Short-term	17	(34,572,500)	(70,905,167)	(56,175,000)	
Payments of dividends to stockholders:					
Common	20.5	(14,434,240)	(14,418,658)	(14,442,073)	
Preferred		(61,297)	(50,027)	(50,027)	
Distributions to holders of capital securities	20.3	(1,369,672)	(1,330,619)	(1,306,734)	
Issuance of shares by way of stock rights	20.2	-	-	16,804,482	
Payments of lease liabilities	13.2	(17,035,519)	(15,841,394)	(6,878,960)	
Interest paid		(13,901,534)	(13,048,218)	(9,834,409)	
Net cash from (used in) financing activities		(49,461,631)	(27,558,774)	2,203,278	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		4,574,798	(1,590,496)	(6,492,979)	
NET FOREIGN EXCHANGE DIFFERENCE ON CASH AND CASH EQUIVALENTS		133,784	201,788	287,569	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		16,645,077	18,033,785	24,239,195	
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		5	₱21,353,659	₱16,645,077	₱18,033,785

See accompanying Notes to Consolidated Financial Statements.



GLOBE TELECOM, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

1.1 Globe Telecom, Inc.

Globe Telecom, Inc. (hereafter referred to as "Globe Telecom" or the "Parent Company") is a stock corporation organized under the laws of the Philippines on January 16, 1935, and enfranchised under Republic Act (RA) No. 7229 and its related laws to render any and all types of domestic and international telecommunications services. Globe Telecom is one of the leading providers of digital wireless communications services in the Philippines under the Globe Postpaid and Prepaid, and Touch Mobile (TM). Globe provides digital mobile communication and internet-on-the-go services nationwide using a fully digital network based on the Global System for Mobile Communication (GSM), 3G, HSPA+, 4G, LTE and 5G technologies. It provides voice, SMS, data and value-added services to its mobile subscribers. It also offers domestic and international long distance communication services or carrier services. Globe Telecom's head office is located at The Globe Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig, Metropolitan Manila, Philippines. Globe Telecom is listed in the Philippine Stock Exchange (PSE) and has been included in the PSE composite index since September 17, 2001. Major stockholders of Globe Telecom include Ayala Corporation (AC), Singapore Telecom International Pte Ltd. (Singtel) and Asiacom Philippines, Inc. None of these companies exercise control over Globe Telecom.

1.2 Innove Communications, Inc. (Innove)

Globe Telecom owns 100% of Innove, a stock corporation organized under the laws of the Philippines and enfranchised under RA No. 11151 and its related laws to render any and all types of domestic and international telecommunications services. Innove holds a license to provide digital wireless communication services in the Philippines. Innove also has a license to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services.

On November 2, 2015, Innove and Techzone Philippines incorporated TechGlobal Data Center, Inc. (TechGlobal), a joint venture company formed for the purpose of operating and managing all kinds of data centers, and providing information technology-enabled, knowledge-based and computer-enabled support services. Innove and Techzone hold ownership interest of 49% and 51%, respectively. TechGlobal started commercial operations in August 2017.

1.3 GTI Business Holdings, Inc. (GTI) and Subsidiaries

Globe Telecom owns 100% of GTI. GTI was incorporated and registered under the laws of the Philippines, on November 25, 2008, as a holding company.



1.4 GTI Corporation (GTIC)

In July 2009, GTI incorporated a wholly owned subsidiary, GTIC, a company organized under the General Corporation Law of the United States of America, State of Delaware as a wireless and data communication services provider.

1.5 Globe Telecom HK Limited (GTHK)

In December 2011, GTI incorporated a wholly owned subsidiary, GTHK, a limited company organized under the Companies Ordinance of Hong Kong as a marketing and distribution company.

On March 17, 2015, GTHK applied for a services-based operator license (SBO) with the Office of the Communications Authority in Hong Kong (OFCA) which was subsequently approved on May 7, 2015.

As of June 1, 2020, the SBO was cancelled and surrendered to the OFCA and GTHK has been winding down its operations. GTHK was previously engaged in the marketing and selling of telecommunication products and services in the international market, except the United States of America and the Philippines, under a distributor arrangement.

On March 27, 2024, the sole director resolved and signed a written resolution with the purpose of placing GTHK into liquidation. As of the reporting date, the completion of the regulatory requirements on the liquidation of GTHK is still in process.

1.6 Globetel European Limited (GTEU)

On May 10, 2013, GTI incorporated a wholly owned subsidiary, GTEU as holding company for the operating companies of Globe located in the United Kingdom, Spain and Italy.

1.7 Globetel Singapore Pte. Ltd. (GTSG)

On November 12, 2014, GTI incorporated GTSG, a wholly owned subsidiary, for the purpose of offering full range of international data services in Singapore under a facilities-based operations license (FBO) with Infocomm Media and Development Authority (IMDA) in Singapore which was granted on January 7, 2015.

CaelumPacific Corp.(CaelumPacific) and Subsidiaries

On July 30, 2020, GTI incorporated CaelumPacific, a wholly owned subsidiary organized under the laws of the Philippines for the purpose of providing technical consulting and IT related services.

On July 31, 2020, Caelum US Holdings Inc. (Caelum US), a wholly owned subsidiary of CaelumPacific, was incorporated under the laws of the state of Delaware as holding company.

On August 3, 2020, Caelum Northwest Corp. (Caelum Northwest), a wholly owned subsidiary of Caelum US, was incorporated under the laws of the state of Washington for the purpose of customized cloud software development and providing cloud consulting services.

On November 3, 2020, the definitive agreements between Caelum Group and Cascadeo have been signed and executed following the completion of all relevant conditions relating to the sale of assets of Cascadeo in the Philippines and the US. Cascadeo is a group of companies in the Philippines and US which offers cloud-native consulting and managed services capabilities for enterprises and small and medium business customers. . The asset purchase agreement entered into by Caelum Group and Cascadeo entities also mandated a holding company established by the sellers to invest in 16.67% of CaelumPacific's capital, effectively reducing GTI's ownership to 83.33%.

On May 30, 2021, the Board of Directors approved GTI's additional capital infusion amounting to \$500,000, effectively increasing GTI's ownership to 85%.



On February 11, 2022, the Board of Directors approved GTI's additional capital infusion amounting to \$2.00 million, which further increased GTI's ownership to 88%.

On December 15, 2022, the ownership of CaelumPacific and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom.

On March 7, 2024, the sole director of Caelum Northwest approved the dissolution of the Company. Subsequently, on July 29, 2024, the Department of Revenue State of Washington issued a revenue clearance certificate, allowing Caelum Northwest to proceed with its dissolution. As of November 7, 2024, regulatory requirements for the dissolution of Caelum Northwest is still subject to completion.

On October 28, 2024, the ownership of CaelumPacific and Subsidiaries was transferred from Yondu, Inc. to GTI, a wholly-owned subsidiary of Globe Telecom.

1.8 Kickstart Ventures, Inc. (Kickstart) and Subsidiaries

On March 28, 2012, Globe Telecom incorporated Kickstart, a stock corporation organized under the laws of the Philippines and formed primarily for the purpose of investing in individual, corporate, or start-up businesses, and to do research, technology development and commercializing of new business ventures.

In February 2014, Kickstart acquired 40% equity interest in Flipside Publishing Services, Inc. (FPSI). Since Kickstart was able to demonstrate control over FPSI despite having less than 50% ownership interest, FPSI was assessed to be a subsidiary of Kickstart and is included in the consolidation of Globe. FPSI is engaged in acquiring publishing rights to produce, publish, market, and sell printed and electronic books (e-books) and other electronic documents and content for international and domestic sales. FPSI ceased operations in July 2016. FPSI remains a dormant company as of reporting date.

In February 2020, Kickstart registered three Cayman Islands exempted companies with limited liabilities, namely (1) Kickstart Capital Co. Ltd. (KCCL), a wholly owned subsidiary of Kickstart; (2) AG Active Associated I, Limited (AAAL), a wholly owned subsidiary of KCCL; and, (3) Kickstart Ventures Co. Ltd. (KVCL), a 65% owned subsidiary of KCCL. These entities were formed as a platform for the management of third party venture capital investment funds.

On December 15, 2023, KCCL incorporated its wholly-owned subsidiary, Kickstart Holdings Company, Ltd., (KHCL) for future offshore venture capital investments.

1.9 Asticom Holding Co. Inc. (Asticom, formerly known as Asticom Technology, Inc.) and Subsidiaries

On June 3, 2014, Globe Telecom acquired 100% of Asticom, a corporation primarily engaged in providing business process and shared service support, as well as IT system integration and consultancy services.

On August 20, 2020, Asticom incorporated its wholly owned subsidiary, Asti Business Services, Inc. (ABSI). ABSI was incorporated to leverage Asticom's business growth, particularly its full-BPO services offering.

On January 26, 2021, Asticom incorporated its wholly owned subsidiary, Fiber Infrastructure and Network Services Inc. (FINSI). FINSI was incorporated to provide end-to-end services and industry-specific solutions to telecommunications and telecommunications-related companies. On March 2021, FINSI started its commercial operation.



On April 12, 2021, Asticom incorporated its wholly owned subsidiary, BRAD Warehouse and Logistics Services Inc. (BRAD). BRAD was incorporated to engage in the business of transporting, shipping, receiving, storing and managing products and services using technology platforms for third-party providers.

On November 29, 2021, ABSI acquired 100% of HCX Technology Partners, Inc., a full-fledged systems integration company offering human capital, customer relationship management and digital solutions to its clients.

On July 27, 2022, Asticom incorporated its wholly owned subsidiary, Acquiros Solutions and Tech Inc. (ACQR) to provide manpower services for support and shared services of administrative functions, information technology including consultancy services for offshore development services and other related services.

On June 14, 2024, SEC approved the amendment of Asticom's article of incorporation which effectively changes its corporate name to Asticom Holding Co. Inc., as well as its primary purpose as an investing and holding company.

1.10 Globe Capital Venture Holdings Inc. (GCVHI) and Subsidiaries

On June 29, 2015, Globe Telecom incorporated its wholly owned subsidiary, GCVHI as an investing and holding company primarily engaged in purchasing, subscribing, owning, holding, assigning real and personal property, shares of stock and other securities. In August 2019, GCVHI was rebranded to "917 Ventures" to house Globe Telecom's non-telco incubated products.

On October 13, 2015, GCVHI incorporated its wholly owned subsidiary Adspark Holdings, Inc. (AHI), a holding company established for the acquisition of additional investment in Globe Telecom's non-core business. AHI holds 100% of Adspark Inc. (AI), an advertising company. AI holds 100% of Socialytics Inc. (Socialytics), a social media marketing firm. On September 1, 2021, AHI acquired 100% of Techgroowers, Inc., a company engaged in data- and software-related services through the utilization of telecommunications facilities. On March 22, 2022, the SEC approved the amendment of Techgroowers' articles of incorporation which effectively changes its corporate name to M360, Inc., as well as its primary purpose which is to engage in the business of application-to-person (A2P) messaging.

On February 4, 2020, GCVHI incorporated 917Ventures, Inc. as a holding company for GCVHI's business incubators.

On December 1, 2022, AHI acquired 49% and 51% of outstanding shares of Inquiro from 917Ventures, Inc. and Jerusalem Ventures Holdings Inc. (JVHI), respectively. The acquisition increased Globe's ownership interest from 49% to 100% and was accounted for as an acquisition of a subsidiary. Inquiro was incorporated to provide data management and other data-related services, through the utilization of telecommunication facilities.

On February 14, 2023, the SEC approved the amendment of AHI's articles of incorporation which effectively change its corporate name to Brave Connective Holdings, Inc. (BCHI).

On June 5, 2023, 917Ventures, Inc. incorporated its wholly owned subsidiary Slyce Digital, Inc. to engage in the business of developing, marketing, advertising, managing, and operating technology platforms.



1.11 Bayan Telecommunications Inc. (BTI) and Subsidiaries

Globe owns 99% of BTI, a stock corporation organized under the laws of the Philippines and enfranchised under RA No. 11503 and its related laws to render domestic and international telecommunications services. BTI is a facilities-based provider of data services and fixed-line telecommunications.

BTI's subsidiaries are: Radio Communications of the Philippines, Inc. (RCPI), Telecoms Infrastructure Corp. of the Philippines (Telicphil), Sky Internet, Incorporated (Sky Internet), GlobeTel Japan (formerly BTI Global Communications Japan, Inc.), and NDTN Land, Inc. (NLI), (herein collectively referred to as "BTI Group").

1.12 TaoDharma Inc. (Tao)

Globe Telecom owns 67% of Tao, an entity incorporated and registered under the laws of the Philippines. Tao operates and maintains retail stores in strategic locations within the Philippines that sells telecommunications or internet-related services, and devices, gadgets and accessories.

1.13 GTowers Inc (GTowers)

On August 17, 2018, GTowers was incorporated as a wholly owned subsidiary of Globe Telecom. GTowers is still under pre-operating stage as of reporting date.

1.14 Yondu, Inc. and Subsidiaries

Globe Telecom owns 100% of Yondu an entity engaged in the development and creation of wireless products and services accessible through mobile devices or other forms of communication devices. It also provides internet and mobile value-added services, information technology and technical services including software development and related services. Yondu is registered with the Department of Transportation and Communication (DOTC) as a content provider.

Yondu holds 100% of Rocket Search, Inc. (formerly Yondu Software Labs, Inc.), a company primarily engaged in providing information technology (IT) products and services and engaged in IT placement services.

On December 15, 2022, Yondu acquired the ownership of Third Pillar Business Applications, Inc. (TPBAI) and Subsidiaries and CaelumPacific and Subsidiaries from GTI, a wholly-owned subsidiary of Globe Telecom.

On October 28, 2024, Yondu sold its ownership of CaelumPacific and Subsidiaries to GTI, a wholly-owned subsidiary of Globe Telecom.



Third Pillar Business Applications, Inc. (TPBAI)

On August 17, 2020, GTI entered into a Share Purchase Agreement for the acquisition of 67% of TPBAI. TPBAI, a corporation organized under the laws of the Philippines, is engaged in systems integration, license reselling, and data management services.

Third Pillar Global Delivery Center Inc. (TPGDC) is a wholly owned subsidiary of TPBAI that is engaged in software implementation and maintenance services and the outsourcing arm of TPBAI.

On January 1, 2022, TPBAI incorporated Third Pillar Asia Pacific Pte. Ltd. (TPAPPL), a wholly owned subsidiary organized under the laws of Singapore, as part of TPBAI's expansion to Asia Pacific.

On December 15, 2022, the ownership of TPBAI and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom.

On July 8, 2024, the Board of Directors approved Yondu's additional capital infusion amounting to ₱20.00 million, which further increased Yondu's ownership to 85%.

1.15 Electronic Commerce Payments, Inc. (ECPay)

On October 25, 2019, Globe Telecom acquired 77% ownership of ECPay. ECPay is primarily engaged in the business of providing IT and e-commerce solutions, including, but not limited to, prepaid phone and internet products, bills payments and others.

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Globe Fintech Innovations, Inc. (Mynt) for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million. The closing of the transaction and actual transfer of ownership is still subject to the Philippine Competition Commission (PCC) approval. On September 29, 2023, Globe Telecom ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained Globe's exposures and rights to variable returns. At the date of deconsolidation, the fair value of the Globe's interest in ECPay amounting to ₱2,310.00 million has been reclassified to Assets held-for-sale under the current assets section in Globe's consolidated statement of financial position. Accordingly, resulting gain was recognized in the consolidated statements of comprehensive income amounting to ₱76.67 million in 2023. (See [Note 14.2](#))



2 Summary of Material Accounting Policies

2.1 *Basis of Preparation and Presentation*

The consolidated financial statements of Globe Telecom, Inc. and its subsidiaries, collectively referred to as "Globe", have been prepared under the historical cost convention method, except for:

- certain financial instruments carried at fair value;
- certain financial instruments and lease liabilities carried at amortized cost;
- inventories carried at net realizable value;
- investments in joint ventures in which equity method of accounting is applied; and
- retirement benefit obligation measured at the present value of the defined benefit obligation net of the fair value of the plan assets.

The classification of accounts are consistent across all periods, except for certain accounts in prior years that were reclassified to align with the current year's presentation. For material reclassifications, additional disclosures are provided to describe the nature and impact of the reclassifications in all the periods affected.

The consolidated financial statements of Globe are presented in Philippine Peso (₱), which is Globe Telecom's functional currency, and rounded to the nearest thousands, except when otherwise indicated.

On February 6, 2025, the BOD approved and authorized the release of the consolidated financial statements of Globe Telecom, Inc. and its subsidiaries as of December 31, 2024 and 2023 and each of the three years in the period ended December 31, 2024.

2.2 *Statement of Compliance*

The consolidated financial statements of Globe have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, which comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

2.3 Composition of the Group

The accompanying consolidated financial statements include the accounts of Globe Telecom and the following subsidiaries:

Name of Subsidiary	Place of Incorporation ⁷	Principal Activity	Parent Company's Percentage of Ownership	
			2024	2023
Innove	Philippines	Wireline voice and data communication services	100%	100%
GTI	Philippines	Holding company	100%	100%
GTIC	United States	Wireless and data communication services	100%	100%
GTHK	Hong Kong	Marketing and distribution company	100%	100%
GTSB	Singapore	Wireless and data communication services	100%	100%
GTEU	United Kingdom	Holding company	100%	100%
Caelum Pacific ⁴	Philippines	Technical and IT consulting services	88%	-
Caelum US ⁴	United States	Holding company	100%	-
Caelum Northwest ^{1, 4}	United States	Cloud software development and consulting services	100%	-
Globe STT GDC ⁸	Philippines	Data center management	50%	50%
KVI	Philippines	Venture capital company	100%	100%
FPSI ¹	Philippines	E-book solutions	40%	40%
KCCL	Cayman Islands	Management of capital investment funds	100%	100%
KVCL	Cayman Islands	Management of capital investment funds	65%	65%
KHCL ⁶	Cayman Islands	Management of capital investment funds	100%	-
AAAL	Cayman Islands	Management of capital investment funds	100%	100%
Asticom	Philippines	Support and shared services provider	100%	100%
ABSI	Philippines	Support and shared services provider	100%	100%
HCX	Philippines	Human capital management services	100%	100%
FINSI	Philippines	Support and industry specific solutions	100%	100%
BRAD	Philippines	Warehouse and logistics	100%	100%
ACQR	Philippines	Support and shared services provider	100%	100%
GCVHI	Philippines	Holding Company	100%	100%
917V	Philippines	Venture capital company	100%	100%
Slyce ²	Philippines	Management of technology platforms	100%	100%
BCHI ⁵	Philippines	Holding company	100%	100%
AI	Philippines	Advertising company	100%	100%
Socialytics	Philippines	Advertising company	100%	100%
M360	Philippines	A2P messaging	100%	100%
Inquiro	Philippines	Data management services	100%	100%
BTI	Philippines	Wireline voice and data communication services	99%	99%
RCPI	Philippines	Wireline communication services	91%	91%
Telicphil ¹	Philippines	Telco equipment administration and maintenance	58%	58%
Sky Internet	Philippines	Data communication services	100%	100%
GlobeTel Japan	Japan	Wireless and data communication services	100%	100%
NLI	Philippines	Land holding company	70%	70%
Tao	Philippines	Distribution company	67%	67%
GTowers Inc.	Philippines	Tower company	100%	100%
Yondu	Philippines	Information technology and software development	100%	100%
Rocket Search	Philippines	Information technology and software development	100%	100%
TPBAI	Philippines	Data management services	85%	67%
TPGDC	Philippines	Support and shared services provider	100%	100%
TPAPPL	Singapore	Data management services	100%	100%
Caelum Pacific ⁴	Philippines	Technical consulting and IT related services	-	88%
Caelum US ⁴	United States	Holding Company	-	100%
Caelum Northwest ^{1, 4}	United States	Cloud software development and consulting services	-	100%
EC Pay ³	Philippines	Information technology and electronic services	77%	77%

¹Ceased operations

²Incorporated in 2023

³Included under Assets classified as held for sale in 2024 and 2023

⁴Transferred to GTI in 2024

⁵Formerly under AHI in 2023

⁶Incorporated in 2024

⁷Same with principal place of business

⁸Deconsolidated in 2022

2.4 Business Combination and Goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by Globe, liabilities incurred by Globe to the former owners of the acquiree and the equity interest issued by Globe in exchange for control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with PAS 12, Income Taxes and PAS 19, Employee Benefits, respectively;
- liabilities and equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangement of Globe entered into to replace share-based payment arrangements of the acquiree are measured in accordance with PFRS 2, Share-based Payment, at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with PFRS 5, Non-current assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair value amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated profit or loss as bargain purchase gain.

Goodwill is not amortized but is reviewed for impairment at least annually. For purposes of impairment testing, goodwill is allocated to each of Globe's cash-generating units (CGU) that are expected to benefit from the synergies of the combination. In certain circumstances where it is not possible to complete the initial allocation of the goodwill to a CGU or group of CGUs for impairment purposes before the end of the annual period in which the combination is effected, the goodwill (or part of it) is left unallocated for that period. Goodwill must then be allocated before the end of the first annual period beginning after the acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another PFRS.



When the consideration transferred by Globe in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the changes in fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with PFRS 9, Financial Instruments, or PAS 37, Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, Globe's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amount arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Globe reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

2.4.1 Consolidation procedures

The assets, liabilities, income and expense of subsidiaries are consolidated from the date on which control is transferred to the Parent Company and ceases to be consolidated from the date on which control is transferred out of the Parent Company.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company as well as accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with Globe's accounting policies.

All significant intercompany balances and transactions, including intercompany profits and losses, were eliminated in full during consolidation.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Globe's foreign operations are translated into Philippine Peso using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising from the translation, if any, are recognized in other comprehensive income and accumulated in other equity reserves.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity reserves in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2.4.2 Determination of control

The Parent Company controls an investee if and only if the Parent Company has:

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

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company 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;
- rights arising from other contractual arrangements; and
- the Parent Company's voting rights and potential voting rights.

Globe re-assesses 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.

2.4.3 Changes in ownership without loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of Globe's interests and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company.

2.4.4 Changes in ownership with loss of control

If Globe loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.5 Financial Instruments

2.5.1 Initial Recognition

Financial instruments are recognized in Globe's consolidated statements of financial position when Globe becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that Globe commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value. Transaction costs are included in the initial measurement of Globe's financial instruments, except for financial instruments classified at fair value through profit or loss (FVPL).

2.5.2 Classification and Subsequent Measurement of Financial Assets

Globe classifies its financial assets into the following categories: financial assets at FVPL, financial assets at amortized cost and financial assets at fair value through other comprehensive income (FVOCI).

2.5.2.1 Financial assets at FVPL

Globe classifies the following investments as financial assets at FVPL:

- investments in equity securities unless irrevocably elected at initial recognition to be measured at FVOCI;
- investments in debt instruments held within a business model whose objective is to sell prior to maturity or has contractual terms that does not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, unless designated as effective hedging instruments under a cash flow hedge;
- investments that contain embedded derivatives; and
- investment in debt instruments designated as financial assets at FVPL at initial recognition.

Financial assets at FVPL are carried at fair value at the end of each reporting period with any resultant gain or loss recognized in profit or loss.

Financial assets classified under this category are disclosed in [Note 31.1](#).

2.5.2.2 Financial assets at amortized cost

Investments in debt instrument, loans, trade and other receivables that are held within a business model whose objective is to collect the contractual cash flows and has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are classified as financial assets at amortized cost, unless the asset is designated at FVPL under the fair value option.

Subsequent to initial recognition, financial assets classified under this category are measured at amortized cost using effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is not material.

Financial assets classified under this category are disclosed in [Note 31.1](#).

2.5.2.3 Financial assets at fair value through other comprehensive income

Globe classifies the following investments as financial assets at FVOCI:

- Investments in debt instrument that is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, unless the asset is designated at FVPL under the fair value option;
- Investments in equity securities irrevocably elected to be measured at FVOCI; and
- Derivative designated as effective hedging instruments under cash flow hedges.

Financial assets at FVOCI are carried at fair value at the end of each reporting period. Changes in the carrying amount financial assets at FVOCI arising from movements in fair value are recognized in other comprehensive income and accumulated in other equity reserves. When the investment is disposed of, the cumulative gain or loss previously accumulated in equity reserves is reclassified directly to retained earnings.

Financial assets classified under this category are disclosed in [Notes 31.1](#).

2.5.3 Impairment of Financial Assets and Contract Assets at amortized cost

Globe assesses at end of the reporting date whether a financial asset or group of financial assets is impaired.

Globe recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost, loans, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Globe applies the simplified ECL approach and always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the characteristics of the product and payment behavior of the subscriber at the reporting date.

For all other financial instruments, Globe recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, Globe measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Globe measures ECL on an individual basis, or on a collective basis for portfolios of receivables that share similar economic risk characteristics.

Significant increase in credit risk

In assessing whether the credit risk on non-trade receivables has increased significantly since initial recognition, Globe compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, Globe considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information. The forward-looking information considered includes the future prospects of the industries in which Globe's debtors operate.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, Globe assumes that the credit risk on non-trade receivables has not increased significantly since initial recognition if the instrument is determined to have low credit risk at the reporting date. Globe considers a financial asset to have low credit risk when the counterparty has a strong financial position and there is no past due amounts. An instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Globe regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For subscribers receivable and contract assets, Globe considers that default has occurred when the subscriber has been permanently disconnected.

For all other receivables, Globe considers the following as constituting an event of default as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including Globe, in full (without taking into account any collateral held by Globe).



Irrespective of the above analysis, Globe considers that default has occurred when a financial asset is more than 90 days past due unless Globe has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

Globe writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, (e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when Globe has effectively exhausted all collection efforts). Financial assets written off may still be subject to enforcement activities under Globe's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, this is represented by the assets' gross carrying amount at the reporting date.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to Globe in accordance with the contract and all the cash flows that Globe expects to receive, discounted at the original effective interest rate.

If Globe has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, Globe measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets such as trade receivables and contract assets for which simplified approach was used.

Globe recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2.5.4 Classification of financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

2.5.4.1 Classification and Subsequent Measurement of Financial liabilities

Globe further classifies its financial liabilities into financial liabilities at FVPL and financial liabilities at amortized cost. The classification depends on the nature and purpose of the financial liability and is determined at the time of initial recognition.

2.5.4.1.1 Financial liabilities at FVPL

This category consists of financial liabilities that were designated by management as FVPL on initial recognition and derivative financial liabilities not designated as effective hedging instruments under cash flow hedges.

Financial liabilities at FVPL are carried in the consolidated statements of financial position at fair value, with changes in fair value recognized in profit or loss.

Financial liabilities classified under this category are disclosed in [Note 31.1](#).

2.5.4.1.2 Financial liabilities at amortized cost

Loans, trade and other payables which are not designated as financial liabilities at FVPL are classified as financial liabilities at amortized cost. Financial liabilities classified under this category are subsequently measured at amortized cost using the effective rate method. Financial liabilities classified under this category are disclosed in [Note 31.1](#).

2.5.4.1.3 Equity instruments

Capital Stock

Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value. The transaction costs incurred as a necessary part of completing an equity transaction are accounted for as part of that transaction and are deducted from additional paid-in capital, net of related income tax benefits.

Additional Paid-in Capital

Additional paid-in capital includes any premium received in excess of par value on the issuance of capital stock.

Capital Securities

Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the redemption is at the option of Globe. Globe also has the sole and absolute discretion to defer payment of any or all of the distribution.

The proceeds received from the issuance of the securities are credited to capital securities account under the equity section of the consolidated statements of financial position. Incremental costs directly attributable to the issuance of capital securities are recognized as a deduction from equity, net of tax.

Treasury Shares

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Retained Earnings

Retained earnings represent accumulated profit attributable to equity holders of the Parent Company after deducting dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

2.5.5 Derivative Instruments

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedge of an identified risk and qualifies for hedge accounting treatment. The objective of hedge accounting is to match the impact of the hedged item and the hedging instrument in the consolidated profit or loss. To qualify for hedge accounting, the hedging relationship must comply with requirements such as the designation of the derivative as a hedge of an identified risk exposure, hedge documentation, probability of occurrence of the forecasted transaction in a cash flow hedge, assessment (both prospective and retrospective bases) and measurement of hedge effectiveness, and reliability of the measurement bases of the derivative instruments.

Upon inception of the hedge, Globe documents the relationship between the hedging instrument and the hedged item, its risk management objective and strategy for undertaking various hedge transactions, and the details of the hedging instrument and the hedged item. Globe also documents its hedge effectiveness assessment methodology, both at the hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedge effectiveness is likewise measured, with any ineffectiveness being reported immediately in the consolidated profit or loss.

2.5.5.1 Types of Hedges

Globe designates derivatives which qualify as accounting hedges as either:

- a hedge of the fair value of a recognized fixed rate asset, liability or unrecognized firm commitment (fair value hedge); or
- a hedge of the cash flow variability of recognized floating rate asset and liability or forecasted sales transaction (cash flow hedge).

Fair Value Hedges

Fair value hedges are hedges of the exposure to variability in the fair value of recognized assets, liabilities or unrecognized firm commitments. The gain or loss on a derivative instrument designated as a fair value hedge, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in the consolidated profit or loss in the same accounting period. Hedge effectiveness is determined based on the hedge ratio of the fair value changes of the hedging instrument and the underlying hedged item. When the hedge ceases to be highly effective, hedge accounting is discontinued.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in future cash flows related to a recognized asset, liability or a forecasted sales transaction. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized in other comprehensive income and accumulated in other equity reserves. Any hedge ineffectiveness is immediately recognized in the consolidated profit or loss.

If the hedged cash flow results in the recognition of a nonfinancial asset or liability, gains and losses previously recognized in other comprehensive income are transferred from equity and included in the initial measurement of the cost or carrying value of the asset or liability. Otherwise, for all other cash flow hedges, gains and losses initially recognized in equity are transferred to consolidated profit or loss in the same period or periods during which the hedged forecasted transaction or recognized asset or liability affect earnings.

Hedge accounting is discontinued prospectively when the hedge ceases to be highly effective. When hedge accounting is discontinued, the cumulative gains or losses on the hedging instrument that has been recognized in OCI is retained in other equity reserves until the hedged transaction impacts consolidated profit or loss. When the forecasted transaction is no longer expected to occur, any net cumulative gains or losses previously recognized in other equity reserves is immediately reclassified in the consolidated profit or loss.

2.5.6 Other Derivative Instruments Not Accounted for as Accounting Hedges

Certain freestanding derivative instruments that provide economic hedges under Globe's policies either do not qualify for hedge accounting or are not designated as accounting hedges. Changes in the fair values of derivative instruments not designated as hedges are recognized immediately in the consolidated profit or loss.

2.5.7 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.5.8 Derecognition of Financial Instruments

2.5.8.1 Financial Asset

Globe derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when Globe transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Globe neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Globe recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If Globe retains substantially all the risks and rewards of ownership of a transferred financial asset, Globe continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in the consolidated profit or loss.

2.5.8.2 Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. On derecognition of financial liabilities, the difference between the carrying amount of the financial liability derecognized and the sum of consideration paid and payable is recognized in the consolidated profit or loss.

Modification of Debt Terms in a Financial Liability

A modification of debt terms may include changes to stated interest rate for the remaining original life of the debt, maturity date or dates, currency denomination, and face amount of the debt, among others.

A substantial modification of the terms in a financial liability is accounted for as an extinguishment of the original liability and recognition of a new liability.

When the modification of debt terms in a financial liability is not substantial, the revised cash flows as a result of the modification should be discounted at the date of the modification at the original effective interest rate. The difference between the carrying amount of the liability immediately before the modification and the sum of the present value of the cash flows of the modified liability discounted at the original EIR should be recognized in profit or loss as a modification gain or loss.

A modification is deemed to be substantial if the net present value of the cash flows under the modified terms, including fees paid or received between the borrower and the lender and fees paid or received by either the borrower or lender on the other's behalf, is at least 10 per cent different from the net present value of the remaining cash flows of the liability prior to the modification, both discounted at the original effective interest rate of the liability prior to the modification.

2.6 Inventories

Inventories are initially measured at cost. Subsequently, inventories are stated at the lower of cost and net realizable value. The costs of inventories are calculated using the moving average method. Net realizable value represents the estimated selling price less all costs necessary to make the sale.



When the net realizable value of the inventories is lower than the cost, Globe provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the consolidated profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

2.7 Prepayments

Prepayments represent expenditures not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Prepayments related to acquisition of property and equipment are subsequently capitalized as an item of property and equipment. All other prepayments are subsequently charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the consolidated statement of financial position as current assets when the cost of goods or services related to the prepayments are expected to be incurred within one year. Otherwise, prepayments are classified as non-current assets.

2.8 Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the future costs of dismantling and removing the item and restoring the site on which it is located.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Major spare parts and stand-by equipment qualify as property and equipment when Globe expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property and equipment, they are accounted for as property and equipment.

At the end of each reporting period, items of property and equipment are carried at cost less any subsequent accumulated depreciation and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to Globe. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.



Depreciation is computed on the straight-line method based on the estimated useful lives (EUL) of the assets as follows:

	Years
Telecommunications equipment:	
Tower	20
Switch	7-10
Outside plant, cellsite structures and improvements	10-20
Distribution dropwires and other wireline asset	2-10
Cellular equipment and others	3-15
Buildings	20-25
Cable systems (including IRUs)	5-20
Office equipment	3-7
Transportation equipment	3-5

Leasehold improvements are amortized over the shorter of their EUL or the corresponding lease terms.

The EUL of property and equipment are reviewed annually based on expected asset utilization or expected future technological developments and market behavior including shift in subscribers' requirements.

Assets in the course of construction are carried at cost, less any recognized impairment loss. These are transferred to the appropriate asset account, based on management's judgment on asset identifiability and separability, when the construction or installation and the related activities necessary to prepare the asset for their intended use are complete, and the asset are ready for service. Depreciation of these assets, on the same basis as other property and equipment, commences at the time the assets are ready for their intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated profit or loss.

Assets Held for Sale (AHFS)

An assets is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

A sale is considered highly probable if:

- the appropriate level of management is committed to a plan to sell the asset;
- an active program to locate a buyer and complete the plan have been initiated;
- the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.



Certain events or circumstances may extend the period to complete the sale beyond one year. Provided that the delay is caused by events or circumstances beyond Globe's control and there is sufficient evidence that Globe remains committed to its plan to sell the asset, such extension does not preclude an asset from being classified as held for sale.

Assets classified as held for sale are not depreciated. Instead, these are measured at lower of carrying amount and fair value less cost to sell.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

Globe assesses whether the disposal group is a discontinued operation and presents it separately in the profit or loss. A discontinued operation is a component that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

2.9 Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially recognized at cost. Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their EUL. The EUL and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following conditions have been demonstrated:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- intention to complete the intangible asset and use or sell it;
- ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in the consolidated profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.



Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortization of intangible asset is computed based on the EUL of the assets below:

	Years
Software	3-10
Spectrum and franchise	10-59
Customer contracts	4
Merchant networks	4-21

Derecognition of Intangible assets

Intangible assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated profit or loss.

2.10 Investments in Joint Venture

A joint venture (JV) 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 joint control are similar to those necessary to determine control over subsidiaries.

Investments in JV are measured initially at cost. Subsequent to initial recognition, Globe's investments in its JV are accounted for using the equity method. Under the equity method, the investments in JV are carried in the consolidated statements of financial position at cost plus post-acquisition changes in Globe's share in net assets of the JV, less any allowance for impairment losses. The consolidated profit or loss includes Globe's share in the results of operations of its JV. Distributions received from the JV reduce the carrying amount of the investments in JV. Any change in OCI of those investees is presented as part of Globe's OCI. In addition, where there has been a change recognized directly in the equity of the JV, Globe recognizes its share of any changes and presents this, when applicable, directly in equity.

When the share of losses recognized under the equity method has reduced the investment to zero, Globe shall discontinue recognizing its share of further losses and apply it to other interests that, in substance, form part of Globe's net investment in the JV. If the JV subsequently reports profits, Globe will resume recognizing its share of those profits only after its share of the profits equal the share in losses not recognized.

The financial statements of the joint venture are prepared for the same reporting period as Globe.



Globe discontinues the use of the equity method from the date when the investment ceases to be a joint venture. When Globe retains an interest in the former joint venture and the retained interest is a financial asset, Globe measures the retained interest at fair value at that date and the fair value is regarded as its new carrying amount. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is recognized in the consolidated profit or loss. In addition, Globe accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities.

When Globe reduces its ownership interest in a joint venture but Globe continues to use the equity method, Globe derecognizes the portion of the carrying amount of the investment that was disposed of. The difference between the amount of investment derecognized and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture.

Globe's interest in a joint venture may also be reduced other than by an actual disposal. Such a reduction in interest, which is commonly referred to as a deemed disposal, may arise for a number of reasons, including:

- the investor does not take up its full allocation in a rights issue by the joint venture;
- the joint venture declares scrip dividends which are not taken up by the investor so that its proportional interest is diminished;
- another party exercises its options or warrants issued by the joint venture; or
- the joint venture issues shares to third parties.

Globe accounts for a deemed disposal on the same basis as a regular disposal. Any resulting gain or loss on deemed disposal is recognized in the consolidated profit or loss.

Venture capital exemption

At initial recognition, Globe, through venture capital subsidiary, may elect to measure its investments in joint ventures at FVPL. Subsequent to the initial recognition, investments in joint ventures at FVPL are carried at fair value with any resultant gain or loss recognized in profit or loss.

2.11 Impairment of Nonfinancial Assets

At the end of each reporting period, Globe assesses whether there is any indication that any of its tangible and intangible assets with finite useful lives may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, Globe estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.



At the time of impairment testing a cash-generating unit to which goodwill has been allocated, there may be an indication of an impairment of an asset within the unit containing the goodwill. In such circumstances, the asset is tested for impairment first, and an impairment loss is recognized for that asset before testing for impairment the cash-generating unit containing the goodwill.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income. Impairment losses relating to goodwill cannot be reversed in future periods.

2.12 Provisions

Provisions are recognized when Globe has a present obligation, either legal or constructive, as a result of a past event and it is probable that Globe will be required to settle the obligation through an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

2.13 Revenue Recognition

Revenue is measured based on the consideration specified in an arrangement with the customer, net of any amounts collected on behalf of third parties. Globe recognizes revenue upon transfer of control of a product or service to a customer.

In arrangements where another party is involved in providing the services, Globe assesses whether the nature of its promise in the arrangement is to provide the specified services itself or to arrange



for those services to be provided by the other party. If the promise in an arrangement is to provide the services itself, Globe recognizes the service revenue at gross amount of consideration, with the amount remitted to the other party being recognized as expense. However, if the promise is to simply arrange for those services to be provided by the other party, Globe recognizes service revenues equivalent only to the extent of fees or commission to which it expects to be entitled in exchange for arranging the services.

Globe recognizes revenues from the following sources:

- Mobile services provided to subscribers at prepaid or postpaid arrangements such as Short Messaging Services (SMS), voice, data communication, and other value added services ([Note 2.13.1](#));
- Wireline services provided to subscribers under subscription arrangements such as, voice, corporate communication, and home broadband internet ([Note 2.13.1](#));
- Inbound traffic originating from other telecommunications providers that terminates at Globe's network ([Note 2.13.2](#));
- Inbound roaming due from foreign carriers ([Note 2.13.3](#));
- Postpaid wireless communication services bundled with sale of handsets and other devices ([Note 2.13.4](#));
- Postpaid wireline communication services bundled with equipment installation services ([Note 2.13.5](#));
- Leases, interests and management fees ([Note 2.13.7](#)).

2.13.1 Mobile, broadband and corporate data services

Monthly service fees from mobile and wireline services under postpaid subscriptions are recognized as service revenues throughout the subscription period.

Proceeds from over-the-air reloading channels and sale of prepaid cards are initially recognized as deferred revenues. These are eventually credited to service revenues upon actual usage of load value. Any unused remaining load value after the prescribed validity period are immediately recognized as service revenue.

Subscription to promotional offer of SMS, voice, data communication, broadband internet, and other services, are recognized as service revenue over the promotional period.

Globe also provides corporate data services which include end-to-end data solutions customized according to the needs of businesses to various customers. Similarly, monthly service fees from corporate data services are recognized as revenues over time in the period the services are rendered.

2.13.2 Inbound traffic

Inbound traffic originating from other telecommunications providers that terminates at Globe's network are recognized as service revenues in the period the inbound traffic occurred based on agreed rates with the other telecommunication providers.

2.13.3 Inbound roaming services

Service revenues from foreign carriers for inbound roaming transactions at Globe's network are recognized in the period the inbound roaming connection is provided.

2.13.4 Postpaid mobile services and sale of mobile handsets and other devices

Globe provides postpaid wireless communication services which are bundled with sale of mobile handsets and other devices. The postpaid wireless communication services and the sale of devices



are considered two separate performance obligations which are capable of being distinct and separately identifiable. Globe allocates the contract consideration between the two performance obligations based on their corresponding relative stand-alone selling prices (SSP). The stand-alone selling prices are determined based on the expected cost plus margin or adjusted market approach. The amount allocated to the postpaid wireless communication service is recognized as service revenue over the period of subscription. Any amount allocated to the sale of device is immediately recognized as non-service revenue upon delivery of the item. Contract assets are recognized for the unbilled portion of the consideration allocated to the sale of devices which are subsequently reduced as the monthly service fees are billed to the subscribers.

2.13.5 Postpaid subscription to wireline services and equipment installation services

Globe provides equipment installation services which are bundled with postpaid wireline services. The promise to install the equipment is not considered as a distinct service from the postpaid wireline service since the subscriber may not be able to benefit from the installation services without the availability of the postpaid wireline services. Accordingly, the two services are deemed as one performance obligation.

Service revenues from the equipment installation and postpaid wireline services are recognized over time throughout the period of subscription. Outright payments received from the installation services are initially recognized as contract liabilities and subsequently credited to service revenues over the period of subscription.

2.13.6 Globe Rewards

Globe operates Globe Rewards Program through which subscribers accumulate points upon purchase of certain products and services. The Globe Rewards points may be redeemed in the form of mobile promos, bill rebates, gadgets and gift certificates, or use the earned points as cash at partner stores. The promise to provide free products and rebates to the subscribers give rise to a performance obligation that is distinct and separately identifiable. Accordingly, Globe allocates a portion of the transaction price from its service revenues to Globe Rewards points awarded to subscribers based on its relative stand-alone selling price and the estimated number of points that will be eventually redeemed. The stand-alone selling price per point is estimated based on the discount or free products to be given when the points are redeemed by the subscriber. Amounts allocated to Globe Rewards points are initially recognized as deferred revenues and subsequently credited as service revenues either upon redemption of points or upon expiration.

2.13.7 Deferred contract costs

Costs to obtain contracts with customers that would not have been incurred if the contracts were not obtained are recognized as deferred contract costs. Deferred contract costs are subsequently recognized as expense on a straight-line basis over the contract period.

Costs to obtain contracts with customers that would have been incurred irrespective of whether the contract were obtained are immediately recognized as expense.

Costs incurred to fulfill a contract are capitalized as deferred contract costs if all of the following conditions are met:

- The costs relate directly to a contract or to an anticipated contract that Globe can specifically identify;
- The costs generate or enhance resources of Globe that will be used in satisfying performance obligation in the future; and
- The costs are expected to be recovered.

2.14 Staff Costs

2.14.1 Short-term benefits

Globe recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if Globe has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

2.14.2 Post Employment benefits

Globe has a funded non-contributory defined benefit retirement plan. For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statements of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past service cost is recognized in the consolidated profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

Globe presents service cost and interest in the consolidated profit or loss in the line item pension costs and finance cost, respectively. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Plan assets are assets held by a long-term employee benefit fund. Plan assets are not available to the creditors of Globe, nor can they be paid directly to Globe. Fair value of plan assets is based on market price information.

2.15 Share-based Payment Transactions

The cost of equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted. In valuing equity-settled transactions, vesting conditions, including performance conditions, other than market conditions (conditions linked to share prices), shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions are taken into account in estimating the number of equity instruments that will vest.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the management of Globe at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

2.16 Borrowing Costs

Borrowing costs are capitalized if these are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities for the asset's intended use are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are ready for their intended use. Borrowing costs include interest charges and other related financing charges incurred in connection with the borrowing of funds, as well as exchange differences arising from foreign currency borrowings used to finance these projects to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognized as expense in the period in which these are incurred.

2.17 Leases

2.17.1 Globe as Lessee

Globe assesses whether a contract is or contains a lease, at inception of the contract. Globe recognizes a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Short-term leases and leases of low value assets

For short-term leases and leases of low value assets, Globe recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

In identifying the lease term, Globe takes into account the non-cancellable period for which it has the right to use the underlying asset, together with all of the following:

- the periods covered by an enforceable option to extend the lease (if Globe is reasonably certain to exercise that option); and
- the periods covered by an enforceable option to terminate the lease (if Globe is reasonably certain not to exercise that option).

The lease terms in arrangements wherein both the lessor and the lessee has the right to terminate the lease without incurring significant amount of penalty are excluded as part of the non-cancellable period of the lease.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using Globe's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.



The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Globe remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Globe reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that:

- Is within the control of Globe; and
- Affects whether Globe is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

Globe revises the lease term if there is a change in the non-cancellable period of a lease.

Right of Use Assets

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right of use assets are presented as a separate line in the consolidated statement of financial position.

Globe applies its accounting policy on impairment of non-financial assets in determining whether a right of use asset is impaired and in accounting for any identified impairment loss.



Sale and Leaseback

If Globe (the seller-lessee) transfers the control of an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, Globe accounts for the transaction as sale and leaseback. Accordingly, Globe derecognizes the carrying amount of the asset sold; measures the lease liabilities arising from the leaseback at the present value of the future lease payments discounted using Globe's incremental borrowing rate; measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee; and recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

2.18 Foreign Currency Transactions

Transactions in currencies other than functional currency of the entities included in Globe are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in currencies other than the functional currencies of the entities in Globe are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in the consolidated profit or loss for the year. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

2.19 Income Tax

Income tax expense represents the sum of the current tax expense and deferred tax.

2.19.1 Current Income Tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

2.19.2 Deferred Income Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where Globe is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.



The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current tax and deferred tax for the year are recognized in the consolidated profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.20 EPS

Basic EPS is computed by dividing net income attributable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares. Outstanding stock options will have a dilutive effect under the treasury stock method only when the average market price of the underlying common share during the period exceeds the exercise price of the option. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted, would decrease the basic EPS, then such convertible preferred shares would be deemed dilutive. Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

2.21 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 to Globe.

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.

Globe 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 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 the purpose of fair value disclosures, Globe 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 (see [Note 31.3](#)).

3 Adoption of New Standards, Amendments to Standards and Interpretations

The accounting policies adopted in the preparation and presentation of the consolidated financial statements are consistent with prior years, except for the effects of the adoption of new and revised accounting standards set out below.

3.1 Adoption of New and Revised Standards Effective January 1, 2024

In the current year, Globe has applied a number of amendments to PFRS and Interpretations issued by International Accounting Standards Board (IASB) that are effective for the annual period that begins on January 1, 2024. The adoption has not had any material impact on the disclosures or on the amounts reported in the consolidated financial statements.

3.1.1 Amendments to PFRS 16 Leases – Lease Liability in a Sale and Leaseback

The amendment to PFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in PFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the particular or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted but required to disclose that fact.

3.1.2 Classification of Liabilities as Current or Non-current Liabilities with Covenants – Amendments to PAS 1

Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date.

The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendment did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

3.2 New and Revised Standards Not Yet Effective

At the date of authorization of these consolidated financial statements, Globe has not applied the following new and revised PFRS that have been issued but are not yet effective. Globe anticipates that the application of these new and revised standards will not have material impact on Globe's consolidated financial statements in future periods, unless otherwise stated.

3.2.1 Amendments to PAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- A spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- The first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

3.2.2 PFRS 18 – Presentation and Disclosure in Financial Statements

PFRS 18 replaces PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements. In addition, some PAS 1 paragraphs have been moved to PAS 8 and PFRS 7. Furthermore, the IASB has made minor amendments to PAS 7 and PAS 33 Earnings per Share.

PFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation.

An entity is required to apply PFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised PAS 8 and PFRS 7, become effective when an entity applies PFRS 18. PFRS 18 requires retrospective application with specific transition provisions.

Globe anticipates that the application of these amendments will have an impact on the presentation of Globe's consolidated financial statements in future periods.

4 Management's Significant Accounting Judgments and Use of Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such judgments, estimates and assumptions.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical Accounting Judgments

4.1.1 Contract Assets on Bundled Products

Globe provides wireless communication services to subscribers which are bundled with handset sales. Based on Globe's assessment, the performance obligations from the wireless communication services and the sale of handsets are both capable of being distinct and separately identifiable. Accordingly, Globe allocates the total contract consideration to the two performance obligations based on their corresponding relative SSP. Contract asset is recognized for any unbilled amount allocated to the revenue from handset sales.

4.1.2 Deferred Contract Costs

Globe incurs certain commissions and installation costs in relation to the service provided to its subscribers. Based on Globe's assessment, these costs are incremental in obtaining and fulfilling its performance obligations. Accordingly, Globe recognizes deferred contracts costs which are amortized as expense throughout the period of the subscription contract.

4.1.3 Determination of Whether Globe is Acting as a Principal or an Agent

Globe offers a full range of value-added services (VAS) such as mobile commerce services, and content streaming and downloading, among others wherein another party is involved in providing such services. In such case, Globe assesses each arrangement and determines whether the nature of its promise is to provide the specified services itself or to arrange for those services to be provided by the other party.

If the promise in an arrangement is to provide the services itself, Globe recognizes the service revenue at gross amount of consideration. Otherwise, Globe recognizes service revenues equivalent only to the extent of fees or commission to which it expects to be entitled in exchange for arranging the services.

4.1.4 Determination of lease term in lease agreements

Globe has certain lease agreements with renewal options, which Globe applied judgment in evaluating its overall lease term. Globe considered financial and operational factors in determining whether it is reasonably certain that these renewal options will be exercised.

4.2 Key Estimation Uncertainties

4.2.1 ECL Impairment on Subscribers Receivables and Contract Assets

When measuring ECL Globe uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

An increase in ECL rates on subscribers receivables and contract assets would increase the loss allowance recognized in the consolidated profit or loss.

Impairment loss recognized using ECL in 2024 and 2023 on subscribers receivable amounted to ₱2,886.12 million and ₱3,416.76 million (see [Note 6](#)), and contract assets amounted to ₱667.47 million and ₱947.09 million, respectively (see [Notes 7.1](#) and [26](#)).

4.2.2 Determination of SSP in arrangements with multiple performance obligations

In revenue arrangements involving multiple performance obligations, the transaction price is allocated to each separate performance obligation based on the relative SSP of the goods or services being provided to the customer. The best evidence of SSP is the price an entity charges for that good or service when the entity sells it separately in similar circumstances to similar customers. However, goods or services are not always sold separately. In such case, the SSP needs to be estimated or derived by other means.

Globe maximized the use of all available observable inputs and applied the expected cost plus margin or adjusted market approach as the estimation method in determining the SSP of the goods and services in arrangements with multiple performance obligations.

4.2.3 Inventory Obsolescence and Market Decline

Globe, in determining the NRV, considers any adjustment necessary for obsolescence which is generally provided for nonmoving items after a certain period. Globe adjusts the cost of inventory to the recoverable value at a level considered adequate to reflect market decline in the value of the recorded inventories. Globe reviews the classification of the inventories and generally provides adjustments for recoverable values of new, actively sold and slow-moving inventories by reference to prevailing values of the same inventories in the market. In assessing the recoverability of inventories that are bundled with mobile services, Globe also takes into account the total cash flows from the bundled goods and services.

The amount and timing of recorded expenses for any period would differ if different estimates were utilized. An increase in allowance for inventory obsolescence and market decline would decrease the profit for the period, and decrease current assets.

Inventory obsolescence and market decline in 2024, 2023 and 2022 amounted to ₱156.05 million, ₱399.50 million, and ₱245.52 million, respectively (see [Notes 9](#) and [26](#)).

Inventories and supplies, net of allowances, amounted to ₱2,964.81 million and ₱3,388.42 million as of December 31, 2024 and 2023, respectively (see [Note 9](#)).

4.2.4 EUL of Property and Equipment, Intangible Assets and Right of Use Assets

The useful life of each of the item of property and equipment, intangible assets and right of use assets with finite useful lives is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets and expected asset utilization based on future technological developments, market behavior and limits on legal rights.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the EUL of property and equipment, intangible assets and right of use assets would increase the recorded depreciation and amortization expense and decrease noncurrent assets.

The table below presents the carrying values of Globe's property and equipment, intangible assets and right of use assets with finite useful lives as of December 31, 2024 and 2023:

	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
Property and equipment – net*	11	₱254,004,279	₱227,618,631
Right of use assets – net	13	90,464,458	69,538,796
Intangible assets – net	12	18,450,131	21,454,667
		₱362,918,868	₱318,612,094

*Property and equipment – net also excludes Land amounting to ₱1,965.39 million as of December 31, 2024 and 2023

4.2.5 Impairment of Non-financial Assets Other Than Goodwill

Globe performs an impairment review when certain impairment indicators are present.

Determining the recoverable amounts of non-financial assets requires Globe to make estimates and assumptions on the cash flows expected to be generated from those assets. While Globe believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to impairment charges. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations.

The table below presents the carrying values of Globe's non-financial assets as of December 31, 2024 and 2023:

	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
Property and equipment - net	11	₱352,115,098	₱334,408,653
Right of use assets – net	13	90,464,458	69,538,796
Investments in joint ventures	14	59,368,924	55,335,717
Intangible assets - net (excluding Goodwill)	12	18,450,131	21,638,901
Advance payments to suppliers and contractors	10.1	12,172,430	19,863,873
		₱532,571,041	₱500,785,940

Impairment loss recognized on property and equipment amounted to ₱410.56 million, ₱92.44 million, and nil in 2024, 2023 and 2022, respectively (see [Note 26](#)).

4.2.6 Impairment of Goodwill

Globe's impairment test for goodwill is based on value in use calculations that use a discounted cash flow model. The cash flows of the CGU are derived from the business plan for the next five years and do not include restructuring activities that Globe is not yet committed to or significant future investments that will enhance the asset base of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. As of December 31, 2024 and 2023, the carrying value of goodwill amounted to ₱1,680.77 million and ₱1,734.21 million, respectively (see [Note 12](#)).

Impairment loss recognized on goodwill amounted ₱53.43 million and ₱154.61 million and nil in 2024, 2023 and 2022, respectively. (see [Note 26](#)).

4.2.7 Deferred Income Tax Assets

The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized.

As of December 31, 2024 and 2023, the combined gross deferred tax assets of Globe amounted to ₱38,813.37 million and ₱32,443.48 million, respectively (see [Note 28](#)).

4.2.8 Pension Benefits

The determination of the retirement obligation cost and retirement benefits is dependent on the selection of certain assumptions used by independent actuaries in calculating such amounts. Those assumptions include among others, discount rates and rates of compensation increase. Actual results that differ from the assumptions are charged to other comprehensive income and therefore, generally affect the equity and recorded obligation. While Globe believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

The net pension liability as of December 31, 2024 and 2023 amounted to ₱2,826.85 million and ₱2,718.31 million, respectively (see [Note 27.1](#)).

4.2.9 Provisions and Contingencies

Globe is currently involved in various legal proceedings and disputes in the ordinary course of business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with internal and external counsel handling Globe's defense in these matters and is based upon an analysis of potential results. Globe believes that sufficient provision has been recognized in the consolidated statements of financial position in relation to these proceedings. It is possible, however, that future financial performance could be materially affected by changes in the estimates or in the strategies relating to these proceedings.

Globe's provisions as of December 31, 2024 and 2023 amounted to ₱3,393.96 million and ₱2,960.99 million, respectively (see [Note 16](#)).

4.2.10 Determination of incremental borrowing rates in lease agreements

Globe entered into various lease agreements where the Right-of-use assets and corresponding lease liabilities were measured at present value at initial recognition at interest rate implicit in the lease, or if not determinable, the incremental borrowing rates. Incremental borrowing rate is the rate that a lessee 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.

Globe uses published government bond rates as the risk free input plus a spread adjustment using Globe's credit worthiness.

Lease liabilities amounted to ₱116,107.87 million and ₱88,724.48 million as of December 31, 2024 and 2023, respectively (see [Note 13](#)).

5 Cash and Cash Equivalents

The cash and cash equivalents account consists of the following as of December 31:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Cash on hand and in banks	₱6,651,217	₱8,623,614
Short-term money market placements	14,702,442	8,021,463
	₱21,353,659	₱16,645,077

Cash in banks earn interest at respective bank deposit rates.

Short-term money market placements are highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Globe classifies an investment as short-term money market placements if that investment has a maturity of three months or less from the date of acquisition.

Interest income from cash and cash equivalents are as follows (see [Note 21](#)):

	2024	2023	2022
	<i>(In Thousand Pesos)</i>		
Short-term money market placements	₱567,639	₱374,055	₱130,153
Cash in banks	65,227	75,980	9,650
	₱632,866	₱450,035	₱139,803

The ranges of interest rates of the above placements are as follows:

	2024	2023	2022
Placements:			
PHP	0.001% to 5.50%	0.001% to 5.45%	0.001% to 5.50%
USD	0.001% to 4.52%	0.001% to 5.00%	0.001% to 4.40%

6 Trade receivables - net

This account consists of receivables from:

	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
Subscribers		P21,274,625	P21,703,830
Traffic settlements - net	31.2, 33.1	907,175	1,124,376
Dealers		640,035	814,033
Others		4,848,388	3,984,796
		27,670,223	27,627,035
Less allowance for impairment losses:			
Subscribers		7,216,550	8,348,275
Traffic settlements and others		793,205	1,180,862
		8,009,755	9,529,137
		P19,660,468	P18,097,898

Trade receivables are noninterest-bearing and are generally due within 30 to 60 days.

Subscriber receivables arise from wireless and wireline voice, data communications and broadband internet services provided by Globe under postpaid arrangements.

Traffic settlement receivables are presented net of traffic settlement payables from the same carrier (see [Notes 31.2](#) and [33.1](#)).

Others include trade receivables of non-telco subsidiaries and receivables from credit card companies.

The following is a reconciliation of the changes in the allowance for impairment losses for trade receivables as of December 31:

	Consumer	Key Corporate Accounts	Other Corporations and SME	Traffic Settlements and Others	Total
<i>(In Thousand Pesos)</i>					
2024					
December 31, 2023	P5,657,773	P2,140,484	P550,018	P1,180,862	P9,529,137
Charges for the period (Note 26)	2,641,800	94,255	150,069	5,910	2,892,034
Write-offs and recoveries – net	(3,699,800)	(98,623)	(219,426)	(393,567)	(4,411,416)
December 31, 2024	P4,599,773	P2,136,116	P480,661	P793,205	P8,009,755
2023					
December 31, 2022	P6,548,008	P2,417,838	P936,902	P1,194,234	P11,096,982
Charges for the period (Note 26)	3,129,046	114,020	173,696	77,299	3,494,061
Write-offs and recoveries – net	(4,019,281)	(391,374)	(560,580)	(90,671)	(5,061,906)
December 31, 2023	P5,657,773	P2,140,484	P550,018	P1,180,862	P9,529,137

7 Contract Assets and Liabilities

7.1 Contract Assets – net

Movements in the contract assets for the periods are as follows:

	Note	2024	2023
-		<i>(In Thousand Pesos)</i>	
Contract assets			
Balance at beginning of the year		₱6,223,595	₱6,891,455
Additions during the year		5,908,810	6,888,421
Billed to subscribers during the year		(6,021,973)	(6,609,194)
Impairment loss	26	(667,471)	(947,087)
Net contract assets, December 31		₱5,442,961	₱6,223,595

Globe provides wireless communication services to subscribers which are bundled with sale of handsets and other devices. Globe allocates the revenue based on the SSP of each performance obligation. Contract assets are recognized for the unbilled portion of revenue allocated to the sale of handset and other devices which will be reduced as the monthly service fees are billed to the subscribers.

7.2 Deferred Revenues

The following table provides information about the contract liabilities and other deferred revenues:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Advance monthly service fees	₱3,924,745	₱4,195,802
Deferred revenue from wireless subscribers under prepaid arrangements	2,655,614	2,853,549
Deferred revenue rewards	58,148	143,012
Others	56,098	727,239
	6,694,605	7,919,602
Less current portion	6,049,750	7,154,714
Non current portion	₱644,855	₱764,888

Advance monthly service fees represent advance billings to postpaid subscribers arising from contracts.

Deferred revenues from wireless subscribers under prepaid arrangements are recognized as revenues upon actual usage of airtime value, consumption of prepaid subscription fees or upon expiration of the unused load value.

Deferred revenues from wireless subscribers under prepaid arrangements, deferred revenue rewards and advance monthly service fees are recognized as revenues within 12 months.

Deferred revenue rewards represent unredeemed customer award credit under customer loyalty program.

8 Derivative Financial Instruments

The table below sets out information about Globe's derivative financial instruments and the related fair values as of December 31:

2024

	USD Notional Amount	PHP Notional Amount	Derivative Assets	Derivative Liabilities
<i>(In Thousands)</i>				
Derivative instruments designated as hedges				
<i>Cash flow hedges</i>				
Cross currency swaps	\$173,000	P -	P1,526,688	P-
Principal only swaps	680,000	-	3,682,802	339,862
Derivative instruments not designated as hedges				
<i>Freestanding</i>				
Deliverable forwards	448,500	-	9,661	233,143
			P5,219,151	P573,005
Less current portion			177,153	573,005
Non current portion			P5,041,998	P-

2023

	USD Notional Amount	PHP Notional Amount	Derivative Assets	Derivative Liabilities
<i>(In Thousands)</i>				
Derivative instruments designated as hedges				
<i>Cash flow hedges</i>				
Cross currency swaps	\$250,350	P -	P1,477,883	P-
Principal only swaps	680,000	-	3,235,758	424,555
Derivative instruments not designated as hedges				
<i>Freestanding</i>				
Deliverable forwards	308,000	-	2,301	53,766
Non-deliverable forwards	26,158	-	1,022	3,861
			P4,716,964	P482,182
Less current portion			516,718	482,182
Non current portion			P4,200,246	P-

The subsequent sections will discuss Globe's derivative financial instruments according to the type of financial risk being managed and the details of derivative financial instruments that are categorized into those accounted for as hedges and those that are not designated as hedges.

8.1 *Derivative Instruments Accounted for as Hedges*

The following sections discuss in detail the derivative instruments accounted for as cash flow hedges.

- *Currency Swaps and Cross Currency Swaps*

Globe entered into cross currency swap contracts and principal only swaps contract to hedge the foreign exchange and interest rate risk on dollar loans. The cross currency swaps have a notional amount of USD173.00 million and USD250.35 million as of December 31, 2024 and 2023, respectively. Principal only swaps have a notional amount of USD680.00 million as of December 31, 2024 and 2023. The fair values of the currency swaps as of December 31, 2024 and 2023 amounted to net asset of ₱4,869.63 million and ₱4,289.09 million, respectively, of which ₱1,866.91 million and ₱996.45 million (net of tax), respectively is included in "Other reserves" in the equity section of the consolidated statements of financial position (see [Note 20.8](#)).

Swap costs arising from cross currency swaps recognized as financing cost amounted to ₱318.44 million, ₱490.05 million, and ₱1,140.45 million in 2024, 2023 and 2022, respectively (see [Note 25](#)).

8.2 *Freestanding Derivatives*

Freestanding derivatives that are not designated as hedges consist of currency forwards entered into by Globe. Fair value changes on these instruments are accounted for directly in consolidated profit or loss.

Globe has USD448.50 million and USD308.00 million deliverable currency forward contracts as of December 31, 2024 and 2023, respectively, and USD26.16 million non-deliverable currency forward contracts not designated as hedges as of December 31, 2023.

8.3 *Hedge Effectiveness Results*

As of December 31, 2024 and 2023, the effective fair value changes on Globe's cash flow hedges that were deferred in equity amounted to loss of ₱1,886.91 million and loss of ₱996.45 million, net of tax, respectively (see [Note 20.8](#)). Derivatives designated as cash flow hedges for the years ended December 31, 2024, 2023 and 2022 are fully effective with a hedge ratio of 1:1. Accordingly, no hedge ineffectiveness was recognized in the consolidated profit or loss.

The distinction of the results of hedge accounting into "Effective" or "Ineffective" represent designations based on PFRS 9 and are not necessarily reflective of the economic effectiveness of the instruments.

8.4 Fair Value Changes on Derivatives

The net movements in fair value changes of all derivative instruments are as follows:

	2024	2023
	<i>(In Thousand Pesos)</i>	
At beginning of year	₱4,234,782	₱4,519,996
Net changes in fair value of derivatives:		
Designated as cash flow hedges (Note 20.8)	262,102	(852,889)
Not designated as cash flow hedges	1,216,255	(131,114)
	5,713,139	3,535,993
Fair value of settled instruments	(1,066,993)	698,789
At end of period	₱4,646,146	₱4,234,782

Details of amounts reclassified from cash flow hedge reserve to profit or loss in relation to hedge accounting transactions are shown below.

	Notes	2024	2023	2022
		<i>(In Thousand Pesos)</i>		
Gain (loss) on derivative instruments – net		₱1,741,151	(₱609,572)	₱4,771,614
Swap costs	25	(318,440)	(490,046)	(1,140,451)
	20.8	₱1,422,711	(₱1,099,618)	₱3,631,163

9 Inventories and Supplies - net

This account consists of:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Handsets, devices and accessories	₱2,154,304	₱2,394,979
Supplies	481,703	488,459
Broadband device	136,852	213,493
SIM cards and SIM packs	65,893	141,406
Modem and accessories	52,194	81,525
Call cards and others	73,868	68,558
	₱2,964,814	₱3,388,420

Breakdown of cost of inventories recognized as expense are as follows:

	Note	2024	2023	2022
		<i>(In Thousand Pesos)</i>		
Cost of inventories sold		₱16,428,713	₱18,217,044	₱17,691,677
Repairs and maintenance		523,142	1,394,034	2,454,267
Inventory obsolescence	26	156,046	399,495	245,516
		₱17,107,901	₱20,010,573	₱20,391,460

Cost of inventories sold and services consists of:

	2024	2023	2022
	<i>(In Thousand Pesos)</i>		
Handsets, devices and accessories	P14,681,876	P16,611,417	P15,998,636
SIM cards and SIM packs	336,913	557,551	444,163
Modems and accessories	259,734	167,053	117,358
Broadband device	135,550	428,700	975,646
Supplies	185,238	19,645	3
Call cards and others	829,402	432,678	155,871
	P16,428,713	P18,217,044	P17,691,677

10 Prepayment and Other Assets

10.1 Prepayments and Other Assets - net

This account consists of:

	Notes	2024	2023
		<i>(In Thousand Pesos)</i>	
Advance payments to suppliers and contractors	33.2	P12,172,430	P19,863,873
Input VAT – net		6,672,173	6,590,446
Investment property		5,620,496	5,624,264
Prepayments		5,525,460	5,155,106
Investments in equity and debt securities		4,083,797	3,812,726
Loans receivable from related parties	19.3	3,763,935	3,864,935
Non-trade receivables – net	10.2	3,324,995	3,073,670
Security deposits		1,579,260	1,570,430
Creditable withholding tax		1,155,326	961,370
Deferred contract costs	10.3	551,231	1,676,459
Others		2,846,331	2,702,380
		47,295,434	54,895,659
Less current portion		19,970,116	19,328,108
Non current portion		P27,325,318	P35,567,551

Investment properties consist of land and building which are held to earn rentals and for capital appreciation. Depreciation and amortization of investment properties amounted to P3.77 million, P4.03 million and P4.75 million in 2024, 2023 and 2022, respectively. (see [Note 24](#)).

The “Prepayments” account includes prepaid insurance, rent, maintenance, and licenses fees among others.

Fair value gain (loss) from investment in equity securities recognized in consolidated OCI amounted to P229.66 million, P224.06 million and P2.49 million in 2024, 2023 and 2022, respectively (see [Note 20.8](#)).

10.2 Non-trade receivables - net

Non-trade receivables – net consists of:

	Note	2024	2023
<i>(In Thousand Pesos)</i>			
Due from related parties	19	₱1,170,419	₱1,121,452
Advances to employees		186,986	187,450
Others		1,981,303	1,838,283
		3,338,708	3,147,185
Allowance for impairment loss		(13,713)	(73,515)
		₱3,324,995	₱3,073,670

10.3 Deferred Contract Costs

Deferred contract costs pertain to incremental costs incurred in the effort to obtain and fulfill the contract with subscribers. Details are as follows:

	2024	2023
<i>(In Thousand Pesos)</i>		
Cost to obtain contracts with customers:		
Commissions	₱352,079	₱810,328
Cost to fulfill contracts with customers		
Installation costs	199,152	866,131
	₱551,231	₱1,676,459

Deferred contract costs are capitalized and subsequently amortized on a straight-line basis over the term of the subscription contract. Movements in the deferred contract costs for the period are as follows:

	2024	2023
<i>(In Thousand Pesos)</i>		
Balance at beginning of the year	₱1,676,459	₱3,066,871
Amounts capitalized during the period	1,059,332	1,776,589
Amounts recognized as expense	(2,184,560)	(3,167,001)
Balance at the end of the year	₱551,231	₱1,676,459

11 Property and Equipment – net

The rolforward analysis of this account follows:

2024

	Telecommunication Equipment	Buildings, Land and Leasehold Improvement	Cable System	Office Equipment	Transportation Equipment	Assets Under Construction	Total
<i>(In Thousand Pesos)</i>							
Cost							
At January 1, 2024	P444,716,637	P66,178,280	P25,078,243	P17,161,554	P4,854,430	P104,824,628	P662,813,772
Additions	1,577,507	415,181	588,814	144,730	494,790	53,794,280	57,015,302
Retirements/disposals	(3,377,505)	(622,881)	(915,873)	(224,569)	(690,463)	(51,478)	(5,882,769)
Reclassifications and transfers (Notes 12 and 13)	57,831,828	2,836,509	(506,940)	487,600	6,322	(62,428,436)	(1,773,117)
Others	21,245	-	182,362	126	-	6,431	210,164
At December 31, 2024	500,769,712	68,807,089	24,426,606	17,569,441	4,665,079	96,145,425	712,383,352
Accumulated Depreciation and Amortization							
At January 1, 2024	259,939,230	26,318,666	17,764,034	15,622,564	3,352,690	-	322,997,184
Depreciation and amortization (Note 24)	29,543,890	2,959,536	937,065	979,398	556,380	-	34,976,269
Retirements/disposals	(2,176,461)	(444,622)	(332,680)	(174,512)	(542,511)	-	(3,670,786)
Reclassifications and transfers (Notes 12 and 13)	692,300	484,432	(93,913)	6,556	-	-	1,089,375
Others	14,325	-	84,184	138	-	-	98,647
At December 31, 2024	288,013,284	29,318,012	18,358,690	16,434,144	3,366,559	-	355,490,689
Accumulated Impairment Losses							
At January 1, 2024	5,298,174	106,409	-	3,352	-	-	5,407,935
Write-off	(630,370)	-	-	-	-	-	(630,370)
At December 31, 2024	4,667,804	106,409	-	3,352	-	-	4,777,565
Carrying amount at December 31, 2024	P208,088,624	P39,382,668	P6,067,916	P1,131,945	P1,298,520	P96,145,425	P352,115,098

2023

	Telecommunication Equipment	Buildings, Land and Leasehold Improvement	Cable System	Office Equipment	Transportation Equipment	Assets Under Construction	Total
<i>(In Thousand Pesos)</i>							
Cost							
At January 1, 2023	₱391,346,252	₱62,015,190	₱25,865,366	₱17,801,857	₱4,174,885	₱80,146,926	₱581,350,476
Additions	1,696,999	146,662	31,748	269,988	689,070	94,333,493	97,167,960
Retirements/disposals	(1,449,777)	(151,220)	(1,787,798)	(1,371,674)	(2,596)	(68,257)	(4,831,322)
Reclassifications and transfers (Notes 12 and 13)	53,423,321	4,192,792	992,381	468,285	2,025	(69,557,331)	(10,478,527)
Adjustments from subsidiary reclassified to assets-held-for-sale (Note 14.2)	(297,534)	(25,144)	-	(6,863)	(8,958)	(27,945)	(366,444)
Others	(2,624)	-	(23,454)	(39)	4	(2,258)	(28,371)
At December 31, 2023	444,716,637	66,178,280	25,078,243	17,161,554	4,854,430	104,824,628	662,813,772
Accumulated Depreciation and Amortization							
At January 1, 2023	232,919,216	23,664,629	18,356,579	15,880,379	2,807,800	-	293,628,603
Depreciation and amortization (Note 24)	28,090,914	2,866,694	892,021	1,077,010	550,927	-	33,477,566
Retirements/disposals	(879,722)	(59,776)	(1,473,550)	(1,332,803)	(2,017)	-	(3,747,868)
Reclassifications and transfers (Notes 12 and 13)	(125,625)	(142,167)	-	2,734	-	-	(265,058)
Adjustments from subsidiary reclassified to assets-held-for-sale (Note 14.2)	(64,361)	(10,714)	-	(4,727)	(4,020)	-	(83,822)
Others	(1,192)	-	(11,016)	(29)	-	-	(12,237)
At December 31, 2023	259,939,230	26,318,666	17,764,034	15,622,564	3,352,690	-	322,997,184
Accumulated Impairment Losses							
At January 1, 2023	5,713,051	106,409	-	3,352	-	-	5,822,812
Write-off	(414,877)	-	-	-	-	-	(414,877)
At December 31, 2023	5,298,174	106,409	-	3,352	-	-	5,407,935
Carrying amount at December 31, 2023	₱179,479,233	₱39,753,205	₱7,314,209	₱1,535,638	₱1,501,740	₱104,824,628	₱334,408,653

Assets under construction include intangible components of a network system and indefeasible right of use (IRU) which are reclassified to intangible assets and right of use assets, respectively, subject to amortization only when assets become available for use (see [Notes 12](#) and [13](#)). As of December 31, 2024 and 2023, assets under construction reclassified to intangible assets and rights of use assets totaled to ₱4,372.16. million and ₱6,821.52 million, respectively.

Investments in cable systems include the cost of Globe's ownership share in the capacity of certain cable systems under a joint undertaking or a consortium or private cable set-up and indefeasible rights of use (IRUs) which represents ownership share over various cable systems. It also includes the cost of cable landing station and transmission facilities where Globe is the landing party.

Globe uses its borrowed funds to finance self-constructed property and equipment. Borrowing costs incurred relating to these qualifying assets were included in the cost of property and equipment using 5.45% and 5.24% capitalization rates in 2024 and 2023, respectively. Globe's total capitalized borrowing costs amounted to ₱6,500.67 million and ₱6,710.29 million in 2024 and 2023, respectively (see [Note 17](#)).

Impairment loss recognized on property and equipment amounted to ₱410.56 million, ₱92.44 million and nil in 2024, 2023 and 2022, respectively. (See [Note 26](#)).

The reconciliation of total additions to property and equipment and actual cash flows from acquisition of property and equipment are shown below:

	2024	2023	2022
	<i>(In Thousand Pesos)</i>		
Additions to property and equipment	₱57,015,302	₱97,167,960	₱86,699,757
Effect of movements in liabilities and prepayments	5,451,260	(19,922,882)	15,019,856
Capitalized ARO (Note 18)	(5,800)	-	(2,477)
Capitalized interest (Note 17)	(6,500,674)	(6,710,285)	(3,734,100)
Cash flows from acquisition of property and equipment	₱55,960,088	₱70,534,793	₱97,983,036

Sale and Leaseback of Telecom Towers

In 2022, Globe signed three sale and leaseback agreements with three tower companies consisting of 7,059 telecom towers and related passive telecom infrastructure.

On May 7, 2023, Globe signed another sale and leaseback agreement with a fourth tower company consisting of 447 telecom towers and related passive telecom infrastructure. Accordingly, Telecom towers with net book value of ₱3,391.95 million as of December 31, 2023, were reclassified from "Property and Equipment" to "Assets classified as held-for-sale" under the current assets section in Globe's consolidated statement of financial position.

The closing of the agreements will be on a staggered basis depending on the satisfaction of closing conditions, according to the number of towers transferred.

Information on Globe's sale of telecom towers were as follows:

	2024	2023
	<i>(In Thousand Pesos except no. of Telecom Towers)</i>	
Telecom towers sold <i>(in absolute numbers in units)</i>	2,205	2,057
Cash consideration net of direct costs	P27,821,162	P24,858,693
Gain on sale on leaseback of telecom towers – net	3,482,083	7,258,378

The leaseback arrangements for those telecom towers sold took effect at the date of sale.

The gain recognized from the sale and leaseback transaction represents only the amount relating to the rights in the underlying assets that were transferred to the buyer-lessor after considering the lease liabilities recognized from the leaseback (see [Note 13](#)).

As of December 31, 2024, Globe completed the sale of 6,672 telecom towers representing 89% of the total towers portfolio subject to sale.

As of December 31, 2024 and December 31, 2023, property and equipment with net book value of P4,520.41 million and P15,791.25 million, respectively, were continued to be classified as assets-held-for-sale as Globe remains committed to its plan to sell the telecom towers.

12 Intangible Assets and Goodwill - net

The rollforward analysis of this account follows:

2024

	Application Software and Licenses	Goodwill	Other Intangible Assets	Total Intangible Assets and Goodwill
Cost				
At January 1	P71,184,561	P1,734,205	P5,993,692	P78,912,458
Additions	233,565	-	-	233,565
Retirements/disposals	(282,226)	-	-	(282,226)
Transferred from property equipment (Note 11)	3,178,116	-	-	3,178,116
Impairment and others	(1,316)	(53,434)	-	(54,750)
At December 31	74,312,700	1,680,771	5,993,692	81,987,163
Accumulated Amortization				
At January 1	53,607,495	-	1,931,857	55,539,352
Amortization (Note 24)	6,275,049	-	256,076	6,531,125
Retirements/disposals	(214,851)	-	-	(214,851)
Others	635	-	-	635
At December 31	59,668,328	-	2,187,933	61,856,261
Carrying Amount at December 31, 2024	P14,644,372	P1,680,771	P3,805,759	P20,130,902

2023

	Application Software and Licenses	Goodwill	Other Intangible Assets	Total Intangible Assets and Goodwill
Cost				
At January 1	₱64,408,624	₱3,107,367	₱6,446,732	₱73,962,723
Additions	92,878	-	-	92,878
Retirements/disposals	(73,619)	-	-	(73,619)
Transferred from property equipment (Note 11)	6,821,523	-	-	6,821,523
Adjustment from subsidiary classified as assets-held-for-sale (Note 14.2)	(65,023)	(1,218,548)	(453,040)	(1,736,611)
Impairment and others	178	(154,614)	-	(154,436)
At December 31	71,184,561	1,734,205	5,993,692	78,912,458
Accumulated Amortization				
At January 1	47,040,817	-	1,839,334	48,880,151
Amortization (Note 24)	6,672,018	-	307,138	6,979,156
Retirements/disposals	(49,749)	-	-	(49,749)
Adjustment from subsidiary classified as assets-held-for-sale (Note 14.2)	(55,617)	-	(214,615)	(270,232)
Others	26	-	-	26
At December 31	53,607,495	-	1,931,857	55,539,352
Carrying Amount at December 31, 2023	₱17,577,066	₱1,734,205	₱4,061,835	₱23,373,106

Application software licenses and other intangible assets

Other intangible assets consist of customer contracts, franchise, spectrum and merchant networks. As of December 31, 2024 and 2023, there was no indication that the application software licenses and other intangible assets are impaired.

Goodwill

Globe recognized goodwill from business combination. Details of Globe's goodwill are as follows:

	2024	2023	2022
<i>(In Thousand Pesos)</i>			
BTI	₱1,140,248	₱1,140,248	₱1,140,248
Yondu	540,523	540,523	540,523
EC Pay (Note 14.2)	-	-	1,218,548
Others	-	53,434	208,048
	₱1,680,771	₱1,734,205	₱3,107,367

Globe conducts its annual impairment test of goodwill in the third fiscal quarter of each year. The table below presents Globe's allocation of goodwill to the relevant CGUs for impairment testing purposes:

	2024	2023
Mobile communications CGU	BTI	BTI and EC Pay
Standalone CGU	Yondu and others	Yondu and others

The recoverable amount of the CGUs are determined based on value in use calculations using cash flow projections from business plans covering a five-year period. Based on the Goodwill impairment testing performed in the third fiscal quarter of 2024 and 2023, the recoverable amounts of the CGUs where the goodwill were allocated were substantially in excess of their carrying amounts.

Sensitivity Analysis

Globe has determined that the recoverable amount calculations are most sensitive to changes in assumptions on cash flow projections, discount rate, and verifiable industry growth rates. In 2024 and 2023, the pre-tax discount rates applied to cash flow projections were 9.87% and 10.73% for mobile communications CGU and 14.00% for Yondu standalone CGU, respectively. The cash flows beyond the five-year period were extrapolated using the average terminal growth rate for telecommunication industry of 2.00% and 2.20% in 2024 and 2023, respectively.

Globe has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount of the CGU. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the CGU is based would not result in impairment loss due to the substantial headroom.

13 Lease Commitments

13.1 Right of use assets – net

The rollforward analysis of this account follows:

2024

	Network Sites	Leased lines, IRUs and Data Centers	Transportation Equipment	Corporate Office	Stores	Total
<i>(In Thousand Pesos)</i>						
At January 1	₱64,591,245	₱3,634,838	₱504,368	₱783,106	₱25,239	₱69,538,796
Additions	24,603,249	1,846,782	513,489	57,545	167,077	27,188,142
Transfers from property and equipment (Note 11)	-	1,194,051	-	-	-	1,194,051
Terminations and modifications	1,232,160	287,052	(21,796)	(9,704)	17,635	1,505,347
Depreciation (Note 24)	(6,678,849)	(1,461,979)	(409,431)	(312,052)	(99,567)	(8,961,878)
Carrying Amount at December 31	₱83,747,805	₱5,500,744	₱586,630	₱518,895	₱110,384	₱90,464,458

2023

	Network Sites	Leased lines and Data Centers	Transportatio n Equipment	Corporate Office	Stores	Total
<i>(In Thousand Pesos)</i>						
At January 1	₱33,122,847	₱3,096,530	₱642,408	₱200,260	₱45,846	₱37,107,891
Additions	37,440,200	2,045,538	337,798	826,277	26,893	40,676,706
Terminations and modifications	(658,815)	(18,009)	(18)	-	(11,463)	(688,305)
Transferred to assets held for sale	(662,207)	-	-	-	-	(662,207)
Depreciation (Note 24)	(4,650,780)	(1,489,221)	(475,820)	(243,431)	(36,037)	(6,895,289)
Carrying Amount at December 31	₱64,591,245	₱3,634,838	₱504,368	₱783,106	₱25,239	₱69,538,796

Network sites leases include ground lease occupied by self constructed tower assets, Tower leases from sale and leaseback arrangements with Tower Companies and Tower Leases from Build to Suit arrangement with Tower Companies.

Sale and Leaseback of Telecom Towers

As disclosed in [Note 11](#) – Property and Equipment, Globe and the tower companies signed a sale and leaseback agreements consisting of 7,506 telecom towers and related passive telecom infrastructure and has agreed to leaseback the telecom towers sold in the transaction for an initial period of 15 years with option to extend as agreed by the parties.

Accordingly, the corresponding ROU assets covering the ground leases with net book value of ₱662.21 million as of December 31, 2023, were reclassified from “ROU assets” to “Assets classified as held-for-sale” under the current assets section in Globe’s consolidated statement of financial position.

The leaseback arrangements for those telecom towers sold took effect at the date of sale. Information on Globe’s leaseback arrangements follows:

	2024	2023
<i>(In Thousand Pesos except no. of Telecom Towers)</i>		
No. of Telecom Towers <i>(in absolute numbers in units)</i>	2,205	2,057
Recognition of lease liabilities	₱23,575,501	₱18,312,907
Recognition of ROU assets	12,879,334	10,594,340

The recognition of additional ROU assets represents only the rights retained by Globe over the telecom towers leased back from the tower companies.

As of December 31, 2024 and 2023, ROU assets with remaining net book value of ₱1,318.89 million and ₱4,623.07 million, respectively, were continued to be classified as assets-held-for-sale as Globe remains committed to its plan to sell the telecom towers.

13.2 Lease liabilities

The following table provides the lease liabilities in relation to leased assets:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Network sites - net	₱111,850,877	₱84,180,567
Leased lines, IRU and Data Centers	3,178,317	3,323,048
Transportation Equipment	520,332	479,221
Corporate Office	427,025	714,477
Stores	131,323	27,169
	116,107,874	88,724,482
Less current portion	8,175,643	5,899,426
Non current portion	₱107,932,231	₱82,825,056

Network sites consist of telecom towers and ground leases.

The rollforward analysis of this account follows:

2024

	Network Sites - net	Leased Lines, IRUs and Data Centers	Corporate Office	Transportation Equipment	Stores	Total
	<i>(In Thousand Pesos)</i>					
At January 1, 2024	₱84,180,567	₱3,323,048	₱714,477	₱479,221	₱27,169	₱88,724,482
Additions	35,299,416	1,846,782	57,545	513,489	167,077	37,884,309
Interests (Note 25)	6,510,105	171,617	39,402	25,167	3,223	6,749,514
Settlements	(13,653,451)	(2,451,114)	(373,452)	(476,394)	(81,108)	(17,035,519)
Terminations	(485,760)	287,983	(10,947)	(21,151)	14,963	(214,912)
At December 31, 2024	₱111,850,877	₱3,178,316	₱427,025	₱520,332	₱131,324	₱116,107,874

2023

	Network Sites	Leased Lines and Data Centers	Corporate Office	Transportati on Equipment	Stores	Total
	<i>(In Thousand Pesos)</i>					
At January 1, 2023	₱50,200,277	₱3,209,151	₱173,041	₱595,458	₱53,670	₱54,231,597
Additions	45,158,767	2,045,538	826,277	337,798	26,893	48,395,273
Interests (Note 25)	4,639,213	183,951	16,289	25,278	2,511	4,867,242
Settlements	(12,919,076)	(2,095,249)	(301,130)	(479,274)	(46,665)	(15,841,394)
Terminations	(2,898,614)	(20,343)	-	(39)	(9,240)	(2,928,236)
At December 31, 2023	₱84,180,567	₱3,323,048	₱714,477	₱479,221	₱27,169	₱88,724,482

The table below presents the maturity profile of Globe's lease liabilities using undiscounted cash flows of future lease payments.

2024

	1 year	More than 1 year but not more than 5 years	More than 5 years	Total
<i>(In Thousand Pesos)</i>				
Network Sites	₱13,289,273	₱53,119,911	₱108,724,659	₱175,133,843
Transportation equipment	316,333	217,191	-	533,524
Corporate office	296,836	135,744	29,985	462,565
Stores	121,248	16,310	773	138,331
Leased lines and Data Centers	1,773,438	1,609,544	-	3,382,982
	₱15,797,128	₱55,098,700	₱108,755,417	₱179,651,245

2023

	1 year	More than 1 year but not more than 5 years	More than 5 years	Total
<i>(In Thousand Pesos)</i>				
Network Sites	₱9,902,271	₱37,882,764	₱81,987,719	₱129,772,754
Transportation equipment	309,413	174,251	-	483,664
Corporate office	348,183	400,246	38,231	786,660
Stores	16,707	11,593	3,055	31,355
Leased lines and Data Centers	1,256,723	2,309,437	-	3,566,160
	₱11,833,297	₱40,778,291	₱82,029,005	₱134,640,593

As of December 31, 2024, Network site lease liabilities represents net obligations to lessors after offsetting lease receivables amounting to ₱789.19 million under sublease arrangements in 2024. Interest income and collections from sublease receivables amounted to ₱17.38 million and ₱133.75 million, respectively for the as of December 31, 2024 (See [Note 25](#)).

As of December 31, 2024 and 2023, the portion of the lease liabilities related to ROU assets that are reclassified to assets classified as held-for-sale amounted to ₱1.60 billion and ₱4.60 billion. Such liabilities will remain to be Globe's liability until the closing conditions on the transfer of assets are met, on which date, these liabilities will be pre-terminated.

13.3 Short-term Leases and Leases of Low Value Assets

Short-term leases and leases of low-value assets charged as operating expenses in the consolidated profit or loss amounted to ₱2,983.98 million, ₱2,828.28 million and ₱2,794.32 million in 2024, 2023 and 2022, respectively (see [Note 23](#)).

14 Investments in joint ventures

This account consists of the following as of December 31:

		2024	2023
		<i>(In Thousand Pesos)</i>	
Vega	14.1	P34,180,363	P34,177,005
Mynt	14.2	15,293,630	11,534,484
GSG	14.3	9,086,466	8,612,590
Gogoro Philippines, Inc.	14.7	234,135	234,135
TechGlobal	14.4	148,498	291,443
Bridge Mobile Pte. Ltd (BMPL)	14.5	56,810	53,103
Telecommunications Connectivity, Inc. (TCI)	14.6	41,809	42,579
Others	14.8	327,213	390,378
		P59,368,924	P55,335,717

Details of Globe's investments in joint venture and the related percentages of ownership as of December 31 are shown below:

	Country of Incorporation	Principal Activities	2024	2023
Joint Ventures				
VTI	Philippines	Telecommunications	50%	50%
BAHC	Philippines	Holding company	50%	50%
BHC	Philippines	Holding company	50%	50%
Konsulta	Philippines	Health hotline facility	50%	46%
TechGlobal	Philippines	Installation and management of data centers	49%	49%
Mynt	Philippines	Holding company	36%	36%
BMPL	Singapore	Mobile technology infrastructure and common service	10%	10%
TCI	Philippines	Telecommunications	33%	33%
Rush	Philippines	Cloud-based solutions	49%	49%
PureGo*	Philippines	E-commerce platform	50%	50%
GSG*****	Philippines	Data centers management	50%	50%
Gogoro**	Philippines	E-vehicle and battery swapping	49%	49%
GoLearn***	Philippines	Web development education	49%	49%
QuickClose****	Philippines	Digital services for real estate brokers and developers	49%	-

*Ceased operations on February 15, 2023

**Incorporated on June 5, 2023 (See [Note 14.7](#))

***Incorporated on July 7, 2023

****Incorporated in 2024

*****A subsidiary of Globe until March 3, 2022 (See [Note 14.3](#))

Equity share in net (loss) income from investment in joint ventures are as follows:

	2024	2023	2022
<i>(In Thousand Pesos)</i>			
Investments in joint ventures:			
Mynt	P3,759,146	P2,369,752	P808,251
GSG	473,876	330,051	214,419
Vega	44,262	28,176	169,542
TCI	(770)	2,117	1,576
BMPL	(1,242)	(2,107)	(603)
TechGlobal	(44,945)	33,360	50,372
Others	(333,315)	(546,588)	(160,355)
	P3,897,012	P2,214,761	P1,083,202

Investment in joint ventures share in other comprehensive income are as follows:

	Note	2024	2023	2022
<i>(In Thousand Pesos)</i>				
Investments in joint ventures:				
BMPL		P4,949	(P291)	P5,276
Vega		(40,904)	68,949	17,854
	20.8	(P35,955)	P68,658	P23,130

The movement in investments in joint ventures are as follows:

	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
Costs			
At January 1		P58,193,453	P57,279,133
Additional capital contributions during the year			
Investment in Gogoro	14.7	-	234,135
Others	14.8	270,150	515,255
Return on investment	14.4	(98,000)	-
Others		-	164,930
At December 31		58,365,603	58,193,453
Accumulated Equity in Net Losses			
At January 1		(3,316,738)	(5,531,499)
Equity share in net income		3,897,012	2,214,761
At December 31		580,274	(3,316,738)
Other Comprehensive Income			
At January 1		459,002	390,344
Equity share in currency translation adjustment	20.8	4,949	(291)
Equity share in investment in equity securities	20.8	(16,932)	63,823
Equity share in retirement obligation	20.8	(23,972)	5,126
At December 31		423,047	459,002
Carrying Value at December 31		P59,368,924	P55,335,717



The table below presents the summarized financial information lifted from the unaudited statutory financial statements of Globe's investments in joint ventures:

2024

	Vega	Mynt	TechGlobal	BMPL	GSG	TCI	Others
<i>(In Thousand Pesos)</i>							
Statements of Financial Position:							
Current assets	₱5,490,996	₱181,573,373	₱227,693	₱743,444	₱4,974,915	₱135,856	₱457,307
Noncurrent assets	43,665,842	5,409,702	133,414	15,775	13,462,192	23,793	468,306
Current liabilities	2,666,581	139,277,911	21,901	190,114	1,442,125	34,221	401,613
Noncurrent liabilities	9,851,978	9,249,796	36,146	1,007	5,520,118	-	52,269
Equity attributable to Parent Company	32,711,240	38,455,368	303,060	568,098	11,474,865	125,428	471,731
Statements of Comprehensive Income:							
Revenue	4,707,733	62,768,930	94,042	516,805	2,533,421	71,942	82,557
Costs and expenses	(4,265,936)	(47,720,716)	(180,925)	(529,225)	(1,261,412)	(73,830)	(590,331)
Income before tax	441,797	15,048,214	(86,883)	(12,420)	1,272,009	(1,888)	(507,774)
Income tax	(130,414)	(4,467,894)	(4,841)	-	(324,257)	(421)	-
Profit (Loss) for the period	311,383	10,580,320	(91,724)	(12,420)	947,752	(2,309)	(507,774)
Equity holders of the parent	88,524	10,580,320	(91,724)	(12,420)	947,752	(2,309)	(507,774)
Non-controlling interest	222,859	-	-	-	-	-	-
Other comprehensive income (loss)	(81,808)	-	-	49,490	-	-	-
Total comprehensive income	₱229,575	₱10,580,320	(₱91,724)	₱37,070	₱947,752	(₱2,309)	(₱507,774)

2023

	Vega	Mynt	TechGlobal	BMPL	GSG	TCI	Others
<i>(In Thousand Pesos)</i>							
Statements of Financial Position:							
Current assets	₱4,380,498	₱119,147,606	₱489,807	₱685,276	₱5,377,345	₱125,464	₱392,228
Noncurrent assets	43,882,075	3,060,445	144,364	21,774	9,270,630	37,316	644,384
Current liabilities	2,174,393	94,080,037	38,629	165,833	2,584,107	35,044	641,452
Noncurrent liabilities	9,560,468	252,965	761	10,191	1,536,753	-	4,400
Equity attributable to Parent Company	32,704,521	27,875,049	594,781	531,026	10,527,115	127,736	390,760
Statements of Comprehensive Income:							
Revenue	4,343,829	39,921,069	189,213	447,722	2,212,362	70,176	321,943
Costs and expenses	(3,860,744)	(32,641,250)	(103,549)	(468,786)	(1,301,188)	(63,330)	(932,098)
Income before tax	483,085	7,279,819	85,664	(21,064)	911,174	6,846	(610,155)
Income tax	(181,293)	(610,024)	(17,583)	-	(251,072)	(495)	-
Profit (Loss) for the period	301,792	6,669,795	68,081	(21,064)	660,102	6,351	(610,155)
Equity holders of the parent	56,352	6,669,795	68,081	(21,064)	660,102	6,351	(610,155)
Non-controlling interest	245,440	-	-	-	-	-	-
Other comprehensive income (loss)	137,896	-	-	(2,920)	-	-	-
Total comprehensive income	₱439,688	₱6,669,795	₱68,081	(₱23,984)	₱660,102	₱6,351	(₱610,155)

14.1 Investment in Vega

On May 30, 2016, Globe Telecom's BOD, through its Executive Committee, approved the signing of a Sale and Purchase Agreement (SPA) and other related definitive agreements for acquisition of 50% equity interest in the telecommunications business of San Miguel Corporation (SMC), Schutzengel Telecom, Inc. and Grace Patricia W. Vilchez-Custodio (the "Sellers"; SMC being the major seller) through their respective subsidiaries namely, VTI, BAHC and BHC, respectively (the Acquirees). The remaining 50% equity stake in VTI, BAHC and BHC was acquired by Philippine Long Distance Telephone Company (PLDT) under similar definitive agreements.

VTI owns an equity stake in Liberty Telecom Holdings, Inc. (LIB), a publicly-listed company in the Philippine Stock Exchange. It also owns, directly and indirectly, equity stakes in various enfranchised companies, including Bell Telecommunication Philippines, Inc. (Bell Tel), Eastern Telecom Philippines, Inc. (Eastern Telecom), Cobaltpoint Telecommunication, Inc (formerly Express Telecom, Inc.), and Tori Spectrum Telecom, Inc., among others.

The acquisition provided Globe Telecom an access to certain frequencies assigned to Bell Tel in the 700 Mhz, 900 Mhz, 1800 Mhz, 2300 Mhz and 2500 Mhz bands through a co-use arrangement approved by the NTC on May 27, 2016.

The memorandum of agreement between Globe and PLDT provides for both parties to pool resources and share in the profits and losses of the companies on a 50%-50% basis with a view to being financially self-sufficient and able to operate or borrow funds without recourse to the parties.

Notional goodwill recognized as part of investment in Vega amounted to ₱17.8 billion as of December 31, 2024 and 2023.

The table below presents the additional financial information of Vega:

	2024	2023
<i>(In Thousand Pesos)</i>		
Items in the Statements of Financial Position		
Cash and cash equivalents	₱3,009,985	₱2,386,845
Items in the Statements of Comprehensive Income		
Depreciation and amortization	₱1,158,994	₱870,912
Interest income	128,160	111,355
Interest expense	-	-

14.2 Investment in Mynt

Mynt is engaged in purchasing, subscribing, owning, holding and assigning real and personal property, shares of stock and other securities. Mynt holds 100% ownership interest on Fuse Lending Inc. (Fuse) and G-Xchange, Inc. (GXI). Fuse operates as a lending company. GXI is registered with Bangko Sentral ng Pilipinas (BSP) as a remittance agent and electronic money issuer. GXI handles the electronic payment and remittance service using Globe's network as platform under GCash brand.

On August 1, 2024, Mynt secured fresh strategic investments from AC, through its wholly-owned subsidiary, AC Ventures Holdings, Inc. (ACV), and Mitsubishi UFJ Financial Group (MUFG), through its consolidated subsidiary, MUFG Bank Ltd. The deal pushed Mynt's valuation to \$5 billion from the \$2 billion valuation in the 2021 funding round. As of December 31, 2024, the deal is subject to the execution of definitive transaction documents and satisfaction of customary closing conditions.

Notional goodwill recognized as part of investment in Mynt amounted to ₱1,630.59 million as of December 31, 2024 and 2023.

The table below presents the additional financial information of Mynt:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Items in the Statements of Financial Position		
Cash and cash equivalents	₱123,556,940	₱76,196,233
Current financial liabilities, excluding trade and other payables and provisions	120,240,945	82,748,774
Items in the Statements of Comprehensive Income		
Depreciation and amortization	₱268,654	₱158,834
Interest income	2,359,015	1,203,710
Interest expense	61,946	23,027
Net income	10,580,320	6,669,795

The significant growth in Mynt's net income in 2024 was driven by Mynt's strong performance which was partially tempered by non-recurring charges taken up by Mynt related to the resolution of certain long outstanding accounts.

Share Purchase Agreements

On September 8, 2023, Mynt entered into a definitive agreement with AB Capital & Investment Corporation, an entity controlled by a member of the Board of Directors of Globe, to acquire up to a 50.0% equity stake in AB Capital Securities, Inc ("ABCSI"). As of December 31, 2024, Mynt has closed the two investment tranches and currently owns 16% of ABCSI.

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Mynt for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million. The closing of the transaction and actual transfer of ownership is still subject to the PCC approval. On September 29, 2023, Globe Telecom ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained Globe's ability to exercise control over ECPay's relevant activities, including its exposures and rights to variable returns. At the date of deconsolidation, the fair value of Globe's interest in ECPay amounting to ₱2,310.00 million has been reclassified to Assets classified as held-for-sale under the current assets section in Globe's consolidated statement of financial position. Accordingly, resulting gain was recognized in the consolidated statements of comprehensive income amounting to ₱76.67 million in 2023.

On September 27, 2024, ECPay declared dividends to its existing shareholders representing a return of investment. Globe Telecom received cash amounting to ₱500.50 million presented as dividends received in Globe's consolidated statement of cashflows.

As of December 31, 2024, PCC review is still in progress. Investment in ECPay, classified as Assets held-for-sale, amounted to ₱1,809.50 million and ₱2,310.00 million as of December 31, 2024 and 2023, respectively. (See [Note 1.15](#)).



14.3 Investment in Globe STT GDC, Inc. (GSG, formerly known as KarmanEdge)

Globe previously owned 100% interest in KarmanEdge and consolidated its net assets in the consolidated financial statements. KarmanEdge is engaged in installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities. Initial investment infused by Globe amounted to ₱100.00 million.

On May 19, 2022, the SEC approved the amendment of KarmanEdge's articles of incorporation which effectively changes its corporate name to Globe STT GDC, Inc.

Sale of data center business

On March 31, 2022, Globe formed a joint venture partnership with Ayala Corporation (AC), and ST Telemedia Global Data Centres (STT GDC). Under the agreement, both STT GDC and AC shall subscribe to new shares in KarmanEdge, Inc., a wholly owned subsidiary of Globe that houses its carved-out data center business. The capital infusion by the new partners resulted in a post-money valuation of ₱16,136.24 million. Subsequent to the execution of the share subscription agreement, Globe remained the largest shareholder with a 50% ownership, followed by STT GDC with 40% and AC taking up the balance. As part of the deal, Globe received cash proceeds amounting to ₱5,030.00 million.

The dilution of ownership interest resulted in a loss of control in KarmanEdge. Thereafter, the investment in KarmanEdge was accounted for as an investment in joint venture since no single party controls the arrangement and approvals of all parties are required before a decision can be passed.

Globe accounted for this transaction as a sale of controlling interest of its data center business which resulted in a gain amounting to ₱10,511.95 million. The initial carrying amount of Globe's investment in KarmanEdge was measured at fair value amounting to ₱8,068.12 million, equivalent to 50% of the post-money valuation.

The final fair values of the identifiable assets and liabilities of Globe STT GDC, Inc. as of the date of the acquisition are as follows:

		Amount recognized on acquisition
		<i>(In Million Pesos)</i>
ASSETS		
Current assets		₱9,056
Property and equipment		5,156
Other noncurrent assets		19
		14,231
LIABILITIES		
Current Liabilities		5,807
Noncurrent Liabilities		256
		6,063
Total net assets at fair value		₱8,168
Intangible assets arising on acquisition		
Customer relationship	₱1,689	
Supplier relationship	5	
		1,694
Deferred tax liabilities	(423)	1,271
		₱9,439
Purchase consideration transferred		₱8,068
Share in identifiable assets and liabilities (50%)		(4,720)
Notional goodwill arising on acquisition		₱3,348

The fair value amounts of supplier and customer relationship were determined by an independent appraiser using multi period excess earnings method and replacement cost method.

The goodwill comprises the fair value of the expected synergies arising from the acquisition. For goodwill impairment assessment, the cash generating unit is the wireline communications segment of Globe.

The table below presents the additional financial information of Globe STT GDC, Inc.:

	December 31	
	2024	2023
Items in the Statements of Financial Position	<i>(In Thousand Pesos)</i>	
Cash and cash equivalents	₱959,158	₱1,984,521
Non-current financial liabilities, excluding trade and other payables and provisions	3,971,579	-
Items in the Statements of Comprehensive Income		
Depreciation and amortization	₱412,222	₱365,390
Interest income	61,929	45,268
Interest expense	72,953	17,215

14.4 Investment in TechGlobal

On November 2, 2015, Innove and Techzone Philippines incorporated TechGlobal, a Joint Venture Company, formed to install, own, operate, maintain and manage all kinds of data centers and to provide information technology-enabled services and computer-enabled support services. Innove and Techzone hold ownership interest of 49% and 51%, respectively. TechGlobal started commercial operations in August 2017.

Dividends from TechGlobal amounted to ₱98.00 million in 2024.

14.5 Investment in BMPL

Globe Telecom and other leading Asia Pacific mobile operators (JV partners) signed an Agreement in 2004 (JV Agreement) to form a regional mobile alliance, which will operate through a Singapore-incorporated company, BMPL. The JV company is a commercial vehicle for the JV partners to build and establish a regional mobile infrastructure and common service platform and deliver different regional mobile services to their subscribers.

14.6 Investment in TCI

On January 17, 2020, Globe Telecom, Dito Telecommunity and Smart Communications incorporated a joint venture company, Telecommunications Connectivity, Inc. (TCI) in line with the new mobile number portability initiative of the government under RA 11202 also known as the "Mobile Number Portability Act" ("the MNP Act"). As committed to the National Telecommunications Commission, TCI commenced commercial operations on September 30, 2021 through the implementation of MNP services.

TCI is expected to bring in the technical infrastructure to fulfill its primary function as a clearing house for the three mobile operators to ensure the smooth implementation of number porting services.

14.7 Investment in Gogoro

On June 5, 2023, 917Ventures, Inc., Gogoro Network Pte. Ltd and Ayala Corporation formed Gogoro Philippines Inc. (Gogoro), a Joint Venture company established to engage in, operate, conduct, and maintain the business of importing, selling, distributing, operating, managing, and maintaining two-wheeled and three-wheeled electric vehicles, for retail, and battery-swapping stations, and to provide after-sales services. Globe owns 49% of Gogoro. Initial investment infused by Globe amounted to ₱234.14 million in 2023.

14.8 Others

Globe has investments in non-telco businesses offering healthcare and digital solutions, among others, which are individually immaterial. Globe invested a total of ₱270.15 million, ₱515.26 million and ₱485.53 million of additional capital in 2024, 2023 and 2022, respectively.

15 Trade Payables and Accrued Expenses

This account consists of:

	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
Accrued project costs	33.2	₱30,740,903	₱40,311,982
Accrued expenses		23,159,507	23,423,651
Taxes payable		9,958,773	11,144,092
Trade payable		8,525,360	7,658,017
Traffic settlements - net	31.2, 33.1	749,690	575,373
Other creditors		4,973,099	4,551,143
		₱78,107,332	₱87,664,258

Traffic settlements payable are presented net of traffic settlements receivable from the same carrier (see [Note 31.2](#)).

Accrued expenses consists of the following:

	2024	2023
<i>(In Thousand Pesos)</i>		
Staff costs	₱3,586,565	₱4,199,796
Professional and other contracted services	3,321,742	3,865,420
Repairs and maintenance	3,055,762	3,811,311
Utilities, supplies and other administrative expenses	2,895,099	2,294,850
Taxes and licenses	2,081,415	2,065,153
Lease	1,558,352	1,533,617
Selling, advertising and promotions	1,541,434	1,629,063
Interest on loans	1,438,267	1,518,500
Others	3,680,871	2,505,941
	₱23,159,507	₱23,423,651

16 Provisions

The rollforward analysis of this account follows:

	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
At beginning of year		₱2,960,993	₱2,583,476
Provisions for claims	26	874,255	562,574
Payments and reversals for claims	26	(441,291)	(185,057)
At end of year		₱3,393,957	₱2,960,993

Provisions pertain to probable liabilities related to various pending unresolved claims over Globe's businesses such as provision for taxes and various labor cases.

The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the outcome of these on-going claims and assessments. As of December 31, 2024, the remaining claims are still being resolved.

17 Loans Payable

Globe's loans payable consists of the following:

	2024	2023
<i>(In Thousand Pesos)</i>		
Term Loans:		
Peso	₱200,472,330	₱198,821,740
Dollar	14,605,104	18,251,956
	215,077,434	217,073,696
Retail bonds dollar	34,382,475	32,881,873
	249,459,909	249,955,569
Less current portion	26,349,796	36,792,956
Net of current portion	₱223,110,113	₱213,162,613

The rollforward analysis of this account follows:

	Note	2024	2023
<i>(In Thousand Pesos)</i>			
At beginning of year		₱249,955,569	₱233,204,659
Cash items			
Proceeds from long term borrowings		27,000,000	45,000,000
Proceeds from short term borrowings		23,310,000	63,250,000
Repayments of long term borrowings		(18,396,869)	(20,214,691)
Repayments of short borrowings		(34,572,500)	(70,905,167)
		(2,659,369)	17,130,142
Non-cash items			
Debt issuance cost		(248,019)	(639,400)
Amortization of debt issue cost		273,568	642,875
Adjustment from subsidiary classified as held-for-sale (Note 14.2)		-	(2,156)
Foreign exchange loss (gain)		2,138,160	(380,551)
		2,163,709	(379,232)
At end of year		₱249,459,909	₱249,955,569

The maturities of loans payable at nominal values as of December 31, 2024 follow (in thousands):

Due in:	
2025	₱26,369,562
2026	22,239,286
2027	23,184,943
2028	22,602,000
2029 and thereafter	156,298,200
	₱250,693,991

The interest rates and maturities of the above debts are as follows:

	Maturities	Interest Rates
Term Loans:		
Peso	2025-2039	4.00% to 7.11% in 2024
	2024-2034	4.00% to 7.11% in 2023
Dollar	2025-2027	5.51% to 8.10% in 2024
	2024-2027	5.36% to 8.10% in 2023
Retail bonds Dollar	2030-2035	3.13% to 3.75% in 2024
	2030-2035	3.13% to 3.75% in 2023

Total interest expense recognized in the consolidated profit or loss related to long-term debt amounted to **₱7,204.47 million**, **₱6,723.60 million** and **₱6,884.49 million** in 2024, 2023 and 2022, respectively (see [Note 25](#)).



Total interest expenses capitalized as part of property and equipment amounted to ₱6,500.67 million and ₱6,710.29 million in 2024 and 2023, respectively (see [Note 11](#)).

17.1 Term Loans and Corporate Notes

Globe Telecom has unsecured term loans which consist of dollar and peso-denominated term loans subject to fixed and floating interest rates.

17.2 Retail Bonds Peso

On July 17, 2013, Globe Telecom issued ₱7,000.00 million fixed rate bond. The amount comprises ₱4,000.00 million and ₱3,000.00 million bonds due in 2020 and 2023, with interest rate of 4.8875% and 5.2792%, respectively. The net proceeds of the issue were used to partially finance Globe Telecom's capital expenditure requirements in 2013.

The seven-year and ten-year retail bonds may be redeemed in whole, but not in part only, starting two years for the seven-year bonds and three years for the ten-year bonds before the maturity date and on the anniversary thereafter at a price ranging from 101.0% to 100.5% and 102.0% to 100.5%, respectively, of the principal amount of the bonds and all accrued interest depending on the year of redemption. Globe fully redeemed its ₱4,000.00 million and ₱3,000.00 million retail bonds in July 2020 and July 2023, respectively.

17.3 Retail Bonds Dollar

On July 23, 2020, Globe Telecom issued a USD 300 million 10-year and USD 300 million 15-year US dollar denominated senior notes with a coupon rate of 2.5% and 3.0%, respectively. The notes are unrated and have been listed on the Singapore Exchange Securities Trading Limited on July 24, 2020. The net proceeds from the issue of the notes was used to finance Globe's capital expenditures, refinance maturing and/or existing obligations, and for general corporate requirements.

17.4 Loan Covenants

The loan agreements with banks and other financial institutions provide for certain restrictions and requirements with respect to, among others, maintenance of financial ratios and percentage of ownership of specific shareholders, incurrence of additional long-term indebtedness or guarantees and creation of property encumbrances.

The financial tests under Globe's loan agreements include compliance with the following ratios:

- Total debt* to EBITDA not exceeding 3.5:1;
- Debt service coverage exceeding 1.3 times; and
- Secured debt ratio not exceeding 0.2 times.

**Composed of loans payable and net derivative liabilities.*

As of December 31, 2024 and 2023, Globe is not in breach of any loan covenants.

18 Other Long-term Liabilities

This account consists of:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Asset retirement obligation (ARO)	₱2,018,702	₱2,253,106
Others	1,409,096	1,433,974
	₱3,427,798	₱3,687,080

ARO represents Globe's estimated dismantling cost of property and equipment and obligation to restore leased properties to their original condition. The rollforward analysis of Globe's ARO follows:

	Notes	2024	2023
		<i>(In Thousand Pesos)</i>	
At beginning of year		₱2,253,106	₱2,689,423
Accretion expense during the year	25	11,272	8,250
Capitalized to property and equipment during the year	11	5,800	-
Settlements and reversals		-	(621,672)
Remeasurements		(251,476)	177,105
At end of year		₱2,018,702	₱2,253,106

Gain on settlement and remeasurement of ARO recognized in consolidated profit or loss amounted to ₱2.63 million in 2022 (see [Note 22](#)).

19 Related Party Transactions

Parties are considered to be related to Globe if they have the ability, directly or indirectly, to control Globe or exercise significant influence over Globe in making financial and operating decisions, or vice versa, or where Globe and the party are subject to common control or common joint control. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or entities and include entities which are under the significant influence of related parties exercising control or joint control over Globe, and post-employment benefit plan which are for the benefit of employees of Globe or of any entity that is a related party of Globe.

Globe, in their regular conduct of business, enter into transactions with their major stockholders, AC and Singtel, joint ventures and certain related parties.

Globe's audit and related party transactions committee (Committee) reviews and approves all covered related party transactions in accordance with Globe's corporate governance policy. The Committee endorses the covered related party transactions to the Board of Directors for final approval.

The summary of balances arising from related party transactions for the relevant financial year follows (in thousand pesos):

2024

	Amount of transaction				Outstanding Balance				Terms	Conditions	
	Revenue and Other Income	Costs and Expenses charged to Profit or Loss	Cost and Expenses capitalized as Asset		Cash and Cash Equivalents	Amounts Owed by Related Parties	Amounts Owed to Related Parties				
Entities with joint control over the Company											
Singtel Group	19.1	P250,336	P217,487	P-	P-	P27,066	P149,473		Interest-free, settlement in cash	Unsecured, no impairment	
AC	19.1	41,836	58,414	-	-	20,683	44,439		Interest-free, settlement in cash	Unsecured, no impairment	
Jointly controlled entities											
BMPL	19.2	-	39,210	-	-	-	4,595		Interest-free, settlement in cash	Unsecured, no impairment	
Mynt	19.2	186,206	3,302,881	-	344,959	635,204	-		Interest-free, settlement in cash	Unsecured, no impairment	
Globe STT GDC, Inc.	19.2	171,695	-	1,747,480	-	486,189	2,931,513		Interest-free, settlement in cash	Unsecured, no impairment	
Other related parties											
GRP	19.3	155,424	-	-	-	2,547,935	-		3-5 years, 4.25-6.00%, settlement in cash	Unsecured, no impairment	
BEAM	19.3	-	203,000	-	-	-	-		-	-	
JVHI	19.3	81,340	-	-	-	1,216,000	-		5-6 years, 5.94%-7.88%, settlement in cash	Unsecured, no impairment	
Key management personnel	19.4	-	373,500	-	-	-	-		Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment	
Others	19.3	618,651	215,277	83,837	245,941	105,200	26,879				
		P1,505,488	P4,409,769	P1,831,317	P590,900	P5,038,277	P3,156,899				

2023

	Amount of transaction			Outstanding Balance			Terms	Conditions	
	Note	Revenue and Other Income	Costs and Expenses charged to Profit or Loss	Cost and Expenses capitalized as Asset	Cash and Cash Equivalents	Amounts Owed by Related Parties			Amounts Owed to Related Parties
Entities with joint control over the Company									
Singtel Group	19.1	₱336,003	₱290,729	₱-	₱-	₱65,655	₱277,517	Interest-free, settlement in cash	Unsecured, no impairment
AC	19.1	39,215	54,873	-	-	23,505	1,745	Interest-free, settlement in cash	Unsecured, no impairment
Jointly controlled entities									
BMPL	19.2	-	20,142	-	-	-	2,784	Interest-free, settlement in cash	Unsecured, no impairment
Mynt	19.2	81,242	3,523,508	-	320,141	448,838	-	Interest-free, settlement in cash	Unsecured, no impairment
Globe STT GDC, Inc.	19.2	230,603	-	1,639,638	-	641,412	2,254,883	Interest-free, settlement in cash	Unsecured, no impairment
Other related parties									
GRP	19.3	154,999	-	-	-	2,547,935	-	3-5 years, 4.25-6.00% settlement in cash	Unsecured, no impairment
BEAM	19.3	-	215,000	-	-	-	-	-	-
JVHI	19.3	59,790	-	-	-	1,317,000	-	5-6 years, 5.94%-7.88% settlement in cash	Unsecured, no impairment
Key management personnel	19.4	-	423,800	-	-	-	-	Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment
Others	19.3	640,632	65,584	84,522	313,963	180,181	54,324	-	-
		₱1,542,484	₱4,593,636	₱1,724,160	₱634,104	₱5,224,526	₱2,591,253		

Amounts owed by related parties are presented in the statement of financial position as follows:

	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
Trade receivables – net		₱103,923	₱238,139
Due from related parties	10.2	1,170,419	1,121,452
Loans to related parties	10.1	3,763,935	3,864,935
		₱5,038,277	₱5,224,526

Amounts owed to related parties amounting to ₱3,156.90 million and ₱2,591.25 million as of December 31, 2024 and 2023, respectively are presented under trade payables and accrued expenses account in the statements of financial position.

As of December 31, 2024 and 2023, total related party trade and other receivables with and among subsidiaries that were eliminated at consolidation against related party trade and other payables amounted to ₱81,574.63 million and ₱67,812.23 million, respectively. These are mostly unsecured, interest-free and settled in cash.

19.1 Entities with Joint Control over Globe - AC and Singtel Group

Singtel Group

Interconnection agreements

Globe Telecom has interconnection agreements with Singtel Group. The interconnection revenues recognized in relation to the agreements amounted to ₱250.34 million, ₱336.00 million and ₱427.09 million in 2024, 2023 and 2022, respectively. The interconnection costs recognized in relation to the agreements amounted to ₱15.30 million, ₱23.05 million and ₱19.35 million in 2024, 2023 and 2022, respectively.

Technical assistance agreement

Globe Telecom and Singtel Group have a technical assistance agreement whereby Singtel Group will provide consultancy and advisory services, including those with respect to the construction and operation of Globe Telecom's networks and communication services, equipment procurement and personnel services. In addition, Globe Telecom has software development, supply, license and support arrangements, lease of cable facilities, maintenance and restoration costs and other transactions with Singtel Group. General and administrative expenses charged to profit or loss in relation to the agreement amounted to ₱202.19 million, ₱267.68 million and ₱157.85 million in 2024, 2023 and 2022, respectively.

AC

Subscription receivable

Globe Telecom, Innove and BTI earn subscriber revenues from AC. Service revenues recognized from AC amounted to ₱41.84 million, ₱39.22 million and ₱23.27 million in 2024, 2023 and 2022, respectively.

Cost reimbursements

Globe Telecom reimburses AC for certain operating expenses. Total expense recognized by Globe from the transaction amounted to ₱58.41 million, ₱54.87 million and ₱40.13 million in 2024, 2023 and 2022, respectively.



19.2 Joint Ventures in which Globe is a venturer

BMPL

Globe Telecom has preferred roaming service contract with BMPL. Under this contract, Globe Telecom will pay BMPL for services rendered by the latter which include, among others, coordination and facilitation of preferred roaming arrangement among JV partners, and procurement and maintenance of telecommunications equipment necessary for delivery of seamless roaming experience to customers. Globe Telecom also incurs commission from BMPL for regional top-up service provided by the JV partners. The net outstanding liabilities to BMPL related to these transactions amounted to ₱4.60 million and ₱2.78 million as of December 31, 2024 and 2023, respectively. Total expenses recognized related to these transactions amounted to ₱39.21 million, ₱20.14 million and ₱26.22 million in 2024, 2023, and 2022, respectively.

Mynt

Management support services

Globe renders certain management support services to Mynt. The management services also include the use of Globe's network and facilities to conduct Mynt's operations. Management fee income amounted to ₱80.84 million, ₱64.77 million and ₱165.43 million in 2024, 2023, and 2022, respectively (see [Note 22](#)).

Leases

Globe has lease arrangements with Mynt for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱105.36 million, ₱16.47 million and nil in 2024, 2023 and 2022, respectively.

Service agreement

Mynt offers over-the-air reloading to the mobile prepaid subscribers of Globe using the Gcash mobile application. This entitles Mynt to a certain percentage share of the prepaid load sales through the Gcash platform.

Mynt also provides virtual GCash wallet to Globe and functions as an Internet Payment Gateway. This enables the subscribers of Globe to purchase Globe products and settle postpaid bills using the GCash platform.

Expense charged to profit or loss in relation to these arrangements amounted to ₱3,302.88 million, ₱3,523.51 million and ₱3,327.75 million in 2024, 2023 and 2022, respectively.

Outstanding Gcash wallet balance as of December 31, 2024 and 2023 amounted to ₱344.96 million and ₱320.14 million, respectively.

Share Purchase Agreement

On September 8, 2023, Mynt entered into a definitive agreement with AB Capital & Investment Corporation, an entity controlled by a member of the Board of Directors of Globe, to acquire up to a 50.0% equity stake in AB Capital Securities, Inc ("ABCSI"). As of December 31, 2024, Mynt has closed the two investment tranches and currently owns 16% of ABCSI.

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Mynt for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00. The closing of the transaction and actual transfer of ownership is still subject to PCC approval. As of December 31, 2024, PCC review is still in progress (See [Note 14.2](#)).



On September 27, 2024, ECPay has declared dividends to its existing shareholders. Globe Telecom received cash amounting to ₱500.50 million presented as dividends received in Globe's consolidated statement of cashflows.

[Globe STT GDC, Inc.](#)

Management fees

Globe renders certain management support services to Globe STT GDC. Management fees recognized in relation to the services rendered amounted to ₱36.56 million, ₱75.75 million and ₱83.14 million in 2024, 2023 and 2022, respectively (See [Note 22](#)).

Reimbursement of expenses

In the normal course of business, Globe STT GDC reimburse expenses to Globe amounting to ₱28.74 million, ₱41.80 million and ₱121.32 million recognized as other income in 2024, 2023 and 2022, respectively.

Leases

Globe has lease arrangements with Globe STT GDC for the use of certain telecommunication and data center facilities. Lease expense capitalized as right of use assets amounted to ₱1,747.48 million and ₱1,639.64 million in 2024 and 2023, respectively.

Globe has lease arrangements with Globe STT GDC for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱106.40 million, ₱113.05 million and ₱62.47 million in 2024, 2023 and 2022, respectively.

19.3 Transactions with the other related parties

[Globe Retirement Plan \(GRP\)](#)

Globe granted various loans to the GRP at an interest rate of 5.50%, which matured on September 11, 2020. Upon maturity, the loan was extended until September 11, 2023 with the interest rate reduced to 4.25% per annum. In April 2022, Globe Telecom collected ₱408.00 million as full settlement. On May 5, 2021, Globe granted additional loans to the GRP at an interest rate of 6%, which will mature on May 26, 2026. Interest income amounted to ₱155.42 million, ₱155.00 million and ₱160.25 million in 2024, 2023 and 2022, respectively (see [Note 21](#)). As of December 31, 2024 and 2023, the outstanding balance of loan receivable from GGRP amounted to ₱2,547.94 million (see [Note 10](#)).

[BHI](#)

GRP owns 100% of BHI, a domestic corporation organized to invest in media ventures. BHI has controlling interest in Altimax Broadcasting Co., Inc. (Altimax) and Broadcast Enterprises and Affiliated Media Inc. (BEAM), respectively.

[BEAM](#)

On February 1, 2009, Globe entered into a memorandum of agreement (MOA) with BEAM for the latter to render mobile television broadcast service to Globe subscribers using the mobile TV service. Globe recognized expense amounting to ₱203.00 million, ₱215.00 million and ₱215.00 million in 2024, 2023 and 2022, respectively.



Altimax

On October 1, 2009, Globe entered into a MOA with Altimax for Globe's co-use of specific frequencies of Altimax's for the rollout of broadband wireless access to Globe's subscribers.

On March 21, 2022 Altimax's Frequency was reallocated to Globe following the approval of the National Telecommunications Commission (NTC) to reclassify the Frequency to broadband wireless access. Total consideration amounting to ₱3,150.00 million was subsequently paid in April 1, 2022.

JVHI

Globe granted loan to JVHI at an interest rate of 5.94%, which will mature on January 19, 2028. In 2023, Globe granted additional loan to JVHI at an interest of 7.88%, which will mature on January 19, 2028. In October 2024, Globe Telecom collected ₱101.00 million as partial settlement of the loan. Interest income amounted to ₱81.34 million, ₱59.79 and ₱21.49 million in 2024, 2023 and 2022, respectively (see [Note 21](#)). As of December 31, 2024 and 2023, the outstanding balance of loan receivable from JVHI amounted to ₱1,216.00 million and ₱1,317.00 million, respectively (see [Note 10](#)).

917Ventures Group Retirement Plan owns 99.99% of JVHI's outstanding shares. The Plan was established by GCVHI and registered with the Bureau of Internal Revenue on May 12, 2021 to fund the retirement and separation benefits of the participating and qualified employees of 917Ventures, BCHI and AI.

Others

Globe earns service revenues, maintains money market placements and cash in bank balances, acquires transportation equipment and incurs general, selling and administrative expenses such as rentals, utilities and customer contract services, from entities which are either controlled, jointly controlled or significantly influenced by AC.

19.4 Transactions with key management personnel of Globe

The following compensation of key management personnel were recognized as expenses in 2024 and 2023 which includes accrued but unpaid amounts for the years ended:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Short-term employee benefits	₱274,700	₱329,000
Share-based payments	78,800	80,200
Post-employment benefits	20,000	14,600
	₱373,500	₱423,800

There are no agreements between Globe and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under Globe's retirement plans.

20 Equity and Other Comprehensive Income

As of December 31, 2024 and 2023, Globe Telecom's authorized capital stock consists of (amounts in thousand pesos and number of shares):

	Shares	Amount
<i>(In Thousand Pesos and Number of Shares)</i>		
Voting preferred stock -P5 per share	160,000	P800,000
Non-voting preferred stock -P50 per share	40,000	2,000,000
Common stock -P50 per share	168,934	8,446,719

Approval of the Stockholders to Increase the Authorized Common Capital Stock

On April 26, 2022, the stockholders of Globe Telecom approved the amendments to the articles of incorporation to increase Globe Telecom's authorized common capital stock by 20,000,000 shares from 148,934,373 shares to 168,934,373 shares with par value being retained at P50.00 per share.

Approval of the SEC to Increase the Authorized Common Capital Stock

On October 24, 2022, the Securities and Exchange Commission approved the amendments to the articles of incorporation to increase Globe Telecom's authorized common capital stock from P7,446,719 to P8,446,719 consisting of 168,934,373 shares with par value being retained at P50.00 per share.

Globe Telecom's issued, subscribed and fully paid capital stock consists of:

	2024		2023	
	Shares	Amount	Shares	Amount
<i>(In Thousand Pesos and Number of Shares)</i>				
Voting preferred stock	158,515	P792,575	158,515	P792,575
Non-voting preferred stock	20,000	1,000,000	20,000	1,000,000
Common stock	144,380	7,219,017	144,229	7,211,455
Total capital stock		P9,011,592		P9,004,030

Below is the summary of Globe Telecom's track record of registration of securities:

	Number of shares registered	Issue/offer price	Date of approval
<i>(In Thousands, Except for Issue/Offer price)</i>			
Voting preferred stock	158,515	P5.00	June 2001
Non-voting preferred stock	20,000	500.00	August 11, 2014
Common stock*	30,000	0.50	August 11, 1975
Common stock*	10,119	1,680	October 28, 2022

**Initial number of registered shares only*

20.1 Preferred Stock

Non-Voting Preferred Stock

Non-voting preferred stock has the following features:

- Issued at ₱50 par;
- Dividend rate to be determined by the BOD at the time of issue;
- Redemption - at Globe Telecom's option at such times and price(s) as may be determined by the BOD at the time of issue, which price may not be less than the par value thereof plus accrued dividends;
- Eligibility of investors - Any person, partnership, association or corporation regardless of nationality wherein at least 60% of the outstanding capital stock shall be owned by Filipino;
- No voting rights;
- Cumulative and non-participating;
- No pre-emptive rights over any sale or issuance of any share in Globe Telecom's capital stock; and
- Stocks shall rank ahead of the common shares and equally with the voting preferred stocks in the event of liquidation.

On August 22, 2021, Globe Telecom redeemed the 20 million non-voting preferred shares for ₱10,000.00 million which were recognized as treasury shares in the consolidated statements of financial position (see [Note 20.4](#)).

Voting Preferred Stock

Voting preferred stock has the following features:

- Issued at ₱5 par;
- Dividend rate to be determined by the BOD at the time of issue;
- One preferred share is convertible to one common share starting at the end of the 10th year of the issue date at a price to be determined by Globe Telecom's BOD at the time of issue which shall not be less than the market price of the common share less the par value of the preferred share;
- Call option - Exercisable any time by Globe Telecom starting at the end of the 5th year from issue date at a price to be determined by the BOD at the time of issue;
- Eligibility of investors - Only Filipino citizens or corporations or partnerships wherein 60% of the voting stock or voting power is owned by Filipino;
- With voting rights;
- Cumulative and non-participating;
- Preference as to dividends and in the event of liquidation; and
- No pre-emptive right to any share issue of Globe Telecom, and subject to yield protection in case of change in tax laws.

The dividends for preferred stocks are declared upon the sole discretion of Globe Telecom's BOD.

20.2 Common Stock

The rollforward of outstanding common shares follows:

	2024		2023	
	Shares	Amount	Shares	Amount
<i>(In Thousand Pesos and Number of Shares)</i>				
At beginning of year	144,229	₱7,211,455	144,060	₱7,203,027
Issuance of shares under share-based compensation plan and exercise of stock options	151	7,562	169	8,428
At end of year	144,380	₱7,219,017	144,229	₱7,211,455

Holders of fully paid common stock are entitled to voting and dividends rights.

Stock Rights Offering

On June 17, 2022, the board of directors of Globe Telecom approved the offer and issuance of common shares by way of stock rights to eligible shareholders of record, and the subsequent listing of said shares. The common shares for this offer will be issued out of the increase in the Company's authorized capital stock, which was approved by Globe's board of directors and stockholders on April 25, 2022 and April 26, 2022, respectively.

On October 28, 2022, Globe Telecom formally listed 10,119,047 common shares newly issued to stockholders that participated in the recently concluded Rights Offer (the "Offer") on the Philippine Stock Exchange. The common shares were sold in the Offer at ₱1,680.00 per share, raising net proceeds of ₱16,804.48 million.

20.3 Capital Securities

On November 2, 2021, Globe Telecom issued US\$600 million senior perpetual capital securities with an initial distribution rate of 4.20% payable semi-annually and callable on or after August 2, 2026. The distribution rate is subject to step up on the fifth anniversary and shall be recalculated every five years thereafter. The capital securities were classified as equity since there is no fixed redemption date and the redemption is at the option of Globe Telecom. Globe Telecom also has the right to defer payment of any or all of the distribution. On November 3, 2021, the capital securities were listed in Singapore Exchange Securities Trading Limited. On November 2024, Globe updated its distribution rate based on market.

Distributions to holders of capital securities amounted to ₱1,369.67 million, ₱1,330.62 million and ₱1,306.73 million in 2024, 2023 and 2022, respectively.

20.4 Treasury Shares

Globe's treasury shares pertain to the 20 million non-voting preferred shares that were redeemed on August 22, 2021 for ₱10,000.00 million (see [Note 20.1](#)).

20.5 Cash Dividends

Information on Globe Telecom's BOD declaration of cash dividends follows:

	Per Share	Amount	Date	
			Record	Payment
(In Thousand Pesos, Except Per Share Figures)				
Dividends on Voting Preferred stock:				
November 11, 2022	0.32	50,027	November 25, 2022	December 9, 2022
November 3, 2023	0.32	50,027	November 17, 2023	December 1, 2023
November 7, 2024	0.39	61,297	November 21, 2024	December 6, 2024
Dividends on Common stock:				
February 8, 2022	27.00	3,607,719	February 22, 2022	March 10, 2022
May 4 2022	27.00	3,616,420	May 19, 2022	June 3, 2022
August 11, 2022	27.00	3,616,420	August 25, 2022	September 9, 2022
November 11, 2022	25.00	3,601,514	November 25, 2022	December 9, 2022
February 6, 2023	25.00	3,601,514	February 20, 2023	March 8, 2023
May 4, 2023	25.00	3,605,714	May 18, 2023	June 2, 2023
August 11, 2023	25.00	3,605,715	August 29, 2023	September 8, 2023
November 3, 2023	25.00	3,605,715	November 17, 2023	December 1, 2023
February 6, 2024	25.00	3,605,716	February 21, 2024	March 7, 2024
May 14, 2024	25.00	3,609,508	May 28, 2024	June 13, 2024
August 6, 2024	25.00	3,609,508	August 20, 2024	September 5, 2024
November 7, 2024	25.00	3,609,508	November 21, 2024	December 6, 2024

20.6 Common Stock Dividend

The dividend policy of Globe Telecom as approved by the BOD is to declare cash dividends to its common stockholders on a regular basis as may be determined by the BOD.

The dividend distribution policy is reviewed annually and subsequently each quarter of the year, taking into account Globe Telecom's operating results, cash flows, debt covenants, capital expenditure levels and liquidity.

In 2023, Globe Telecom distributes cash dividends to its shareholders at the rate of 60% to 75% of prior year's core net income, and is committed to a sustainable dividend policy in line with earnings and cash flow generation.

On February 6, 2024, the BOD approved the proposed change in the dividend policy to 60% to 90% of the prior year's core net income, to be applied starting 2024 dividend declarations.

20.7 Retained Earnings Available for Dividend Declaration

The total unrestricted retained earnings available for dividend declaration amounted to ₱12,582.82 million and ₱19,998.15 million as of December 31, 2024 and 2023, respectively. This amount excludes the undistributed net earnings of consolidated subsidiaries, accumulated equity in net earnings of joint ventures accounted for under the equity method, and unrealized gains recognized on asset and liability, currency translations and unrealized gains on fair value adjustments. Globe is also subject to loan covenants that limits its ability to pay dividends (see [Note 17](#)).

20.8 Other Comprehensive Income

Other Reserves

2024

	Cash flow hedges (Note 8)	Investment in equity securities (Note 10)	Currency translation adjustment	Remeasurement on pension liabilities (Note 27)	Total
<i>(Unaudited and In Thousand Pesos)</i>					
As of January 1	(₱996,453)	₱1,217,194	₱637,601	(₱2,191,595)	(₱1,333,253)
Fair value changes	262,102	229,660	-	-	491,762
Share in OCI from investment in joint venture (see Note 14)	-	(16,932)	4,949	(23,972)	(35,955)
Remeasurement on pension liabilities	-	-	-	(633,993)	(633,993)
Transferred to profit or loss	(1,422,711)	-	-	-	(1,422,711)
Exchange differences	-	-	265,470	-	265,470
Income tax effect (see Note 28)	290,152	(57,415)	-	158,498	391,235
Other comprehensive income for the period	(870,457)	155,313	270,419	(499,467)	(944,192)
Other comprehensive income attributable to non-controlling interest	-	-	7,055	763	7,818
Other comprehensive income attributable to equity holders of the Parent	(870,457)	155,313	277,474	(498,704)	(936,374)
As of December 31	(₱1,866,910)	₱1,372,507	₱915,075	(₱2,690,299)	(₱2,269,627)

2023

	Cash flow hedges (Note 8)	Investment in equity securities (Note 10)	Currency translation adjustment	Remeasurement on pension liabilities (Note 27)	Total
<i>(Unaudited and In Thousand Pesos)</i>					
As of January 1	(P1,181,500)	P985,323	P663,055	(P583,184)	(P116,306)
Fair value changes	(852,889)	224,064	-	-	(628,825)
Share in OCI from investment in joint venture (see Note 14)	-	63,823	(291)	5,126	68,658
Remeasurement on pension liabilities	-	-	-	(2,145,565)	(2,145,565)
Transferred to profit or loss	1,099,618	-	-	-	1,099,618
Exchange differences	-	-	(22,152)	-	(22,152)
Income tax effect (see Note 28)	(61,682)	(56,016)	-	536,391	418,693
Other comprehensive income for the period	185,047	231,871	(22,443)	(1,604,048)	(1,209,573)
Other comprehensive income attributable to non-controlling interest	-	-	(3,011)	(4,363)	(7,374)
Other comprehensive income attributable to equity holders of the Parent	185,047	231,871	(25,454)	(1,608,411)	(1,216,947)
As of December 31	(P996,453)	P1,217,194	P637,601	(P2,191,595)	(P1,333,253)

2022

	Cash flow hedges (Note 8)	Investment in equity securities (Note 10)	Currency translation adjustment	Remeasurement on defined benefit plan (Note 27)	Total
<i>(In Thousand Pesos)</i>					
As of January 1	P198,090	P956,219	(P35,365)	(P3,314,072)	(P2,195,128)
Fair value changes	1,791,710	2,492	-	-	1,794,202
Share in OCI from investment in joint venture (see Note 14)	-	27,235	5,276	(9,381)	23,130
Remeasurement on pension liabilities	-	-	-	3,666,776	3,666,776
Transferred to profit or loss	(3,631,163)	-	-	-	(3,631,163)
Exchange differences	-	-	693,257	-	693,257
Income tax effect (see Note 28)	459,863	(623)	-	(916,694)	(457,454)
Other comprehensive income for the period	(1,379,590)	29,104	698,533	2,740,701	2,088,748
Other comprehensive income attributable to non-controlling interest	-	-	(113)	(9,813)	(9,926)
Other comprehensive income attributable to equity holders of the Parent	(1,379,590)	29,104	698,420	2,730,888	2,078,822
As of December 31	(P1,181,500)	P985,323	P663,055	(P583,184)	(P116,306)

21 Interest Income

Interest income is earned from the following sources:

	Notes	2024	2023	2022
<i>(In Thousand Pesos)</i>				
Short-term placements	5	P567,639	P374,055	P130,153
Loans receivable:				
GRP	19.3	155,424	154,999	160,250
JVHI	19.3	81,340	59,790	21,490
Cash in banks	5	65,227	75,980	9,650
Others		48,708	12,746	18,566
		P918,338	P677,570	P340,109

22 Other Income - net

This account consists of:

	Notes	2024	2023	2022
<i>(In Thousand Pesos)</i>				
Gain (loss) on derivatives instruments – net		P2,957,406	(P740,686)	P5,797,800
Foreign exchange gain (loss) - net		(2,431,889)	1,042,052	(5,343,019)
Management fees:				
Mynt	19.2	80,841	64,767	165,430
Globe STT GDC	19.2	36,557	75,750	83,143
Others		98,446	45,142	13,138
Lease		276,909	160,381	107,238
Gain on sale of investments		-	76,669	101,655
Gain on settlement and remeasurement of ARO	18	-	-	2,629
Others		716,674	235,823	1,546,800
		P1,734,944	P959,898	P2,474,814

23 General, Selling and Administrative Expenses

This account consists of:

	Notes	2024	2023	2022
<i>(In Thousand Pesos)</i>				
Staff costs	27	₱17,920,270	₱18,959,128	₱19,136,088
Professional and other contracted services		14,095,009	14,938,459	15,361,332
Repairs and maintenance		13,207,896	13,345,136	11,656,701
Utilities, supplies and other administrative expenses		11,530,087	11,426,299	10,309,303
Taxes and licenses		4,336,674	3,816,353	3,889,035
Selling, advertising and promotions		3,978,198	4,776,126	6,385,740
Lease	13.3	2,983,982	2,828,275	2,794,315
Insurance and security services		1,591,082	1,916,654	2,131,677
Courier and delivery		437,757	246,937	574,883
Others		2,755,798	2,427,683	1,988,232
		₱72,836,753	₱74,681,050	₱74,227,306

24 Depreciation and amortization

The account consists of:

	Notes	2024	2023	2022
<i>(In Thousand Pesos)</i>				
Property and equipment	11	₱34,976,269	₱33,477,566	₱34,088,386
Intangible assets	12	6,531,125	6,979,156	6,283,860
Right of use assets	13	8,961,878	6,895,289	5,276,304
Investment properties	10	3,768	4,032	4,746
		₱50,473,040	₱47,356,043	₱45,653,296

25 Financing Costs

This account consists of:

	Notes	2024	2023	2022
<i>(In Thousand Pesos)</i>				
Loans payable*	17	₱7,204,469	₱6,723,599	₱6,884,490
Lease liabilities	13.2	6,749,514	4,867,242	1,668,972
Swap costs	8.4	318,440	490,046	1,140,451
Pension cost	27.1.1	134,378	33,584	198,227
ARO accretion expense	18	11,272	8,250	187,760
Others		26,197	23,158	11,389
		₱14,444,270	₱12,145,879	₱10,091,289

*This account is net of the amount capitalized borrowing costs (see [Notes 11](#) and [17](#)).

26 Impairment and other losses

This account consists of:

	Notes	2024	2023	2022
<i>(In Thousand Pesos)</i>				
Impairment loss on				
Trade receivables	6	P2,892,034	P3,494,061	P4,108,704
Contract assets	7.1	667,471	947,087	723,167
Property and equipment	11	410,563	92,441	-
Other assets		53,434	154,614	-
Provisions for (reversal of):				
Inventory obsolescence	9	156,046	399,495	245,516
Other probable losses – net	16	432,964	377,517	(185,243)
Other assets		78,778	(1,236)	14,603
		P4,691,290	P5,463,979	P4,906,747

27 Staff Cost

This account consist of:

	Recognized in profit or loss (Note 23)	Recognized in OCI (Note 20.8)
<i>(In Thousand Pesos)</i>		
2024	P16,613,010	P-
Compensation and short-term benefits	930,637	633,993
Pension benefits	376,623	-
Share based compensation	P17,920,270	P633,993
2023	P17,831,001	P-
Compensation and short-term benefits	842,239	2,145,565
Pension benefits	285,888	-
Share based compensation	P18,959,128	P2,145,565
2022	P17,605,471	P-
Compensation and short-term benefits	1,089,723	(3,666,776)
Pension benefits	440,894	-
Share based compensation	P19,136,088	(P3,666,776)

27.1 Pension Benefits

The details of pension liability recognized in the consolidated statements of financial position are as follows:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Globe Retirement Plan (GRP)	₱2,694,709	₱2,636,093
Other pension benefits	132,139	82,219
	₱2,826,848	₱2,718,312

The details of pension expense recognized in the consolidated statements of comprehensive income are as follows:

	Recognized in profit or loss	Recognized in OCI
2024	<i>(In Thousand Pesos)</i>	
GRP	₱901,657	₱629,584
Others	28,980	4,409
	₱930,637	₱633,993
2023	<i>(In Thousand Pesos)</i>	
GRP	₱773,424	₱2,224,333
Others	68,815	(78,768)
	₱842,239	₱2,145,565
2022	<i>(In Thousand Pesos)</i>	
GRP	₱1,020,459	(₱3,639,967)
Others	69,264	(26,809)
	₱1,089,723	(₱3,666,776)

27.1.1 Globe Retirement Plan

Globe sponsors Globe Retirement Plan (GRP), a noncontributory defined benefit plan for qualifying employees of Globe Telecom and Innove. GRP is administered by a separate fund that is legally separated from the entity. The Board of Trustees (BOT) of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. The BOT members are unanimously appointed by Globe Telecom acting through its BOD.

The BOT are authorized to appoint one or more fund managers to hold, invest and reinvest the assets of the Plan and execute an Investment Agreement with the said fund managers. The BOT sets the investment policies and limits of the Plan, and appoints fund managers to assist in the investment management of the Plan. The objective of the portfolio is capital preservation by earning higher than regular deposit rates over a long period given a small degree of risk on principal interest.

Asset - liability matching strategies

The investment policy in managing liquidity is to have sufficient liquidity at all times to meet the Plan's maturing liabilities, including benefit payments to qualified employees who are expected to avail of their retirement benefits when due, without incurring unnecessary funding costs.



The Plan's liquidity risk is managed on a daily basis by the Plan's investment managers in accordance with the policies and procedures duly approved by the BOT. The Plan's overall liquidity position for the year is monitored on a regular basis by the BOT.

Funding policy

The plan should have at least 100% solvency levels at all times. If a solvency deficiency exists, the deficit must be immediately funded.

Risks associated with the Plan

The retirement plan typically expose the participants to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will result in remeasurement loss and may create a plan deficit.

Interest rate risk

A decrease in the government bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at December 31, 2024 by an Independent Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The components of pension expense (included in staff costs under "General, selling and administrative expenses" account) in the consolidated statements of comprehensive income are as follows:

	2024	2023	2022
	<i>(In Thousand Pesos)</i>		
Current service cost	P994,654	P847,295	P1,110,085
	994,654	847,295	1,110,085
Less: components capitalized as property and equipment	(92,997)	(73,871)	(89,626)
Amount recognized in profit or loss	901,657	773,424	1,020,459
Net interest expense (Note 25)	134,378	33,584	198,227
Components of defined benefit costs recognized in profit or loss	1,036,035	807,008	1,218,686
Remeasurement on the net defined benefit liability:			
Return on plan assets (excluding amounts included in net interest expense)	(64,951)	528,921	(710,521)
Actuarial gains and losses:			
from changes in assumptions	523,065	1,764,509	(3,931,884)
from experience adjustments	171,470	(69,097)	1,002,438
Components of defined benefit costs recognized in other comprehensive income	629,584	2,224,333	(3,639,967)
	P1,665,619	P3,031,341	(P2,421,281)

The breakdown of pension liability is as follows:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Present value of benefit obligation	P14,546,217	P14,316,235
Less: fair value of plan assets	11,851,508	11,680,142
Pension liability	P2,694,709	P2,636,093

The following tables present the changes in the present value of defined benefit obligation and fair value of plan assets:

Present value of defined benefit obligation

	2024	2023
	<i>(In Thousand Pesos)</i>	
Balance at beginning of year	P14,316,235	P11,392,648
Current service cost	994,654	847,295
Interest cost	841,355	849,664
Benefits paid	(2,244,554)	(468,784)
Transfer of employees	(56,008)	-
Remeasurements in other comprehensive income:		
Actuarial gains and losses arising from changes in assumptions	523,065	1,764,509
Actuarial gains and losses arising from experience adjustments	171,470	(69,097)
Balance at end of year	P14,546,217	P14,316,235

Fair value of plan assets

	2024	2023
	<i>(In Thousand Pesos)</i>	
Balance at beginning of year	₱11,680,142	₱9,561,767
Remeasurement (gains)/losses:		
Return on plan assets (excluding amounts included in net interest expense)	64,951	(528,921)
Contributions from the employer	1,700,000	2,300,000
Interest income	706,977	816,080
Benefits paid	(2,244,554)	(468,784)
Transfer payments	(56,008)	-
Balance at end of year	₱11,851,508	₱11,680,142
Actual return on plan assets	₱771,928	₱287,159

The recommended contribution for Globe retirement fund for the year 2025 amounted to ₱1,066.91 million. This amount is based on Globe's actuarial valuation report as of December 31, 2024.

The allocation of the fair value of the plan assets of Globe as of December 31 is as follows:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Cash and cash equivalents	₱157	₱3,852
Investment in debt securities	3,231,769	3,353,801
Investment in equity shares	8,619,582	8,322,489
	₱11,851,508	₱11,680,142

The assumptions used to determine pension benefits for Globe are as follows:

	2024	2023
Discount rate	6.15%	6.52%
Salary rate increase	4.50%	4.50%

The assumptions regarding future mortality rates which are based on the 2017 Philippine Intercompany Mortality Table which is based on a recent study by the Actuarial Society of the Philippines.

In 2024 and 2023, Globe applied a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2024 and 2023, assuming all other assumptions were held constant (in thousand pesos):

December 31, 2024

	Increase (decrease) in basis points	Increase (decrease) on defined benefit obligation
Discount rates	+0.50%	(699,605)
	-0.50%	758,647
Future salary increases	+0.50%	800,126
	-0.50%	(743,075)
Mortality	+10.00%	(20,3390)
	-10.00%	19,725

December 31, 2023

	Increase (decrease) in basis points	Increase (decrease) on defined benefit obligation
Discount rates	+0.50%	(672,126)
	-0.50%	728,715
Future salary increases	+0.50%	771,445
	-0.50%	(716,368)
Mortality	+10.00%	2,640
	-10.00%	(9,128)

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The objective of the plan's portfolio is capital preservation by earning higher than regular deposit rates over a long period given a small degree of risk on principal and interest. Asset purchases and sales are determined by the plan's investment managers, who have been given discretionary authority to manage the distribution of assets to achieve the plan's investment objectives. The compliance with target asset allocations and composition of the investment portfolio is monitored by the BOT on a regular basis.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statement of financial position.

The plan contributions are based on the actuarial present value of accumulated plan benefits and fair value of plan assets are determined using an independent actuarial valuation.

The average duration of the defined benefit obligation at the end of the reporting period is 13.99 years and 14.92 years in 2024 and 2023, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Within 1 year	P1,648,259	P1,757,543
More than 1 year to 5 years	3,638,966	3,667,973
5 years to 10 years	1,063,255	7,193,594
	P6,350,480	P12,619,110

27.2 Other Pension Benefits

Other pension benefits pertain to the pension liabilities recognized by Globe's subsidiaries who do not participate in the GRP. Other pension benefits are primarily recognized for the minimum retirement benefits provided by the Philippine Retirement Law under Republic Act 7641.

27.3 Share-based Compensations

Globe Telecom has stock plans for its employees. The number of shares allocated under these plans shall not exceed the aggregate equivalent of 6% of the authorized capital stock.

27.3.1 Long-Term Incentive Plan

In November 2014, Globe obtained approval from the BOD to implement a Long-Term Incentive Plan (LTIP) also called a Performance Share Plan (PSP) covering key executives and senior management. Under the PSP, the grantees are awarded a specific number of shares at the start of the performance period which vest over a specified performance period and contingent upon the achievement of specified long-term goals.

The following are the stock grants to key executives and senior management personnel of Globe under the LTIP:

Date of Grant	Number of Grants at Grant Date	Settlement Dates	Fair Value of Each Grants	Fair Value Measurement
July 31, 2019	289,650	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	1,997.35	Market price
January 1, 2020	230,360	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	1,970.2	Market price
January 1, 2021	200,830	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	2,027.30	Market price
January 1, 2022	128,260	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	3,384.00	Market price
January 1, 2023	208,970	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	2,199.00	Market price
January 1, 2024	287,500	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	1,714.00	Market price

The fair value is based on the average quoted market price for the last 20 trading days preceding the approval date of the stock option grant.

Cost of share-based compensation in 2024, 2023 and 2022 amounted to ₱376.62 million, ₱285.89 million and ₱440.89 million, respectively.

28 Income Tax

Income Tax Expense

Income tax expense charged to profit or loss includes the following:

	2024	2023	2022
	<i>(In Thousand Pesos)</i>		
Current	₱6,919,731	₱7,853,664	₱9,696,533
Deferred	(874,417)	(16,004)	(200,132)
	₱6,045,314	₱7,837,660	₱9,496,401

Deferred tax expense (benefit) recognized in the consolidated other comprehensive income amounted to (₱391.24) million, (₱418.69) million and ₱457.45 million in 2024, 2023 and 2022, respectively (see [Note 20.8](#)).

The reconciliation of the provision for income tax at statutory tax rate and the actual current and deferred provision for income tax follows:

	2024	2023	2022
	<i>(In Thousand Pesos)</i>		
Income before income tax	₱30,331,083	₱32,415,670	₱44,100,450
Multiplied by statutory income tax rate	25%	25%	25%
Provision at statutory income tax rate	7,582,771	8,103,918	11,025,113
Add (deduct) tax effects of:			
Equity in net (income)losses of associates and joint ventures	(974,253)	(553,690)	(270,801)
Gain on sale of controlling interest on data center business subjected to lower rate	-	-	(796,812)
Income subjected to lower tax rates	(340,443)	71,477	(268,411)
Others	(222,761)	215,955	(192,688)
Actual provision for income tax	₱6,045,314	₱7,837,660	₱9,496,401

The current provision for income tax includes the following:

	2024	2023	2022
	<i>(In Thousand Pesos)</i>		
RCIT or MCIT, whichever is higher	₱6,751,507	₱7,713,544	₱9,599,769
Final tax	168,224	140,120	96,764
	₱6,919,731	₱7,853,664	₱9,696,533

Deferred Income Tax Assets and Liabilities

Net deferred tax assets and (liabilities) presented in the consolidated statements of financial position on a net basis by entity are as follows:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Net deferred income tax assets	₱1,971,459	₱2,279,979
Net deferred income tax liabilities	(4,363,232)	(5,983,954)
	(₱2,391,773)	(₱3,703,975)

The significant components of the deferred income tax assets and liabilities of Globe represent the deferred income tax effects of the following (In Thousand Pesos):

	2024	2023
	<i>(In Thousand Pesos)</i>	
Deferred tax assets		
Lease liabilities	P29,239,641	P23,009,073
Allowance for impairment losses on receivables	1,990,313	2,379,928
Unrealized foreign exchange losses	1,877,592	1,317,067
Unearned revenues and advances already subjected to income tax	1,121,544	1,007,499
Accrued manpower cost	1,047,897	1,227,903
Accrued pension	1,387,147	1,288,463
ARO	463,251	517,842
Accumulated impairment losses on property and equipment	496,419	497,020
Provision for claims and assessment	678,254	555,503
Inventory obsolescence and market decline	205,878	262,074
Cost of share-based compensation	217,931	200,675
Others	87,501	180,431
	38,813,368	32,443,478
Deferred tax liabilities		
Right of use assets	(21,839,917)	(18,132,820)
Excess of accumulated depreciation and amortization of Globe		
Telecom equipment for (a) tax reporting over (b) financial reporting	(13,093,860)	(11,581,427)
Contract asset	(1,498,548)	(1,975,014)
Unrealized gain on derivative transaction	(1,161,537)	(1,058,695)
Others	(3,612,279)	(3,399,497)
	(41,206,141)	(36,147,453)
Net deferred income tax (liabilities) assets	(P2,392,773)	(P3,703,975)

The rollforward analysis of Globe's net deferred tax assets (liabilities) follows:

	2024	2023
	<i>(In Thousand Pesos)</i>	
At beginning of year	(P3,703,975)	(P4,218,242)
Deferred income tax recognized in profit or loss		
Deferred tax relating to temporary difference	874,417	16,004
Deferred income tax recognized in comprehensive income		
Deferred tax relating to temporary difference (Note 20.8)	391,235	418,693
Others	46,550	79,570
At end of year	(P2,391,773)	(P3,703,975)

29 Earnings Per Share

Globe's earnings per share amounts were computed as follows:

	2024	2023	2022
<i>(In Thousand Pesos and Number of Shares Except per Share Figures)</i>			
Net income attributable to common shareholders	₱24,304,433	₱24,512,760	₱34,563,011
Less dividends on preferred shares:			
Capital securities	1,369,672	1,330,619	1,250,363
Convertible voting preferred shares	61,297	50,027	50,027
Net income attributable to common shareholders for basic earnings per share (a)	22,873,464	23,132,114	33,262,621
Add dividends on convertible voting preferred shares	61,297	50,027	50,027
Net income attributable to common shareholders for diluted earnings per share (b)	22,934,761	23,182,141	33,312,648
Common shares outstanding, beginning	144,229	144,060	133,619
Add Weighted average number of issued shares under share-based compensation	101	112	215
Weighted average number of issued shares by way of stock rights	-	-	1,687
Weighted average number of shares for basic earnings per share (c)	144,330	144,172	135,521
Add Dilutive shares arising from:			
Convertible preferred shares	390	442	338
Share based compensation plans	592	509	529
Adjusted weighted average number of common shares for diluted earnings per share (d)	145,312	145,123	136,388
Basic earnings per share (a/c)	₱158.48	₱160.45	₱245.44
Diluted earnings per share (b/d)	₱157.83	₱159.74	₱244.25

30 Capital and Financial Risk Management and Financial Instruments

Globe adopts an expanded corporate governance approach in managing its business risks. An Enterprise Risk Management Policy was developed to systematically view the risks and to provide a better understanding of the different risks that could threaten the achievement of Globe's mission, vision, strategies, and goals, and to provide emphasis on how management and employees play a vital role in achieving Globe's mission of transforming and enriching lives through communications.

The policies are not intended to eliminate risk but to manage it in such a way that opportunities to create value for the stakeholders are achieved. Globe risk management takes place in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The application of these policies is the responsibility of the BOD through the Chief Executive Officer. The Chief Finance Officer and concurrent Chief Risk Officer champion oversees the entire risk management function. Risk owners have been identified for each risk and they are responsible for coordinating and continuously improving risk strategies, processes and measures on an enterprise-wide basis in accordance with established business objectives.

The risks are managed through the delegation of management and financial authority and individual accountability as documented in employment contracts, consultancy contracts, letters of authority, letters of appointment, performance planning and evaluation forms, key result areas, terms of reference and other policies that provide guidelines for managing specific risks arising from Globe's business operations and environment.

Globe continues to monitor and manage its financial risk exposures according to its BOD approved policies.

The succeeding discussion focuses on Globe's capital and financial risk management.

30.1 Capital Risk Management Objectives and Policies

Capital represents equity attributable to equity holders of the Parent Company.

The primary objective of Globe'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.

Globe monitors its use of capital using leverage ratios, such as debt to total capitalization and makes adjustments to it in light of changes in economic conditions and its financial position. The ratio of debt to total capitalization for the years ended December 31, 2024 and 2023 was at 60% and 61%, respectively.

Globe's loan agreements include compliance with certain ratios which are also regularly monitored (see [Note 17.4](#)).

30.2 Financial Risk Management Objectives and Policies

Globe's main risks arising from the use of financial instruments are market risk, credit risk and liquidity risk. Globe Telecom's BOD is ultimately responsible for reviewing and approving the policies for managing each of these risks. Globe's risk management policies are summarized below:

30.2.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Globe is mainly exposed to two types of market risk: interest rate risk and foreign exchange risk.

Globe seeks to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. Globe uses a combination of natural hedges and derivative hedging to manage its foreign exchange exposure as discussed in [Note 8](#). It uses interest rate derivatives to reduce earnings volatility related to interest rate movements, and principal only swaps to hedge the foreign exchange risk exposure to principal repayments on USD debt.

It is Globe's policy to ensure that capabilities exist for active but conservative management of its foreign exchange and interest rate risks. Globe does not engage in any speculative derivative transactions. Authorized derivative instruments include currency forward contracts, currency swap contracts, interest rate swap contracts and currency option contracts.

The sensitivity analyses in the following sections relate to the position as of December 31, 2024 and 2023. The analyses exclude the impact of movements in market variables on the carrying value of pension, provisions and on the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as of December 31, 2024 and 2023 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges for the effects of the assumed changes in the underlying.
- The assumed changes in market rates applied in the sensitivity analyses were based on historical information and may not necessarily reflect the actual movements that may occur in the future periods.

[30.2.1.1](#) *Interest Rate Risk*

Globe's exposure to market risk from changes in interest rates relates primarily to Globe's long-term debt obligations.

Globe's policy is to manage its interest cost using a mix of fixed and variable rate debt. To manage this mix in a cost-efficient manner, Globe enters into interest rate swaps, in which Globe agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount.

After taking into account the effect of interest rate swaps, the ratio of loans with fixed interest rates to total loans are as follows:

	2024	2023
USD fixed rate loans	88%	88%
PHP fixed rate loans	62%	68%

The loans receivable from related parties are subject to fixed interest rates and therefore not exposed to market interest rate risk.

Due to the short term maturities of cash and cash equivalents, its exposure to interest rate risk is not considered to be significant.

The following tables demonstrate the sensitivity of income before tax and equity to a reasonably possible change in interest rates after the impact of hedge accounting, with all other variables held constant.

	Increase/ Decrease in basis Points	Effect on income before income tax Increase (Decrease)	Effect on equity Increase (Decrease)
<i>(In Thousand Pesos except changes in bps)</i>			
2024			
USD	+ 120bps	56,669	(11,636)
	- 120bps	(56,669)	11,648
PHP	+ 100bps	(170,016)	5,822
	- 100bps	164,880	(5,827)
2023			
USD	+ 120bps	₱96,296	(₱16,503)
	- 120bps	(96,296)	16,514
PHP	+ 200bps	552,990	26,813
	- 200bps	(552,990)	(26,841)

30.2.1.2 Foreign Exchange Risk

Globe's foreign exchange risk results primarily from movements of the PHP against the USD with respect to USD-denominated financial assets, USD-denominated financial liabilities and certain USD-denominated revenues. Majority of revenues are generated in PHP, while substantially all of capital expenditures are in USD. In addition, 19.68% and 20.52% of debt as of December 31, 2024 and 2023, respectively, are denominated in USD before taking into account any swap and hedges.

Information on Globe's foreign currency-denominated monetary assets and liabilities and their PHP equivalents are as follows:

	2024		2023	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
<i>(In Thousand)</i>				
Assets				
Cash and cash equivalents	\$86,607	₱5,009,969	\$129,745	₱7,190,228
Trade Receivables	49,125	2,841,710	69,769	3,866,459
	135,732	7,851,679	199,514	11,056,687
Liabilities				
Trade payable and accrued expenses	606,829	35,103,209	715,480	39,650,458
Loans payable	853,000	49,343,491	930,350	51,558,136
	1,459,829	84,446,700	1,645,830	91,208,594
Net foreign currency - denominated liabilities	\$1,324,097	₱76,595,021	\$1,446,315	₱80,151,907

The following table demonstrates the sensitivity to a reasonably possible change in the PHP to USD exchange rate, with all other variables held constant, of Globe's income before tax (due to changes in the fair value of foreign currency-denominated assets and liabilities).

	Increase/Decrease in Peso to US Dollar exchange rate	Effect on income before income tax Increase (Decrease)	Effect on equity Increase (Decrease)
<i>(In Thousand Pesos except change in bps)</i>			
2024			
	+1.00	(P878,234)	P713,634
	-1.00	878,234	(713,634)
2023			
	+ .80	(P898,763)	P679,837
	- .80	898,763	(679,837)

The movement in equity arises from changes in the fair values of derivative financial instruments designated as cash flow hedges.

Globe's foreign exchange risk management policy is to maintain a hedged financial position, after taking into account expected USD flows from operations and financing transactions. Globe enters into short-term foreign currency forwards and long-term foreign currency swap contracts in order to achieve this target.

30.2.2 Credit Risk

Credit Risk Exposure

The table below details Globe's exposure to credit risk:

	Notes	2024	2023
<i>(In Thousand Pesos)</i>			
Cash and cash equivalents	5	P21,353,659	P16,645,077
Trade receivables – net	6	19,660,468	18,097,898
Contract assets – net	7.1	5,442,961	6,223,595
Derivative assets	8	5,219,151	4,716,964
Loans receivable from related parties	10	3,763,935	3,864,935
Non-trade receivables	10	3,324,995	3,073,670
Investment in debt securities	31.1	142,304	150,739
		P58,907,473	P52,772,878

Globe has not executed any credit guarantees in favor of other parties.

Credit Risk Management

Credit exposures from subscribers are managed closely by the Credit, Billing and Risk Management of Globe. Applications for postpaid service are subjected to standard credit evaluation and verification procedures. The Credit, Billing and Risk Management of Globe continuously reviews credit policies and processes and implements various credit actions, depending on assessed risks, to minimize credit exposure. Receivable balances of postpaid subscribers are being monitored on a regular basis and appropriate credit treatments are applied at various stages of delinquency. Likewise, net receivable balances from carriers of traffic are also being monitored and subjected to appropriate actions to manage credit risk.

Globe analyzes its subscribers' receivables and contract assets based on internal credit risk rating. The table below shows the analysis of Globe's subscribers' receivables and contract assets as of December 31, 2024 and 2023.

	High Quality	Medium Quality	Low Quality	Terminated Accounts	Total
<i>(In Thousand Pesos)</i>					
2024					
Wireless subscribers receivables:					
Consumer	₱5,821,415	₱909,916	₱572,368	₱1,234,782	₱8,538,481
Key corporate accounts	219,116	355,126	37,371	590,687	1,202,300
Other corporations and SMEs	418,238	81,057	3,610	163,083	665,988
	6,458,769	1,346,099	613,349	1,988,552	10,406,769
Wireline subscribers receivables:					
Consumer	626,729	582,511	464,889	720,635	2,394,764
Key corporate accounts	1,596,395	2,193,248	614,224	3,082,726	7,486,593
Other corporations and SMEs	179,267	174,344	69,584	563,304	986,499
	2,402,391	2,950,103	1,148,697	4,366,665	10,867,856
Total subscribers' receivables	8,861,160	4,296,202	1,762,046	6,355,217	21,274,625
Wireless contract assets					
Consumer	3,795,410	541,042	186,957	40,824	4,564,233
Key corporate accounts	230,832	230,875	8,992	4,870	475,569
Other corporations and SMEs	344,857	50,897	3,991	3,414	403,159
	4,371,099	822,814	199,940	49,108	5,442,961
Total subscribers' receivables and contracts assets	₱13,232,259	₱5,119,016	₱1,961,986	₱6,404,325	₱26,717,586

	High Quality	Medium Quality	Low Quality	Terminated Accounts	Total
<i>(In Thousand Pesos)</i>					
2023					
Wireless subscribers receivables:					
Consumer	P4,350,167	P734,266	P755,808	P611,691	P6,451,932
Key corporate accounts	135,829	294,538	37,807	569,360	1,037,534
Other corporations and SMEs	358,651	68,600	6,137	227,294	660,682
	4,844,647	1,097,404	799,752	1,408,345	8,150,148
Wireline subscribers receivables:					
Consumer	401,454	709,349	426,672	4,060,363	5,597,838
Key corporate accounts	1,275,043	3,060,670	705,254	2,194,161	7,235,128
Other corporations and SMEs	141,267	104,304	29,749	445,396	720,716
	1,817,764	3,874,323	1,161,675	6,699,920	13,553,682
Total subscribers' receivables	6,662,411	4,971,727	1,961,427	8,108,265	21,703,830
Wireless contract assets					
Consumer	4,396,132	626,676	216,548	47,285	5,286,641
Key corporate accounts	282,818	282,871	11,018	5,966	582,673
Other corporations and SMEs	357,464	52,758	4,137	3,538	417,897
	5,036,414	962,305	231,703	56,789	6,287,211
Total subscribers' receivables and contracts assets	P11,698,825	P5,934,032	P2,193,130	P8,165,054	P27,991,041

Globe's credit risk rating comprises the following categories:

- High quality accounts are accounts considered to be of good quality, have consistently exhibited good paying habits, and are unlikely to miss payments. High quality accounts primarily include strong corporate and consumer accounts with whom Globe has excellent payment experience.
- Medium quality accounts are accounts that exhibited good paying habits but may require minimal monitoring with the objective of moving accounts to high quality rating. Medium quality accounts primarily include subscribers whose creditworthiness can be moderately affected by adverse changes in economic and financial conditions, but will not necessarily, reduce the ability of the subscriber to fulfill its obligations. It includes customers with whom Globe has limited experience and therefore, creditworthiness needs to be further established over time.
- Low quality accounts are accounts which exhibit characteristics that are identified to have increased likelihood to miss payments. Low quality accounts are subject to closer monitoring and scrutiny with the objective of managing risk and moving accounts to improved rating category. It primarily includes mass consumer, corporate and SME customers whose creditworthiness are easily affected by adverse changes in economic and financial conditions.
- Terminated accounts are accounts in cancelled status. Although there is a possibility that terminated accounts may still be collected by exhausting collection efforts, the probability of recovery has significantly deteriorated.

For traffic settlements and other trade receivables, Globe uses delinquency and past due information to analyze the credit risk. The tables below show the aging analysis of Globe's traffic settlements and other trade receivables as of December 31, 2024 and 2023.

2024

	Current	Less than 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
<i>(In Thousand Pesos)</i>						
Traffic receivables:						
Foreign	₱333,591	₱-	₱39,851	₱30,623	₱209,875	₱613,940
Local	88,784	4,491	3,434	1,082	195,444	293,235
	422,375	4,491	43,285	31,705	405,319	907,175
Other trade receivables	3,070,561	25,221	385,389	168,741	1,838,511	5,488,423
Total	₱3,492,936	₱29,712	₱428,674	₱200,446	₱2,243,830	₱6,395,598

2023

	Current	Less than 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
<i>(In Thousand Pesos)</i>						
Traffic receivables:						
Foreign	₱348,938	₱-	₱20,090	₱10,935	₱98,532	₱478,495
Local	350,245	5,309	179	283	289,865	645,881
	699,183	5,309	20,269	11,218	388,397	1,124,376
Other trade receivables	2,461,170	379,447	205,085	161,491	1,591,636	4,798,829
Total	₱3,160,353	₱384,756	₱225,354	₱172,709	₱1,980,033	₱5,923,205

With respect to receivables from related parties, the exposure to credit risk is managed on a group basis. Credit risks covering related party balances are reviewed based on credit worthiness of concern related parties. There are no assessed credit risks as of December 31, 2024 and 2023.

For investments with banks and other counterparties, Globe has a risk management policy which allocates investment limits based on counterparty credit rating and credit risk profile. Globe makes a quarterly assessment of the credit standing of its investment counterparties, and allocates investment limits based on size, liquidity, profitability, and asset quality. The usage of limits is regularly monitored.

Non-telco subsidiaries mainly trades with recognized and creditworthy third parties. Non-telco customers who wish to trade on credit terms are subject to credit verification procedures.

For its derivative counterparties, Globe deals only with counterparty banks with investment grade ratings and major universal and commercial local banks. Credit ratings of derivative counterparties are reviewed quarterly.

Globe's exposures with its investment counterparties for time deposits as of December 31 are as follows:

	2024	2023
Local bank deposits	61.65%	47.53%
Onshore foreign bank	38.35%	52.47%

30.2.3 Liquidity Risk

Globe seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, Globe intends to use internally generated funds and available long-term and short-term credit facilities.

The following table shows Globe's available credit facilities (in millions):

	2024	2023
Long-term committed	P-	P2,000
Short term		
Committed		
USD	\$50	\$-
PHP	P3,000	P3,000
Uncommitted		
USD	\$114.26	\$114.26
PHP	P85,788.32	P71,379.84

As part of its liquidity risk management, Globe regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans, export credit agency facilities, and capital market issues.

The following tables show comparative information about Globe's financial instruments as of the end of the reporting period presented by maturity profile including forecasted interest payments for the next five years.

Loans Payable

2024

	Less than 1 year	1 to 3 years	Over 3 years
<i>(In Thousands)</i>			
Loans Payable			
Fixed Rate			
USD notes	\$-	\$-	\$600,000
Philippine peso	P25,304,500	P48,803,500	P50,365,000
Floating rate			
USD notes	\$9,725	\$1,725	\$241,550
Philippine peso	P502,500	P5,150,000	P71,225,000
Interest payable*			
PHP debt	P10,569,670	P26,563,825	P31,379,778
USD debt	\$35,637	\$83,777	\$97,500

*Used month-end USD LIBOR and Philippine Dealing and Exchange Corporation (PDEX) rates.

2023

	Less than 1 year	1 to 3 years	Over 3 years
	<i>(In Thousands)</i>		
Loans Payable			
Fixed Rate			
USD notes	\$-	\$-	\$600,000
Philippine peso	₱20,739,064	₱48,643,500	₱86,567,000
Floating rate			
USD notes	\$77,350	\$253,000	\$-
Philippine peso	₱11,830,000	₱1,032,500	₱30,845,000
Interest payable*			
PHP debt	₱10,563,604	₱23,773,367	₱26,414,220
USD debt	\$42,267	\$104,907	\$118,125

*Used month-end USD LIBOR and Philippine Dealing and Exchange Corporation (PDEX) rates.

The following tables present the maturity profile of Globe's other liabilities and derivative instruments (undiscounted cash flows including swap costs payments/receipts except for other long-term liabilities) as of December 31, 2024 and 2023 (in thousand pesos).

2024

Other Financial Liabilities

	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade payables and accrued expenses*	₱68,148,559	₱-	₱-	₱68,148,559
Other long-term liabilities*	-	-	1,018,474	1,018,474
	₱68,148,559	₱-	₱1,018,474	₱69,167,033

*Excludes ARO and taxes payable which are not financial instruments.

Derivative Instrument

	Less than 1 year		1 to 3 years		Over 3 years	
	Receive	Pay	Receive	Pay	Receive	Pay
Projected Swap Coupons:						
Interest Rate Swaps-USD	₱-	₱-	₱-	₱-	₱-	₱-
Cross Currency Swaps	₱511,786	₱397,007	₱693,727	₱568,980	₱-	₱-
Principal Only Swaps	₱-	₱579,872	₱-	₱1,616,908	₱-	₱1,475,040

	Less than 1 year		1 to 3 years		Over 3 years	
	Receive	Pay	Receive	Pay	Receive	Pay
Projected Principal Exchanges:						
Forward Purchase of USD	\$-	₱-	\$-	₱-	\$-	₱-
Forward Sale of USD	₱-	\$-	₱-	\$-	₱-	\$-
FX Swap	\$448,500	₱26,243,373	\$-	₱-	\$-	₱-
Cross Currency Swaps- PHP	₱-	₱507,823	₱-	₱8,327,153	₱-	₱-
Cross Currency Swaps- USD	\$9,725	\$-	\$163,275	\$-	\$-	\$-
Principal Only Swaps- PHP	₱-	₱-	₱-	₱4,031,200	₱-	₱29,118,475
Principal Only Swaps- USD	\$-	\$-	\$80,000	\$-	\$600,000	\$-

2023

Other Financial Liabilities

	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade payables and accrued expenses*	₱76,520,166	₱-	₱-	₱76,520,166
Other long-term liabilities*	-	-	1,137,748	1,137,748
	₱76,520,166	₱-	₱1,137,748	₱77,657,914

*Excludes ARO and taxes payable which are not financial instruments.

Derivative Instrument

	Less than 1 year		1 to 3 years		Over 3 years	
	Receive	Pay	Receive	Pay	Receive	Pay
Projected Swap Coupons:						
Interest Rate Swaps-USD	₱-	₱-	₱-	₱-	₱-	₱-
Cross Currency Swaps	₱754,917	₱545,857	₱969,681	₱967,191	₱-	₱-
Principal Only Swaps	₱-	₱721,917	₱-	₱1,677,640	₱-	₱718,207

	Less than 1 year		1 to 3 years		Over 3 years	
	Receive	Pay	Receive	Pay	Receive	Pay
Projected Principal Exchanges:						
Forward Purchase of USD	\$ 26,158	₱1,452,301	\$ -	₱-	\$ -	₱-
Forward Sale of USD	₱-	\$-	₱-	\$ -	₱-	\$ -
FX Swap	\$ 308,000	₱17,121,700	\$ -	₱-	\$ -	₱-
Cross Currency Swaps- PHP	₱-	₱3,955,797	₱-	₱8,834,976	₱-	₱-
Cross Currency Swaps- USD	\$77,350	\$-	\$173,000	\$-	\$-	\$-
Principal Only Swaps- PHP	₱-	₱-	₱-	₱21,738,975	₱-	₱11,410,700
Principal Only Swaps- USD	\$-	\$-	\$445,000	\$-	\$235,000	\$-

Lease Liabilities

The maturity profile of Globe's lease liabilities using undiscounted cash flows of future lease payments has been disclosed in [Note 13.2](#).

31 Financial Assets and Liabilities

31.1 Categories of Financial Assets and Financial Liabilities

The table below presents the carrying value of Globe's financial instruments by category as of December 31 based on the classification requirements of PFRS 9:

	2024	2023
	<i>(In Thousand Pesos)</i>	
Financial Assets		
Derivative assets:		
Derivative assets designated as cash flow hedges (FVOCI)	P5,209,490	P4,713,641
Derivative assets not designated as hedges (FVPL)	9,661	3,323
Financial assets at FVOCI:		
Investment in equity securities	3,941,493	3,661,987
Financial assets at FVPL:		
Investment in debt securities	142,304	150,739
Financial assets at amortized cost		
Cash and cash equivalents	21,353,659	16,645,077
Trade receivables – net	19,660,468	18,097,898
Contract assets – net	5,442,961	6,223,595
Non-trade receivables	3,324,995	3,073,670
Loans receivable from related parties	3,763,935	3,864,935
	P62,848,966	P56,434,865
Financial Liabilities:		
Derivative liabilities		
Derivative liabilities designated as cash flow hedges (FVOCI)	P339,862	P424,555
Derivative liabilities not designated as hedges (FVPL)	233,143	57,627
Financial liabilities at amortized cost		
Trade payables and accrued expenses*	68,148,559	76,520,166
Loans payable	249,459,909	249,955,569
Lease liabilities	116,107,874	88,724,482
Other long term liabilities**	1,018,474	1,137,748
	P435,307,821	P416,820,147

*Trade payables and accrued expenses do not include taxes payables which are not considered financial liabilities.

**Other long term liabilities do not include ARO and taxes payable which are not considered financial liabilities.

31.2 Offsetting Financial Assets and Financial Liabilities

Globe has financial instruments that have offsetting arrangements as follows:

	Gross amounts	Amounts offset under PAS 32	Reported amounts in the consolidated statements of financial position	Amounts offset under master netting arrangements or other similar contracts	Net exposure
<i>(In Thousand Pesos)</i>					
December 31, 2024					
Derivative assets	₱5,219,151	₱-	₱5,219,151	(₱573,005)	₱4,646,146
Derivative liabilities	573,005	-	573,005	(573,005)	-
Traffic settlements receivable (Note 6)	2,026,837	(1,119,662)	907,175	-	907,175
Traffic settlements payable (Note 15)	1,869,352	(1,119,662)	749,690	-	749,690
December 31, 2023					
Derivative assets	₱4,716,964	₱-	₱4,716,964	(₱468,087)	₱4,248,877
Derivative liabilities	482,182	-	482,182	(468,087)	14,095
Traffic settlements receivable (Note 6)	2,009,595	(885,219)	1,124,376	-	1,124,376
Traffic settlements payable (Note 15)	1,460,592	(885,219)	575,373	-	575,373

Globe makes use of master netting agreements with counterparties with whom a significant volume of transactions are undertaken. Such arrangements provide for single net settlement of all financial instruments covered by the agreements in the event of default on any one contract. Master netting arrangements do not normally result in an offset of balance sheet assets and liabilities unless certain conditions for offsetting under PAS 32 apply.

Although master netting arrangements may significantly reduce credit risk, it should be noted that:

- Credit risk is eliminated only to the extent that amounts due to the same counterparty will be settled after the assets are realized; and
- The extent to which overall credit risk is reduced may change substantially within a short period because the exposure is affected by each transaction subject to the arrangement and fluctuations in market factors.

31.3 Fair Values of Financial Assets and Financial Liabilities

The table below presents a comparison of carrying amounts and estimated fair values of all Globe's financial instruments as of December 31:

	2024		2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<i>(In Thousand Pesos)</i>				
Financial Assets				
Derivative assets ¹	P5,219,151	P5,219,151	P4,716,964	P4,716,964
Investment in debt and equity securities ¹	4,083,797	4,083,797	3,812,726	3,812,726
	P9,302,948	P9,302,948	P8,529,690	P8,529,690
Financial Liabilities				
Derivative liabilities ¹	P573,005	P573,005	P482,182	P482,182
Loans payables ²	249,459,909	249,032,055	249,955,569	250,895,575
	P250,032,914	P249,605,060	P250,437,751	P251,377,757

¹ Measured at fair value on a recurring basis

² Fair value is disclosed only in the Notes to Financial Statements

The following discussions are methods and assumptions used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value.

31.3.1 Non-Derivative Financial Instrument

The fair values of cash and cash equivalents, trade receivables, contract assets, non-trade receivables, trade payables and accrued expenses are approximately equal to their carrying amounts considering the short-term maturities of these financial instruments.

The fair value of loans receivable from related parties was estimated based on the present value of all future cash flows discounted using the prevailing market rate of interest for a similar instrument. The resulting fair value of loans receivable from related parties approximates the carrying amount.

The fair value of investments in debt and equity securities are based on:

- Level 1 - Quoted prices of similar instruments
- Level 2 - Recent funding round prices of identical or similar instruments
- Level 3 - Sales enterprise value multiple of comparable companies ranging from 2.3x to 5.5x in 2024 and 1.5x to 26.3x in 2023

For variable rate loans payable that reprice every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates. For variable rate loans payable that reprice every six months, the fair value is determined by discounting the principal amount plus the next interest payment using the prevailing market rate for the period up to the next repricing date.

For noninterest bearing and fixed rate loans payable, the fair value was estimated as the present value of all future cash flows discounted using the prevailing market rate of interest for a similar instrument.

31.3.2 Derivative Instrument

The fair value of freestanding and embedded forward exchange contracts is calculated by using the interest rate parity concept.

The fair values of interest rate swaps and cross currency swap transactions are determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for credit and liquidity risks existing at the end each of reporting period. The fair value of interest rate swap transactions is the net present value of the estimated future cash flows. The fair values of currency and cross currency swap transactions are determined based on changes in the term structure of interest rates of each currency and the spot rate.

The fair values were tested to determine the impact of credit valuation adjustments. However, the impact is immaterial given that Globe deals its derivatives with large foreign and local banks with very minimal risk of default.

31.3.3 Fair Value Hierarchy

The following tables provide the fair value measurement hierarchy of Globe's assets and liabilities:

	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
2024	(In Thousand Pesos)			
Financial Assets				
Derivative assets	P-	P5,219,151	P-	P5,219,151
Investment in debt and equity securities	804,240	2,244,100	1,035,457	4,083,797
Financial Liabilities				
Derivative liabilities	-	573,005	-	573,005
Loans payable	-	249,032,055	-	249,032,055
2023				
Financial Assets				
Derivative assets	P-	P4,716,964	P-	P4,716,964
Investment in debt and equity securities	648,240	2,387,863	776,623	3,812,726
Financial Liabilities				
Derivative liabilities	-	482,182	-	482,182
Loans payable	-	250,895,575	-	250,895,575

There were no transfers from Level 1 and Level 2 fair value measurements for the years ended December 31, 2024 and 2023.

For financial instruments at fair value measured under Level 3, significant unobservable input includes sales enterprise value multiple of comparable companies and risk-adjustment rates.

As at December 31, 2024 and 2023, Globe's sensitivity analysis shows that if the sales enterprise value multiple of comparable companies increased by 100 basis points, with all other variables held constant, income before income tax and equity would increase while an increase in risk-adjustment rates by 100 basis points, with all other variables held constant, income before income tax and equity would decrease.



32 Operating Segment Information

Globe's reportable segments consist of: (1) mobile communications services; and (2) wireline communication services; which Globe operates and manages as strategic business units and organize by products and services. Globe presents its various operating segments based on segment net income.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in consolidation.

Most of Globe's revenues are derived from operations within the Philippines, hence, Globe does not present geographical information required by PFRS 8, *Operating Segments*. Globe does not have a single customer that will meet the 10% reporting criteria.

Globe also presents the different product types that are included in the report that is regularly reviewed by the chief operating decision maker in assessing the operating segments performance.

Segment assets and liabilities are not measures used by the chief operating decision maker since the assets and liabilities are managed on a group basis.



Globe's segment information is as follows:

	2024			
	Mobile Communications Services	Wireline Communications Services	Others	Consolidated
(In Thousand Pesos)				
REVENUES:				
Service revenues:				
External customers:				
Data	P97,368,837	P20,379,506	P-	P117,748,343
Voice	12,652,830	1,500,199	-	14,153,029
SMS	6,691,721	-	-	6,691,721
Broadband	-	23,785,396	-	23,785,396
Others	-	-	2,637,800	2,637,800
	116,713,388	45,665,101	2,637,800	165,016,289
Nonservice revenues:				
External customers	15,201,455	275,435	92,881	15,569,771
Segment revenues	131,914,843	45,940,536	2,730,681	180,586,060
Operating costs and expenses-net	(62,023,847)	(29,023,427)	(2,725,110)	(93,772,384)
EBITDA	69,890,996	16,917,109	5,571	86,813,676
Depreciation and amortization	(33,872,521)	(16,337,933)	(262,586)	(50,473,040)
EBIT	36,018,475	579,176	(257,015)	36,340,636
Finance cost and non-operating expenses – net	(5,968,552)	(194,618)	153,617	(6,009,553)
NET INCOME (LOSS) BEFORE TAX	30,049,923	384,558	(103,398)	30,331,083
Provision for income tax	(5,965,078)	(162,183)	81,947	(6,045,314)
NET INCOME (LOSS)	P24,084,845	P222,375	(P21,451)	P24,285,769
Intersegment revenues	(P1,036,603)	(P2,209,280)	(P5,597,524)	(P8,843,407)
Core net income after tax				P21,497,995
Operating costs and expenses - net				
Operating expenses-net ¹	(42,665,146)	(25,769,915)	(2,597,532)	(71,032,593)
Cost of inventories sold	(15,199,428)	(1,117,123)	(112,162)	(16,428,713)
Impairment/recovery and other losses ²	(3,188,139)	(1,487,793)	(15,358)	(4,691,290)
Interconnect costs	(971,134)	(648,596)	(58)	(1,619,788)
	(62,023,847)	(29,023,427)	(2,725,110)	(93,772,384)
Finance costs and non-operating charges				
Finance costs	(14,245,860)	(172,118)	(26,292)	(14,444,270)
Equity share in net profit (loss) of JVs	3,468,081	428,931	-	3,897,012
Interest income	480,720	197,400	240,218	918,338
Other non-operating income-net ³	4,328,507	(648,831)	(60,309)	3,619,367
	(5,968,552)	(194,618)	153,617	(6,009,553)
Cash Flows				
Net cash from (used in):				
Operating activities	P71,897,654	P12,868,594	P15,593	P84,781,841
Investing activities	(15,299,725)	(15,423,744)	(21,943)	(30,745,412)
Financing activities	(46,996,258)	(2,424,738)	(40,635)	(49,461,631)

¹Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income

²Impairment and other losses includes impairment loss on receivables, contract assets, inventories, provision for probable losses and other assets

³Other non-operating income primarily includes, gain on sale and leaseback of telecom towers – net under mobile communications services, net gain (loss) on derivative instruments, net foreign exchange gain (loss), net gain on disposal of property and equipment, net gain (loss) on ARO and other non-operating income/charges

	2023			
	Mobile Communications Services	Wireline Communications Services	Others	Consolidated
<i>(In Thousand Pesos)</i>				
REVENUES:				
Service revenues:				
External customers:				
Data	₱90,894,707	₱18,319,203	₱-	₱109,213,910
Voice	13,505,925	1,595,674	-	15,101,599
SMS	7,975,319	-	-	7,975,319
Broadband	-	25,111,748	-	25,111,748
Others	-	-	4,930,908	4,930,908
	112,375,951	45,026,625	4,930,908	162,333,484
Nonservice revenues:				
External customers	17,457,309	262,738	110,924	17,830,971
Segment revenues	129,833,260	45,289,363	5,041,832	180,164,455
Operating costs and expenses-net	(64,308,442)	(30,812,730)	(3,616,537)	(98,737,709)
EBITDA	65,524,818	14,476,633	1,425,295	81,426,746
Depreciation and amortization	(32,471,473)	(14,599,070)	(285,500)	(47,356,043)
EBIT	33,053,345	(122,437)	1,139,795	34,070,703
Finance cost and non-operating expenses – net	(1,343,333)	(89,900)	(221,800)	(1,655,033)
NET INCOME (LOSS) BEFORE TAX	31,710,012	(212,337)	917,995	32,415,670
Provision for income tax	(7,654,942)	45,664	(228,382)	(7,837,660)
NET INCOME (LOSS)	₱24,055,070	(₱166,673)	₱689,613	₱24,578,010
Intersegment revenues	(₱1,091,461)	(₱2,028,645)	(₱6,841,972)	(₱9,962,078)
Core net income after tax				₱18,915,767
Operating costs and expenses - net				
Operating expenses-net ¹	(43,149,184)	(27,064,200)	(3,476,250)	(73,689,634)
Cost of inventories sold	(17,289,667)	(797,580)	(129,797)	(18,217,044)
Impairment/recovery and other losses ²	(3,040,665)	(2,412,838)	(10,476)	(5,463,979)
Interconnect costs	(828,926)	(538,112)	(14)	(1,367,052)
	(64,308,442)	(30,812,730)	(3,616,537)	(98,737,709)
Finance costs and non-operating charges				
Finance costs	(11,912,325)	(198,200)	(35,354)	(12,145,879)
Equity share in net profit (loss) of JVs	1,851,350	363,411	-	2,214,761
Interest income	418,031	112,729	146,810	677,570
Other non-operating income-net ³	8,299,611	(367,840)	(333,256)	7,598,515
	(1,343,333)	(89,900)	(221,800)	(1,655,033)
Cash Flows				
Net cash from (used in):				
Operating activities	₱65,974,197	₱14,292,582	₱180,101	₱80,446,880
Investing activities	(35,606,141)	(18,821,989)	(50,472)	(54,478,602)
Financing activities	(25,303,012)	(2,222,596)	(33,166)	(27,558,774)

¹Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income

²Impairment and other losses includes impairment loss on receivables, contract assets, inventories, provision for probable losses and other assets

³Other non-operating income primarily includes, gain on sale and leaseback of telecom towers – net under mobile communications services, net gain (loss) on derivative instruments, net foreign exchange gain (loss), net gain on disposal of property and equipment, net gain (loss) on ARO and other non-operating income/charges

	2022			
	Mobile Communications Services	Wireline Communications Services	Others	Consolidated
<i>(In Thousand Pesos)</i>				
REVENUES:				
Service revenues:				
External customers:				
Data	₱83,758,035	₱17,198,099	₱-	₱100,956,134
Voice	14,916,566	1,989,174	-	16,905,740
SMS	8,845,422	-	-	8,845,422
Broadband	-	27,093,520	-	27,093,520
Others	-	-	4,178,519	4,178,519
	107,520,023	46,280,793	4,178,519	157,979,335
Nonservice revenues:				
External customers	16,564,819	390,033	106,536	17,061,388
Segment revenues	124,084,842	46,670,826	4,285,055	175,040,723
Operating costs and expenses-net	(62,365,084)	(31,770,891)	(1,812,729)	(95,948,704)
EBITDA	61,719,758	14,899,935	2,472,326	79,092,019
Depreciation and amortization	(30,527,076)	(14,949,839)	(176,381)	(45,653,296)
EBIT	31,192,682	(49,904)	2,295,945	33,438,723
Finance cost and non-operating expenses – net	(423,221)	10,966,676	118,272	10,661,727
NET INCOME (LOSS) BEFORE TAX	30,769,461	10,916,772	2,414,217	44,100,450
Provision for income tax	(6,937,464)	(2,040,252)	(518,685)	(9,496,401)
NET INCOME (LOSS)	₱23,831,997	₱8,876,520	₱1,895,532	₱34,604,049
Intersegment revenues	(₱1,041,557)	(₱1,590,256)	(₱12,391,872)	(₱15,023,685)
Core net income after tax				₱19,168,650
Operating costs and expenses - net				
Operating expenses-net ¹	(42,705,117)	(27,585,579)	(1,697,275)	(71,987,971)
Cost of inventories sold	(16,696,797)	(887,733)	(107,147)	(17,691,677)
Impairment/recovery and other losses ²	(2,124,732)	(2,773,708)	(8,307)	(4,906,747)
Interconnect costs	(838,438)	(523,871)	-	(1,362,309)
	(62,365,084)	(31,770,891)	(1,812,729)	(95,948,704)
Finance costs and non-operating charges				
Finance costs	(9,887,855)	(183,339)	(20,095)	(10,091,289)
Equity share in net profit (loss) of JVs	818,411	264,791	-	1,083,202
Interest income	274,617	23,619	41,873	340,109
Other non-operating income-net ³	8,371,606	10,861,605	96,494	19,329,705
	(423,221)	10,966,676	118,272	10,661,727
Cash Flows				
Net cash from (used in):				
Operating activities	₱51,824,698	₱13,054,664	₱275,640	₱65,155,002
Investing activities	(60,589,661)	(13,198,943)	(62,655)	(73,851,259)
Financing activities	3,319,075	(1,113,272)	(2,525)	2,203,278

¹ Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income

² Impairment and other losses includes impairment loss on receivables, contract assets, inventories, provision for probable losses and other assets

³ Other non-operating income primarily includes gain on sale of controlling interest on data center business under wireline services, gain on sale and leaseback of telecom towers – net under mobile communications services, net gain (loss) on derivative instruments, net foreign exchange gain (loss), net gain on disposal of property and equipment, net gain (loss) on ARO and other non-operating income/charges

The reconciliation of the EBITDA to income before income tax presented in the consolidated statements of comprehensive income is shown below:

	Notes	2024	2023	2022
<i>(In Thousand Pesos)</i>				
EBITDA		₱86,813,676	₱81,426,746	₱79,092,019
Depreciation and amortization	24	(50,473,040)	(47,356,043)	(45,653,296)
Financing costs	25	(14,444,270)	(12,145,879)	(10,091,289)
Impairment of property and equipment	26	(410,563)	(92,441)	-
Equity in net income (losses) of joint ventures	14	3,897,012	2,214,761	1,083,202
Foreign exchange gain (loss) - net	22	(2,431,889)	1,042,052	(5,343,019)
Gain (loss) on derivative instruments	22	2,957,406	(740,686)	5,797,800
Interest income	21	918,338	677,570	340,109
Gain on disposal of property and equipment - net		206,500	371,655	321,354
Gain on sale of controlling interest on data center business	14.3	-	-	10,511,945
Gain on sale and leaseback of telecom towers - net	11	3,482,083	7,258,378	8,260,927
Gain on sale of investments		-	76,669	101,655
Other items		(184,170)	(317,112)	(320,957)
Income before income tax		₱30,331,083	₱32,415,670	₱44,100,450

The reconciliation of core net income after tax (core NIAT) to NIAT is shown below:

	2024	2023	2022
<i>(In Thousand Pesos)</i>			
Core NIAT	₱21,497,995	₱18,915,767	₱19,168,650
Foreign exchange gains (losses)	(1,823,917)	781,538	(4,007,264)
Gain (loss) on derivatives instruments	2,218,055	(555,515)	4,348,350
Gain on sale of controlling interest on data center business	-	-	8,680,771
Gain on sale and leaseback of telecom towers – net	2,611,562	5,443,784	6,195,695
Gain on sale of investments	-	-	22,449
Others	(217,926)	(7,564)	195,398
NIAT	₱24,285,769	₱24,578,010	₱34,604,049

32.1 Mobile Communications Services

This reporting segment is made up of digital cellular telecommunications services which includes mobile voice, mobile SMS and mobile data.

Globe Telecom offers its mobile communications services to consumers, corporate and small and medium enterprise (SME) clients through the following three (3) brands: Globe Postpaid, Globe Prepaid and TM (including fully Mobile, internet-on-the-go service and GOMO).

32.1.1 Mobile Voice

Mobile voice include local, national and international long-distance call services. In addition to Globe's standard, pay-per-use rates, subscribers can choose from bulk and unlimited voice offerings for all-day, and in several denominations.



32.1.2 Mobile SMS

Mobile SMS consist of local and international revenues from inbound and outbound SMS.

32.1.3 Mobile Data

Mobile Data services allow subscribers to access the internet using their internet-capable mobile devices or laptops with USB modems. Mobile data also includes local and international revenues from value-added services such as content downloading, mobile commerce services, and other add-on VAS.

32.2 Wireline Communications Services

This reporting segment is made up of fixed line voice, corporate data and home broad band services.

Globe offers a full range of fixed line communications services, wired and wireless Broadband access, and end-to-end connectivity solutions customized for consumers, SMEs (Small & Medium Enterprises), large corporations and businesses.

32.2.1 Fixed Line Voice

Globe's fixed line voice services include local, national and international long-distance calling services in postpaid and prepaid packages through its Globelines brand. For corporate and enterprise customers, Globe offers voice solutions that include regular and premium conferencing, enhanced voice mail, IP-PBX solutions and domestic or international toll-free services.

32.2.2 Corporate Data

Corporate data services include end-to-end data solutions customized according to the needs of businesses. Globe's product offerings include international and domestic leased line services, wholesale and corporate internet access, data center services and other connectivity solutions tailored to the needs of specific industries. Among the products and solutions are as follows:

- Connectivity - Globe connectivity services provides an up to speed with a fast and resilient connection powered by dedicated and reliable technologies. This service includes domestic data, international data, internet services and managed services.
- Cloud - Globe's range of cloud services provides improved efficiency and agility in the face of evolving business environments while keeping costs low.
- Data Centers - Globe Data Center offers outsourced data center hosting and management for a superior experience that goes beyond technology.
- Cybersecurity - Globe cybersecurity provides enterprises the access to the best-in-class tool sets, hardware, software, and even niche technology experts to handle security threats and IT infrastructure in a cost-effective manner.
- Business Continuity - Globe business continuity services provides the right digital solutions for uninterrupted business operations. The product offers seamless connectivity through Prepaid Mobile WiFi or Corporate Managed Broadband, empowered remote workforce using collaboration tools, and security for their business operations with Backup-as-a-Service (BaaS) and Disaster-Recovery-as-a-Service (DRaaS), among others.
- Business Applications - Globe offers a diverse range of business applications solutions to streamline and enhance the business' operations, and raise efficiency, productivity, and customer satisfaction.



32.2.3 Home Broadband

Globe offers wired and fixed wireless Broadband services, across various technologies and connectivity speeds for its residential and enterprise customers. Globe Home Broadband consists of wired postpaid and prepaid Fiber broadband packages and wireless Home Prepaid WiFi .

32.3 Others

Globe offers non-telecommunications products and services in e-commerce, adtech and manpower among others.

33 Significant Agreements

33.1 Agreements and Commitments with Other Carriers

Globe Telecom, Innove and BTI have existing international telecommunications service agreements with various foreign administrations and interconnection agreements with local telecommunications companies for their various services. Globe Telecom also has international roaming agreements with other foreign operators, which allow its subscribers access to foreign networks. The agreements provide for sharing of toll revenues derived from the mutual use of telecommunication networks.

The interconnect costs for the period 2024, 2023 and 2022 amounted to ₱1,619.79 million, ₱1,367.05 million and ₱1,362.31million, respectively.

Net traffic settlement receivables amounted to ₱907.18 million and ₱1,124.38 million while net traffic settlement payables amounted to ₱749.69 million and ₱575.37 million as of December 31, 2024 and 2023, respectively (see [Notes 6](#) and [15](#)).

33.2 Arrangements and Commitments with Suppliers

Globe has entered into agreements with various suppliers for the development or construction, delivery and installation of property and equipment. Under the terms of these agreements, advance payments and down payments are made to suppliers upon submission of required documentation. While the development or construction is in progress, project costs are accrued based on the project status. Billings are based on the progress of the development or construction and advance payments are being applied proportionately to the milestone billings. When development or construction and installation are completed and the property and equipment is ready for service, the value of unbilled but delivered goods or services from the related purchase orders is accrued.

The accrued project costs as of December 31, 2024 and 2023 included in the "Trade payables and accrued expenses" account in the consolidated statements of financial position amounted to ₱30,740.90 million and ₱40,311.98 million , respectively (see [Note 15](#)). The settlement of these liabilities is dependent on the payment terms and project milestones agreed with the suppliers and contractors. As of December 31, 2024 and 2023, the unapplied advances made to suppliers and contractors relating to purchase orders issued amounted to ₱12,172.43 million and ₱19,863.87 million, respectively (see [Note 10](#)).

Also, Globe has existing agreements with various Tower Companies for the use of Telecom Towers. In relation to these arrangements, Globe has 776 tower lease commitments in which leases have not yet commenced as of December 31, 2024

34 Contingencies

Globe is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the courts or are being contested, the outcome of which are not presently determinable. In the opinion of management and legal counsel, the possibility of outflow of economic resources to settle the contingent liability is remote.

Interconnection Charge for Short Messaging Service

On October 10, 2011, the NTC issued Memorandum Circular (MC) No. 02-10-2011 titled Interconnection Charge for Short Messaging Service requiring all public telecommunication entities to reduce their interconnection charge to each other from ₱0.35 to ₱0.15 per text, which Globe Telecom complied as early as November 2011. On December 11, 2011, the NTC One Stop Public Assistance Center (OSPAC) filed a complaint against Globe Telecom, Smart and Digitel alleging violation of the said MC No. 02-10-2011 and asking for the reduction of SMS off-net retail price from P1.00 to P0.80 per text. Globe Telecom filed its response maintaining the position that the reduction of the SMS interconnection charges does not automatically translate to a reduction in the SMS retail charge per text.

On November 20, 2012, the NTC rendered a decision directing Globe Telecom to:

- Reduce its regular SMS retail rate from P1.00 to not more than ₱0.80;
- Refund/reimburse its subscribers the excess charge of ₱0.20; and
- Pay a fine of ₱200.00 per day from December 1, 2011 until date of compliance.

On May 7, 2014, NTC denied the Motion for Reconsideration (MR) filed by Globe Telecom last December 5, 2012 in relation to the November 20, 2012 decision. Globe Telecom's assessment is that Globe Telecom is in compliance with the NTC Memorandum Circular No. 02-10-2011. On June 9, 2014, Globe Telecom filed petition for review of the NTC decision and resolution with the Court of Appeals (CA).

The CA granted the petition in a resolution dated September 3, 2014 by issuing a 60-day temporary restraining order on the implementation of Memorandum Circular 02-10-2011 by the NTC. On October 15, 2014, Globe Telecom posted a surety bond to compensate for possible damages as directed by the CA.

On June 27, 2016, the CA rendered a decision reversing the NTC's abovementioned decision and resolution requiring telecommunications companies to cut their SMS rates and return the excess amount paid by subscribers. The CA said that the NTC order was baseless as there is no showing that the reduction in the SMS rate is mandated under MC No. 02-10-2011; there is no showing, either that the present P1.00 per text rate is unreasonable and unjust, as this was not mandated under the memorandum. Moreover, under the NTC's own MC No. 02-05-2008, SMS is a value added service (VAS) whose rates are deregulated. The respective motions for reconsideration filed by NTC and that of intervenor Bayan Muna Party List (Bayan Muna) Representatives Neri Javier Colmenares and Carlos Isagani Zarate were both denied.

The NTC thus elevated the CA's ruling to the Supreme Court (SC) via a Petition for Review on Certiorari dated September 15, 2017.



For its part, Bayan Muna filed its own Petition for Review on Certiorari of the CA's Decision. On January 4, 2018, Globe received a copy of the SC's Resolution dated November 6, 2017, requiring it to comment on said petition of Bayan Muna. Subsequently, on February 21, 2018, Globe received a copy of the SC's Resolution dated December 13, 2017 consolidating the Petitions for Review filed by Bayan Muna and NTC, and requiring Globe to file its comment on the petition for review filed by NTC. Thus, on April 2, 2018, Globe filed its Consolidated Comment on both Bayan Muna and the NTC's petitions for review. On September 18, 2018, Globe received a copy of Bayan Muna's Consolidated Reply to Globe's Consolidated Comment and Digitel and Smart's Comment.

Globe Telecom believes that it did not violate NTC MC No. 02-10-2011 when it did not reduce its SMS retail rate from Php 1.00 to Php 0.80 per text, and hence, would not be obligated to refund its subscribers. However, if it is ultimately decided by the Supreme Court (on the appeal taken thereto by the NTC from the adverse resolution of the CA) that Globe Telecom is not compliant with said circular, Globe may be contingently liable to refund to its subscribers the ₱0.20 difference (between ₱1.00 and ₱0.80 per text) reckoned from November 20, 2012 until said decision by the SC becomes final and executory. Management does not have an estimate of the potential claims currently.

Guidelines on Unit of Billing of Mobile Voice Service

On July 23, 2009, the NTC issued NTC MC No. 05-07-2009 (Guidelines on Unit of Billing of Mobile Voice Service). The MC provides that the maximum unit of billing for the Cellular Mobile Telephone System (CMTS) whether postpaid or prepaid shall be six (6) seconds per pulse. The rate for the first two (2) pulses, or equivalent if lower period per pulse is used, may be higher than the succeeding pulses to recover the cost of the call set-up. Subscribers may still opt to be billed on a one (1) minute per pulse basis or to subscribe to unlimited service offerings or any service offerings if they actively and knowingly enroll in the scheme.

On December 28, 2010, the Court of Appeals (CA) rendered its decision declaring null and void and reversing the decisions of the NTC in the rates applications cases for having been issued in violation of Globe Telecom and the other carriers' constitutional and statutory right to due process. However, while the decision is in Globe Telecom's favor, there is a provision in the decision that NTC did not violate the right of petitioners to due process when it declared via circular that the per pulse billing scheme shall be the default.

On January 21, 2011, Globe Telecom and two other telecom carriers, filed their respective Motions for Partial Reconsideration (MPR) on the pronouncement that "the Per Pulse Billing Scheme shall be the default". The petitioners and the NTC filed their respective Motion for Reconsideration, which were all denied by the CA on January 19, 2012.

On March 12, 2012, Globe and Innove elevated to the SC the questioned portions of the Decision and Resolution of the CA dated December 28, 2010 and its Resolution dated January 19, 2012. The other service providers, as well as the NTC, filed their own petitions for review. The adverse parties have filed their comments on each other's petitions, as well as their replies to each other's comments. Parties were required to file their respective Memoranda and Globe filed its Memorandum on May 25, 2018. The case is now submitted for resolution.

On September 18, 2024, Globe and Innove received the SC Decision promulgated on February 13, 2023 sustaining the said CA's Decision dated December 28, 2010 and Resolution dated January 19, 2012. The dispositive portion of which reads:

Accordingly, the December 28, 2010 Decision and January 19, 2012 Resolution of the Court of Appeals in CA-G.R. SP Nos. 111947, 111970, 112006, and 112198 are upheld.

The December 5, 2009 Orders and December 9, 2009 Show Cause Orders and Cease and Desist Orders issued by the National Telecommunications Commission in NTC Case Nos. 2009-138, 2009-139, 99-121, 2009-140, 2009-268, 2009-269, 2009-270, and 2009-271 are reversed and set aside.

The writ of preliminary injunction issued by the Court of Appeals in CA-G.R. SP Nos. 111947 and 111970 enjoining the National Telecommunications Commission and its representatives from enforcing all the assailed Orders in the two cases, are hereby made permanent. The National Telecommunications Commission and all persons acting on its behalf are also permanently enjoined from implementing the assailed Orders in CA G.R. SP Nos. 112006 and 112198. So ordered.

NTC filed its Motion for Reconsideration (MR) of the SC's Decision promulgated on 13 February 2023, a copy of which was received by Globe and Innove on October 1, 2024. Globe and Innove await the SC's Resolution requiring the filing of comment on said MR.

Acquisition by Globe Telecom and PLDT of the Entire Issued and Outstanding Shares of VTI

In a letter dated June 7, 2016 issued by Philippine Competition Commission (PCC) to Globe Telecom, PLDT, SMC and VTI regarding the Joint Notice filed by the aforementioned parties on May 30, 2016, disclosing the acquisition by Globe Telecom and PLDT of the entire issued and outstanding shares of VTI, the PCC claims that the Notice was deficient in form and substance and concludes that the acquisition cannot be claimed to be deemed approved.

On June 10, 2016, Globe Telecom formally responded to the letter reiterating that the Notice, which sets forth the salient terms and conditions of the transaction, was filed pursuant to and in accordance with MC No. 16-002 issued by the PCC. MC No. 16-002 provides that before the implementing rules and regulations for RA No. 10667 (the Philippine Competition Act of 2015) come into full force and effect, upon filing with the PCC of a notice in which the salient terms and conditions of an acquisition are set forth, the transaction is deemed approved by the PCC and as such, it may no longer be challenged. Further, Globe Telecom clarified in its letter that the supposed deficiency in form and substance of the Notice is not a ground to prevent the transaction from being deemed approved. The only exception to the rule that a transaction is deemed approved is when a notice contains false material information. In this regard, Globe Telecom stated that the Notice does not contain any false information.

On June 17, 2016, Globe Telecom received a copy of the second letter issued by PCC stating that notwithstanding the position of Globe Telecom, it was ruled that the transaction was still subject for review.

On July 12, 2016, Globe Telecom asked the CA to stop the government's anti-trust body from reviewing the acquisition of SMC's telecommunications business. Globe Telecom maintains the position that the deal was approved after Globe Telecom notified the PCC of the transaction and that the anti-trust body violated its own rules by insisting on a review. On the same day, Globe Telecom filed a Petition for Mandamus, Certiorari and Prohibition against the PCC, docketed as CA-G.R. SP No. 146538. On July 25, 2016, the CA, through its 6th Division issued a resolution denying Globe Telecom's application for TRO and injunction against PCC's review of the transaction. In the same resolution, however, the CA required the PCC to



comment on Globe Telecom's petition for certiorari and mandamus within 10 days from receipt thereof. The PCC filed said comment on August 8, 2016. In said comment, the PCC prayed that the ₱70.00 billion deal between PLDT-Globe Telecom and San Miguel be declared void for PLDT and Globe Telecom's alleged failure to comply with the requirements of the Philippine Competition Act of 2015. The PCC also prayed that the CA direct Globe Telecom to: cease and desist from further implementing its co-acquisition of the San Miguel telecommunications assets; undo all acts consummated pursuant to said acquisition; and pay the appropriate administrative penalties that may be imposed by the PCC under the Philippine Competition Act for the illegal consummation of the subject acquisition.

Meanwhile, PLDT filed a similar petition with the CA, docketed as CA G.R. SP No. 146528, which was raffled off to its 12th Division. On August 26, 2016, PLDT secured a TRO from said court. Thereafter, Globe Telecom's petition was consolidated with that of PLDT, before the 12th Division. The consolidation effectively extended the benefit of PLDT's TRO to Globe Telecom. The parties were required to submit their respective Memoranda, after which, the case shall be deemed submitted for resolution.

On February 17, 2017, the CA issued a Resolution denying PCC's Motion for Reconsideration dated September 14, 2016 for lack of merit. In the same Resolution, the Court granted PLDT's Urgent Motion for the Issuance of a Gag Order and ordered the PCC to remove the offending publication from its website and also to obey the sub judice rule and refrain from making any further public pronouncements regarding the transaction while the case remains pending. The Court also reminded the other parties, PLDT and Globe, to likewise observe the sub judice rule. For this purpose, the Court issued its gag order admonishing all the parties "to refrain, cease and desist from issuing public comments and statements that would violate the sub judice rule and subject them to indirect contempt of court. The parties were also required to comment within ten days from receipt of the Resolution, on the Motion for Leave to Intervene, and Admit the Petition-in Intervention dated February 7, 2017 filed by Citizenwatch, a non-stock and non-profit association.

On April 18, 2017, PCC filed a petition before the SC docketed as G.R. No. 230798, to lift the CA's order that has prevented the review of the sale of San Miguel Corp.'s telecommunications unit to PLDT Inc. and Globe Telecom. On April 25, 2017, Globe filed before the SC a Motion for Intervention with Motion to Dismiss the petition filed by the PCC.

As of June 30, 2017, the SC did not issue any TRO on the PCC's petition to lift the injunction issued by the CA. Hence, the PCC remains barred from reviewing the SMC deal.

On July 26, 2017, Globe received the SC en banc Resolution granting Globe's Extremely Urgent Motion to Intervene. In the same Resolution, the Supreme Court treated as Comment, Globe's Motion to Dismiss with Opposition Ad Cautelam to PCC's Application for the Issuance of a Writ of Preliminary Injunction and/or TRO.

On August 31, 2017, Globe received another Resolution of the SC en banc, requiring the PCC to file a Consolidated Reply to the Comments respectively filed by Globe and PLDT, within ten (10) days from notice.

On November 16, 2017, after several extensions of time were granted to the PCC, the Corporation through its external counsel, received a copy of the Consolidated Reply dated November 7, 2017 filed by the PCC.

In the meantime, in a Decision dated October 18, 2017, the CA, in CA-G.R. SP No. 146528 and CA-G.R. SP No. 146538, granted Globe and PLDT's Petition to permanently enjoin and prohibiting PCC from reviewing the acquisition and compelling the PCC to recognize the same as deemed approved. PCC elevated the case to the SC via Petition for Review on Certiorari.

On June 1, 2018, the Corporation received a copy of the Court of Appeals' Notice of Resolution dated May 25, 2018, and attached Resolution dated May 24, 2018 denying Citizenwatch's Motion for Partial *Reconsideration on the ground of lack of legal standing and mootness. No further action has been taken since the Resolution dated May 24, 2018 of the Court of Appeals.

Co-use of frequencies by PLDT/Smart and Globe Telecom as a result of the acquisition of controlling shares in VTI

On January 21, 2019, Globe filed its Comment to a petition filed by lawyers Joseph Lemuel Baligod and Ferdinand Tecson before the Supreme Court, against the NTC, PCC, Liberty Broadcasting Network, Inc., (LBNI), Bell Telecommunications Inc. (BellTel), Globe, PLDT and Smart, docketed as G.R. No. 242352. The petition sought to, among others, enjoin PLDT/Smart and Globe from co-using the frequencies assigned to LBNI and BellTel in view of alleged irregularities in NTC's assignment of these frequencies to these entities. In its Comment, Globe argued that the frequencies were assigned in accordance with existing procedures prescribed by law and that to prevent the use of the frequencies will only result to its being idle and unutilized. Moreover, in view of the substantial investments made by Globe, for the use of these frequencies, enjoining its use will cause grave and irreparable injury not only to Globe but to subscribers who will be deprived of the benefits of fast and reliable telecommunications services. The other Respondents have likewise filed their respective Comments to the petition.

Right of Innove to Render Services and Build Telecommunications Infrastructure in BGC

PLDT and its affiliate, Bonifacio Communications Corporation (BCC) and Innove and Globe Telecom are in litigation over the right of Innove to render services and build telecommunications infrastructure in the Bonifacio Global City (BGC). In the case filed by Innove before the NTC against BCC, PLDT and the Fort Bonifacio Development Corporation (FBDC), the NTC has issued a Cease and Desist Order preventing BCC from performing further acts to interfere with Innove's installations in the BGC.

On January 21, 2011, BCC and PLDT filed with the CA a Petition for Certiorari and Prohibition against the NTC, et al. seeking to annul the Order of the NTC dated October 28, 2008 directing BCC, PLDT and FBDC to comply with the provisions of NTC MC 05-05-02 and to cease and desist from performing further acts that will prevent Innove from implementing and providing telecommunications services in the Fort Bonifacio Global City pursuant to the authorization granted by the NTC. On April 25, 2011, Innove Communications, filed its comment on the Petition.

On August 16, 2011, the CA ruled that the petition against Innove and the NTC lacked merit, holding that neither BCC nor PLDT could claim the exclusive right to install telecommunications infrastructure and providing telecommunications services within the BGC. Thus, the CA denied the petition and dismissed the case. PLDT and BCC filed their motions for reconsideration thereto, which the CA denied.



On July 6, 2012, PLDT and BCC assailed the CA's rulings via a petition for review on certiorari with the Supreme Court. Innove and Globe filed their comment on said petition on January 14, 2013, to which said petitioners filed their reply on May 21, 2013. On December 22, 2021, Innove filed its Memorandum with the Supreme Court in compliance with Court's Resolution dated October 06, 2021. The Supreme Court subsequently issued Resolution dated September 14, 2022, directing the Clerk of Court of the Court of Appeals, Manila to elevate the complete records of CA G.R. SP No. 117535 to Supreme Court within ten (10) days from receipt of said Resolution. In its Decision dated April 19, 2023, the Supreme Court dismissed BCC and PLDT's petition for lack of merit and affirmed the Court of Appeals' Decision dated August 16, 2011 and the Resolution dated May 18, 2012 in CA G.R. SP No. 117535, sustaining the NTC's cease and desist order versus the enforcement by PLDT and BCC of their so-called contractual exclusivity to provide telecommunications services in BGC. Finally, on November 6, 2023, Innove received the Supreme Court's Entry of Judgement certifying that on April 19, 2023, a decision was rendered and that the same has, on July 26, 2023, become final and executory and recorded in the Book of Entries of Judgments.

35 Events After Reporting Period

Dividend Declaration

On February 6, 2025, the BOD approved the declaration of the first quarter cash dividend of ₱25 per common share, payable to common stockholders of record as of February 20, 2025. Total dividends amounting to ₱3.6 billion will be payable on March 7, 2025.



GLOBE TELECOM, INC. AND SUBSIDIARIES

Index to the Consolidated Financial Statements and Supplementary Schedules

Schedule 1 - Financial Soundness Indicators

Schedule 2 - Reconciliation of retained earnings available for dividend declaration

Schedule 3 - Map of the relationships of the companies within Globe

Schedule 4 - Schedule of External Auditor Fee-Related information

Schedule 5 - Supplementary Schedules required by Annex 68-J

Schedule 1

FINANCIAL SOUNDNESS INDICATORS	Formula	December 31 2024	December 31 2023
FINANCIAL RATIOS	EBITDA	4.55	4.95
	Interest Coverage Ratio		
Debt to Equity (D/E Ratio)	Total Debt	1.49	1.56
	Total Equity		
Total Asset to Equity Ratio	Total Assets	3.78	3.82
	Total Equity		
Current Ratio	Current Assets	0.62	0.61
	Current Liabilities		
Solvency Ratio	Net Income + Depreciation and Amortization + Provisions for Doubtful Accounts	0.17	0.17
	Total Liabilities		
Acid test ratio	Current Assets – Inventories and Supplies – net	0.60	0.58
	Current Liabilities		
PROFITABILITY MARGINS			
EBITDA Margins	EBITDA	53%	50%
	Service Revenues		
Net Profit Margin	Net Income	15%	15%
	Service Revenues		
Return on Asset	Net Income	4%	4%
	Total Assets		
Return on Equity	Net Income	15%	16%
	Total Average Equity		

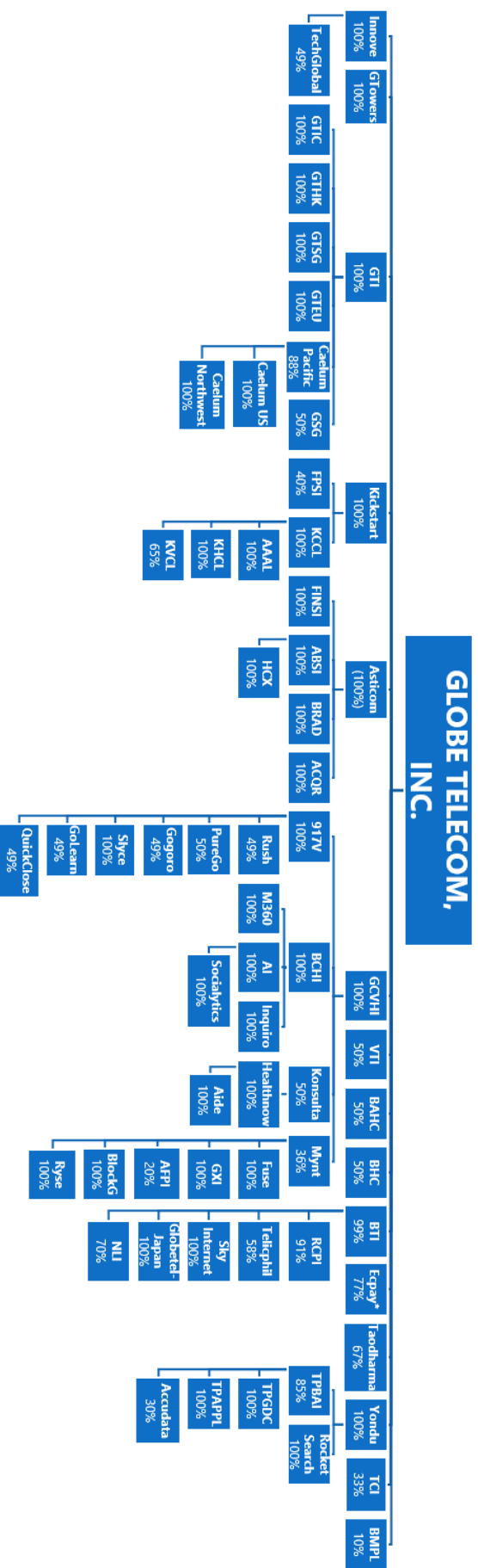
Schedule 2
**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2024**

Items	Amount (In thousands)
Unappropriated Retained Earnings, beginning	₱19,998,150
Less: Category B – Items that are directly debited to Unappropriated Retained Earnings	
Dividends during the reporting period	(14,495,537)
Distribution on capital securities	(1,369,672)
Unappropriated Retained Earnings, as adjusted	4,132,941
Net income during the period closed to Retained Earnings	12,308,600
Less: Category C.1 – Unrealized income recognized in the profit or loss during the reporting period	
Unrealized fair value gain on derivatives net of previously recognized accumulated unrealized loss	(5,834,163)
Category C.1 – Subtotal	(5,834,163)
Add: Category C.2 – Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period	
Unrealized foreign exchange gain from prior period realized during the year	633,080
Unrealized fair value gain on derivatives from prior period realized during the year	4,497,985
Category C.2 – Subtotal	5,131,065
Adjusted net income during the period	11,605,502
Less: Category F - Other items that should be excluded from the determination of the amount of available dividends distribution	
Deferred tax assets realized during the year	(3,155,623)
Unappropriated Retained Earnings, as adjusted, ending	₱12,582,820



Schedule 3

MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN GLOBE
AS OF DECEMBER 31, 2024



*Sale subject to PCC approval

Schedule 4
**SCHEDULE EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2024**

	2024	2023
	<i>(In millions)</i>	
Total Audit Fees	₱17.34	₱17.02
Non-audit services fees:		
Other assurance services	0.32	2.85
All other services	0.63	2.36
Total Non-audit Fees	0.95	5.21
Total Audit and Non-audit Fees	₱18.29	₱22.23



SCHEDULE 5A – FINANCIAL ASSETS
DECEMBER 31, 2024

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued

Not Applicable



SCHEDULE 5B – Amounts Receivable from Directors, Officers, Employees, Related Parties and principal Stockholders (Other than Related parties)

Name and Designation of debtor	Balance at the beginning of period (January 1, 2024)		Additions	Amounts collected		Current	Non-current	Balance at the end of period (December 31, 2024)	
					(In thousands)				
Education Loan		₱86,727	₱129,787	₱130,490		₱86,024	₱-	₱86,024	
Hospitalization Loan		19,138	10,635	15,461		14,312	-	14,312	
Housing and Renovation Loan		55,169	89,286	94,390		50,065	-	50,065	
Medical and Health Related Loan		7,953	8,711	5,742		10,922	-	10,922	
Others		-	8,206	5,015		3,191	-	3,191	
Total		₱168,987	₱246,625	₱251,098		₱164,514	₱-	₱164,514	

Schedule 5C - Trade & Other Receivables Eliminated During Consolidation

Creditor	Creditor's Relationship to the Reporting Company (Subsidiary or Parent)	Account Type	Beginning Balance	Net Movement	Outstanding Balance
			(January 1, 2024)		(December 31, 2024)
Globe	Parent	Traffic receivables	₱240,590	₱74,199	₱314,789
	Parent	Trade Receivables	(25,309)	464,520	439,211
	Parent	Other Receivables	31,532,553	548,592	32,081,145
	Subsidiary	Trade Receivables	94,912	(3,964)	90,948
	Subsidiary	Other Receivables	20,132,602	12,170,060	32,302,662
	Co-Subsidiary	Trade Receivables	18,000	18,295	36,295
	Co-Subsidiary	Other Receivables	610,063	(35,118)	574,945
	Co-Subsidiary	Traffic receivables	110	41	151
	Co-Subsidiary	Trade Receivables	957,149	(265,757)	691,392
	Co-Subsidiary	Other Receivables	92,050	(63,032)	29,018
Asticom	Co-Subsidiary	Other Receivables	284,151	(44,020)	240,131
	Subsidiary	Other Receivables	4,104,704	233,441	4,338,145
	Subsidiary	Traffic receivables	2,524	602	3,126
	Subsidiary	Trade Receivables	4,884	2	4,886
BTI	Co-Subsidiary	Trade Receivables	6,048	120	6,168
	Co-Subsidiary	Traffic receivables	332	109	441
	Co-Subsidiary	Other Receivables	6,795,918	(425,308)	6,370,610
	Co-Subsidiary				

(forward)

Creditor	Creditor's Relationship to the Reporting Company (Subsidiary or Parent)	Account Type	Beginning Balance (January 1, 2024)	Net Movement	Outstanding Balance (December 31, 2024)
GCVH	Subsidiary	Trade Receivables	681,869	(27,361)	654,508
	Subsidiary	Other Receivables	76,378	194,692	271,070
	Co-Subsidiary	Other Receivables	122,877	1,648,268	1,771,145
	Co-Subsidiary	Trade Receivables	622,665	(484,218)	138,447
GTI	Subsidiary	Other Receivables	98,021	4,230	102,251
	Subsidiary	Trade Receivables	-	615	615
	Co-Subsidiary	Trade Receivables	-	1,177	1,177
	Co-Subsidiary	Other Receivables	520,345	18,978	539,323
TAOD	Subsidiary	Other Receivables	7,284	-	7,284
	Co-Subsidiary	Other Receivables	73	-	73
	Co-Subsidiary	Other Receivables	136,854	15,088	151,942
	Subsidiary	Other Receivables	10,535	(1,825)	8,710
Kickstart	Subsidiary	Trade Receivables	283,396	(222,499)	60,897
	Co-Subsidiary	Trade Receivables	169,462	(13,135)	156,327
	Co-Subsidiary	Other Receivables	231,191	(44,392)	186,799
	Other Receivables				
TOTAL			P67,812,231	P13,762,400	P81,574,631



SCHEDULE 5D – LONG TERM DEBT
DECEMBER 31, 2024

Amount shown under caption "Current portion of Long-Term Debt" in related statement of financial position		Amount shown under caption "Long-Term Debt" in related statement of financial position			
Title of issue and type of obligation	Amount authorized by indenture	Amount <i>(In thousands)</i>	Interest rates	Maturity dates	
Term Loans:					
Peso	₱205,000,000	₱25,788,437	₱174,683,893	4% to 7.11%	2025-2039
Dollar	\$370,000	561,359	14,043,745	5.51% to 8.10%	2025-2027
Retail Bonds Dollar	\$600,000	-	34,382,475	3.13% to 3.75%	2030-2035
		₱26,349,796	₱223,110,113		



SCHEDULE 5E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2024

Name of Related Party	Balances at beginning of period	Balance at end of period
Not Applicable		



SCHEDULE 5F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which this statement is filed	Nature of guarantee
Not Applicable				

SCHEDULE 5G - CAPITAL STOCK
DECEMBER 31, 2024

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
(In thousands)						
Common*	168,934	144,380	10,136	111,646	1,437	31,297
Voting preferred stock	160,000	158,515	-	158,515	-	-
Non-voting preferred stock**	40,000	-	-	-	-	-

*10,119,047 common shares were issued by way of stock rights

**Reacquired as treasury shares

ANNEX “F”
2025 ANNUAL STOCKHOLDERS’ MEETING
OF
GLOBE TELECOM, INC.
(THE “MEETING”)

REQUIREMENTS AND PROCEDURE FOR
ELECTRONIC VOTING IN ABSENTIA
AND
PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting *in absentia* and participation by remote communication, shall be allowed only through complete registration and successful validation in ConveneAGM (the “Voting System”).

I. ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of March 07, 2025 (“Stockholders”) have the option of electronic voting *in absentia* on the matters in the Agenda after complete registration in the Voting System. Only votes cast by duly validated Stockholders would be included in the preliminary and final tally of votes.
2. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent in the e-mail.
3. Otherwise, Stockholders may access the link <https://conveneagm.com/ph/2025GLOBEASM> to create an account and register in the Voting System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 5 below. Once the online registration form has been completed and validated, the digital ballot will be available for the Stockholders to cast their votes.
4. All registered accounts shall be subject to validation process set forth in Item 5 below. The deadline for registration to vote *in absentia* is April 11, 2025. Registered Stockholders may vote until the end of the meeting. The Voting System will be open for registration on **March 26, 2025**.
5. The following are needed for registration:
 - 5.1 For individual Stockholders –
 - 5.1.1 A scanned copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.1.2 A valid and active e-mail address;
 - 5.1.3 A valid and active contact number;
 - 5.2 For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3 For Stockholders under Broker accounts –
 - 5.3.1 A broker’s certification on the Stockholder’s number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3.2 A scanned copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3.3 A valid and active e-mail address;
 - 5.3.4 A valid and active contact number;

5.4 For corporate Stockholders –

- 5.4.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 5.4.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;
- 5.4.3 A valid and active e-mail address of the Stockholder's representative;
- 5.4.4 A valid and active contact number of the Stockholder's representative.

Important Notes:

- Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically *in absentia*, but may still vote by submitting a duly accomplished proxy form, on or before April 8, 2025.
6. The validation process in the Voting System will be completed by the Company no later than three (3) business days from the date of the Stockholder's complete registration. The Stockholder's Dashboard in the Voting System will indicate the status of registration.

Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.

7. All agenda items indicated in the Notice of the Meeting will be set out in the digital ballot in the Voting System and the registered Stockholder may vote as follows:
- 7.1 For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all shares of the registered Stockholder.
 - 7.2 For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

The votes cast electronically *in absentia* will have equal effect as votes cast by proxy.

Stockholders may still cancel or change their votes until the end of the voting period.

8. The Office of the Corporate Secretary will tabulate all votes cast electronically *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders as of March 07, 2025 ("Stockholders") intending to participate by remote communication should notify the Company by email on or before April 09, 2025. Together with the notification, Stockholders should provide validation requirements as follows:

1.1 For individual Stockholders –

- 1.1.1 A scanned-copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 1.1.2 A valid and active contact number;

1.2 For Stockholders under Broker accounts –

- 1.2.1 A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 1.2.2 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 1.2.3 A valid and active contact number;

1.3 For corporate Stockholders –

- 1.3.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 1.3.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;
 - 1.3.3 A valid and active contact number of the Stockholder's representative.
- 1.4 Duly validated proxies appointing the Chairman of the Meeting as proxy shall be counted for quorum and voting purposes. Proxies other than the Chairman of the Meeting must attend remotely through a link to the Meeting livestream to be provided by the Company.
2. After validation, the Stockholders will receive an email from ConveneAGM with instructions to sign up for the Meeting livestream. Validated Stockholders who attended the meeting remotely shall be included in the determination of quorum at the Meeting, together with the Stockholders who voted *in absentia* and by proxy. The access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the Meeting date as indicated in the Company's Notice of Meeting.
3. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to corporatesecretary@globe.com.ph.
4. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two (2) weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to corporatesecretary@globe.com.ph.

For any clarifications, please contact our Office of the Corporate Secretary through corporatesecretary@globe.com.ph. For other ASM-related queries, stockholders may contact the Company at asm@globe.com.ph or Investor Relations at ir@globe.com.ph or via SMS at +639667613610, or visit the website at <https://www.globe.com.ph/asm2025>.

2024 Year End Attestation

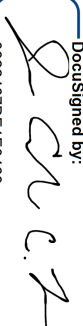
ANNEX "G"

- The Board of Directors is responsible for providing governance and oversight in the implementation of adequate internal controls and sound risk management processes.
- Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles and this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the financial statements and disclosures. Management ensures compliance with legal and regulatory requirements.
- Management has taken appropriate actions to establish and maintain strong and effective processes and system of internal controls to ensure the integrity, transparency and proper governance in the conduct of business.
- The Company's external auditors are responsible for assessing and expressing an opinion on the conformance of the audited financial statements and related disclosures with Philippine Financial Reporting Standards and overall quality of the financial reporting process.
- Internal Audit employs a risk-based audit approach in developing an annual work plan and conducts reviews to assess the adequacy of the Company's internal controls.
- The Chief Audit Executive reports functionally to the Audit and Related Party Transactions Committee and administratively to the President and CEO allowing Internal Audit to independently fulfill its responsibilities.
- Globe's corporate governance (CG) standards and practices continue to be recognized by awarding-giving bodies. In 2024, Globe was the only telco in the Philippines to win the prestigious "Five Golden Arrow Award" from the Institute of Corporate Directors (ICD) for the third consecutive year. Globe also received an MSCI ESG Rating of "AA" for the second consecutive time, demonstrating its ESG leadership in the telecom industry through its proactive approach to managing risks and dedication to sustainable business practices.


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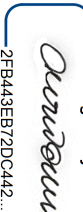
Ernest L. Cu

President and Chief Executive Officer


DocuSigned by:
0822467DE1E0469...

Juan Carlo C. Puno

Chief Financial Officer, Treasure & Chief Risk Officer


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Carmeli M. Briones

Chief Audit Executive

EXHIBIT I: AGING OF ACCOUNTS RECEIVABLE

The table below shows the aging analysis of Globe's trade receivables as of December 31, 2024.

	Current	Less than 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
<i>(In Thousand Pesos)</i>						
Wireless subscribers receivables:						
Consumer	₱4,556,730	₱1,900,676	₱363,454	₱305,946	₱1,411,675	₱8,538,481
Key corporate accounts	68,809	120,932	123,451	106,267	782,841	1,202,300
Other corporations and SME	271,412	161,379	31,244	22,061	179,892	665,988
	4,896,951	2,182,987	518,149	434,274	2,374,408	10,406,769
Wireline subscribers receivables:						
Consumer	1,024,782	179,030	67,051	87,928	1,035,973	2,394,764
Key corporate accounts	639,285	793,962	829,288	594,500	4,629,558	7,486,593
Other corporations and SME	151,322	135,137	48,927	36,297	614,816	986,499
	1,815,389	1,108,129	945,266	718,725	6,280,347	10,867,856
Total subscribers receivables	6,712,340	3,291,116	1,463,415	1,152,999	8,654,755	21,274,625
Traffic receivables:						
Foreign	333,591	-	39,851	30,623	209,875	613,940
Local	88,784	4,491	3,434	1,082	195,444	293,235
Total traffic receivables	422,375	4,491	43,285	31,705	405,319	907,175
Other trade receivables	3,070,561	25,221	385,389	168,741	1,838,511	5,488,423
	₱10,205,276	₱3,320,828	₱1,892,089	₱1,353,445	₱10,898,585	₱27,670,223

EXHIBIT II: GLOBE SUSTAINABILITY

Globe’s Sustainability practice is anchored on Globe Purpose, “Uplift Filipino Lives Everyday”. By aligning with global sustainability frameworks, standards, and principles such as the United Nations’ Sustainable Development Goals (UN SDGs) and UN Global Compact and industry sustainability ambitions, the company is able to collaborate with its stakeholders to deliver positive societal and environmental impact. Globe is focused on addressing its material topics by scaling the integration of its sustainability practices within its business units, portfolio companies, and across the value chain.

Progress towards sustainability ambitions are disclosed in the Globe Sustainability website (<https://www.globe.com.ph/about-us/sustainability.html>) and in the annual Integrated Report (<https://www.globe.com.ph/about-us/sustainability/integrated-report.html#gref>). The 2023 Integrated Report is guided by the principles of the following frameworks:

- Reference to the Global Reporting Initiative (GRI) standards
- International Integrated Reporting Council (IIRC) Framework
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- United Nations Global Compact (UNGC) Principles
- United Nations Sustainable Development Goals (UN SDGs)
- Securities and Exchange Commission (SEC) recommendations
 - Integrated Annual Corporate Governance Report (i-ACGR)
 - Sustainability Reporting Guidelines
- GSMA ESG Metrics for Mobile

The annual integrated report is in compliance with the recommendations made in the Philippines SEC Memorandum Circular No. 4, series of 2019 on Sustainability Reporting for Publicly-Listed Companies (PLCs) and has undergone third-party external assurance for select sustainability metrics and GHG accounting conducted by DNV Business Assurance Singapore Pte. Ltd.

ENVIRONMENT

Sustainability Ambition	2024 Milestones
Overall: Reach net-zero greenhouse gas emissions (GHG) across the value chain by 2050 as approved by the Science Based Target initiative (SBTi) Near Term: ● 42% absolute reduction target in Scope 1 and 2 ● 25% absolute reduction target in Scope 3 Long Term: ● 90% absolute reduction target in Scope 1 and 2 ● 90% absolute reduction target in Scope 3	Science Based Targets initiative’s (SBTi) Approval Globe has made history as it becomes the first publicly listed company in the Philippines to get the Science Based Targets initiative’s (SBTi) validation and approval of its near-term and net-zero science-based greenhouse gas (GHG) emission reduction targets. https://www.globe.com.ph/about-us/newsroom/corporate/first-publicly-listed-philippine-company-validated-by-sbti#gref Note: 2024 GHG emissions reduction will be reported in the 2024 Integrated Report to be published in April 2025. Emission Reduction Measures Globe has renewed its strategic partnership with First Gen Corporation, a leading power generation company supplying renewable and clean energy in the Philippines, to further its commitment to attaining net-zero emissions by 2050. Renewable energy for one of its key network facilities of Globe and a data center under the subsidiary ST Telemedia Global Data Centres (Philippines) [STT GDC Philippines] sourced from the Tongonan Geothermal Power Plant in Leyte. https://www.globe.com.ph/about-us/newsroom/corporate/globe-first-gen-net-zero-goals#gref Globe is ramping up its sustainability strategy, having transitioned 20 of its major facilities to 100% renewable energy (RE), through its partnership with ACEN Renewable Energy Solutions (ACEN RES). As of 2024, Globe operates a total of 29 RE-powered sites and aims to expand this to nearly 70 within the next two years, demonstrating its dedication to sustainability and RE adoption. https://www.globe.com.ph/about-us/newsroom/business/globe-acen-clean-energy#gref

	Globe has adopted cutting-edge technologies and innovative strategies to build a sustainable and highly efficient mobile and fixed network ecosystem, effectively minimizing energy use, operational costs, and environmental impact. https://www.globe.com.ph/about-us/newsroom/sustainability/sustainable-telecommunications-energy-efficient-network-strategies#gref The company has taken a significant leap forward in enhancing network efficiency and sustainability by implementing an innovative energy management system driven by Artificial Intelligence (AI) and Machine Learning (ML) across its wireless access networks. This solution optimizes power usage across its base stations, achieving an impressive potential energy saving of 3% to 8%. https://www.globe.com.ph/about-us/newsroom/corporate/ai-machine-learning-enhanced-network-efficiency-sustainability#gref Advancing network innovation and sustainability, Globe has started rolling out 32T32R Massive MIMO (Multiple Input, Multiple Output) technology for enhanced LTE capacity and 5G expansion in 200 dense urban areas, set for completion within the year. https://www.globe.com.ph/about-us/newsroom/corporate/energy-efficient-tech-lte-5g#gref Qualcomm, in partnership with Amdocs, has announced a significant expansion of its RAN Automation platform, Edgewise, within Globe Telecom's network. This includes Qualcomm's cutting-edge AI-based Energy Efficiency Orchestration application, which has been operational nationwide at Globe for the past seven months and is powered by AWS Cloud infrastructure. To date, Qualcomm's Edgewise Energy Saving Solution has achieved an impressive 4.2% reduction in energy consumption. https://www.globe.com.ph/about-us/newsroom/corporate/globe-qualcomm-energy-ai#gref

SOCIAL

Sustainability Ambition	2024 Milestones
Advance a holistic Diversity, Equity, and Inclusion (DEI) agenda	DEI Initiatives Globe organized an Employee Appreciation Week where employees were encouraged to express gratitude and acknowledgment to co-workers, and also appreciate oneself. It kicked off with Globe's Group Heads sending heartfelt thank you letters to their teams, creating a ripple effect across the organization. https://tribune.net.ph/2024/04/07/feels-like-globe-family The company held its first disability sensitivity training to give participants a better understanding about disability, how to tackle communications about disability, and ways to properly interact with PWDs in the workplace. https://www.globe.com.ph/about-us/newsroom/corporate/path-towards-inclusivity-disability-sensitivity-training#gref Globe's support for the LGBTQIA+ community has been on full display this Pride Month, celebrating with a host of events and activities aimed at fostering an inclusive workplace environment to queer community feel more at home. https://www.globe.com.ph/about-us/newsroom/corporate/inclusive-workplace-for-lgbtqia#gref Aiming to remove the cancer stigma and provide greater support for stricken employees, Globe has joined the Working With Cancer pledge led by French multinational advertising and public relations firm Publicis Groupe. https://www.globe.com.ph/about-us/newsroom/corporate/globe-publicis-groupe-working-with-cancer#gref

	Globe has taken another step towards fostering diversity, equity, and inclusion (DEI) in its workplace by partnering with Project Inclusion Network (PIN) and the Philippine Business and Disability Network (PBDN). The collaboration showcases Globe's steadfast dedication to embedding DEI across its policies, programs, and culture, creating an environment where every employee feels valued and empowered while offering opportunities for persons with disabilities (PWDs) to thrive. https://www.globe.com.ph/about-us/newsroom/corporate/globe-pin-pbdn-partnership#gref
Promote digital skills and online safety to enable the digital-first Filipino	Digital Inclusion Globe held a successful end-to-end satellite SMS customer trial in a remote area with no reception in Zambales, a milestone in the company's initiative to deliver connectivity in Geographically Isolated and Disadvantaged Areas (GIDAs). In the breakthrough test, Globe transmitted text messages using standard phones via Globe and TM SIMs through partner Lynk Global Inc.'s low-earth orbit (LEO) satellites, marking a major breakthrough in providing reliable and inclusive connectivity. https://www.globe.com.ph/about-us/newsroom/corporate/globe-and-lynk-first-satellite-sms-trial#gref The country's telcos recently presented a blueprint to Malacañang to reach Geographically Isolated and Disadvantaged Areas (GIDAs) by expanding network infrastructure with new tower builds between 2025 and 2028. In a recent meeting of the Private Sector Advisory Council (PSAC), the body's Connectivity Plan Task Force (CPTF), headed by Ernest Cu, Globe President and CEO, proposed the construction of new towers in remote parts of the country through a public-private collaboration. https://www.globe.com.ph/about-us/newsroom/corporate/gida-blueprint-proposal#gref Globe is set to establish the first off-grid solar-powered cell site on Taganak Island in the Turtle Islands—a heritage-protected area and wildlife sanctuary in Tawi-Tawi—to bridge the digital divide in the remote area. The facility is expected to provide around 10,000 residents in the isolated islands with reliable mobile and data connectivity to support essential services, environmental protection, and economic growth. It is also seen to benefit visitors to the wildlife sanctuary, keeping them connected during their trip to the far-flung destination. https://www.globe.com.ph/about-us/newsroom/corporate/solar-powered-cell-site-turtle-islands#gref Digital Skills Ernest Cu, President and CEO of Globe, has called on Filipino senior citizens to embrace new technology, saying tech-driven solutions are designed to make day-to-day life easier. To bridge this digital divide, Globe is helping Filipino seniors overcome the tech barrier, launching the Globe #SeniorDigizen campaign through a learning session on January 25. The event will gather over 200 senior citizens at the SM North Sky Dome, where they will learn the basics of using smartphones, setting up an email account, and using apps such as GCash, KonsultaMD and the GlobeOne app. https://www.globe.com.ph/about-us/newsroom/corporate/ernest-cu-urges-seniors-to-go-digital#gref Globe trained over 100 senior citizens in Batangas and Quezon City on basic digital skills, including key features of mobile phones, essential fraud protection skills, and how to use life-enabling apps such as GCash, KonsultaMD and GlobeOne. Globe's #SeniorDigizen campaign is at the center of the company's advocacy for digital inclusion, ensuring that no one is left behind in the digitalization journey. https://malaya.com.ph/business/marketing-board/batangueno-elderly-become-senior-digizens/#google_vignette

	https://www.globe.com.ph/about-us/newsroom/corporate/seniordigizen-smdc-grass-residences#gref With more Filipinos falling victim to fraud, Globe has expanded the reach of its Digital Thumbprint Program, bringing lessons on digital citizenship, cybersecurity, and ethical use of technology to 6,196 participants this year. https://www.globe.com.ph/about-us/newsroom/sustainability/dtp-roadshows-across-ph#gref In collaboration with the Women’s Business Council of the Philippines, Globe Business launched its first women-only mentorship program, “She Thrives”. This peer-to-peer platform brought together women C-suite officers and aspiring Pinaypreneurs to engage in meaningful conversations to uplift, inspire, and learn from each other. https://www.globe.com.ph/about-us/newsroom/business/globe-business-champions-pinay-entrepreneurs#gref Globe has established strategic alliances with academic institutions across the country for a high-impact internship program designed to endow students with industry-standard skills, ensuring their smooth transition into the rapidly changing job market. https://www.globe.com.ph/about-us/newsroom/corporate/globe-expands-reach-in-academia-high-impact-internship-program#gref Online Safety Globe, a staunch advocate for online safety, has started blocking non-photographic imagery (NPI) of child sexual abuse– those made using artificial intelligence, computer-generated imagery (CGI), animation, cartoons, drawings, and other non-live methods– as it ramps up measures against malicious content. From August 27 to September 27 this year, its first month of implementing this measure, the network blocked 343 URLs and 16 domains containing NPI flagged by its partner Internet Watch Foundation. https://www.globe.com.ph/about-us/newsroom/corporate/globe-blocks-ai-child-abuse-imagery#gref Responsible AI In yet another industry-leading step, Globe, a frontrunner in telco services and digital solutions in the Philippines, has created a new group to lead the company’s adoption of artificial intelligence, as it consistently innovates to address Filipinos’ daily pain points. Ernest Cu, Globe President and CEO, announced the establishment of Globe’s AI Development and Enablement Group (AIDE). To lead the new group, Globe has named cybersecurity and data privacy expert Anton Bonifacio as its first Chief AI Officer (CAIO). https://www.globe.com.ph/about-us/newsroom/corporate/new-group-ai-development-first-chief-ai-officer#gref Globe has joined a select group of leading telecommunications companies from around the world committed to the GSMA’s industry-first Responsible AI (RAI) Maturity Roadmap. This pioneering initiative reinforces Globe’s dedication to ethical and responsible AI development and deployment, ensuring that these powerful technologies are harnessed for the benefit of its customers, the environment, and society as a whole. https://www.globe.com.ph/about-us/newsroom/corporate/globe-gsma-ai-roadmap#gref
Empowering Communities Towards Sustainable Development	Community Engagement Globe and GCash mobile wallet operator G-Xchange, Inc. (GXI) have partnered with the Department of Social Welfare and Development (DSWD) to harness technology towards advancing various humanitarian programs. The unified effort merges telecom, mobile technology, and fintech services with social welfare initiatives to uplift the less fortunate and ensure timely and efficient public services.

	https://www.globe.com.ph/about-us/newsroom/corporate/globe-gcash-partner-dswd-drive-social-welfare#gref The Ayala Group is teaming up with the Department of Education (DepEd) and Khan Academy to boost the key competencies of learners in the country. The collaboration was formalized through a memorandum of understanding among Ayala Corp., Ayala Foundation, Globe Telecom, iPeople, DepEd and Khan Academy. https://www.philstar.com/business/2024/12/22/2408981/ayala-group-teams-deped-khan-academy Hapag Movement Globe broadens the reach of the Hapag Movement, its advocacy to alleviate involuntary hunger, as it teams up with US-based non-profit Project PEARLS, opening up the program to a global audience. Individuals and corporations from around the United States may now donate to the Hapag Movement through Project PEARLS. https://www.globe.com.ph/about-us/newsroom/sustainability/the-hapag-movement-new-international-partner-project-pearls#gref The company has partnered with the United Nations World Food Programme (WFP) to open up the Hapag Movement to international donors, launching the collaboration on World Hunger Day to spotlight the lingering hunger problem in the Philippines. https://www.globe.com.ph/about-us/newsroom/corporate/the-hapag-movement-partnership-un-world-food-programme#gref Hapag Movement, a program dedicated to combating involuntary hunger through feeding initiatives and livelihood training, successfully met its four-year target of assisting 100,000 vulnerable families one year ahead of schedule. As of the end of 2024, the Hapag Movement had provided support to 120,455 families, backed by Php 53 million in donations from corporate partners and Globe customers.

GOVERNANCE

Sustainability Ambition	2024 Milestones
Maintain or increase ESG Ratings	ESG-linked Recognitions For the ninth consecutive year, Globe has retained its spot in the prestigious FTSE4Good Index Series, underscoring the mobile leader's unwavering commitment to sustainable practices. https://www.globe.com.ph/about-us/newsroom/sustainability/9th-year-ftse4good-index-series#gref Globe has maintained its MSCI ESG Rating of "AA" for the second consecutive year, solidifying its position as an Environment, Social, and Corporate Governance (ESG) leader in the telecom industry. https://www.globe.com.ph/about-us/newsroom/sustainability/globe-esg-aa-rating-two-years#gref Affirming its commitment to environmental stewardship and sustainability, Globe has maintained its CDP (formerly Carbon Disclosure Project) score of "B" for the third consecutive year, the highest among Philippine telcos in 2023. https://www.prnewswire.com/apac/news-releases/globe-gets-b-cdp-score-for-three-straight-years-302078430.html Globe, a sustainability leader in the Philippine telco industry, won the All-Optical Technology Innovation and Digital Enablement award from global industry leader IDATE for its contributions to reducing carbon emissions.

	https://www.globe.com.ph/about-us/newsroom/sustainability/globe-won-the-all-optical-technology-innovation-and-digital-enablement-award-from-global-industry-leader-idate#gref Globe has bagged the prestigious ESG Initiative of the Year Award for the Philippines at the Asian Telecom Awards 2024, highlighting the company's steadfast commitment to integrating Environmental, Social, and Governance (ESG) principles into its operations. https://www.globe.com.ph/about-us/newsroom/sustainability/esg-initiative-of-the-year-award-2024#gref For the second consecutive year, Globe once again earned recognition as the foremost environmentally-sustainable network, being cited by Filipino Consumers as the Most Sustainable Brand in this year's Consumer Choice Awards Philippines: Mobile Network Survey by Standard Insights. https://www.globe.com.ph/about-us/newsroom/corporate/ph-most-sustainable-brand-second-straight-year#gref Globe has been cited by the Intellectual Property Office of the Philippines (IPOP HL) for their support in strengthening IP protection and enforcement efforts at the recent Gawad Yamang Isip Awards (GYI) led by IPOP HL and the World Intellectual Property Organization (WIPO). https://www.globe.com.ph/about-us/newsroom/corporate/ipophl-cites-globe-for-advancing-intellectual-property-protection#gref Cementing its corporate governance leadership, Globe has secured the prestigious Five Golden Arrow Award from the Institute of Corporate Directors (ICD) this year, the third consecutive time for the company to receive the coveted recognition. https://mb.com.ph/2024/10/1/globe-receives-coveted-five-golden-arrow-award-for-third-consecutive-year#google_vignette For the fourth consecutive year, Globe has been named a winner of the prestigious HR Asia Best Companies to Work For in Asia, The Philippines Chapter (2024). This recognition is a testament to Globe's unwavering commitment to workplace excellence and reflects the company's strong focus on employee well-being, offering comprehensive wellness, learning, and growth programs that empower its workforce to live their best lives. https://www.globe.com.ph/about-us/newsroom/corporate/globe-best-company-to-work-for-2024#gref Globe continues to solidify its position as one of the Philippines' top employers, making a remarkable leap of 112 spots to secure 61st place on the prestigious Statista Best Employers 2025 list, which ranks companies with a workforce of at least 250 employees. https://www.globe.com.ph/about-us/newsroom/corporate/statista-best-employers-2025#gref Globe has earned two prestigious recognitions at the Asia Corporate Excellence & Sustainability (ACES) Awards 2024, where it was named as one of the Top Workplaces in Asia and Industry Champions of the Year. https://mb.com.ph/2024/12/13/globe-secures-double-win-at-aces-awards-2024-for-industry-leadership-and-workplace-excellence#google_vignette



Information about Globe's Sustainability and Social Responsibility initiatives, may be found at The Globe Newsroom <https://www.globe.com.ph/about-us/newsroom/sustainability.html> and The Globe Sustainability Page <https://www.globe.com.ph/about-us/sustainability.html>