

SEC Number:	<u>1177</u>
File Number:	_____

GLOBE TELECOM, INC.

**The Globe Tower
32nd Street corner 7th Avenue,
Bonifacio Global City, Taguig 1634
(632) 7797-2000**

SEC Form 17-A

FOR THE FISCAL YEAR ENDED

31 DECEMBER 2025

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE REVISED SECURITIES ACT AND
SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended: **31 December 2025**
2. SEC Identification Number: **1177**
3. BIR Tax Identification No. **000-768-480-000**
4. Exact name of registrant as specified in its charter: **Globe Telecom, Inc.**
5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of principal office: **The Globe Tower 32nd Street corner 7th Avenue,**
Bonifacio Global City, Taguig City Postal Code: **1634**
8. Registrant's telephone number: **(632) 7797-2000**
9. Former name, former address, and former fiscal year: **N/A**
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Par Value</u>	<u>No. of Shares</u>	<u>Amount</u>
Common	₱ 50	144,468,524	₱ 7,223,426,200
Voting Preferred	5	158,515,021	792,575,105
		<u>302,983,545</u>	<u>₱ 8,016,001,305</u>

11. Are any or all of these securities listed on the Philippine Stock Exchange? Yes [☒] No [☐]
12. Check whether the registrant:
 - (a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports): Yes [☒] No [☐]
 - (b) has been subject to such filing requirements for the past 90 days: Yes [☒] No [☐]
13. Aggregate market value of the voting stock held by non-affiliates of the registrant as of 31 December 2025: **₱50.06 billion**

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Globe Telecom, Inc. is a leading digital platform in the Philippines with interests in telecommunications, fintech, venture building, shared services, and digital marketing. 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 65.8 million mobile subscribers, 2.1 million Home Broadband customers, and over 628 thousand landline subscribers. The company is supported by 6,689 employees and over 378 thousand AutoloadMax (AMAX) retailers, distributors, and business partners 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\$3.9 billion as of the end of December 2025.

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, "In everything we do, we treat people right to create a Globe of Good". 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. 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.
- 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 directors of Caelum Northwest and Caelum US approved the dissolution of the companies. Subsequently, on July 29, 2024, the Department of Revenue State of Washington issued a revenue clearance certificate, allowing the companies to proceed with its dissolution. As of reporting date, regulatory requirements have been completed and both companies are considered dissolved.

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

On February 6, 2025, GTI and Cirrus Mountain Investments (Cirrus) signed a deed of assignment for the latter's transfer of its 51 million shares in CaelumPacific to GTI for a total consideration of \$0.39 million (₱22.55 million). The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱40.89 million. The acquisition increased GTI's ownership to 100%.

On May 30, 2025, the CaelumPacific's Board of Directors (BOD) and Shareholders approved resolutions of shortening the Company's corporate term to end on July 30, 2027 and subsequent closure.

- 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 articles of incorporation which effectively changed 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.

On March 26, 2025, Globe Telecom entered into an agreement with NCSI Holdings Pte. Ltd (NCSI) to hold 51% ownership in Globe’s subsidiary, Yondu, as well as Yondu’s acquisition of NCSI Philippines (NCS PH), making NCS PH a fully owned subsidiary of Yondu. Upon closing, Globe will retain 49% ownership in Yondu and NCS PH. Consequently, Yondu’s assets and liabilities with net book value ₱1,665.16 million (including cash and cash equivalents of ₱529.76 million) and ₱519.97 million, were reclassified as assets held-for-sale and liabilities held-for-sale, respectively, in Globe’s consolidated statements of financial position as of December 31, 2025.

Yondu, while a distinct Cash Generating Unit, is not considered as a separate major line of business. Consequently, its operational results will continue to be reported as part of Globe’s continuing operations in the consolidated statements of comprehensive income until the transaction’s closing date.

As of December 31, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

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%.

In April 2025, Yondu and Third Pillar's minority shareholders signed a deed of assignment to transfer the latter's shares to Yondu for a total consideration of ₱6.80 million. The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱4.58 million. The acquisition increased Yondu's ownership in Third Pillar to 100%.

- Electronic Commerce Payments, Inc. (EC Pay)

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. Thereafter, 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 was reclassified to Assets classified as held-for-sale under the current assets sections in Globe's consolidated statement of financial position. The resulting gain, amounting to ₱76.67 million was recognized in the consolidated statements of comprehensive income in 2023.

The closing of the transaction and actual transfer of ownership was subjected to review by the PCC.

On May 14, 2025, PCC issued a certification allowing the transaction to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments.

On August 5, 2025, the closing of the transaction and transfer of ownership were completed.

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.

A. Business Development and Corporate History

In 1928, Congress passed Act No. 3495 granting the Robert Dollar Company, a corporation organized and existing under the laws of the State of California, a franchise to operate wireless long distance message services in the Philippines. Subsequently, Congress passed Act No. 4150 in 1934 to transfer the franchise and privileges of the Robert Dollar Company to Globe Wireless Limited which was incorporated in the Philippines on January 15, 1935.

Globe Wireless Limited was later renamed as Globe-Mackay Cable and Radio Corporation ("Globe-Mackay"). Through Republic Act ("RA") 4630 enacted in 1965 by Congress, its franchise was further expanded to allow it to operate international communications systems. Globe-Mackay was granted a new franchise in 1980 by Batasang Pambansa under Batas Pambansa 95.

In 1974, Globe-Mackay sold 60% of its stock to Ayala Corporation, local investors and its employees. It offered its shares to the public on 11 August 1975.

In 1992, Globe-Mackay merged with Clavecilla Radio Corporation, a domestic telecommunications pioneer, to form GMCR, Inc. ("GMCR"). The merger gave GMCR the capability to provide all forms of telecommunications to address the international and domestic requirements of its customers. GMCR was subsequently renamed Globe Telecom, Inc. ("Globe").

In 1993, Globe welcomed a new foreign partner, Singapore Telecom, Inc. (STI), a wholly-owned subsidiary of Singapore Telecommunications Limited ("SingTel"), after Ayala and STI signed a Memorandum of Understanding.

In 2001, Globe acquired Isla Communications Company, Inc. ("Islacom") which became its wholly-owned subsidiary effective 27 June 2001. In 2003, the National Telecommunications Commission ("NTC") granted Globe's application to transfer its fixed line business assets and subscribers to Islacom, pursuant to its strategy to integrate all of its fixed line services under Islacom. Subsequently, Islacom was renamed as Innove Communications, Inc. ("Innove").

In 2004, Globe invested in G-Xchange, Inc. ("GXl"), a wholly-owned subsidiary, to handle the mobile payment and remittance service marketed under the *GCash* brand using Globe's network as transport channel. GXl started commercial operations on 16 October 2004. In 2020, Mynt raised over \$175 million in fresh capital from Bow Wave and its existing shareholders in multiple tranches, with post-money valuation of the final tranches at close to \$1 billion. Mynt holds 100% ownership interest on Fuse Lending Inc. (Fuse) and GXl. In 2021, Mynt raised over \$300 million in another funding round, led by global investment giant Warburg Pincus, New York-based global private equity and venture capital firm Insight Partners, and Bow Wave, one of Mynt's existing investors. The investment round resulted in dilution of Globe's ownership in Mynt from 40% to 36%.

In November 2004, Globe and seven other leading Asia Pacific mobile operators ('JV partners') signed an agreement ('JV agreement') to form Bridge Alliance. The joint venture company operates through a Singapore-incorporated company, Bridge Mobile Pte. Limited (BMPL) which serves as a commercial vehicle for the JV partners to build and establish a regional mobile infrastructure and common service platform to deliver different regional mobile services to their subscribers. The Bridge Alliance currently has a combined customer base of over 250 million subscribers among its partners in India, Thailand, Hong Kong, South Korea, Macau, Philippines, Malaysia, Singapore, Australia, Taiwan and Indonesia.

In 2005, Innove was awarded by the NTC with a nationwide franchise for its fixed line business, allowing it to operate a Local Exchange Carrier service nationwide and expand its network coverage. In December 2005, the NTC approved Globe's application for third generation (3G) radio frequency spectra to support the upgrade of its cellular mobile telephone system ("CMTS") network to be able to provide 3G services. The Company was assigned with 10-Megahertz (MHz) of the 3G radio frequency spectrum.

On May 19, 2008, following the approval of the NTC, the subscriber contracts of *Touch Mobile* or *TM* prepaid service were transferred from Innove to Globe which now operates all wireless prepaid services using its integrated cellular networks.

In August 2008, and to further grow its mobile data segment, Globe acquired 100% ownership of Entertainment Gateway Group ("EGG"), a leading mobile content provider in the Philippines. EGG offers a wide array of value-added services covering music, news and information, games, chat and web-to-mobile messaging.

On 25 November 2008, Globe formed GTI Business Holdings, Inc. (GTIBH) primarily to act as an investment company.

On October 30, 2008, Globe, the Bank of the Philippine Islands (BPI) and Ayala Corporation (AC) signed a memorandum of agreement to form a joint venture that would allow rural and low-income customers' access to financial products and services. Last October 2009, the Bangko Sentral ng Pilipinas (BSP) approved the sale and transfer by BPI of its shares of stock in Pilipinas Savings Bank, Inc. (PSBI), formalizing the creation of the venture. Globe's and BPI's ownership stakes in PSBI is at 40% each, while AC's shareholding is at 20%. The partners plan to transform PSBI (now called BPI Globe BankKO, Inc.) into the country's first mobile microfinance bank. The bank's initial focus will be on wholesale lending to other microfinance institutions but will eventually expand to include retail lending, deposit-taking, and micro-insurance. BPI Globe BankKO opened its first branch in Metro Manila in the first quarter of 2011.

In March 2012, Globe launched Kickstart Ventures Inc. (Kickstart). Kickstart is the largest corporate venture capital firm in the Philippines. Kickstart's consistent growth for over more than a decade counts 65 investments in nine countries, with 5 exits and 2 unicorns boosting returns and asset value. With Kickstart managing the early-stage technology venture capital investments for both Globe Telecom and the Ayala Corporation group, Globe enjoys early exposure to digital innovation, favored partnerships, and pole position to be a leading TechCo in the Philippines and beyond.

In October 2013, following the court's approval of the Amended Rehabilitation Plan (jointly filed by Globe and Bayantel in May 2013), Globe acquired a 38% interest in Bayantel by converting Bayantel's unsustainable debt into common shares. This follows Globe's successful tender offer for close to 97% of Bayantel's outstanding indebtedness as of December 2012. As part of the amended rehab plan and pending regulatory approvals, Globe would further convert a portion of its sustainable debt into common shares of Bayantel, bringing up its stake to around 56%. In October 2014, Globe Telecom received a copy of the temporary restraining order (TRO) issued by the Court of Appeals (CA) stopping the National Telecommunications Commission's (NTC) proceedings in connection with the bid of Globe Telecom Inc. to take over Bayan Telecommunications Inc. (Bayantel). Despite the lapse of the Temporary Restraining Order (TRO) last December 9, 2014, the Court of Appeals has advised the NTC to refrain from conducting any proceedings in connection with the bid of Globe to assume majority control of Bayantel.

On June 3, 2014, Globe signed an agreement with Azalea Technology, Inc. and SCS Computer Systems, acquiring the entire ownership stake in Asticom, a systems integrator and information technology services provider to domestic and international markets.

On July 20, 2015, Globe Telecom, Inc. ("Globe") agreed to purchase from Bayan Telecommunications Holdings, Corporation ("BTHC") and Lopez Holdings, Corporation ("LHC") all the equity in the capital stock of Bayan Telecommunications, Inc. ("Bayan") held by BTHC and LHC. The transaction involved up to 70,763,707 Bayan shares and increased Globe's equity interests in Bayan from 56.87% to 98.57% of outstanding capital stock.

On November 12, 2015, Globe received the resolution from the rehabilitation court granting its motion for the termination of the rehabilitation proceedings involving Bayan. The resolution sets a key milestone for Bayan, wherein it successfully exits rehabilitation and provides key steps for Globe to continue to unlock opportunities for synergies with Bayan.

Globe Telecom, Inc. (Globe), Ayala Corporation (AC) and Bank of the Philippine Islands (BPI) signed an agreement on August 27, 2015 to turn over full ownership of BPI Globe BankKO (BankKO) to BPI, one of the majority owners of the joint venture. Despite the change in shareholder structure, BankKO will continue to provide broader and more competitive access to funds and critical financial services to the

underbanked. Globe and AC sold their respective 40% and 20% stakes in BankO to BPI, which already owned 40% of BankO.

Xurpas Inc. signed an agreement with Globe Telecom on September 1, 2015, investing Php900 Million for a 51% equity stake in Yondu Inc. The investment solidifies the Globe and Xurpas partnership in the internet and digital space and will transform Yondu into a regional arm for digital content distribution and other technology driven services. The strategic alliance of Globe and Xurpas in Yondu bolsters Globe's track record of partnering with leading digital players to strengthen its position as the purveyor of the Filipino digital lifestyle.

On September 1, 2015, Yondu Inc. and GCVHI entered into a Deed of Assignment to assign the former's interest in Global Telehealth, Inc. ("GTHI") to GCVHI for a total consideration of ₱15 million.

On September 15, 2015, Globe Telecom sold its controlling interest in Yondu for a total consideration of ₱670 million. On the same date, Yondu issued additional 5,000 common shares from its unissued authorized capital stock to Xurpas Inc., which further dilutes Globe Telecom's ownership interest to 49% as of September 2015.

On May 30, 2016, the Board of Directors of Globe, through its Executive Committee, approved the acquisition and signing of a sale and share purchase agreement and other related definitive agreements for the following entities:

- 50% of the issued and outstanding capital stock of Vega Telecom, Inc. ("VTI") from San Miguel Corporation ("SMC") (PSE: SMC);
- 50% of the issued and outstanding capital stock of Bow Arken Holdings Company Inc. ("BAHC"); and,
- 50% of the issued and outstanding capital stock of Brightshare Holdings Corporation ("BHC").

VTI owns an equity stake in Liberty Telecom Holdings, Inc., 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., Eastern Telecom Philippines, Inc., Express Telecom, Inc., and Tori Spectrum Telecom, Inc., among others.

The remaining 50% equity stake in VTI, BAHC and BHC was acquired by Philippine Long Distance Telephone Company (PLDT) under similar definitive agreements.

The acquisition provided Globe 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. NTC's approval is subject to the fulfillment of certain conditions including roll out of telecom infrastructure covering at least 90% of the cities and municipalities in three years to address the growing demand for broadband infrastructure and internet access.

On June 21, 2016, Globe Telecom exercised its rights as holder of 50% equity interest of VTI to cause VTI to propose the conduct of a tender offer on the common shares of Liberty Telecom Holdings, Inc. (LIB) held by minority shareholders as well as the voluntary delisting of LIB. At the completion of the tender offer and delisting of LIB, VTI's ownership of LIB is at 99.1%.

On August 17, 2018, Globe Telecom incorporated GTowers, Inc., a fully owned subsidiary aimed at the building and deployment of cellular towers in the country. GTowers is still under pre-operating stage as of reporting date.

On September 11, 2019, the BOD of Globe Telecom approved the acquisition of 51% of the outstanding shares of Yondu, equivalent to 22,950 shares. The acquisition increased Globe Telecom's ownership interest from 49% to 100% and was accounted for as an acquisition of a subsidiary.

On October 25, 2019, Globe Telecom signed and executed an agreement with third parties to complete its transaction to acquire 77% ownership of ECPay. ECPay is a company engaged in the provision of information technology and electronic commerce related solutions in the Philippines.

In August 2020, Globe Telecom, through its wholly-owned subsidiary GTI Business Holdings, Inc. entered into a share purchase agreement for the acquisition of 67% of Third Pillar Business Applications, Inc. (TPBAI). Third Pillar is a Business Application Consulting and Systems Integration company. It focuses on delivering innovative enterprise solutions that help organizations boost sales, improve customer intimacy, ensure data integrity, and reduce annual spending.

In November 2020, Globe Telecom, through its wholly-owned subsidiary GTI Business Holdings, Inc., acquired substantially all of Cascadeo's assets. 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 in 16.67% of CaelumPacific's capital, effectively reducing GTIBH's ownership to 83.33%. On December 15, 2022, the ownership of CaelumPacific and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom.

In September 2021, AHI acquired 100% of Techgroowers Inc. ("Techgroowers"), a company engaged in data- and software-related services through the utilization of telecommunications facilities. On March 22, 2022, the Philippine SEC approved the amendment of the articles of incorporation of Techgroowers, changing its corporate name to M360, Inc. ("M360") and its primary purpose to engage in the business of application-to-person ("A2P") messaging.

On October 15, 2021, Globe Telecom, through its wholly-owned subsidiary GTI Business Holdings, Inc. incorporated KarmanEdge Inc. as a wholly owned subsidiary in the Philippines for the purpose of installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities. On March 31, 2022, Globe Telecom formed a joint venture partnership with Ayala Corporation (AC) and ST Telemedia Global Data Centres (STT GDC), wherein STT GDC and AC subscribed to new shares in KarmanEdge Inc. 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. 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.

On December 1, 2021, 917Ventures, Inc. and JVHI incorporated Rush Technologies, Inc. (Rush), a Joint Venture company engaged in the business of business-to-business (B2B) and business-to-consumer (B2C) cloud-based platforms and software solutions that are necessary for, but not limited to, loyalty and e-commerce management systems. Globe Telecom owns 49% of Rush. Globe infused ₱57.40 million and nil of additional capital in 2022 and 2021, respectively.

On December 22, 2021, 917Ventures, Inc. and Entenso Equities Incorporated formed Pure Commerce, Inc. (PureGo), a Joint Venture company established to engage in the buying, selling, distribution and marketing of grocery items through an online e-commerce platform. Globe Telecom owns 50% of PureGo. The Company infused ₱62.50 million and nil of additional capital in 2022 and 2021, respectively.

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

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 Telecom owns 49% of Gogoro. The initial investment infused by Globe amounted to ₱234.14 million in 2023.

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. Thereafter, 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 was reclassified to Assets classified as held-for-sale under the current assets sections in Globe's consolidated statement of financial position. The resulting gain, amounting to ₱76.67 million was recognized in the consolidated statements of comprehensive income in 2023. The closing of the transaction and actual transfer of ownership was subjected to review by the PCC.

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

On March 7, 2024, the directors of Caelum Northwest and Caelum US approved the dissolution of the companies. Subsequently, on July 29, 2024, the Department of Revenue State of Washington issued a revenue clearance certificate, allowing the companies to proceed with its dissolution. As of the reporting date, regulatory requirements for the dissolution of both companies are still subject to completion.

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.

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.

On July 8, 2024, the Board of Directors approved Yondu's additional capital infusion in Third Pillar Business Applications, Inc. (TPBAI) amounting to ₱20.00 million, which further increased Yondu's ownership in TPBAI to 85%.

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., pushing Mynt's valuation to \$5 billion. On February 12, 2025, Mynt and MUFG closed its transaction on MUFG's acquisition of Mynt shares, completing the MUFG's 8% stake in Mynt. The deal resulted in the dilution of Globe's ownership in Mynt from 36% to 34%. Accordingly, gain on deemed sale of investment in Mynt amounting to ₱2,560.36 million was recognized in the consolidated statements of comprehensive income.

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

On February 6, 2025, GTI and Cirrus Mountain Investments (Cirrus) signed a deed of assignment for the latter's transfer of its 51 million shares in CaelumPacific to GTI for a total consideration of \$0.39 million (₱22.55 million). The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱40.89 million. The acquisition increased GTI's ownership to 100%.

On March 6, 2025, GCVH, Vigos and Salud entered into a Sale and Purchase Agreement with mWell for the acquisition of 100% of Konsulta's shares for a total consideration of ₱200.60 million. On April 11, 2025, the closing of the transaction and transfer of ownership were completed resulting in the recognition of the ₱21.09 million gain on sale of Investment in Konsulta in the consolidated statements of comprehensive income

On March 26, 2025, Globe Telecom entered into an agreement with NCSI Holdings Pte. Ltd (NCSI) to hold 51% ownership in Globe's subsidiary, Yondu, as well as Yondu's acquisition of NCSI Philippines

(NCS PH), making NCS PH a fully owned subsidiary of Yondu. Upon closing, Globe will retain 49% ownership in Yondu and NCS PH. Consequently, Yondu's assets and liabilities with net book value ₱1,665.16 million (including cash and cash equivalents of ₱529.76 million) and ₱519.97 million, were reclassified as assets held-for-sale and liabilities held-for-sale, respectively, in Globe's consolidated statements of financial position as of December 31, 2025. Yondu, while a distinct Cash Generating Unit, is not considered as a separate major line of business. Consequently, its operational results will continue to be reported as part of Globe's continuing operations in the consolidated statements of comprehensive income until the transaction's closing date. As of December 31, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

In April 2025, Yondu and Third Pillar's minority shareholders signed a deed of assignment to transfer the latter's shares to Yondu for a total consideration of ₱6.80 million. The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱4.58 million. The acquisition increased Yondu's ownership in Third Pillar to 100%.

On May 14, 2025, PCC issued a certification allowing the transaction related to Globe's Share Purchase Agreement with Mynt for the sale of Globe's 77% investment in ECPay to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments. On August 5, 2025, the closing of the transaction and transfer of ownership were completed

On May 30, 2025, the CaelumPacific's Board of Directors (BOD) and Shareholders approved resolutions of shortening the Company's corporate term to end on July 30, 2027 and subsequent closure.

On June 2, 2025, the Board of Directors and shareholders of Mynt approved the amendments to the articles of incorporation by amending the number of common shares and par value from 2,149,773,612 shares with par value of ₱1.00 per share to 71,659,120,400 shares with par value of ₱0.03 per share with authorized capital stock being retained at ₱2,149,773,612. The Securities and Exchange Commission (SEC) subsequently approved these changes on October 27, 2025

Globe's investment in VTI includes redeemable preference share, which VTI partially redeemed on September 2, 2025, at the issue price, resulting in ₱600.00 million proceeds in cash for Globe.

In 2025, Globe celebrated its 50th year of public listing at the Philippine Stock Exchange (PSE), commemorating five decades of remarkable growth, innovation, and leadership in telecommunications and digital solutions. The ceremonial bell ringing was held on August 11, 2025 at the Philippine Stock Exchange (PSE).

There was no bankruptcy, receivership or similar proceedings initiated during the past four years.

B. Core Telco Business Segments

1. Mobile Business

Globe provides digital Mobile communication and internet-on-the-go services nationwide using a fully digital network (<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.

All-New GPlan PLUS

All-New GPlan PLUS, is 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.

Now, the All-New GPlan PLUS now comes with the following benefits that Postpaid customers can enjoy to ensure unlimited freedom and peace of mind:

- Rewards Forever: No-Expiry Rewards Points and Exclusive Perks for all GPlan PLUS customers
- Upgraded Network + Unli 5G: Priority network experience vs Globe Prepaid, Free unlimited 5G data for 12 months for new and renewing GPlan PLUS customers (for All-New GPlan PLUS 799 and up)
- Flagship Forever: Monthly subscription for guaranteed latest device upgrade every year

Through the GlobeOne app, users of All-New GPlan PLUS 799 to 2499 can exclusively enjoy Data Swap wherein it allows them to swap and convert their allocated gigabytes to a variety of offers based on their liking, including call and text promos, unli data access to mobile games, social media, and messaging apps. They can also choose content subscriptions from Disney+, BeIN Sports, Viu, and Booky or GrabUnlimited.

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 discounts of up to 30% OFF and other best-value deals on the latest devices, giving customers more reasons to upgrade. Whether applied for or renewed through Globe Stores or the Globe Online Shop, the process remains seamless, ensuring customers can easily access the latest technology and elevate their mobile experience.

Customers may opt to purchase select mobile devices at "discounted" prices, with various payment options such as via select credit card either straight or installments for up to 36 months at zero interest, and charge to bill for renewing customers. (See also <https://www.globe.com.ph/postpaid.html> for more details).

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 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.

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.

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.

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 <https://shop.globe.com.ph/> and follow these simple steps (1) Click "Renew My Current Plan", and choose their preferred Plan and Inclusions (2) Verify the account details (3) Accomplish the Checkout Form (4) Pay any corresponding fees for chosen inclusions (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 a 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) Screen Repair or Replacement (2) Device Repair or Replacement and (3) Device Switching. 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 to Upgrade** 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 at participating GOS and PD Stores nationwide.

Postpaid Exclusives

Globe Postpaid gives you online to offline exclusive perks and experiences with *Postpaid Exclusives*. Enjoy *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 Postpaid Exclusive Rewards from lifestyle discount vouchers to chance to win gadgets and travel packages with their Globe Rewards points.

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

¹ **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 through the GOMO PH mobile app.

See also <https://www.gomo.ph/data-offers>

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 also 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 GlobeOne app:

Step 1- Download the 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.

(a) 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. 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 Disney+, Facebook, Beetzee Play, Spotify, TikTok, Viber, Grab, Shoppee, Lazada are accessible to Globe subscribers.

(b) 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 616 roaming partners in 240 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.

(c) 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.

2. 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.

(a) 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.

(b) 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 four international cable landing stations situated in different locales to ensure redundancy and network resiliency.

The Company's domestic data services include point-to-point and point-to-multipoint private connectivity as well as 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 Broadband, Direct Internet Access, Domestic Data, including

ELine, ELAN, and MPLS; International Data; Internet Services; Managed Infrastructure Services including SDWAN and Managed WiFi).

- 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. It allows customers to outsource data center hosting and management. The services offered include the following:
 - Co-location - managed space for customer's servers and IT equipment that run mission critical systems and applications;
 - Cross Connect - provides direct connection from customer racks to its service provider;
 - LAN-Based Internet - provides a redundant, stable, secure and high-speed connection to hosted environments within the Globe Data Center;
 - Media Storage - physical off-site data storage in a clean, controlled, safe and secure environment within the Data Center; and
 - Disaster Recovery ("DR") Seats - Provides a DR facility and workstations for customers in the event of a disaster or a business interruption
- Cybersecurity - The Cyber Security Solutions portfolio is designed for end-to-end security orchestration, ensuring pervasive and cohesive coverage across the entire threat landscape and meeting the distinct needs of every segment, from SME-level velocity to Enterprise-grade depth.
- 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).

(c) 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 postpaid and prepaid fiber broadband packages, as well as wireless Home Prepaid WiFi powered by Globe's 4G and 5G 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. GFiber plans range from ₱1499 per month for up to 300 Mbps to as high as 1 Gbps for ₱4,999 per month. All comes with a WiFi 6 modem that delivers faster speeds, greater capacity, and improved performance for multiple connected devices simultaneously. The GFiber Unli Plan also comes with access to relevant apps like Disney+, Blast TV, Home Squad, 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 300Mbps speed. Customers can acquire a GFiber Prepaid service with a special offer of a one-time fee of ₱699, 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 the speed of their choice. 50Mbps offers include GFiberSurf249 for 7 days, GFiberSurf749 for 30 days, and GFiber SurfAnnual6999 for 365 days. 100Mbps and 300Mbps speed offers are available for those with higher device use in the household.

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.

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).

In areas without fiber connectivity, Globe At Home Prepaid WiFi provides a reliable and budget-friendly internet solution for households. The device is plug-and-play, making it easy to install and use. Customers can subscribe to FamSURF data promos tailored to their browsing needs, with prices starting at just PHP 199. FamSURF data allocations can be shared as mobile data with up to four mobile phones or other Globe prepaid WiFi devices, enabling family members to stay connected even when they are outside the home. This feature is accessible through the GlobeOne app. Additional promos are available, including FamSURF UNLI 999 (unlimited data for 30 days) for heavy users, and FamSURF 399 (30GB) for backup connectivity needs. For the latest Home Prepaid WiFi offer, visit globe.com.ph/broadband/prepaid-wifi; For setup guidance, visit globe.com.ph/broadband/help/home-prepaid-wifi-set-up.

Last December 2024, Globe AT Home unveiled its affordable 5G WiFi, delivering high-speed internet using wireless technology for those looking for fast, reliable and plug-and-play connectivity. Equipped with a best-in-class router featuring one-click support plus a money-back guarantee, this pioneering service ensures hassle-free internet access tailored to the evolving demands of modern users. The tech innovation is available in select cities including BGC, Makati, and Ortigas. Globe AT Home 5G WiFi is offering UNLI data for 30 days at just Php 999.

In September 2025, Globe launched the Globe AT Home 5G loop, the world's first portable 5G-powered broadband loop, designed to deliver fiber-like internet through 5G technology. Portable and WiFi 6-enabled, the device features a built-in speaker, camera, and touchscreen, allowing users to stay connected at home, in cafés, or while traveling. It is perfectly built for shared WiFi experiences while offering the flexibility to enjoy reliable, high-speed connectivity anywhere—whether indoors or on the go. The Globe AT Home 5G loop is tailor-made for modern Filipino families, offering seamless performance for streaming in, creating content, and connecting through music, calls, and shared entertainment. Pre-orders began on September 1, 2025, at Globe stores in Megamall, Glorietta, and the Globe Iconic Store in BGC, priced at ₱10,999 with 30 days of unlimited data. The Globe AT Home 5G loop marks a global milestone in redefining shared digital experiences, bringing families a simple, portable, and powerful way to stay connected wherever they are.

C. 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**

Mynt, Inc. ("Mynt") is a strategic partnership between Globe, Ayala Corporation, and Ant International, a Singapore-headquartered leading global digital payment, digitization, and financial technology provider.

Mynt is a leader in mobile financial services focused on accelerating financial inclusion through mobile money, financial services, and technology. Mynt primarily operates through two wholly-owned subsidiaries: G-Xchange, Inc. ("GXI"), the mobile wallet operator of GCash, offering convenient financial services to Filipinos, and Fuse Financing Inc. ("Fuse"), a technology-based lending company, which empowers Filipinos with access to microloans and business loans.

Based on third-party provider Sensor Tower, as of December 31, 2025, GCash remains as the number one finance super-app in the country, bannered by ubiquity across its active user base. Under its Payments offerings, customers can easily send and receive money anywhere in the Philippines, even to other bank accounts, purchase prepaid airtime load, pay bills nationwide, and purchase from their partner merchants and social sellers.

Mynt has also gone beyond the nation's borders. It offers payments in over 220 countries and territories with the GCash Visa Card and Global Pay, in partnership with Alipay+, to enable a seamless and secure payment experience across millions of merchants abroad through Scan to Pay. Through GCash Overseas, overseas Filipinos in 145 countries can also use the GCash app with their international mobile numbers, giving them access to services such as Send Money, Pay Bills, and Buy Load. In 2025, GCash also introduced the GCash Virtual US Account, enabling its users to directly receive US dollars in their e-wallets, converting them to Philippine Pesos as needed with reduced fees compared to traditional methods.

Beyond Payments, the GCash app also features a range of Digital Financial Services through its CreditTech and WealthTech products. On CreditTech, backed by a proprietary trust platform and credit scoring via GScore, Fuse has provided credit access to millions of borrowers, of which the majority are from lower socio-economic classes. These milestones were achieved through innovative lending products covering credit lines (via GCredit), cash loans (via GLoan), buy-now-pay-later (via GGives), and micro-credit starter loans (via Sakto Loan and Borrow Load), providing loans to more Filipinos who need it the most. The GCash application also provides a comprehensive suite of WealthTech services, covering savings (via GSave), investments (via GFunds, GStocks, GCrypto, and the newly launched GBonds), and insurance products (via GInsure).

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. As of December 31, 2025, more than 4.7 million trees have been planted, enabling GCash users to build a greener tomorrow.

- **Brave Connective Holdings, Inc. (BCHI)**

Brave Connective Holdings, Inc. 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](#) is a digital advertising firm specializing in Marketing and Advertising Technology (MADTech) solutions. The company leverages a synergistic ecosystem that integrates its proprietary DeepSea data-intelligence platform with the creative execution capabilities of Secret Menu. AdSpark delivers data-optimized, end-to-end

campaigns designed to maximize audience engagement and provide quantifiable ROI for brand partners.

- [INQUIRO](#) is a cutting-edge data analytics company that transforms insights into actionable intelligence for businesses. Inquiro's core offerings are structured around three key areas: Market Analytics, Targeting and Acquisition, and Credibility Scoring. The company provides actionable market research using products like Audience Builder, Market Scan, and Footfall Analysis. These solutions deliver valuable insights derived from diverse behavioral and location data. Targeting and Acquisition is also a core service of Inquiro, where businesses can acquire new customers through various channels such as SMS, programmatic ads, and social ads. Credibility Scoring is a specialized product that allows businesses to measure the overall trustworthiness of their individual consumers. By leveraging innovative solutions and committing to smarter decision-making, Inquiro empowers brands to unlock growth and achieve their objectives.
- [M360](#) is 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.

D. Sales and Distribution

Globe has various sales and distribution channels to address the diverse needs of its subscribers.

1. Independent Dealers

Globe utilizes a number of independent dealers throughout the Philippines to sell and distribute its prepaid wireless services. This includes major distributors of wireless phone handsets who usually have their own retail networks, direct sales force, and sub-dealers. Dealers are compensated based on the type, volume and value of reload made in a given period. This takes the form of fixed discounts for SIM packs, and discounted selling price for phonekits. Additionally, Globe also relies on its distribution network of over 373 thousand AutoloadMax retailers nationwide who offer prepaid reloading services to Globe and TM subscribers.

2. Globe Stores

As of December 31, 2025, the Company has a total of 94 Globe Stores all over the country where customers are able to inquire and subscribe to wireless, broadband and fixed line services, reload prepaid credits, make GCash transactions, purchase handsets and accessories, request for handset repairs, try out communications devices, and pay bills. The Globe Stores are also registered with the Bangko Sentral ng Pilipinas (BSP) as remittance outlets.

In line with the Company's thrust to become a more customer-focused and service-driven organization, Globe departed from the traditional store concept which is transactional in nature and launched the redesigned Globe Store which carries a seamless, semi-circular, two-section design layout that allows anyone to easily browse around the product display as well as request for after sales support. It boasts of a wide array of mobile phones that the customers can feel, touch and test. There are also laptops with high speed internet broadband connections for everyone to try. The Globe store has an Express Section for fast transactions such as modification of account information and subscription plans; a Full-Service Section for more complex transactions and opening of new accounts; and a Cashier Section for bill payments. The store also has a self-help area where customers can, among others, print a copy of their bill, and use interactive touch screens for easy access to information about the different mobile phones and Globe products and services. Globe stores also include NegoStore areas, which serve as additional sales channels for current and prospective Globe customers. Moreover, select stores also have 'Tech Coaches' or device experts that can help customers with their concerns on their smartphones. The Company opened the first concept store in Greenbelt 4 in 2010.

In 2012, Globe introduced other store formats in response to the need for more customer service channels to accommodate more subscribers availing of Globe postpaid, prepaid and internet services. The new store formats - the premium dealership store, pop-up store, microstore, kiosk, and store-on-

the-go – were carefully designed based on demographics, lifestyle and shopping behaviors of its customers, each providing a different retail mix and experience to subscribers.

In 2013, Globe opened 50 concept stores as part of its commitment to a wonderful customer service experience.

In 2014, Globe simultaneously unveiled its Generation 3 flagship stores in SM North EDSA, Quezon City, Manila and in Limketkai Mall, Cagayan de Oro. Designed by Tim Kobe, the founder and CEO of Eight, Inc. and designer of Apple Stores, the Globe Gen3 stores feature reconfigurable and interactive elements, all designed to empower the growing digital lifestyle of customers. The stores feature four lifestyle zones – music, entertainment, productivity, and life – each with their own interactive kiosks.

Continuing with its journey of transforming customer experience, Globe opened two more Gen3 stores in 2015. In July 2015, Globe opened its third Gen3 store in Ayala Center, Cebu and in August 2015, opened its fourth Gen3 and first two-storey store in Greenbelt, Makati.

In 2016, Globe opened its Flagship ICONIC store in Bonifacio Global City Central Square Taguig. Designed by Tim Kobe of Eight Inc., the same designer of the Globe GEN3 stores, the Globe ICONIC store is the first all-in-one retail and entertainment space and was launched in two phases. Phase 1 was completed in June 2016 and featured the entertainment space that will house shows, concerts, and a variety of on-ground events and activities. Phase 2, completed in December 2016 features the complete Globe ICONIC Store with a glass bridge that links two Globe stores from opposite sides of the BGC Central Square.

In October 2021, Globe introduced the Globe EasyHub, a new store concept that combines traditional brick-and-mortar stores with a digital retail format. The Globe EasyHub aims to create a better experience for Filipinos looking for safe and convenient ways to make transactions during the pandemic.

In 2023, Globe began the gradual phase-out of Globe EasyHub locations as part of the company's strategic retail initiatives. That same year, Globe introduced its Generation 4 (Gen4) store concept in Glorietta, Makati. This was followed by the conversion of selected existing stores, including SM Marikina, Alabang Town Center, and Robinsons Manila, into the new Gen4 format.

The Gen4 store features a modern, digital-first layout equipped with self-service kiosks for transactions such as SIM purchases, bill payments and postpaid plan inquiries. It also includes interactive screens and demo units for product exploration, along with a more sustainable design that utilizes digital signage, LED lighting, and eco-friendly materials.

In 2025, Globe began reopening stores in new locations to better serve its customers. Two new stores were launched at Island City Mall in Bohol and SM City Sta. Mesa in Quezon City, marking Globe's renewed presence in these areas in response to strong customer demand. Through these openings, Globe continues to bring its services closer to customers and improve overall service delivery.

3. Others

Globe also distributes its prepaid products SIM packs and credits through consumer distribution channels such as convenience stores, gas stations, drugstores, and bookstores.

E. Operating Revenues

Gross Operating Revenues by Business Segment	Year Ended December 31			
	2025	% of total	2024	% of total
(in Php Mn)				
Service Revenues				
Mobile*	116,850	66%	116,713	65%
Voice ¹	10,883	6%	12,653	7%
SMS ²	4,801	3%	6,691	4%
Data ³	101,166	57%	97,369	54%

Fixed Line and Home Broadband**	45,902	26%	45,665	25%
Home Broadband ⁴	23,980	13%	23,785	13%
Corporate Data ⁵	20,671	12%	20,380	11%
Fixed Line Voice ⁶	1,251	1%	1,500	1%
Others***	2,326	1%	2,638	1%
Service Revenues.....	165,078	93%	165,016	91%
Non Service Revenues.....	13,162	7%	15,570	9%
Operating Revenues.....	178,240	100%	180,586	100%

*Mobile business includes mobile and fully mobile broadband

**Home Broadband includes fixed wireless and wired broadband

***Others include non-telco revenues from subsidiaries

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;
- 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 service revenues of GTI and MVNO.

Revenues from (a) to (e) are reduced by any payouts to content providers.

² Mobile SMS revenues consist of revenues from value-added services such as inbound and outbound SMS and MMS, infotext, and 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.

⁴ 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.

⁵ Corporate data (previously called Fixed line data) service revenues consist of the following:

- Monthly service fees from international and domestic leased lines;
- Other wholesale transport services;
- Revenues from value-added services and ICT; and
- Connection charges associated with the establishment of service.

⁶ 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 consisting of monthly service fees for postpaid and subscription fees for prepaid.

Globe's mobile business contributed ₱116.9 billion in 2025 accounting for 66% of total operating revenues, comparable to last year's level of ₱116.7 billion. Mobile voice service revenues amounted to

₱10.9 billion in 2025, contributing 6% of operating revenues. Mobile SMS service revenues contributed ₱4.8 billion or 3% of operating revenues. Mobile data service revenues contributed ₱101.2 billion or 57% of operating revenues.

Accounting for 26% of total operating revenues, Globe's fixed line and broadband business registered ₱45.9 billion in 2025, compared to ₱45.7 billion in 2024. Home broadband contributed revenues of ₱23.9 billion, or 13% of operating revenues. Corporate data contributed 12%, at ₱20.7 billion while fixed line voice and other revenue contributed ₱1.3 billion and ₱2.3 billion, accounting for 1% and 1% of operating revenues, respectively.

F. Competition

1. Industry, Competitors and Methods of Competition

(a) Mobile Market

The Philippine mobile market has a total industry SIM base of more than 140 million with an industry penetration rate of 120.6% as of December 31, 2025. With the growing penchant of Filipinos for smartphones, the mobile data business in the Philippines presents more opportunities for revenue growth. Mobile data usage of both prepaid and postpaid subscribers continues to grow.

Today, with the high level of mobile penetration, driven by the prevalence of multi-SIMming (i.e., individuals having two SIMs), and the emergence of a third player, DITO Telecommunity, the competition in the mobile market remains intense, albeit in a more rational environment. Since its commercial launch in March 2021, DITO has gained over 15 million subscribers as of September 2025.

	Mobile Subscribers (Mn)	Penetration Rates (%)	Growth Rate
2012	102.99*	106.4	10%
2013	108.52*	110.0	5%
2014	113.89*	116.0	5%
2015	124.79	115.2	10%
2016 ¹	125.56	120.4	1%
2017 ²	118.98	111.9	-5%
2018 ³	134.59	124.3	13%
2019	167.32	151.8	24%
2020	149.58	133.3	-11%
2021	157.48	137.9	5%
2022	153.00	132.2	-3%
2023 ⁴	122.00	104.3	-21%
2024	133.57	115.3	12%
2025	140.87	120.6	5%

Source: National Telecommunications Commission, publicly available information and Company estimates

¹ Starting 2016, nomadic subscribers are included in mobile subscribers (previously reported under broadband subscribers)

² In 2017, the industry has excluded in their reporting the prepaid subscribers who do not reload within 90 days of the second expiry period, versus the previous cut-off of 120 days

³ In 2018, under Joint Memorandum Circular No. 05-12-2017, all prepaid load now carries a one-year expiration period

⁴ In 2023, the industry churned out non-active mobile users following the government-mandated, nationwide SIM card registration exercise.

Since 2000, the mobile communications industry has experienced a number of consolidations and ushered in new entrants, namely:

- In 2000, Philippine Long Distance and Telephone Company (“PLDT”) acquired and consolidated Smart and Piltel, complementing the former’s fixed line businesses with the latter’s wireless businesses. Subsequently in 2008, PLDT, through Smart, purchased CURE, one of the four recipients of 3G licenses awarded by the NTC.
- In 2003, Sun Cellular, Digitel’s mobile brand, entered the market and introduced value-based unlimited call and text propositions which allowed it to build subscriber scale over time.

In October 2011, PLDT acquired 99.4% of the outstanding common stock of Digitel, thereby allowing it to control over two-thirds of the industry subscribers. As a condition of PLDT’s acquisition of Digitel, PLDT returned to the NTC the 3G license in CURE.

- In 2008, San Miguel Corporation (“SMC”), partnering with Qatar Telecom, bought interests in Liberty Telecom Holdings, Inc. (“Liberty”) and announced plans to enter the mobile and broadband businesses.

In 2010, SMC acquired 100% stake in Bell Telecommunication Philippines, Inc. (“BellTel”), after acquiring shares in three companies that own the shares of BellTel. Also in 2010, SMC purchased a 40% stake in Eastern Telecommunications Philippines, Inc. (“ETPI”) to expand its telecommunications services. SMC subsequently gained a majority stake of ETPI in 2011, owning 77.7% of the telecommunications company.

In 2012, NTC granted BellTel, San Miguel Corporation’s mobile telephony arm, an extension to its operating license to provide cellular mobile telephone system (CMTS) service in the country for another three years.

- In 2001, Globe acquired Islacom (now Innove). Globe, likewise, acquired approximately 96.5% of the total debt of Bayantel, in December 2012. In October 2013, Globe converted a portion of the debt it holds in Bayantel into a 38% interest in the latter, based on the Amended Rehabilitation Plan approved by the Rehabilitation Court in August of the same year. Upon obtaining relevant and regulatory approvals, Globe would further convert debt into a total 56.6% share of the common stock of Bayantel.
- In May 2013, ABS-CBN Convergence, Inc. (“ABS-C”, formerly Multimedia Telephony, Inc.) announced the launch of its mobile brand, ABS-CBN Mobile. The launch of the new mobile brand was being supported through a network sharing agreement with Globe, wherein the latter provides network capacity and coverage to ABS-C on a nationwide basis. ABS-C formally launched the brand on November 26, 2013. On November 30, 2018, ABS-C discontinued its mobile phone services business and terminated the mobile network sharing arrangement with Globe Telecom.
- In November 2015, Cherry Mobile, a leading mobile phone company in the Philippines, entered into a co-branding partnership with Globe to launch the Cherry Prepaid SIM that also comes bundled with a Cherry Mobile phone. The Cherry Prepaid SIM will operate through a network sharing agreement with Globe.
- In November 2018, the Department of Information and Communications Technology (DICT) and the National Telecommunications Commission (NTC) declared Mislattel a new major telco player, a consortium composed of Mindanao Islamic Telephone Inc., Udenna Corporation, Chelsea Logistics Holdings, and China Telecom. In 2019, Mislattel was renamed to DITO Telecommunity Corporation. DITO launched commercial operations in March 2021.
- In October 2020, Globe launched the fully digital telecom brand GOMO aimed towards digitally savvy Filipinos.
- In August 2025, PLDT, through its wireless subsidiary Smart Communications, launched a new app-based mobile brand named KiQ designed for Gen Z users.

(b) Fixed Line Market

Fixed Line Voice

The number of lines in service in the fixed line voice market is estimated at 4.3 million subscribers as of December 31, 2025 with PLDT's subscriber market share at 85.6% and Globe subscriber market share at 14.4%.

The fixed line voice market is currently in decline as the country continues to shift towards alternative communication solutions like VoIP and chat messaging applications.

Corporate Data

The fixed line data business is a growing segment of the fixed line industry. As the Philippine economy grows, businesses are increasingly utilizing new networking technologies and the internet for critical business needs such as sales and marketing, intercompany communications, database management and data storage. The expansion of the local IT Enabled Service (ITES) industry which includes call centers and Business Process Outsourcing (BPO) companies has also helped drive the growth of the corporate data business.

Dedicated business units have been created and organized within the Company to focus on the mobile and fixed line needs of specific market segments and customers – be they residential subscribers, wholesalers and other large corporate clients or smaller scale industries. This structure has also been driven by Globe's corporate clients' preferences for integrated mobile and fixed line communications solutions.

(c) Home Broadband Market

Home broadband continues to be a major growth area for the local telecom industry. In a 3-player market, industry home broadband subscribers are now at 9.4 million, up 15% versus 2024 with Globe's subscriber market share at 23% as of December 31, 2025. PLDT's subscriber market share is at 45% while Converge's market share is 32%. The aggressive network roll-out of the various operators, the wider availability of affordable prepaid broadband packages, as well as lower PC and tablet prices were the main drivers of subscriber growth. Operators used both wired and wireless technologies to serve the growing demand for internet connectivity.

The Philippine postpaid broadband market is nearing saturation, however, if not saturated already. This is why the Company's focus has now shifted to increasing utilization of its current network by delivering fiber connectivity to the broader market through prepaid fiber products.

2. Principal Competitive Strengths of the Company

(a) Market Leadership Position

Globe is a major provider of telecommunications services in the Philippines. It is a strong player in the market and operates one of the largest and most technologically-advanced mobile, fixed line and broadband networks in the country, providing reliable, superior communications services to individual customers, small and medium-sized businesses, and corporate and enterprise clients. Globe's distinct competitive strengths include its technologically advanced mobile, fixed line and broadband network, a substantial subscriber base, high quality customer service, a well-established brand identity and a solid track record in the industry. Globe has also focused on bringing innovations and partnerships with leading content creators and digital platforms across entertainment, music, gaming, social networking and eCommerce to respond to trends and demands among its data users.

(b) Strong Brand Identity

The Company has some of the best-recognized brands in the Philippines. This strong brand recognition is a critical advantage in securing and growing market share, and significantly enhances Globe's ability to cross-sell and push other product and service offerings in the market.

(c) Financial Strength and Prudent Leverage Policies

Globe's financial position remains strong with ample liquidity, and gearing comfortably within bank covenants. At the end of 2025, Globe had total interest bearing debt of ₱256 billion representing 59% of total book capitalization. As of December 31, 2025, gross debt to EBITDA is well within the 3.5:1 covenant level, currently at 2.63x. Before taking into account any swap and hedges, approximately 22% of debt is denominated in foreign currencies. After swaps, effectively none of the total debt is denominated in foreign currencies.

Globe intends to maintain its strong financial position through prudent fiscal practices including close monitoring of its operating expenses and capital expenditures, debt position, investments, and currency exposures.

(d) Proven Management Team

Globe has a strong management team with the proven ability to execute on its business plan and achieve positive results. With its continued expansion, it has been able to attract and retain senior managers from the telecommunications, consumer products and finance industries with experience in managing large scale and complex operations.

(e) Strong Shareholder Support

The Company's principal shareholders are Ayala Corporation (AC) and Singapore Telecom (STI), both industry leaders in the country and in the region. Apart 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.

G. Suppliers

Globe works with both local and foreign suppliers and contractors. Equipment and technology required to render telecommunications services are mainly sourced from foreign countries. Its principal suppliers, among others, are as follows:

The Company's suppliers of mobile equipment include Huawei International Pte. Ltd. (Singapore), Huawei Technologies Phils. Inc. and Nokia Shanghai Bell Co., Ltd. (China); and for transmission and IP equipment, the Company has partnered with Huawei International Pte. Ltd. (Singapore), Huawei Technologies Phils. Inc., Nokia Shanghai Bell Co., Ltd. (China), and ZTE Corporation (China). For small cell access solutions for residential and enterprise, Globe partnered with Huawei International Pte. Ltd. (Singapore), Huawei Technologies Phils. Inc., and Nokia Shanghai Bell Co., Ltd. (China), and Wuhan Fiberhome International (China).

For Fixed Line and Fixed Broadband equipment, including Optical Line Terminals (OLT's), Globe's principal equipment suppliers include Huawei International Pte. Ltd. (Singapore), Nokia Shanghai Bell Co., Ltd., and Wuhan Fiberhome International Technologies Co., Ltd.

For Network Management and Operational Support Systems, Globe's primary solution providers include Mycom OSI (Singapore), Amdocs Software Solutions (Hungary), Huawei International Pte. Ltd. (Singapore), Huawei Technologies Phils. Inc., Digitata Networks Corp (USA) among others.

For the Company's IT systems and infrastructure, Globe also engaged Amdocs Software Solutions (Hungary), Lotusflare Asia Pte. Ltd. (Singapore), Google Asia Pacific Pte Ltd, Amazon Web Services, Inc., Philippine companies Novare Technologies, Inc., Yondu Inc. ,and Metro East Technology for continuous enhancement of its Services and Operations.

H. Customers

Globe has a large subscriber base across the country, ending 2025 with 65.8 million mobile subscribers, broken down into 2.4 million postpaid and 63.3 million prepaid subscribers. Globe also has 2.14 million home broadband subscribers and over 628 thousand fixed line voice subscribers.

No single customer and contract accounted for more than 20% of the Company's total sales in 2025.

I. Licenses, Patents, and Trademarks

1. Licenses

Globe currently holds the following major licenses:

Service	Type of License	Date Issued or Last Extended	Expiration Date
Globe			
Wireless	CPCN ⁽¹⁾	July 22, 2002	December 24, 2030
Local Exchange Carrier	CPCN ⁽¹⁾	July 22, 2002	December 24, 2030
International Long Distance	CPCN ⁽¹⁾	July 22, 2002	December 24, 2030
Interexchange Carrier	CPCN ⁽¹⁾	February 14, 2003	December 24, 2030
VSAT	CPCN ⁽¹⁾	February 6, 1996	February 5, 2021 ⁽²⁾
International Cable Landing Station & Submarine Cable System (Nasugbu, Batangas)	CPCN ⁽¹⁾	October 19, 2007	December 24, 2030
International Cable Landing Station & Submarine Cable System (Ballesteros, Cagayan)	CPCN ⁽¹⁾	June 29, 2010	December 24, 2030
International Cable Landing Station (Davao City, Davao del Sur)	CPCN ⁽¹⁾	June 19, 2025	December 24, 2030
International Cable Landing Station in Luna, La Union	CPCN ⁽¹⁾	June 19, 2025	December 24, 2030

Innove	Type of License	Date Issued or Last Extended	Expiration Date
Wireless	CPCN ⁽¹⁾	December 14, 2018	January 29, 2044
Local Fixed line	CPCN ⁽¹⁾	December 14, 2018	January 29, 2044
International Long Distance	CPCN ⁽¹⁾	December 14, 2018	January 29, 2044
Interexchange Carrier	CPCN ⁽¹⁾	December 14, 2018	January 29, 2044
Local Exchange Carrier (LEC) Service Nationwide	PA	June 17, 2005	December 16, 2006 ⁽⁷⁾
International and Domestic Leased Line Services and Local Exchange Carrier Service within the Territorial Jurisdiction of Subic Bay Metropolitan Authority (SBMA)	CPCN	December 10, 2007	January 29, 2044 ⁽⁸⁾
International Cable Landing Station in Claveria, Cagayan	CPCN	June 19, 2025	January 29, 2044

Bayantel	Type of License	Date Issued or Last Extended	Expiration Date
Local Exchange Carrier (a) <i>Quezon City, Malabon & Valenzuela, all in M.M., Albay, Camarines Norte, Camarines Sur, Catanduanes, Sorsogon & Masbate, all in Bicol Region</i>	CPCN ⁽¹⁾	(a) July 19, 1999	(a) July 18, 2024

(b) Manila, Caloocan, Navotas	CPCN ⁽¹⁾	(b) January 27, 2021	(b) August 9, 2046 ⁽³⁾
(c) Tacloban City, Tanauan and Palo, Leyte & Sogod, Southern Leyte	CPCN ⁽¹⁾	(c) January 27, 2021	(c) August 9, 2046 ⁽³⁾
(d) Leyte (Abuyog, Baybay, Burauen, Carigara, Dulag, Hilongos, Isabel, Palompon & Hilaga) Eastern Samar (Guiuan & Borongan) Western Samar (Catbalogan & Basey) Southern Leyte (Maasin)	CPCN ⁽¹⁾	(d) January 27, 2021	(d) August 9, 2046 ⁽³⁾
(e) Antique, Iloilo, Bohol (except Tagbilaran City), Bukidnon, Misamis Occidental, Misamis Oriental (except Cagayan de Oro City), Zamboanga del Sur, Davao del Norte (except Tagum City), Davao del Sur, Davao Oriental, Saranggani, South Cotabato and Surigao del Sur	PA	(e) November 18, 2004	(e) July 25, 2006 ⁽⁴⁾
(f) Aklan, Capiz (including Roxas City), Guimaras, Negros Occidental (including cities of Bacolod and Bago), Negros Oriental (including Dumaguete City), Cebu (including cities of Cebu, Lapu-Lapu and Mandaue), Zamboanga del Norte, Surigao del Norte (including Surigao City), Tagbilaran City, Cagayan de Oro City and Tagum City	PA	(f) November 18, 2004	(f) May 18, 2006 ⁽⁴⁾
(g) Butuan City, Agusan del Norte & Agusan del Sur	PA	(g) June 27, 2002	(g) June 14, 2005 ⁽⁴⁾
VSAT	CPCN ⁽¹⁾	January 11, 2001	January 10, 2026
International Gateway Facility	CPCN ⁽¹⁾	April 19, 1996	April 18, 2021 ⁽⁵⁾
Trunked Mobile Radio System	CPCN ⁽¹⁾	April 2, 1998	April 1, 2023
Domestic Data and Voice Communications	CPCN ⁽¹⁾	January 27, 2021	August 9, 2046 ⁽³⁾

¹ Certificate of Public Convenience and Necessity.

² Motion to Extend the Effectivity/Lifespan of the CPCN was filed on January 20, 2021 and is still pending with the NTC.

³ CPCN automatically extended upon the effectivity of Republic Act 11503 (Bayantel franchise renewal) pursuant to Section 16 of Republic Act 7925.

⁴ Motion for Extension of PA still pending with the NTC.

⁵ Ex-Parte Motion to Extend the Effectivity/Lifespan of CPCN was filed on 13 April 2021 and is still pending with the NTC.

⁶ Motion for Issuance of a CPCN and/or Extension of PA was filed on March 6, 2019 and still pending with the NTC.

⁷ Motion for Issuance of a CPCN and/or Extension of PA was filed on November 2, 2006 and still pending with the NTC.

⁸ The effectivity of this CPCN was originally co-terminus with the life of legislative franchise under Republic Act No. 7372 which has expired and automatically extended upon the effectivity of Republic Act No. 11151 (Innove franchise renewal) pursuant to Section 16 of Republic Act 7925.

In July 2002, the NTC issued CPCNs to Globe and Innove which allow the Company to operate respective services for a term co-terminus with the congressional franchise under RA 7229 (Globe) and

RA 11151 (amending RA 7372; Innove). Globe was granted permanent licenses after having demonstrated legal, financial and technical capabilities in operating and maintaining wireless telecommunications systems, local exchange carrier services and international gateway facilities. Additionally, Globe and Innove have exceeded the 80% minimum roll-out compliance requirement for coverage of all provincial capitals, including all chartered cities within a period of seven years.

2. Trademarks and Patents

Globe has the following registered trademarks in the Philippines: #Globe of Good, #OneDigitalPH, 0917, After 5, Bawa't Bahay May Wifi, Creator Culture, Cyberheist, Digital Thumbprint Program, Easy Watch, EZ Extend, FamSurf, FunAliw, FunKwentuhan, FunLaro, FunPasikat, FunPinoy Packs, FunRaket, FunRewards, G Creator Con, G Fiber Prepaid, G Fiber Surf, G Platinum Plan, G Platinum Plan Plus, Game sa Lahat, GCreator Con, GFiber, Globe, Globe At Home, Globe at Home Prepaid Wifi, Globe At Home Unli Fiber Up, Globe Benta, Globe Blue, Globe Gamer Grounds, Globe Hangouts, Globe Platinum, Globe Prepaid, GlobeOne, GMusic Fest, Go Lang Nang Go, Go Roam, Go+, GOMO, GOMO Fiber, GOMO Roam, GoSakto, GoSurf, GoUnli, K-mmunity PH, Kaya Mo Now, Loaded sa Love, MakeltSafe.PH, Midnight Surf, Mindhive, MOCreds, Pie, Pie Channel, Pie Experience, Pie Network, Pie TV, Pie XP, Recreate, Better Days, Secret Surf, Sugoi Society PH, The Hapag Movement, The World Right at Home, TM, TM All-In, TM Bayan Fiber Wifi, TM Bayan Unli, TM Easy Plan, TM Secret, TM Tambayan, We don't stop, We GOMO!, and Whiskey Business

Globe has the following pending application trademarks in the Philippines: E-Waste Zero, Reduce, Recover, Recycle, PlayItRight. Help Stop Piracy, Digitest, G Verify, and Globe Verify.

Further, Globe has the following registered trademarks: Globe Telecom (Taiwan, Canada, Singapore, Macau), Globe: Bahrain, Kuwait, Malaysia, Singapore, Macau, Italy, Japan, Taiwan, Globe and Globe Life Device (Hong Kong, Malaysia, Taiwan, Singapore, Japan, EU (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden) United Kingdom, Kuwait, Macau, Qatar, UAE, Canada, USA, Saudi Arabia), Globe Life Device (Australia, Hong Kong, Malaysia, Taiwan, Singapore, Japan, EU (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden) United Kingdom, Kuwait, Macau, Qatar, UAE, Canada, USA, Saudi Arabia).

Globe subsidiaries and affiliates have applied/registered their respective marks with the Intellectual Property Office, namely:

- a) Acquiro Solutions and Tech, Inc. has the registered trademark: Acquiro.
- b) Adspark, Inc. has the following registered trademarks: Adspark, SparkEd, SparkIntelligence, SparkRewards, SparkStudio, SparkSuite, and Secret Menu.
- c) Asticom Holding Co., Inc. has the registered trademark: Asticom Bridging People, Fueling Passions.
- d) Brave Connective Holdings, Inc. has the following registered trademarks: Brave Connective, Courageous Brands Connect Better, DeepSea, Veda Brava and Veda Connective.
- e) Inquiرو, Inc. has the following registered trademarks: Inquiرو and Inquiرو Audience Builder.
- f) Globe Capital Venture Holdings, Inc. has the following registered trademarks: Concati, Kodego, and Pettr.
- g) M360, Inc. has the following registered trademarks: M, M360, Mobile360, More than Messaging, and Hummingbird by M360,

- h) Rush Technologies, Inc. has the following registered trademarks: Rush, Rush E-Store, Rush Loyalty, and Powering Stores, Winning Customers.
- i) Mynt, Inc. (formerly Globe Fintech Innovations, Inc.) and its subsidiaries and affiliates have the following registered trademarks : Mynt Logos, Mynt A Fresh Look At Money Logo, and MYNT, BlockG, GCrypto, GStocks, and GFunds, and trademark applications for Mynt finance for all (logo marks).Powerpay+, G-Xchange, GCash Logos,, GCash Forest, G Logo, GCash & G Logo GCat, GSave, GCredit, GInvest, GInsure, GLife, Send Ang Pao & Logo, KKB & Logo, GForest, GCash Pera Outlet Logo, GCredit Logo, GCash Padala Logo, GForest Logo, GInvest Logo, GLife Logo, GLoan Logo, GSafe Logo, GSave Logo, GCash Jr., GScore, GGives, GCash PO, GCash Pera Outlet, GSafe, GPO, GDeals, GCash for Good, GCash Padala; GSafe Tayo, GImpact, and a trademark applications for GCash for Business Soundpay, Soundpay, GCash for Business Soundpay +, GCash Soundpay +, Soundpay +, Soundpay Plus, GCash Soundpay, GCash for SoundPay Plus,Fuse Lending Logo, Fuse Logo, Fuse, GLoan, GGives and trademark applications for Ryse and Ryse logo.

In addition, they have registered the following patents in the Philippines:

- Person-to-Person Virtual Cash Transfer Transaction Using Mobile Phones;
- A Method of Converting Virtual Cash to Cash and Deducting from a Mobile Phone Cash Account.
- A Method of Cashless, Cardless Purchase Transaction Using Mobile Phones;
- A Method of Converting Cash into Virtual Cash and Loading it to Mobile Phone Cash Account; and
- A Method of Switching the Billing Mode of a Subscriber's Mobile Phone Services from Postpaid to Prepaid and Vice Versa Using One Subscriber Identity Module (SIM) Card Having One Mobile Phone Number;.

Further, they have likewise registered the following patent in the United States:

- Method of Converting Cash into Virtual Cash and Loading it to Mobile Phone Cash Account.

J. Government approvals/regulations

Globe Telecom, Inc. is regulated by the NTC under the provisions of the Public Service Act (CA 146), Executive Order (EO) 59, EO 109, and RA 7925. Under these laws, Globe is required to do the following:

- a) To secure a CPCN/PA from the NTC for those services it offers which are deemed regulated services, as well as for those rates which are still deemed regulated, under RA 7925.
- b) To observe the regulations of the NTC on interconnection of public telecommunications networks.
- c) To observe (and has complied with) the provisions of EO 109 and RA 7925 which impose an obligation to rollout 700,000 fixed lines as a condition to the grant of its provisional authorities for the cellular and international gateway services.
- d) Globe remains under the supervision of the NTC for other matters stated in CA 146 and RA 7925 and pays annual supervision fees and permit fees to the NTC.

On October 19, 2007, the NTC granted Globe a CPCN to operate and maintain an International Cable Landing Station and submarine cable system in Nasugbu, Batangas.

On May 19, 2008, Globe Telecom, Inc. announced that the National Telecommunications Commission (NTC) has approved the assignment by its wholly-owned subsidiary Innove Communications (Innove) of its Touch Mobile (*TM*) consumer prepaid subscriber contracts in favor of Globe. Globe would be managing all migrated consumer mobile subscribers of *TM*, in addition to existing Globe subscribers in its integrated cellular network.

On September 11, 2008, the NTC granted Globe a CPCN to operate and maintain an International Cable Landing Station in Ballesteros, Cagayan Province.

K. Research and Development

Globe incurred market research costs amounting to ₱113.28 million in 2025, a 0.7% increase versus 2024 spend of ₱112.49 million.

L. Compliance with Environmental Laws

Globe complies with the Environmental Impact Statement ('EIS') system of the Department of Environment and Natural Resources ('DENR') and pays nominal filing fees required for the submission of applications for Environmental Clearance Certificates ('ECC') or Certificates of Non-Coverage ('CNC') for its cell sites and certain other facilities, as well as miscellaneous expenses incurred in the preparation of applications and the related environmental impact studies. Globe does not consider these amounts material.

Globe has not been subject to any significant legal or regulatory action regarding non-compliance to relevant environmental regulations.

M. Employees

Globe has 6,683 active regular employees as of December 31, 2025, of which 2.2% or 148 are covered by a Collective Bargaining Agreement (CBA) through the Globe Telecom Employees' Union (GTEU).

Breakdown of employees by main category of activity from 2023 to 2025 are as follows:

Employee Type	2025	2024	2023
Rank & File, CBU	607	706	1,325
Supervisory	3,435	3,186	3,742
Managerial	2,106	1,958	2,124
Executives	535	531	563
Total	6,683	6,381	7,754

In conformance with the Department of Labor and Employment's (DOLE) Collective Bargaining Agreement (CBA), the Globe Telecom Employees Union-Federation of Free Workers (GTEU-FFW) remains active to pledge the right of every Ka-Globe to form a collective bargaining unit. All employees are allowed to participate in CBA and through GTEU-FFW, everyone is informed and made aware of the mandates.

Globe has a long-standing, healthy, and constructive relationship with the GTEU characterized by healthy and constructive discussions and industrial peace. Both have shared goals such as enhancing productivity levels and ensuring consistent quality of service to customers across various segments.

Globe and GTEU-FFW renewed their collective bargaining agreement on March 2021. This is a testament to the strong partnership built between them and the alignment in their advocacies.

N. Risk Management

Globe believes that effective Risk Management (RM) practices play a crucial role in ensuring sustainable company growth and building resiliency towards future risk scenarios. Hence, Globe ensures that RM remains a core capability and an integral part of how decisions are made in the organization to deliver value to shareholders. The company's thrust is to embed RM in the daily lives of employees, empowering them to make intelligent choices when confronted by risks and opportunities.

Globe lives out its RM philosophy via three key pillars - Structure, Process and Culture.

Structure	Process	Culture
We strive to cultivate an organizational structure that supports strong corporate governance, clearly defines risk taking responsibility and authority, facilitates ownership and accountability for risk taking, and ensures proper segregation of duties.	We strive to sustain sound processes that facilitate the identification, assessment, quantification, mitigation, management, monitoring and communication of risks at the enterprise and operational level. We also regularly review our RM processes and policies on a continuing basis, and stay abreast of current developments to ensure that we remain robust and relevant, through benchmarking against industry and global best practices.	We strive to nurture a risk aware culture by setting the appropriate tone at the top, defining clear accountability for risks, espousing transparency and timeliness in sharing risk information, enabling risk-adjusted decisions, recognizing appropriate risk-taking attitudes, and embedding the right risk skills across the organization.

ROLES AND RESPONSIBILITIES

Board of Directors

The Board of Directors ("Board") has the overall accountability in the oversight of Globe's risk management policies and practices. The Board oversees and conducts an annual review of the company's material controls, covering operational, financial and compliance areas and overall RM systems. To enable the Board to effectively discharge its roles and functions, various board subcommittees have been created that handle specific risk areas in accordance with sound corporate governance practices.

Board Risk Oversight and Sustainability Committee

A Board Risk Oversight and Sustainability Committee (BROSC) was created to provide focus and effectively consolidate the decentralized and overlapping risk oversight duties performed by various Board subcommittees. The establishment of the BROSC will ensure an integrated and holistic oversight on RM at the Board level.

The BROSC is mandated to assist the Board in fulfilling its oversight responsibilities in relation to Risk Governance in Globe. This ensures that the Board and Globe's Management will be able to make well-informed decisions based on thorough assessment of risks and opportunities. This includes:

- Ensuring that there is an effective, efficient and integrated risk management process working in place;
- Enabling the identification, analysis, and assessment of key risk exposures its impact to Globe'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;
- Cultivating a sound organizational structure with effective Enterprise Risk Management ("ERM") and Sustainability frameworks working in place;
- Establishing clear definitions of risk-taking authority, ownership, accountability, and proper segregation of duties; and
- Fostering a risk-aware culture that is pervasive throughout Globe, and ensures transparency in reporting of key risks to relevant stakeholders.

The BROSC is led by a Chairperson who must be an independent, non-executive director. At present, it is composed of four (4) directors, three (3) of which are independent, non-executive directors. The Board appoints all members of the committee.

The BROSC meets on a quarterly basis, or as frequently as needed. The BROSC also submits and presents a report to the Board at least two (2) times a year containing updates on all actions initiated by the committee at the board meeting following the BROSC meetings, as well as a year end report outlining the committee's actions for the year, confirmation of how its responsibilities were discharged, assessment performed on the effectiveness of the committee, and recommendations for improvement.

Management

With guidance provided by the Board and its subcommittees, Globe's management is collectively responsible and accountable for the design, implementation, and continuous improvement of Globe's RM strategies, culture, practices, and capabilities intended to address the identified risks that impact the delivery of the company's strategic and business objectives.

Chief Executive Officer

The Chief Executive Officer (CEO), with respect to RM, is primarily accountable for the company's overall RM strategies, culture, capabilities, and practices, in order to effectively mitigate risks that impact the achievement of the company's strategic and business objectives.

Chief Risk Officer

Chief Financial Officer (CFO), and concurrent Chief Risk Officer (CRO), supports the CEO and the BROSC at the Management level, and is responsible and accountable for the overall design, implementation, and continuous improvement of the company's ERM program.

This includes:

- There is adequate supervision and guidance over the development, implementation, maintenance and continuous improvement of RM policies, processes and documentation;
- Risk Management processes and activities are embedded within the organization's policies, business cycles, and operational decisions; \
- responsibilities for managing specific risks by Senior Management are clear;
- The level of risk accepted by the company is appropriate;
- An effective control environment exists for the company as a whole; and
- In collaboration with Senior Management, BOD and its sub-committees, and other stakeholders, provide periodic information on the results of the annual risk assessment exercise and updates on the status of top risks, key risk mitigation activities, key risk and performance indicators and emerging risks that could impact the attainment of Globe's objectives.

Enterprise Risk Management Team

The Enterprise Risk Management (ERM) team supports the CRO in undertaking its role. The ERM team is responsible for developing, implementing, maintaining, and continuously improving the company's ERM program. Key functions of the ERM team include:

- Assisting the CRO and CEO in enabling the BROSC discharge its RM governance and oversight functions.
- Conducting the company's annual enterprise-wide risk assessment and monitoring exercise.
- Acts as the RM Program Management Office (PMO), providing overall RM direction and guidance across all RM Functions within the second line of defense in RM to ensure that said functions are able to effectively and efficiently manage the company's risks, is integrated into the company's strategic and business objectives, and complements the overall ecosystem of RM capabilities and functions.
- Developing, implementing, and improving risk culture building programs and activities, as well as supporting similar programs led by various RM functions within the company, that drive and embed the right RM disciplines and risk taking behaviors/attitudes across the organization.

On a quarterly basis, the Board, through the BROSC, is apprised of the company's critical risks, control issues, and key mitigation plans by the CRO and ERM team. Insights on the following are provided:

- Risk management processes are working as intended
- Risk measures and mitigation plans are reported and continuously reviewed by risk owners for effectiveness
- Established risk policies and procedures are being complied with.

The CRO and ERM team can schedule executive sessions outside the scheduled BROSC meetings with the BROSC Chairwoman, on an as-needed basis, to discuss new or emerging risks, as well as critical risk updates that need immediate attention.

To ensure that the competencies of the ERM team remain up-to-date, all ERM team members are trained in the ISO 31000:2018 standard and are holders of certifications related to RM. The team also

actively participates in various training programs, summits, and professional organization events related to RM throughout the year.

Internal Audit

The Internal Audit Group (IAG) provides independent assurance on the effectiveness of risk management (RM) systems and processes. To ensure continuous and objective oversight, IAG executes a risk-based annual audit plan that prioritizes the review of control areas addressing the company's key risk domains. Internal Audit's examinations cover a regular evaluation of adequacy and effectiveness of RM and control processes encompassing the company's governance, operations, information systems, reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules and regulations.

Risk Owner

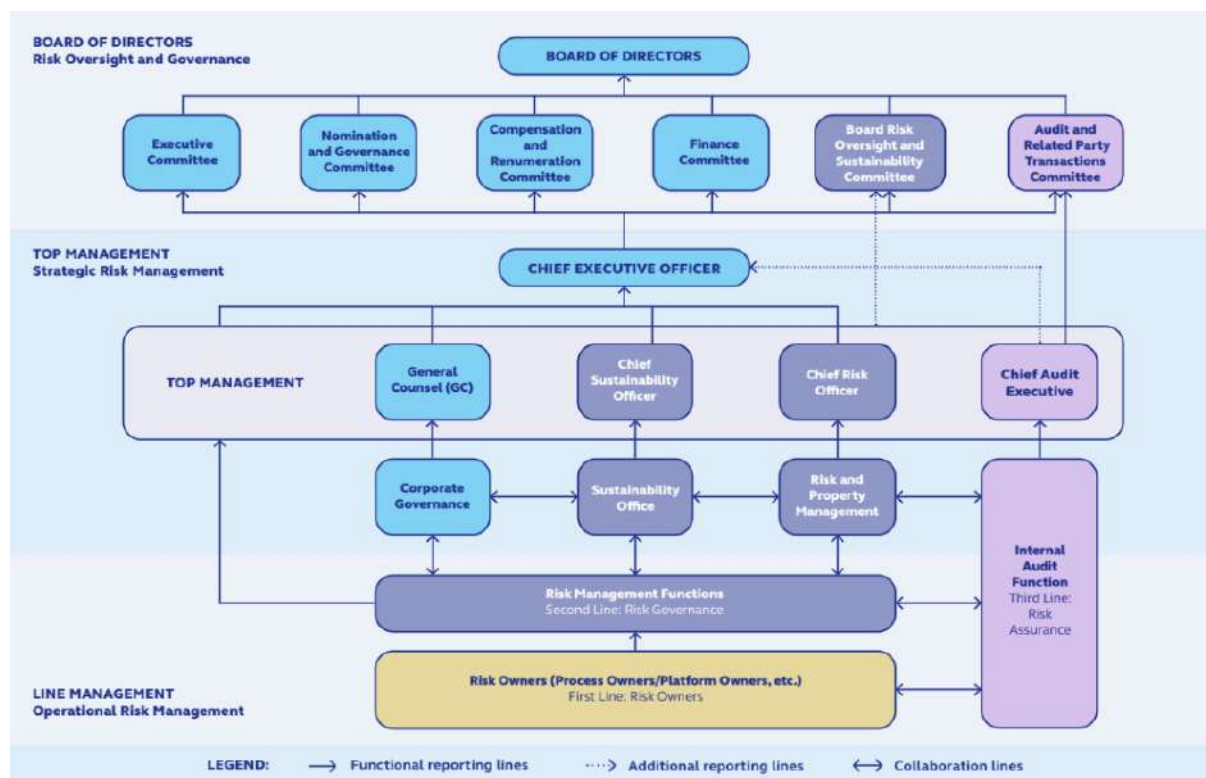
Risk Owners and RM Functions (first and second line of defense in RM respectively) are primarily responsible and accountable for the effective management of the risks assigned by management and/or identified within their areas of responsibility. Their responsibilities and accountabilities include, but not limited to:

- Understanding the risk/s and determining its drivers
- Implement Risk Management Practices and Capabilities (RMP&Cs) that operationalizes set RM strategies to effectively mitigate and manage risks.
- Monitoring and reviewing the level of risk exposures and continuing relevance of RM strategies and risk mitigation plans.
- Providing timely updates on the status of RM information and activities to concerned stakeholders.

In addition, specific responsibilities and accountabilities for RM functions include, but not limited to:

- Planning for and executing appropriate RM strategies, including the adoption of the necessary RM framework/s, standard/s, and policy/ies.
- Design, develop, and continuously improve Risk Management Practices and Capabilities (RMP&Cs).
- Securing required resources needed to enable RMP&Cs.

RISK MANAGEMENT APPROACH



Globe Telecom's overall RM framework and policy is anchored on the ISO 31000:2018 framework for Risk Management. Given the complexities of the telecommunications sector, Globe is inherently exposed to a diverse set of risks from both internal and external factors. To ensure that these sets of risks are effectively and efficiently managed, Globe adopts a decentralized, 3-lines-of-defense model approach to effectively manage its risks.

- Risk Owners, having first hand experience and expertise in managing risks on a daily basis, are given primary responsibility and accountability to address risks, including the adoption of one or more specialized frameworks and best practices that enable sound RM practices. Risk owners report timely updates on its risks, and emerging threats to management.
- The CRO, enabled by the ERM, provides oversight of critical enterprise-wide and operational risks, to ensure that the individual RM practices of risk owners are designed, in accordance with the overall RM framework and policy, and managed appropriately in accordance with the company's set risk appetites and tolerance levels.
- The CAE, enabled by the Internal Audit team, provides independent assurance that the RM policies and practices are both designed effectively and operating as intended.

Both the CRO and CAE report to the board via the BROSC and Audit and Related Party Transactions (ARC) committees respectively. Through the BROSC and ARC, in conjunction with other board sub-committees, the board discharges and maintains its oversight role on the company's risks.

To ensure that our RM approach remains effective, efficient, and relevant, the ERM continues to iterate and improve upon the company's RM policies and ways of working throughout the year. In 2021, the team embarked on the process of adopting the COSO ERM Framework to improve its overall RM approach, as well as integrating specific requirements of the TCFD Framework to further strengthen Environmental (including Climate related risks and opportunities), Social, and Governance (ESG) risk oversight and improve overall program efficiency.

RISK MANAGEMENT PROCESS

Globe's RM cycle starts with an enterprise-wide assessment of risks performed by the Management Team as part of the annual planning and budgeting process. This process starts with the identification

of key risks that threaten the achievement of Globe's business and strategic objectives at the corporate and business unit level. These risks are then identified, analyzed, and evaluated to identify the company's top risks for the next fiscal year. These risks are approved up to the BROSC level, and are assigned to the appropriate risk owner/s for the development of plans to manage said risks.

To ensure effective risk oversight and governance over the company's risks, Globe, through the CRO and ERM, has institutionalized a process to monitor the status of risks through monitoring key risk indicators, key performance indicators, status of mitigation plans, and identification of any emerging risks. On a periodic basis, the ERM, together with the risk owners, provide reports on the status of said risks to the CRO, management, and to the board via the BROSC and other board committees. A summary of the risk topics discussed throughout the year can be found in the BROSC report to the BOD.

At the operational level, risk owners ensure that the established strategies and mitigation plans to address the risks are continuously developed, updated, improved, and reviewed for effectiveness throughout the year, as part of their BAU activities. The examinations performed by internal audit over internal controls, which include the review of established risk mitigation plans, provide independent assurance that said plans are in place.

Throughout the year, management through the various RM functions, including ERM, also conducts various coordinated, end-to-end risk assessment studies on identified critical risk areas and emerging risks. Management believes that these studies are essential for a strong RM process as it reinforces the lines of defense while providing relevant insights for both decision making and the management of Globe's top enterprise-wide risks. When necessary, the company seeks external technical support from third party experts to aid management and the board in the performance of their RM duties and responsibilities.

FOSTERING THE RIGHT RISK CULTURE

Globe believes that fostering a culture of risk awareness and intelligence across the organization is essential in embedding and ensuring consistent application of sound RM practices in every decision point by every ka-Globe.

The ERM partners with various risk owners to ensure that RM advocacies are effectively cascaded to every employee through various culture building activities. Learning sessions, summits, and information drives are organized throughout the year by risk owners. These activities provide every ka-Globe with opportunities to understand the latest technologies, solutions, and trends in various fields; and learn about the risks, both at present and in the future, and how they are effectively managed.

Strengthening the RM foundation, Globe recognizes that culture starts at the top, our non-executive directors are mandated to complete at least four (4) hours of continuing education on corporate governance annually. To further sharpen their strategic lens, directors are actively encouraged to participate in global-tier sessions such as the World Business Council for Sustainable Development (WBCSD) Sustainability Training and the Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit (CGRMS). (See "Training and Continuing Education Program" of the Corporate Governance Chapter for more information).

At the operational level, risk management education is decentralized to allow for specialized training within specific functional groups:

- Information Security & Data Privacy (ISDP) eCourse designed to strengthen employees' knowledge of data protection and cybersecurity. This mandatory training equips all employees to recognize risks, handle personal and company data responsibly, and uphold customer trust by safeguarding sensitive information (See "[Data Privacy and Protection](#)" in Intellectual Capital of the 2025 Integrated Report for more information);
- Data Empowerment for All (DEA) training is a mandatory course is part of the Data Literacy Fundamentals Track designed to empower employees with the skills and confidence to transform data into actionable insights to enhance customer experience, build a standout brand, explore and act on new growth opportunities;
- IMS training and eCourses on Business Continuity (BCM), Occupational Health and Safety (OHS), Environmental Management (EMS), and Energy Management (EnMS) for Risk

Champions ensures RM practices follow international standards and best practices keeping RM as a core strategic enabler and sustaining ISO Excellence across all levels of the organization. (For more information, please refer to “**Health and Safety**” and “**Advocating Climate Action**” of the 2025 Integrated Report for other upskilling and awareness raising programs in Globe)

See “**Trainings and Upskilling**” in Human Capital of the 2025 Integrated Report for more information.

To ensure baseline competency across the entire organization, Globe integrates mandatory risk management training into its New Hire Orientation (NHO) onboarding process, establishing a risk-aware mindset for all individuals joining the company.

Risk Management is a core component embedded within Globe’s business products and services throughout their entire lifecycle, spanning from ideation and development to market launch and post-launch monitoring. This “Concept to Launch” framework ensures that risk criteria are not merely a final verification step but a continuous governance requirement.

The process is anchored on functional governance and controls integrated during the product development phase, particularly within the areas of revenue assurance and product management. By embedding risk criteria across the product lifecycle, Globe identifies and mitigates potential vulnerabilities early, ensuring that new innovations meet the company’s standards for security, compliance, and financial integrity.

RISK AND SUSTAINABILITY

Given the accelerated pace of change in the business landscape brought about by business disruptions, global megatrends, and changes in stakeholder mindsets, Globe’s management looks into various Environmental (which include climate-related risks and opportunities), Social, and Governance (ESG)-linked risks, and how these interact with the company’s principal risks. Globe has started integrating specific requirements of the Task Force on Climate-related Financial Disclosures (TCFD) Framework into its RM programs to further strengthen the climate-related risk oversight function of the BROSC. This was done through a climate-scenario analysis to contextualize the company’s short-term, medium-term, and long-term climate-related risks (Physical and Transition) and opportunities as an input for financial and strategic decision-making. Globe also supports the Ayala vision of integrating RM and Sustainability practices as the way forward towards long-term sustainable business growth.

The ERM team, together with our Sustainability team, continue to work towards synergizing both practices to ensure that the company’s ESG-linked risks are appropriately managed and in line with the company’s sustainability commitments. Synergies include:

- Semi-annual reporting on ESG-linked risks and its management by the sustainability team to the BROSC;
- Integration of Sustainability-linked risks into the company’s annual enterprise-level risk assessment exercise;
- Fulfilling sustainability disclosure requirements, as it relates to RM; and
- Working towards the adoption of, and transition to, the requirements outlined in IFRS S1 and S2.

RISK AND PROPERTY MANAGEMENT

ERM is part of the Risk and Property Management (RPM) organization under Finance. RPM brings together several RM programs that espouses the right risk management practices and cultures across the company. Other RM programs alongside ERM in RPM include:

Integrated Management Systems (IMS) Program

The IMS program is a collective effort between a cross-functional team within RPM that is responsible for the design, implementation, review, continuous improvement, and certification of the following ISO certified management systems:

- ISO 22301: Business Continuity Management

The program aims to achieve a constant state of readiness to respond to disruptions through proactive and responsive teams, effective and efficient processes, and a resilient network, ensuring continued delivery of critical products and services.

- ISO 14001: Environmental Management
The program aims to ensure that the company's environmental impact is at a minimum, as a result of effective and efficient use of resources, pollution prevention, and waste management programs.
- ISO 45001: Occupational Health and Safety
The program aims to achieve a workplace with prime consideration for the safety and well-being of its employees, partners, and the public.
- ISO 50001: Energy Management System
The program aims to continuously improve the company's energy consumption and efficiency, either through energy consumption reduction and/ or increasing the use of renewable energy solutions.

In addition, the same cross-functional team is responsible for the following:

- Works with risk owners to ensure compliance with the requirements of various government and regulatory bodies as it relates to the management systems under its scope. These include National Disaster Risk Reduction and Management Council (NDRRMC), Department of Labor and Employment (DOLE), Department of Health (DOH), the Department of Environment and Natural Resources (DENR), National Telecommunications Commission (NTC), among others.
- The development, implementation, activation, and continuous improvement of the company's disaster response and recovery frameworks. This includes operationalizing the company's disaster response capabilities to enable rapid, coordinated response towards various natural and man-made disasters.

Corporate Insurance Program

RPM is also responsible for the design, implementation, and continuous improvement of the company's corporate insurance program, ensuring that the company has sufficient and appropriate risk transfer solutions in place across various types of risk.

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:

RISK	DESCRIPTION	MITIGATION
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. In turn, this 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 geopolitical 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 are not limited to: • International and regional conflicts, trade wars resulting in higher costs • Protectionism and deglobalization leading to supply chain disruptions • Threats to national security, such as terrorism, nation sponsored cyberattacks; and pandemics, among others, resulting in business disruptions	• 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 contingency measures 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 • Active engagement and alignment with government programs.
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.	• Maintain strong lines of communication with the government at the local and national levels, ensuring compliance with regulations set by the government • Maintains active government engagement through industry consultation and public-private initiatives that helps shape the regulatory landscape of the telecommunications sector • 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

RISK	DESCRIPTION	MITIGATION
	Globe is also working with the government in implementing key laws and regulations that affect the telecommunications industry. These include, but not limited to: • Open access and infrastructure sharing / access obligations across operators • Consumer protection and service quality requirements, including transparency obligations • Pricing, tariff, and other market conduct rules • Spectrum management (assignment, renewal, and refarming) and related obligations • Competition and market conduct (mergers, acquisitions, and other transactions) • Data privacy, cybersecurity, and critical infrastructure resilience requirements • 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.	• 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 → 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 driven by a mature mobile market, continued growth in data demand, and aggressive acquisition and retention strategies from both	• 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,

RISK	DESCRIPTION	MITIGATION
	incumbents and potential new market entrants. The evolving regulatory and market environment may lower barriers to entry and enable new business models, which could increase pricing, churn, and competition across customers and enterprise segments. These dynamics may affect Globe's market share, revenues, and margins, and may require sustained investments in network, customer experience, and differentiated offerings.	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 • 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 internetcapable 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	• 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 • Develop a monitoring program that will identify key changes and developments in market environment, supply chain management, technological advancements and customer preferences

RISK	DESCRIPTION	MITIGATION
	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.	
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 readynow 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. Skills in digital, AI, and emerging technology continue to evolve rapidly, requiring Globe to accelerate capability building and targeted investments in upskilling and technology enablement.	Development of a 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 • Implementing measures to secure employee health and wellbeing, including mental health

RISK	DESCRIPTION	MITIGATION
Financial (External/Internal) Risk	a) Foreign Exchange Risk (External) Globe's revenues are predominantly denominated in Philippine Pesos, while some investment initiatives (ex. capex) and certain expenses, including debt obligations, are denominated in other currencies (principally U.S. dollars). Foreign exchange risks are managed such that foreign currency flows from operations (transaction exposures) are balanced or offset by the net foreign currency position (translation exposures). Transactional exposures are comprised of foreign currency linked revenues and expenses. Globe's foreign exchange translation exposures result primarily from movements of the Philippine Peso against foreign currency-denominated financial assets, liabilities and certain U.S. dollar-denominated assets. 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.	Manage FOREX risks in such a way that transaction exposures will offset translation exposures. This is done by: • Regular monitoring and review of foreign currency exposures to ensure the Company remains within policy; • Assessing foreign exchange risk through sensitivity analysis to estimate the impact of foreign currency movements on the Profit & Loss (P&L); • Entering into appropriate hedging instruments, including foreign currency forwards, cross-currency swaps, and principal-only swaps, to manage transaction and translation exposures, including foreign exchange risk on principal repayments of foreign currency debt (USD and JPY).
	b) Interest Rate Risk (External) Globe is exposed to financial risks arising from fluctuations in interest rates on its debt obligations. Interest rates are influenced by many factors, including monetary policies and domestic and international economic and political conditions. An increase in interest rates may increase Globe's financial expenses. Globe seeks to manage its interest rate risk by using a mix of fixed and variable rate debt that is meant to achieve a balance between cost and volatility. There are no assurances that any of the strategies implemented by Globe to manage its debt profile will be successful and any failure to manage interest rate risk could adversely affect the company's financial	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 exposures through sensitivity analysis to estimate the impact of interest rate movements on the P&L; • Setting a target level of fixed and variable debt mix; and • Entering into appropriate hedging instruments, including interest rate swaps to reduce volatility related to interest rate movements.

RISK	DESCRIPTION	MITIGATION
	condition and results.	
	c) Liquidity Risk (Internal) The telecommunications industry is capital intensive. The pace at which new technologies are developed is rapid, and companies operating in the telecommunications industry need to keep up with these changes in order to remain competitive. This requires constant investment in updating technologies and corresponding funding needs. Globe has made, and intends to continue to make, capital investments to develop, launch and enhance its service offerings. .These ongoing investments increase Globe's liquidity requirements and funding needs, requiring adequate operating cash flows and access to financing to support capital expenditures and debt refinancing.	• Regularly evaluate projected and actual cash flows and continuously assess financial markets conditions to identify and pursue funding opportunities; • Strengthen capital expenditure (CAPEX) planning through a data-driven decision -making process; • Maintain stable access to the bank financing and capital market by maintaining disciplined capital structure management, diversified funding sources, and adequate liquidity buffers; and • Maintain strong and diversified relationships with partner banks and other creditors to support funding flexibility and reliable access to financing.
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:	• 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 • Institutionalize appropriate program governance organizations with Management oversight to

RISK	DESCRIPTION	MITIGATION
	• 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 • The right technologies are not implemented at the right place at the right time	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 Disruption Risk (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.a	• 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 • Continuous partnerships with local and national government, as well as non-government organizations, in responding to natural and manmade crises
Cybersecurity Risk (External/Internal)	The cybersecurity landscape is rapidly evolving as AI-powered cybersecurity threats continue to rise 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	• 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

RISK	DESCRIPTION	MITIGATION
	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.	security awareness among the organization; • Conducting information security reviews on outsourced processes and systems from Globe's third party suppliers • 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 Risk (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).	• 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 • 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	• Implement cultural change programs and adoption of new ways of working, focusing on customer centricity, innovation, and agile;

RISK	DESCRIPTION	MITIGATION
	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.	• 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.	• 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 • 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	• 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

RISK	DESCRIPTION	MITIGATION
	and IT transformation programs heightens the need to identify and plug revenue leakages becomes an even more important capability in maximizing revenues and returns.	• Implement a revenue assurance tool that would increase efficiency in its operations through automated execution of controls
Fraud Risk (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.	• 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 • Closely coordinates with law enforcement agencies to help protect its customers from activities meant to defraud them
Third Party Risk (External)	In an increasingly globalized and interconnected world, Globe seeks out various third party providers who play significant roles in delivering superior products and services, managing total cost to operate to	• Implementation of strict vendor accreditation, selection/award and retention process. Vendors are also closely monitored for compliance with

RISK	DESCRIPTION	MITIGATION
	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 third 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 third party risks on business continuity, cybersecurity, legal and regulatory compliance, supply chain management, and responsible business operations, to name a few.	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 third party partner audits on key standards and best practices such as business continuity management, information security management system, environmental compliance, among others • 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,	• 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 third 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 third party consultants' help and expertise to build capabilities whenever applicable

RISK	DESCRIPTION	MITIGATION
	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.	• 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 • 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

O. Debt Issues

For details on Globe's Loans Payable see Note 17 of the attached Notes to Consolidated Financial Statements.

Item 2. Properties

A. Buildings and Leasehold Improvements

Globe Telecom's Corporate Office is located at The Globe Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig.

Globe also owns several floors of condominium corporation Pioneer Highlands Towers 1 and 2, located at Pioneer Street in Mandaluyong City. In addition, the Company also owns host exchanges in the following areas: Bacoor, Batangas, Ermita, Iligan, Makati, Marikina, Cubao-Aurora, among others.

The Company leases office spaces in W City Center, located at 7th Avenue corner 30th Street, Bonifacio Global City, Taguig, for its Network Technical Group. It also leases office spaces in Limketkai Gateway Tower located in Cagayan de Oro City and in Abreeza Technohub located in Davao City. It also leases the space for most of its Globe Stores, as well as the Company's base stations and cell sites scattered throughout the Philippines.

Globe's existing business centers and cell sites located in strategic locations all over the country are generally in good condition and are covered by specific lease agreements with various lease payments, expiration periods and renewal options. As the Company continues to expand its network, Globe intends to lease more spaces for additional cell sites, stores, and support facilities with lease agreements, payments, expiration periods and renewal options that are undeterminable at this time.

(For additional details see Note 11 of the attached Notes to the Consolidated Financial Statements)

B. Telecommunications Equipment

As of end December 2025, the Company has nationwide 2G and 4G-LTE providing nationwide voice, SMS, and mobile broadband services. In addition, Globe has launched 5G which provides mobile broadband and fixed wireless broadband services in selected areas.

Globe's wireless network has a Circuit Switched Core Network and IP Multimedia System (IMS) to provide voice service via 2G and 4G (using Circuit Switch Fallback or Voice over LTE). In addition, it has a nationwide network of Packet Gateways to support its mobile broadband data services. Globe's wireless core network also includes an IP Multimedia Subsystem (IMS) for its VoLTE (Voice over LTE) and VoWiFi (Voice over WiFi) services which were commercially launched in 2020. The rest of Globe's nationwide core network includes Home Location Register / Home Subscriber Server / Unified Data Management (HLR/HSS/UDM), Signaling Gateways, and mobile broadband backend equipment. It also utilizes a number of Short Messaging Service Centers, and other Value Added Services application platforms to cater to Globe's rich portfolio of Value Added Service which includes an Emergency Cell Broadcast Messaging system to provide for emergency alert messaging in compliance to Republic Act 10639 other known as "AN ACT MANDATING THE TELECOMMUNICATIONS SERVICE PROVIDERS TO SEND FREE MOBILE ALERTS IN THE EVENT OF NATURAL AND MAN-MADE DISASTERS AND CALAMITIES".

The infrastructure for Innove's fixed telephone service includes a Nationwide Virtual IP Multimedia System (vIMS) infrastructure, an advanced Next Generation Network (NGN) International Gateway Facility that supports both traditional international long distance calls and international Voice Over IP Service. For Fixed Broadband service, Globe leverages primarily on Fiber (FTTx) technologies, as well as fixed wireless broadband technologies based on 4G-LTE and 5G. Previous broadband deployments on copper (VDSL) are progressively being migrated to fiber.

As part of its continuous network modernization program, Globe has also introduced Network Function Virtualization (NFV) technologies in the core network layer of its network. Network function virtualization

leverages on commercial off-the-shelf hardware and the capabilities of cloud computing thus providing flexibility in deployment, capacity efficiency, better scalability, resiliency and ultimately lower total cost of ownership for Globe's network. As part of the deployment of SDN-NFV, Globe has deployed, in both its wireless and fixed broadband core network virtualized network elements including virtual unified service nodes (vUSN), and virtual unified packet gateways (vUGW), virtual IP Multimedia Subsystem (vIMS), virtual DNS (vDNS), virtual Session Border Controller (vSBC), and virtual Home Subscriber Server (vHSS) node which stores and manages identities, authentication data, subscription information, and location information about our subscribers. At the same time, Globe has started to use Containerized Network Functions (CNFs) to deliver Globe's 5G services, to deliver both Fixed Wireless Broadband and mobile broadband service in areas where fiber deployment is challenged by various permit and right of way issues.

Globe also has a national transmission network. Globe established, operates and maintains three (3) geo-redundant and complementary Fiber Optic Backbone Network (FOBN) linking the Luzon, Visayas and Mindanao island groups. These three (3) FOBNs are now the primary national transmission backbone for Globe backbone to support all of the different telecommunication services and Value Added Service offered by Globe to its customers. In addition to these two (3) FOBNs, Globe also operates and maintains a fiber optic backbone linking the island of Luzon to the province of Palawan. Complementing this fiber optic backbone is the Digital Microwave (MW) Terrestrial network employing Next Generation Internet Protocol (IP) MW supplemented by extensive fiber optic networks in the key urban areas. Globe also leverages the Philippine Domestic Submarine Cable Network (PDSCN) which enables fiber network connectivity towards other major islands currently connected by MW radio. Aside from upgrades in capacity, this also helps improve the level of resiliency by providing alternate physical route diversity.

Of note also is Globe's successful commercial launch of 5G technology for Fixed Wireless Access in selected towns in June 20, 2019 and 5G enhanced Mobile Broadband in February 6, 2020 initially in Metro Manila in line with its commitment to deliver 1st World Internet Access Service to the Filipino consumers. Globe made history as the pioneer in launching 5G in the Philippines, and the company remains committed to expanding its accessibility to areas with a high concentration of 5G devices.

By extending the company's 5G coverage, Globe aims to enhance the overall customer experience for those residing in these areas. The availability of 5G connectivity not only enhances the speed and reliability of their internet connection but also alleviates the load on our 4G network, resulting in a more consistent network performance.

C. Investments in Cable Systems

To provide resiliency and geographic diversity, Globe has also invested in several submarine cable systems, which the Company either owns or has rights of use on, a share of the systems' total capacity. Investments in cable systems include the cost of the Globe's ownership share in the capacity of certain cable systems under Construction & Maintenance Agreements (C&MA) or Indefeasible Right of Use (IRU) Agreements.

To date, Globe has investments in the following international cable systems (shown below with their major connectivity paths):

- APCN2 (Asia Pacific Cable Network-2), a Trans-Asia cable system;
- C2C-EAC (City-to-City/East Asia Crossing), a Trans-Asia cable system;
- SJC (Southeast Asia Japan Cable System), a Trans-Asia cable that connects Singapore, Brunei, Hong Kong, China Mainland, Japan and the Philippines;
- TGN-IA (Tata Global Network-Intra Asia) cable system that connects the Philippines to Japan, Hong Kong, and Singapore with onward connectivity via the TGN-P (Tata Global Network-Pacific) network to the United States; and
- SEA-US (Southeast Asia-United States), Trans-Pacific cable that connects Indonesia, Philippines, Guam, Hawaii and the mainland United States

- AAG (Asia-America Gateway), a Trans-Asia and Trans-Pacific cable that connects Singapore, Malaysia, Thailand, Vietnam, Brunei, Hong Kong, and Philippines to Guam, Hawaii and California (investment thru Globe's subsidiary Bayan Communications)
- JUNO Cable System, a Trans-Pacific cable system connecting Japan and the U.S. (investment thru Globe's subsidiary, GTI Corporation dba GTI)
- ADC (Asia Direct Cable), a Trans-Asia cable system thru Globe subsidiary GTI Corporation dba GTI)

The Company opened its first international cable landing station located in Nasugbu, Batangas that directly accessed the C2C cable network, now owned and operated by Telstra, a 17,000 kilometer long submarine cable network linking the Philippines to Hong Kong, Taiwan, China, Korea, Japan and Singapore. Globe had separately purchased capacity in the C2C cable network which it subsequently transferred to its subsidiary, Innove Communications, Inc.

Additionally, Globe has acquired capacities, either through lease or IRU, in selected cable systems where the Company is not a consortium member or a private cable partner. These include capacities in C2C-EAC and ADC for Trans-Asia capacities as well as JUNO, FASTER, UNITY and PC1 cable systems, to name a few, where Globe, thru its international subsidiary, GTI Corporation, had invested in Trans-Pacific capacities to connect the Philippines via Japan for its onward connectivity to the U.S. for Globe diverse routes in the Trans-Pacific.

On 17 March, 2009, Globe formally opened its second international cable landing station (CLS) in Ballesteros, Tuguegarao, Cagayan Valley with the Company being the exclusive landing party in the Philippines to the Tata Global Network – Intra Asia (TGN-IA) cable system. TGN-IA is a 6,700 kilometer Trans-Asian submarine cable system that links the Ballesteros, Cagayan cable landing station in the Philippines to Japan, Hong Kong, and Singapore with onward connectivity via the TGN-Pacific network to Guam and the United States.

On 30 September, 2013, the Southeast Asia-Japan Cable (SJC) System was formally launched and landed in its own cable station in Nasugbu, Batangas where Globe is the exclusive landing party in the Philippines. At the time, the SJC System was one of the highest capacity systems in the world (supporting an initial design capacity of 28 terabits per second, the fastest speed an undersea cable system can provide). This enhanced the Company's global links to support businesses and consumers' increasing demand for high-speed internet and connectivity. Globe joined some of the biggest names in the industry including Unified National Networks Sdn Bhd. (UNN, *formerly* Brunei International Gateway Sendirian Berhad) of Brunei, Google Singapore, SingTel, KDDI, PT Telekomunikasi Indonesia International (Telin), China Mobile, China Telecom, China Telecom Global Limited (an affiliate of China Telecom), Donghwa Telecom Co., Ltd., and National Telecom Public Company Limited (NT, *formerly* TOT) of Thailand, in this consortium.

In August 2014, Globe joined a consortium of international telecommunications companies to build a \$250 million cable system directly connecting Southeast Asia and the United States, called the South East Asia-United States (SEA-US) Cable System. Completed on 08 August, 2017, the SEA-US undersea cable system provides superior latency, delivering an additional 20 terabits per second capacity, utilizing the latest 100 gigabits per second transmission equipment. Such additional capacity will cater to the exponential growth of bandwidth between the two continents. The SEA-US cable system is connected to Globe's cable landing station in Brgy. Talomo, Davao City which also houses the Power Feed Equipment necessary to run the system. Outside of Luzon, the undersea cable is the first direct connection of Globe to the United States via Guam, Hawaii, and California, offering faster transmission of data directly to the U.S.

On November 22, 2022, Globe signed the C&MA and its Supply Contract to partner up with 11 of the biggest Asian telco companies to invest about \$300 million for a new international submarine cable system, named Asia Link Cable System (ALC). Once completed by Y2027, the 6,000-km ALC system will add at least 18Tbps of capacity to Globe's existing network for its internal and customer requirements through Singapore and Hong Kong, the two main Asian hubs for internet traffic. Thru Globe's landing station in Luna, La Union, connecting to these nodes will boost Globe's capacity to service the growing connectivity needs of its customers. ALC will also help prepare the Philippines as

a new major information and communications technology hub in the region, as the country's strategic location already attracts the interests of hyperscalers companies offering big data or cloud computing on a massive scale.

On July 16, 2025, Globe joined the Asia United Gateway East (AUG East) submarine cable consortium, partnering with two major hyperscaler companies and the leading regional carriers in Asia. This strategic investment addresses the region's surging demand for high-speed, high-capacity connectivity—a need fueled by AI and data-intensive technologies, with industry forecasts indicating traffic from AI and AI-enhanced applications surpassing conventional usage by 2031. Spanning 8,900km, the AUG East system will link the digital hubs of Singapore and Japan, with landing points in the Philippines, Indonesia, Malaysia, Brunei, Taiwan, and South Korea. Engineered as a high fiber-pair count system, this next-generation infrastructure will provide massive data capacity—equivalent to streaming millions of 4K videos simultaneously. With NEC Corporation as the system supplier, system completion is scheduled for Q3 2029. Once operational, the system will not only meet bandwidth demands but also bolster regional network resilience against natural disasters.

Another cable investment of Globe is the US\$150-million Philippine Domestic Submarine Cable Network (PDSCN), the longest (2,568kms) of its kind in the country with 33 landing points. Globe partnered with Eastern Communications (a company jointly owned by Globe and PLDT) and InfiniVAN, Inc. (a subsidiary of IPS, Inc. of Japan) for the PDSCN project, which aims to provide equitable and reliable connectivity across the country, including previously unserved and underserved areas across the Philippines. The project kicked off in Subic Bay, Zambales in July 2022 and has already completed 2,568kms of the 24 segments across the country from Luzon, Visayas and Mindanao, including key cities and tourism destinations. To date, all 24 segments are currently serving Globe's domestic core backbone traffic from Luzon to VISMIN regions.

For more information on the Company's properties and equipment, refer to Note 11 of the attached Notes to Consolidated Financial Statements.

Item 3. Legal Proceedings

Interconnection Charges 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 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 last December 5, 2012 in relation to the November 20, 2012 decision. Globe filed a petition for review of the NTC decision and resolution with the Court of Appeals.

The Court of Appeals 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 posted a surety bond to compensate for possible damages as directed by the Court of Appeals.

On June 27, 2016, the Court of Appeals 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 Court of Appeals 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. Further, 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 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 Court of Appeals' ruling to the Supreme Court 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 Court of Appeals' 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 Supreme Court'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 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. Nevertheless, if it is ultimately decided by the Supreme Court (in case an appeal is taken thereto by the NTC from the adverse resolution of the Court of Appeals) that Globe 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 Supreme Court 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 seconds per pulse. The rate for the first two 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 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 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 and the other carriers' constitutional and statutory right to due process. However, while the decision is in Globe'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 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 Court of Appeals on January 19, 2012.

On March 12, 2012, Globe and Innove elevated to the Supreme Court the questioned portions of the Decision and Resolution of the Court of Appeals 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's Decision promulgated on February 13, 2023 sustaining the said CA's Decision dated December 28, 2010 and Resolution dated January 19, 2012, which reversed and set aside the NTC's Orders dated December 5, 2009 and Show Cause

Orders and Cease and Desist Orders dated December 9, 2009. The High Court also made permanent the writ of preliminary injunction issued by the CA enjoining the NTC from enforcing its assailed Orders.

In due course, the NTC filed its Motion for Reconsideration (MR) of the Supreme Court's aforesaid Decision.

On August 5, 2025, Globe and Innove received the Supreme Court Resolution dated May 19, 2025, denying the NTC's MR with FINALITY, the basic issues raised therein having been duly considered and passed upon by the court in its aforesaid decision. On August 27, 2025, Globe and Innove received a copy of the Entry of Judgement rendering the case closed and terminated.

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, San Miguel Corp. ("**SMC**") and Vega Telecom, Inc. ("**VTI**") regarding the Joint Notice filed by the aforementioned parties on May 30, 2016, disclosing the acquisition by Globe and PLDT of the entire issued and outstanding shares of VTI, the PCC claims that the Joint Notice was deficient in form and substance and concludes that the acquisition cannot be claimed to be deemed approved.

On June 10, 2016, Globe formally responded to the letter reiterating that the Joint Notice, which sets forth the salient terms and conditions of the transaction, was filed pursuant to and in accordance with Memorandum Circular No. I6-002 issued by the PCC. MC No. 16-002 provides that before the implementing rules and regulations for RA No. 10667 or 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 clarified in its letter that the supposed deficiency in form and substance of the Joint 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 Joint Notice does not contain any false information.

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

On July 12, 2016, Globe Telecom petitioned the Court of Appeals to enjoin the government's anti-trust body from reviewing the acquisition of SMC's telecommunications business. Globe maintains the position that the deal was approved after Globe 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 filed a Petition for Mandamus, Certiorari and Prohibition against the PCC, docketed as CA-G.R. SP No. 146538. On July 25, 2016, the Court of Appeals, through its 6th Division issued a resolution denying Globe's application for a Temporary Restraining Order and injunction against PCC's review of the transaction. In the same resolution, however, the Court of Appeals required the PCC to comment on Globe'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. billion deal between PLDT-Globe and SMC be declared void for PLDT and Globe's alleged failure to comply with the requirements of the Philippine Competition Act of 2015. The PCC also prayed that the Court of Appeals direct Globe to: cease and desist from further implementing its co-acquisition of the SMC 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 Court of Appeals, docketed as CA G.R. SP No. 146528, which was raffled off to its 12th Division. On August 26, 2016, PLDT secured a Temporary Restraining Order from said court. Thereafter, Globe's petition was consolidated with that of PLDT, before the 12th Division. The consolidation effectively extended the benefit of PLDT's Temporary Restraining Order to Globe. The parties were required to submit their respective Memoranda, after which, the case shall be deemed submitted for resolution.

On February 17, 2017, the Court of Appeals 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 Supreme Court docketed as G.R. No. 230798, to lift the Court of Appeals' order that has prevented the review of the sale of SMC's telecommunications unit to PLDT Inc. and Globe. On April 25, 2017, Globe filed before the Supreme Court 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 Temporary Restraining Order on the PCC's petition to lift the injunction issued by the Court of Appeals. 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 16 November 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 prohibit 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 1 June 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 in 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.

Bypass/ISR penalty provision in the Interconnection Agreement between Globe and Dito

Dito filed with the NTC a petition for Globe to provide sufficient interconnection capacity as provided in their Interconnection Agreement. On April 18, 2022, Globe filed its Answer arguing that the petition is unjustified. Article 10 of their Interconnection Agreement provided that the interconnect facilities shall not be used for Bypass/International Simple Resale (ISR) activities and in case of violation, the aggrieved party shall be entitled to compensation. Prior to Dito's petition, Globe detected bypass/ISR activities emanating from the DITO network. Despite several notifications and demands, Dito failed to pay. On July 22, 2022, Globe filed a Motion to Temporarily Deactivate and/or Disconnect Interconnection of its trunk lines with Dito since Dito had not addressed the bypass traffic and the unpaid bypass liability amounted to ₱622 million already. On August 9, 2022, Globe issued a public statement in relation to the matter. On August 8, 2022, it was reported that the PCC had received a complaint filed by Dito against Globe alleging breach of the Interconnection Agreement. On 17 February 2025, Globe and DITO executed a Compromise Agreement to fully settle bypass provision and ISR penalties, affecting the Interconnection Agreement. Through the Compromise, the parties decided to: (i) extend their mutual cooperation and augment interconnection subject to completing relevant implementation works and required testing activities; and (ii) provide sufficient interconnection capacity as required under existing laws and regulatory issuances. The settlement also includes Globe's offer to substantially reduce the penalties charged against DITO for ISR or bypass traffic and for its part, DITO has agreed to withdraw the NTC Case. Globe and DITO are still conducting technical and confidence testing to ensure network integrity. The NTC has yet to issue orders or resolutions regarding the Compromise Agreement.

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

Except for matters taken up during the annual meeting of stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Issuer's Equity, Market Price, Dividends and Related Stockholder Matters

A. Capital Stock

Globe Telecom's issued and subscribed capital stock consists of:

	2025		2024	
	Shares	Amount	Shares	Amount
<i>(In Thousand Pesos and Number of Shares)</i>				
Voting Preferred stock - 5 per share	158,515	792,575	158,515	792,575
Non-Voting Preferred stock - 50 per share	20,000	1,000,000	20,000	1,000,000
Common stock - 50 per share	144,468	7,223,426	144,380	7,219,017

1. Preferred Stock

Non-Voting Preferred Stock

Non-voting preferred stock has the following features:

- (a) Issued at ₱50 par;
- (b) Dividend rate to be determined by the BOD at the time of issue;
- (c) Redemption - at Globe'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;
- (d) 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
- (e) No voting rights;
- (f) Cumulative and non-participating;
- (g) No pre-emptive rights over any sale or issuance of any share in Globe Telecom's capital stock; and
- (h) Shares shall rank ahead of the common shares and equally with the voting preferred shares 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.

On April 22, 2025, the shareholders approved and authorized the offer, issuance or re-issuance, and listing of up to 40 million non-voting preferred shares, and, among others, the delegation to the Board of Directors full authority to approve any offering, issuance or re-issuance, and listing on an appropriate securities exchange of any class, series or tranche of the non-voting preferred shares from the authorized capital stock of the Corporation, from time to time, including the terms, denomination, and timing of such offer, issuance or re-issuance, and listing.

On August 5, 2025, the Board of Directors approved and authorized the offering and issuance or reissuance of up to Twenty Million (20,000,000) non-voting preferred shares with a par value of Fifty Pesos (₱50.00) per share in one or more tranches, or one or more series per tranche, upon such terms and conditions as may be determined by the Board of Directors (the "Offer Shares"), and to authorize and approve the filing of the Offer Shares under a shelf registration to be issued for a period of three (3) years, or such longer period as may be approved by the Securities and Exchange Commission or allowed under its rules and regulations.

Additionally, the Board of Directors approved and authorized the initial offering and listing of such non-voting preferred shares with an aggregate amount of Twenty-Five Billion Pesos (P25,000,000,000) subject to the registration requirements of the Securities and Exchange Commission and the listing requirements of the Philippine Stock Exchange.

On November 5, 2025, the Finance Committee of the Board, approved and authorized the proposed public offer, issuance and listing of up to P15,000,000,000.00 worth of up to 7,500,000 cumulative, non-voting, non-participating, non-convertible, redeemable, and re-issuable Philippine Peso-denominated perpetual preferred shares ("Non-Voting Preferred Shares") with a par value of P50.00 per share (the "Base Offer Shares"), with an oversubscription option of up to P10,000,000,000.00 worth of up to 5,000,000 non-voting preferred shares (the "Oversubscription Option Shares", together with the Base Offer Shares, the "First Tranche Shares") in up to two (2) series at the offer price of P2,000.00 per First Tranche Share (the "Offer Price") as the first tranche of the Non-Voting Preferred Shares Program.

Voting Preferred Stock

Voting Preferred stock has the following features:

- (a) Issued at P5 par;
- (b) Dividend rate to be determined by the BOD at the time of issue;
- (c) 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 the 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;
- (d) 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;
- (e) Eligibility of Investors - Only Filipino citizens or corporations or partnerships wherein 60% of the voting stock or voting power is owned by Filipino;
- (f) With voting rights;
- (g) Cumulative and non-participating;
- (h) Preference as to dividends and in the event of liquidation; and
- (i) No preemptive right to any share issue of Globe Telecom, and subject to yield protection in case of change in tax laws.

The dividends for preferred shares are declared upon the sole discretion of Globe Telecom's Board of Directors (BOD).

2. Common Stock

The roll forward of outstanding common shares is as follows:

	2025		2024	
	Shares	Amount	Shares	Amount
	(in Thousand Pesos and Number of Shares)			
At beginning of year	144,380	P7,219,017	144,229	P7,211,455
Issuance of shares under share-based compensation plan and exercise of stock options	88	4,409	151	7,562
At end of year	144,468	P7,223,426	144,380	P7,219,017

Holders of fully paid common stock are entitled to voting and dividends rights.

B. Market Information

The Company's common equity is traded at the Philippine Stock Exchange (PSE) under the ticker symbol GLO.

In August 2014, the Company issued Series A Non-Voting Perpetual Preferred shares which were being traded in the Philippine Stock Exchange under the ticker GLOPP. In August 2021, the Company redeemed the 20 million non-voting preferred shares. Trading of GLOPP was suspended beginning July 23, 2021.

Below are the quarterly high and low prices in the last two (2) fiscal years.

COMMON SHARES		
	Price Per Share (PHP)	
<u>Calendar Period</u>	<u>High</u>	<u>Low</u>
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
2025		
First Quarter	2,300	2,096
Second Quarter	2,238	1,672
Third Quarter	1,748	1,492
Fourth Quarter	1,648	1,445

The price information as of latest practicable trading date as of April 13, 2026 is ₱1,630 per common share.

C. Holders

There are approximately 3,445 holders of common shares and 5 holders of voting preferred shares as of 31 December 2025.

The following are the top 20 registered holders* of the Company's securities as of 31 December 2025:

Common Stock:

	Stockholder Name	No. of Common Shares	Percentage owned out of total outstanding common shares
1	Singapore Telecom Int'l. Pte. Ltd.	62,646,487**	43.36%
2	Ayala Corporation	44,266,630	30.64%
3	PCD Nominee Corp. (Filipino)	19,097,643	14.80%
4	PCD Nominee Corp. (Non-Filipino)	16,089,530**	9.64%
5	Social Security System	952,900	0.66%
6	Social Security System Assigned to Employees Compensation Fund	143,400	0.10%
7	Renato Manuel M. Jiao	39,795	0.03%
8	Guillermo D. Luchangco	24,000	0.02%
9	Social Security System Assigned to Mandatory Provident Fund	22,500	0.02%
10	The First National Investment Co., Inc.	21,001	0.01%
11	Joseph Paul Caliro	15,790	0.01%
12	Joel R. Agustin	14,660	0.01%

13	Stella Christine A. Dizon	14,170	0.01%
14	Cedar Commodities, Inc.	12,900	0.01%
15	Carina Delfina J. Herbosa	12,470	0.01%
16	Emmanuel Lazaro R. Estrada	11,650	0.01%
17	Ernest Lawrence L. Cu	10,420	0.01%
18	Hermelina T. Hizon	10,365	0.01%
19	Arlene A. Mendoza	10,230	0.01%
20	Bernadette Say Go	10,000	0.01%

* Based on the top 100 common 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)

Voting Preferred Stock:

	Stockholder Name	No. of Preferred Shares	Percentage (of Voting Preferred Shares)
1	Asiacom Philippines, Inc.	158,515,017	100.00%
2	Cirilo P. Noel	1	0.00%
3	Carl Raymond R. Cruz	1	0.00%
4	Ramon L. Jocson	1	0.00%
5	Antonio Jose U. Periquet	1	0.00%

* Based on the top 100 preferred shareholders as reported by the Company's stock transfer agent

D. Dividends

1. 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.

Total cash dividends distributed per common and preferred share for the past 3 years are listed below.

a. Common shares

CASH DIVIDEND (Per Share)			
AMOUNT (Php)	DECLARATION DATE	RECORD DATE	PAYMENT DATE
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
25.00	February 6, 2025	February 20, 2025	March 7, 2025
25.00	May 9, 2025	May 26, 2025	June 5, 2025
25.00	August 5, 2025	August 19, 2025	September 4, 2025
25.00	November 6, 2025	November 20, 2025	December 5, 2025

b. Voting Preferred shares

AMOUNT (Php)	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.32	November 3, 2023	November 17, 2023	December 1, 2023
0.39	November 7, 2024	November 21, 2024	December 6, 2024
0.39	November 6, 2025	November 20, 2025	December 5, 2025

Cash Dividends Declared After Balance Sheet Date

On February 3, 2026, Globe's Board of Directors approved the declaration of the first quarter cash dividend of ₱25.00 per common share payable on March 5, 2026 to shareholders on record as of February 18, 2026.

2. Restrictions on Retained Earnings

The total unrestricted retained earnings available for dividend declaration amounted to ₱16,796.46 million and ₱12,582.82 million as of December 31, 2025 and 2024, 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 restrict its ability to pay dividends (see *Note 17 of the attached Notes to Consolidated Financial Statements*).

E. Recent Sale of Unregistered or Exempt Securities, including recent issuance of securities constituting an exempt transaction

There were no private placements undertaken in the past three years.

F. Minimum Public Ownership

GLOBE TELECOM, INC.			Number of Shares
Computation of Public Ownership as of December 31, 2025			Common
Number of Issued Shares			144,468,524
Less: Number of Treasury Shares (if any)			0
Number of Issued and Outstanding Shares			144,468,524
Less:			
	% to total		Common
	I/O Shares		
Directors			
<i>Sub-total</i>	0.0108 %		32,595
Officers			
<i>Sub-total</i>	0.0501 %		151,766
Principal Stockholders			
Asiacom Phils., Inc.			
Direct	52.3180 %		0
Singapore Telecom Int'l. Pte Ltd			
Direct	20.6765 %		62,646,487
Indirect (thru PCD)	1.5621 %		4,732,823
Ayala Corporation			
Direct	14.6102 %		44,266,630
<i>Sub-total</i>	89.1669 %		111,645,940
Others			
<i>Sub-total</i>	0.3412 %		1,033,650
TOTAL	89.5689 %		112,863,951
Total Number of Shares Owned by the Public			31,604,573

PUBLIC OWNERSHIP PERCENTAGE
Total Number of Shares Owned by the Public

<u>31,604,573</u> shares	=	<u><u>21.88%</u></u>
144,468,524 shares		

Number of Issued and Outstanding Common Shares	=	144,468,524
Number of Outstanding Common Shares	=	144,468,524
Number of Treasury Shares	=	0
Number of Listed Shares		
Common Shares	=	144,468,524
Voting Preferred Shares	=	158,515,021
Number of Foreign-Owned Shares		
Common Shares	=	76,678,272
Voting Preferred Shares	=	0
Foreign Ownership Level (%)	=	25.31%
Foreign Ownership Limit (%)	=	40%

Item 6. Management's Discussion and Analysis of Operations

FOR THE FINANCIAL YEAR ENDED 2025

1. Financial Highlights

Results of Operations (Php Mn)	Year on Year		
	31-Dec 2025	31-Dec 2024	YoY Change (%)
Operating Revenues	178,240	180,586	-1%
Service Revenues	165,078	165,016	-
<i>Mobile*</i>	116,850	116,713	-
<i>Home Broadband**</i>	23,980	23,785	1%
<i>Corporate Data</i>	20,671	20,380	1%
<i>Fixed line Voice</i>	1,251	1,500	-17%
<i>Others***</i>	2,326	2,638	-12%
Non-Service Revenues	13,162	15,570	-15%
Costs and Expenses	90,616	93,772	-3%
Cost of Sales	13,487	16,429	-18%
Operating Expenses	77,129	77,343	-
EBITDA	87,624	86,814	1%
EBITDA Margin	53.1%	52.6%	
Depreciation	53,871	50,473	7%
EBIT	33,753	36,341	-7%
EBIT Margin	20.4%	22.0%	
Non-Operating Charges	(5,526)	(6,010)	-8%
Net Income After Tax (NIAT)	23,262	24,286	-4%
Core Net Income	20,888	21,498	-3%
Normalized Net Income After Tax	20,800	21,674	-4%

* Mobile business includes Mobile and fully Mobile Broadband

** Home Broadband includes fixed wireless and wired Broadband

*** Others includes non-telco revenues from subsidiaries

- Globe posted a record ₱165.1 billion in consolidated gross service revenues for full-year 2025, continuing its growth trajectory and beating record levels achieved in 2024. Despite persistent inflation and the compounded impact of severe natural calamities during the year, Globe hit superior topline performance.

Data revenues powered Globe's growth, now accounting for about 88% of total consolidated service revenues, up from 86% a year earlier. Within this, mobile and corporate data services contributed roughly 83% of the total, underscoring Globe's deepening participation in the country's expanding digital economy.

- Globe's mobile business delivered another record year in 2025, posting an all-time high of ₱116.9 billion in service revenues, slightly higher than ₱116.7 billion in 2024, despite a challenging macroeconomic backdrop. The segment ended the year on a strong note, with fourth quarter service revenues rising 5% sequentially to ₱30.7 billion, driven by robust customer activity and sustained data usage across both prepaid and postpaid. This improvement was anchored on deeper data habituation, accelerating 5G adoption, and hyper-personalized offers that reinforced customer loyalty and engagement. Globe's sustained investments in network reliability and capacity expansion supported these gains, ensuring consistent service quality and an enhanced user experience nationwide. By end-2025, Globe's total mobile subscriber base rose to 65.8 million, up a solid 8% from 60.9 million in 2024, attesting to the brand's enduring market position and ability to attract new customers.

- o In 2025, Globe's home broadband business delivered a solid performance, generating ₱24.0 billion in revenues, up 1% from ₱23.8 billion in 2024, as sustained fiber adoption offset the decline in legacy fixed wireless services. Fiber revenues grew 6% year-on-year, now contributing 91% of total broadband revenues versus 87% in 2024, as customers increasingly preferred high-speed and stable connectivity. Total home broadband subscribers stood at 2.1 million by end-2025, compared to 1.7 million a year earlier.
- o The corporate data business posted a record ₱20.7 billion in revenues for 2025, 1% above the ₱20.4 billion reported in 2024, as the uptick in ICT solutions offset a moderation in core data services amid cautious enterprise spending.
- o Fixed line voice revenues declined 17% year-on-year due to lower outbound usage.
- o The non-telco portfolio contributed ₱2.3 billion in revenues in 2025, 12% lower year-on-year, following softer results from AdSpark and Asticom. This was partially offset by stronger performance from Yondu.
- Globe's cost management initiatives delivered efficiencies, with total operating expenses and subsidy amounting to ₱77.5 billion, down 1% from the prior year. The decline was led by reductions in marketing and subsidy costs (-25%), provisions (-9%), services and other costs (-3%), and staff expenses (-1%). Utilities and administrative costs also decreased by 2%, offsetting increases in interconnect (+18%), lease (+10%), and repairs and maintenance (+10%).
- Globe's ongoing network investments resulted in increased depreciation and amortization expenses, which rose to ₱53.9 billion in 2025 from ₱50.5 billion in 2024.
- Overall, Globe's total costs and expenses, including depreciation and amortization, remained stable at ₱131.3 billion in 2025, up 2% year-on-year, reflecting ongoing investments in network expansion and digital infrastructure.
- Globe's consolidated EBITDA amounted to ₱87.6 billion for full-year 2025, up 1% year-on-year, driven by cost savings and operational efficiency gains. The EBITDA margin stood at 53.1%, surpassing the Company's guidance, showcasing Globe's ability to sustain profitability while maintaining investments in network quality and customer experience.
- Globe's full year 2025 non-operating charges stood at ₱5.5 billion versus last year's reported non-operating expenses of ₱6.0 billion. This was primarily driven by the recognition of one-time gain on the dilution of share in Mynt and stronger equity earnings from affiliates, partly offset by lower gains from the tower sale and leaseback deal and increased net interest expenses.
- For the full year ended December 2025, Globe recorded a consolidated net income of ₱23.3 billion, 4% lower than ₱24.3 billion in 2024. This figure includes non-recurring gains from the deemed disposal of Mynt shares following MUFG's equity infusion and from tower sale and leaseback transactions. Excluding these one-off items, normalized net income stood at ₱20.8 billion, 4% below last year's level.
- Globe's core net income, which excludes non-recurring items such as gains from asset disposals, foreign exchange fluctuations, and mark-to-market adjustments, amounted to ₱20.9 billion in 2025, compared to ₱21.5 billion in 2024, representing a 3% year-on-year decline.
- Total cash capex reached ₱46.2 billion as of end-December of 2025, 18% lower than ₱56.2 billion in 2024, and in line with the Company's guidance. Around 90% of total capex was allocated to data network infrastructure, consistent with Globe's focus on network reliability, capacity expansion, and service quality to support growing customer demand.

OPERATING REVENUES BY SEGMENT

Operating Revenues By Business (Php Mn)	Year on Year		
	31-Dec 2025	31-Dec 2024	YoY Change (%)
Mobile*	129,900	131,914	-2%
Service Revenues	116,850	116,713	-
Non-Service Revenues	13,050	15,201	-14%
Fixed Line and Home Broadband**	45,932	45,941	-
Service Revenues	45,902	45,665	1%
Non-Service Revenues	30	276	-89%
Others***	2,408	2,731	-12%
Service Revenues	2,326	2,638	-12%
Non-Service Revenues	82	93	-12%
Total Operating Revenues	178,240	180,586	-1%

* 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 ₱178.2 billion, remaining relatively stable year-on-year. Consolidated gross service revenues reached a record ₱165.1 billion, surpassing last year's record level of ₱165.0 billion in 2024. Globe's burgeoning digital ecosystem served as a key revenue driver in 2025, with data-related services encompassing mobile data, home broadband, and enterprise connectivity, accounting for 88% of total consolidated service revenues, up from 86% in 2024. However, this growth was partially offset by a 15% decline in non-service revenues.

Mobile service revenues represented 71% of Globe's total gross consolidated service revenues and reached an all-time high of ₱116.9 billion in 2025, slightly higher than ₱116.7 billion in 2024. This increase was driven by a 4% uptick in mobile data revenues, partially offset by 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 business generated ₱45.9 billion in total revenues for full-year 2025, up 1% from ₱45.7 billion in 2024. This was mainly driven by stronger contributions from corporate data and home broadband, which offset the decline in fixed line voice services.

Non-service revenues from mobile services fell 14% year-on-year, while those from fixed line and home broadband services dropped by 89%. Non-service revenues from non-telco products and services decreased from ₱93 million in 2024 to ₱82 million in 2025.

MOBILE BUSINESS

Mobile Service Revenue (Php Mn)	Year on Year		
	31-Dec 2025	31-Dec 2024	YoY Change (%)
Service			
Mobile Voice ¹	10,883	12,653	-14%
Mobile SMS ²	4,801	6,691	-28%
Mobile Data ³	101,166	97,369	4%
Mobile Service Revenues	116,850	116,713	-

¹ Mobile Voice service revenues include the following:

- a) Prorated monthly service fees on consumable minutes of postpaid plans;
- b) Subscription fees on unlimited and bucket voice promotions including the expiration of the unused value of denomination loaded;
- c) 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
- d) 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
- e) 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.

Globe continues to strengthen its leadership in the Philippine mobile industry by delivering cutting-edge digital solutions that empower and enrich the lives of Filipinos. Through an expanding ecosystem of content, connectivity, and convenience, Globe has redefined what it means to be a digital lifestyle enabler. The company's mobile strategy is anchored on personalization and partnership, providing customers with greater control, flexibility, and access to digital experiences tailored to their evolving needs. Leveraging collaborations with leading global and regional digital partners, Globe offers an integrated suite of services spanning entertainment, productivity, e-commerce, and travel, seamlessly accessible through its digital platforms.

The GlobeOne app serves as a unified digital tool that allows customers to conveniently manage their Globe Postpaid, Prepaid/TM, Home Prepaid WiFi, and Rewards accounts in one place. Through the app, users can monitor usage, redeem rewards, pay bills, and access exclusive offers with ease, reflecting Globe's commitment to simplify the customer experience and put control directly in their hands. The GlobeOne app, available on both iOS and Android devices, continues to evolve as the central hub for Globe's growing suite of digital lifestyle and connectivity services.

Mobile Data

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

Mobile data revenues climbed to a new record of ₱101.2 billion in 2025, up 4% from ₱97.4 billion the previous year. This was fueled by superior data monetization and continued 5G expansion, supported by rising engagement in digital content, streaming, and cashless platforms. Total mobile data traffic came in at 6,614 petabytes by the end of 2025, up 4% versus the prior year, confirming Globe's ability to capture greater value from each gigabyte consumed.

By end-2025, Globe's mobile data user base expanded to 39.2 million, up 5% year-on-year from 37.4 million, reflecting sustained adoption and usage despite a softer macroeconomic backdrop. Mobile data now accounts for 87% of total mobile service revenues, up from 83% in 2024, as customers increasingly prioritize data-centric experiences.

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 up to ₱400 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](https://www.globe.com.ph/prepaid/go-promos/plus) for more details. App-Exclusive promos are likewise available on GlobeOne until December 13, 2025 which include the following:

Available on GlobeOne only:

- UnliGo149 - 5GB for all sites, unli data for choice of apps, valid for 7 days
- UnliGo299 - 10GB for all sites, unli data for choice of apps, valid for 15 days

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 Wi-Fi, 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).

Globe’s value brand, TM, continues to offer value-for-money promos that allow customers on a budget to stay connected. Globe’s EasySURF50 5G has been refreshed to offer 4GB data + 2GB 5G data + 3GB (1GB/day) access to apps, along with unlimited texts to all networks, for as low as ₱50 for 7 days. In addition, other EasySURF promos provide more data plus unlimited calls for as low as ₱75 up to ₱140.

In line with the evolving telco needs of the mass market, Globe’s PowerSURF, launched in April 2025, offers an all-in, low-cashout option, starting at ₱20:

- *PowerSURF20* - 1GB data + 250 mins calls & 250 texts to all networks, ₱20 valid for 1 day. Available in all channels;
- *PowerSURF30* - 1GB data + 1GB apps + UNLI calls & texts to all networks, ₱30 valid for 2 days. Available in all channels;

For customers looking for more data, new AllSurf promos are now also available, ranging from ₱99-149. These promos contain bigger open-access data, plus 1GB/day apps:

- *ALLSURF99* - 7GB data + 7GB (1GB/day) + 4GB 5G Apps + unli texts to all networks, ₱99 for 7 days
- *ALLSURF110* - 8GB data + 7GB (1GB/day) + 4GB 5G Apps + unli texts to all networks, ₱110 for 7 days
- *ALLSURF149* - 12GB data + 7GB (1GB/day) + Unli 5G Apps + unli calls & texts to all networks, ₱149 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 ₱399 or their favorite app (Facebook) 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. Meanwhile, *Globe 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 global packs*. Subscribers can enjoy more gigabytes for more days while spending less - choose from 3, 5, 10, 15 or 30-day offers which come with 3GB up to 15GB 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 data roaming 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 1999* with 10 GB for 5 days (₱80 per person per day); *Roam Surf4All 2999* with 15 GB for 15 days (₱40 per person per day) and *Roam Surf4All 5299* with 20 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 21 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.

(<https://www.globe.com.ph/international/roaming>).

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, US, Europe and the Middle East. 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 9% of total mobile service revenues, declined by 14% year-on-year to ₱10.9 billion from ₱12.7 billion in 2024. This contraction aligns with global industry trends as subscribers continue to migrate toward internet-based communication 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). 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 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 4% of total mobile service revenues, fell 28% year-on-year to ₱4.8 billion from ₱6.7 billion in 2024, as users increasingly turned to data-driven and 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 since December 18, 2020. VoLTE services became available to eligible prepaid customers since 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>.

Key Mobile Drivers

	For the Year Ended		
	31-Dec 2025	31-Dec 2024	YoY Change (%)
Cumulative Subscribers (or SIMs) Net (End of period).....	65,772,757	60,906,496	8%
<i>Globe Postpaid</i>	<i>2,429,477</i>	<i>2,429,816</i>	<i>-</i>

Prepaid	63,343,280	58,476,680	8%
<i>Globe Prepaid</i>	35,040,448	32,078,927	9%
<i>TM</i>	28,302,832	26,397,753	7%
Net Subscriber (or SIM) Additions.....	4,866,261	3,859,259	26%
<i>Globe Postpaid</i>	(339)	(115,646)	99.7%
Prepaid	4,866,600	3,974,905	22%
<i>Globe Prepaid</i>	2,961,521	2,194,627	35%
<i>TM</i>	1,905,079	1,780,278	7%
<u>Average Revenue Per Subscriber (ARPU)</u>			
ARPU¹			
<i>Globe Postpaid</i>	909	914	-1%
Prepaid			
<i>Globe Prepaid</i>	136	148	-8%
<i>TM</i>	108	113	-4%
<u>Average Monthly Churn Rate (%)</u>			
<i>Globe Postpaid</i>	1.2%	1.6%	
Prepaid			
<i>Globe Prepaid</i>	1.5%	1.9%	
<i>TM</i>	2.0%	2.2%	

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 2025 with a total mobile subscriber base of 65.8 million, up 8% from 60.9 million last year. This was underpinned by stable customer retention, with the overall monthly churn rate improving slightly to 1.7% from 2.0% a year ago. Total gross subscriber acquisitions stood at 17.7 million, 1% lower year-on-year, with prepaid brands (Globe Prepaid, including GOMO and TM) making up 98% of new SIMs during the period. Globe recorded 4.9 million net subscriber additions as of end-December 2025, compared to 3.9 million last 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 2.4 million cumulative subscribers as of the end of December 2025, relatively flat from 2024 level. Gross acquisitions grew by 3% year-on-year, with 358,378 new subscribers recorded in 2025 versus 349,621 in 2024. The combination of improved acquisition and lower churn, resulted in a net reduction of 339 postpaid subscribers, a substantial recovery from the 115,646 net decline recorded last year.

Globe Postpaid ARPU was ₱909, representing a 1% decline year-on-year.

Prepaid

Globe's prepaid segment, which includes the Globe Prepaid² and TM brands, accounts for 96% of its total cumulative mobile subscriber base. As of end-December 2025, cumulative prepaid subscribers stood at 63.3 million up by 8% from 58.5 million subscribers reported in 2024.

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 8.9 million in 2025, 2% lower compared to last year. Despite this, total net incremental *Globe Prepaid* subscribers totaled nearly 3.0 million, compared with 2.2 million net additions in the previous year, supported by a lower churn rate, which improved to 1.5% in 2025 from 1.9% in 2024. Total cumulative *Globe Prepaid* subscribers grew 9% over the previous year, hitting approximately 35.0 million by the end of 2025.

Globe Prepaid ARPU stood at ₱136, down by 8% from a year ago.

b. TM

TM's gross acquisitions decreased by 1%, resulting in 8.4 million subscribers at the end of 2025, compared to 8.5 million subscribers in 2024. Despite the decline in gross acquisitions, the improvement in churn led to a net increase of 1.9 million *TM* subscribers during the year, compared to 1.8 million subscribers last year. Meanwhile, as of the end of 2025, the total cumulative *TM* subscribers stood at 28.3 million, up 7% from the 26.4 million subscribers reported in 2024.

Meanwhile, *TM* ARPU dropped by 4% from a year earlier.

² *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

	Year on Year		
	31-Dec 2025	31-Dec 2024	YoY Change (%)
Service Revenues (Php Mn)			
Service			
Home Broadband ¹	23,980	23,785	1%
Corporate Data ²	20,671	20,380	1%
Fixed line Voice ³	1,251	1,500	-17%
Fixed Line & Home Broadband Service Revenues	45,902	45,665	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;
- Other wholesale transport services;
- 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 consisting of monthly service fees for postpaid and subscription fees for prepaid

Home Broadband

	Year on Year		
	31-Dec 2025	31-Dec 2024	YoY Change (%)
Cumulative Home Broadband Subscribers			
Fixed Wireless	344,486	462,788	-26%
Wired	1,795,313	1,280,693	40%
Total (end of period)	2,139,799	1,743,481	23%

Globe's *Fixed Line and Home Broadband* business generated ₱45.9 billion in total revenues for full-year 2025, up 1% from ₱45.7 billion in 2024. This was mainly driven by stronger contributions from corporate data and home broadband, which offset the decline in fixed line voice services.

The home broadband business delivered ₱24.0 billion in revenues in 2025, 1% higher year-on-year as more customers shifted to fiber services. This transition reflects growing preference for high-speed and reliable connectivity, supported by the broader adoption of GFiber offerings.

Within this segment, GFiber Prepaid (GFP) gained remarkable traction, further solidifying its position as the country's #1, fastest-growing prepaid fiber service. The GFP subscriber base climbed to over 820 thousand by end of 2025, showing Globe's success in democratizing fiber home internet access and extending reach across more Filipino households. The brand's accessible and flexible offers

resonate with customers, driving broader adoption and deeper engagement. This strong performance in GFP and fiber overall highlights Globe's effective execution of its connectivity transformation strategy, ensuring that more homes benefit from consistent internet access.

Total home broadband subscriber base now stands at 2.1 million compared to 1.7 million a year earlier, with fixed wired customers posting a 40% uplift, partially offsetting the 26% decline in fixed wireless.

Corporate Data

Corporate Data business generated an all-time high ₱20.7 billion in revenues for full-year 2025, up 1% from ₱20.4 billion in 2024, marking a stabilization in enterprise spending. The year's performance was mainly driven by sustained growth in ICT-related solutions, including cybersecurity, cloud solutions and Business Application Solutions, as partly offset by the decline in core data services due to cautious enterprise spending. Globe is progressing its enterprise portfolio through AI integration and investments in high-impact digital infrastructure such as subsea cables and data centers, positioning the Company to capture emerging demand from digital transformation initiatives across both the public and private sectors.

The corporate data business remains a strategic pillar of Globe's enterprise portfolio, reinforcing the Company's transition beyond connectivity toward integrated, technology-led solutions that power the country's evolving digital economy.

Fixed Line Voice

Globe's total *Fixed line Voice* revenues declined 17% year-on-year to ₱1.3 billion, mainly on lower outbound traffic and substitution by mobile and digital communication platforms.

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 240 destinations with 616³ 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 stood at ₱1.3 billion, 18% lower from a year ago.

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

GROUP OPERATING EXPENSES

The Company's ongoing cost management initiatives persisted in delivering operational efficiencies, with total operating expenses and subsidy amounting to ₱77.5 billion for full-year 2025, down 1% from the previous year. The decline was mainly driven by lower marketing and subsidy costs, which fell 25% year-on-year, alongside reductions in provisions (-9%), services and other costs (-3%), and staff cost (-1%). Utilities and administrative expenses likewise eased by 2%, from ₱11.5 billion a year ago. These savings partially offset higher interconnect costs (+18%), lease expenses (+10%), and repairs and maintenance (+10%) for the year.

Globe's total costs and expenses, including depreciation and amortization, totaled ₱131.3 billion in 2025, representing a 2% year-on-year increase.

³ *Inbound and Outbound global roaming partners*

(Php Mn)	Year on Year		
	31-Dec 2025	31-Dec 2024	YoY Change (%)
Interconnect	1,912	1,620	18%
Marketing and Subsidy	3,636	4,837	-25%
Staff Costs	17,709	17,920	-1%
Utilities, Supplies, & Other Administrative Expenses	11,349	11,530	-2%
Rent	3,283	2,984	10%
Repairs & Maintenance	14,531	13,208	10%
Provisions	3,827	4,227	-9%
Services and Others	21,207	21,876	-3%
Operating Expenses & Subsidy	77,454	78,202	-1%
Depreciation and Amortization	53,871	50,473	7%
Cost and Expenses	131,325	128,675	2%

Interconnect

Globe's interconnect charges grew 18%, amounting to ₱1.9 billion by the end of December 2025, from ₱1.6 billion reported the previous year, mainly from data roaming and Application to Person (A2P) domestic SMS payout.

Marketing & Subsidy

Marketing and subsidy costs decreased year-on-year by 25% from ₱4.8 billion last year to ₱3.6 billion this period. The decline was attributed to lower subsidy and commissions, alongside reduced spending on airtime and media placements for the year.

Staff Costs

Staff costs declined by 1% year-on-year to ₱17.7 billion from ₱17.9 billion last year.

Utilities, Supplies and Other Administrative Expenses

Globe's administrative expenses, which include utilities and supplies, eased by 2% to ₱11.3 billion as of end-December 2025, compared to ₱11.5 billion in the same period last year. The decline reflected lower electricity charges, travel and transportation expenses, and supplies costs.

Lease

Lease expenses, constituting 4% of operating expenses and subsidy, increased by 10% year-on-year, due mainly to higher joint pole, IP port, and cell site leases.

Repairs & Maintenance

Repairs & maintenance costs grew by 10% year-on-year, bulk from business application services (BAS) payout, tower maintenance, and sub-sea repair costs.

Provisions

This account includes provisions associated with trade, non-trade, traffic receivables, inventory obsolescence and provision for taxes. Globe's provisions decreased by 9% year-on-year primarily attributable to lower trade and inventory provisions.

Services and Others

Globe's services and other expenses, which account for 27% of its total operating expenses and subsidy, dropped by 3% from ₱21.9 billion in 2024. This reduction was driven by lower insurance, taxes & licenses, managed services fees and cloud costs.

Depreciation and Amortization

Globe's continued network investments resulted in increased depreciation and amortization expenses, which rose to ₱53.9 billion in 2025 from ₱50.5 billion in 2024.

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 2025	31-Dec 2024	YoY Change (%)
Financing Costs	(16,826)	(16,876)	-
Interest Expense	(15,991)	(14,126)	13%
Swap costs and other financing costs	(465)	(318)	46%
Foreign Exchange Gain (Loss) - net	(370)	(2,432)	-86%
Other Income	11,300	10,867	4%
Gain (Loss) on derivative instruments	773	2,957	-74%
Interest Income	822	918	-11%
Others	9,705	6,991	39%
<i>Equity share from Affiliates (net)</i>	<i>6,768</i>	<i>4,273</i>	<i>58%</i>
<i>Frequency Amortization</i>	<i>(376)</i>	<i>(376)</i>	-
<i>Others – net</i>	<i>3,313</i>	<i>3,094</i>	<i>7%</i>
Total Income (Other Expenses)	(5,526)	(6,010)	-8%

Globe's full year 2025 non-operating charges stood at ₱5.5 billion versus last year's reported non-operating expenses of ₱6.0 billion. The decline was mainly driven by lower gains from the tower sale and leaseback, tempered by gains from the dilution of Globe's interest in Mynt and improved equity earnings from affiliates.

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

LIQUIDITY AND CAPITAL RESOURCES

	31-Dec 2025	31-Dec 2024	YoY Change (%)
Balance Sheet Data (Php Mn)			
Total Assets	655,992	633,636	4%
Total Debt	256,313	249,460	3%
Total Stockholders' Equity	174,519	167,779	4%
Financial Ratios (x)			
Total Debt to EBITDA (gross)	2.63	2.66	
Total Debt to EBITDA (net)	2.38	2.43	
Debt Service Coverage ¹	3.20	3.42	
Interest Coverage (Gross)	4.51	4.55	
Total Debt to Total Capitalization (Book)	0.59	0.60	
Total Debt to Total Capitalization (Market)	0.53	0.44	

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

Globe maintains a robust financial position, with sufficient liquidity and gearing levels that are well within bank covenants.

For the full year 2025, Globe's consolidated assets stood at ₱656.0 billion, 4% higher from the ₱633.6 billion reported on December 31, 2024. Furthermore, the consolidated cash and cash equivalents reached ₱25.0 billion by the end of December 2025, compared to ₱21.4 billion reported at the end of December 2024. Globe's cash equivalents consist of highly liquid short-term time deposit placements.

Globe's current ratio improved to 0.66:1 as of December 31, 2025, from 0.62:1 as of December 31, 2024. While still below the SEC's minimum threshold of 1:1, the company maintains confidence in its ample 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 December 31, 2025, 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 amounted to ₱1,361.45 million, and ₱1,369.67 million in 2025 and 2024, respectively.

CONSOLIDATED NET CASH FLOWS

(Php Mn)	31-Dec 2025	31-Dec 2024	YoY change (%)
Net Cash from Operating Activities.....	79,542	84,782	-6%
Net Cash from Investing Activities.....	(36,321)	(30,745)	18%
Net Cash from Financing Activities.....	(39,160)	(49,462)	-21%

Net cash flows provided by operating activities in 2025 was at ₱79.5 billion, or 6% lower versus the previous year.

Meanwhile, net cash used in investing activities amounting to ₱36.3 billion, was 18% higher from the year earlier. Consolidated cash capital expenditures as of end-December 2025 amounted to ₱46.2 billion, or an 18% drop from ₱56.2 billion last year.

(Php Mn)	31-Dec 2025	31-Dec 2024	YoY change (%)
Cash Capital Expenditures¹	46,165	56,194	-18%
Total Additions to Property and equipment and Intangible assets ²	48,508	56,637	-14%
Cash Capital Expenditures¹ / Service Revenues (%)	28%	34%	

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

² Includes 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 ₱39.2 billion in 2025 versus last year's ₱49.5 billion. Consolidated total debt stood at ₱256.3 billion at the end of December of 2025 from approximately ₱249.5 billion at the end of December 2024.

100% of US\$ and JPY consolidated loans have been effectively converted to PHP via US\$843 million and JPY20 billion in currency hedges, respectively. After swaps, effectively none of the total debt is denominated in US\$ and JPY.

Below is the schedule of debt maturities for Globe for the years stated below based on total outstanding debt as of December 31, 2025:

Year Due	Principal* (US\$ Mn)
2026	378.31
2027	400.79
2028	401.25
2029 through 2040	3,202.49
Total	4,382.84

* Principal amount before debt issuance costs.

Globe has available uncommitted short-term credit facilities of ₱83,949 million and USD 114 million, ₱85,788 million and USD 114 million as of December 31, 2025 and December 31, 2024, respectively.

Globe also has available committed short-term credit facilities of ₱3,000 million and USD 50 million, as of December 31, 2025 and December 31, 2024.

There are nil and ₱7,263 million outstanding short-term loans as of December 31, 2025 and December 31, 2024, respectively.

Stockholders' equity as of the full year of 2025 stood at ₱174,519 million from ₱167,779 million last year. Globe's capital stock consists of the following:

Voting Preferred Shares

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.

The 20 million Non Voting Preferred shares previously issued were redeemed on August 22, 2021 for ₱10 billion and are presented as Globe's treasury shares.

On April 22, 2025, the shareholders approved and authorized the offer, issuance or re-issuance, and listing of up to 40 million non-voting preferred shares, and, among others, the delegation to the Board of Directors full authority to approve any offering, issuance or re-issuance, and listing on an appropriate securities exchange of any class, series or tranche of the non-voting preferred shares from the authorized capital stock of the Corporation, from time to time, including the terms, denomination, and timing of such offer, issuance or re-issuance, and listing.

On August 5, 2025, the Board of Directors approved and authorized the offering and issuance or re-issuance of up to Twenty Million (20,000,000) non-voting preferred shares with a par value of Fifty Pesos (₱50.00) per share in one or more tranches, or one or more series per tranche, upon

such terms and conditions as may be determined by the Board of Directors (the "Offer Shares"), and to authorize and approve the filing of the Offer Shares under a shelf registration to be issued for a period of three (3) years, or such longer period as may be approved by the Securities and Exchange Commission or allowed under its rules and regulations..

Additionally, the Board of Directors approved and authorized the initial offering and listing of such non-voting preferred shares with an aggregate amount of Twenty Five Billion Pesos (₱25,000,000,000) subject to the registration requirements of the Securities and Exchange Commission and the listing requirements of the Philippine Stock Exchange.

On November 5, 2025, the Finance Committee of the Board, approved and authorized the proposed public offer, issuance and listing of up to P15,000,000,000.00 worth of up to 7,500,000 cumulative, non-voting, non-participating, non-convertible, redeemable, and re-issuable Philippine Peso-denominated perpetual preferred shares ("Non-Voting Preferred Shares") with a par value of P50.00 per share (the "Base Offer Shares"), with an oversubscription option of up to P10,000,000,000.00 worth of up to 5,000,000 non-voting preferred shares (the "Oversubscription Option Shares", together with the Base Offer Shares, the "First Tranche Shares") in up to two (2) series at the offer price of P2,000.00 per First Tranche Share (the "Offer Price") as the first tranche of the Non-Voting Preferred Shares Program.

Common Stock

Common stock at par value of ₱50 per share of which 144.5 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.

Pursuant to the Corporation's amended By-Laws as ratified by stockholders in the annual stockholders' meeting on April 20, 2021, the dividends shall be paid by electronic transfer to stockholders with enrolled accounts. For stockholders with no enrolled accounts, the dividend checks shall be available for pick-up at the Stock Transfer Service, Inc. at 34/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City at the declared payment dates.

On February 6, 2024, The Globe Board of Directors approved the change in the dividend policy to 60% to 90% (from 60% to 75%) of prior year's core net income. The amended policy will provide Globe with increased flexibility for future dividend declarations that are in line with the expected improvements in earnings and cash flow generation given the Company's reduced capex spending. Also, a wider payout range allows the Company to maximize value to its shareholders moving forward and will improve Globe's dividend payout competitiveness compared to its regional peers.

The Board of Directors of Globe approved in separate approvals the declaration of four quarterly distributions of cash dividends of ₱25 per share, paid each last March 7, June 5, September 4 and December 5, 2025. Each cash dividend payment total to about ₱3.6 billion, bringing total distribution by end of December 2025 to ₱14.4 billion.

Also, on November 6, 2025, the Board of Directors of Globe approved the declaration of the cash dividend for holders of its voting preferred shares paid last December 5, 2025 to shareholders on record as of November 20, 2025. 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) 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 13.6% as of end-December 2025, compared to 14.8% in 2024 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 2025 and 2024 were 12.2% and 13.1% respectively.

Earnings Per Share (EPS)

Accordingly, consolidated basic earnings per common share were ₱151.21 and ₱158.48, while consolidated diluted earnings per common share were ₱150.44 and ₱157.83 as of end-December 2025 and 2024, respectively.

FINANCIAL RISK MANAGEMENT

FOREIGN EXCHANGE EXPOSURE

Foreign exchange risks are managed such that USD flows from operations (transaction exposures) are balanced or offset by the net USD position of the company (translation exposures). Globe's objective is to maintain a foreign currency position which results in a near- neutral impact to the P&L relative to movements in the foreign exchange market.

Transaction exposures

Globe has US\$ flows arising from its operations. Consolidated foreign currency-linked revenues made up 4% of total gross service revenues for the period ending December 31, 2025, and 5% for the same period in 2024. Conversely, the company's foreign-currency linked expenses for the same periods were 18% and 16% of total operating expenses, respectively.

The US\$ flows are as follows:

	Dec. 31, 2025
US\$ and US\$ Linked Revenues	₱6.7 billion
US\$ Operating Expenses	₱13.4 billion
US\$ Net Interest Expense	₱1.8 billion

Due to these net foreign currency 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 primarily arise from movements of the Philippine Peso (Php) against the U.S. Dollars (USD) and Japanese Yen (JPY), relating to USD and JPY-denominated financial assets and liabilities and certain USD-denominated revenues. Majority of revenues are generated in Php, while bulk of capital expenditures are in USD. In addition, 22% of debt as of December 31, 2025 are denominated in foreign currencies, before taking into account any swap and hedges. After swaps, effectively none of the total debt is denominated in foreign currencies.

Information on Globe's foreign currency-denominated monetary assets and liabilities as of December 31, 2025 are as follows:

	Dec. 31, 2025
US\$ Assets	US\$ 103 million
US\$ and JPY Liabilities	US\$1,448 million and JPY20,000 million
Net US\$ and JPY Liability Position	US\$1,344 million and JPY20,000 million

As of end-December 2025, Globe posted a total of ₱370 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 2025, Globe has US\$163 million and JPY20 billion in cross currency swap contracts which are hedges of the interest rate and foreign exchange risks of some of our US\$ and JPY loans maturing in March 2027, August 2027 and November 2032. The MTM of the outstanding swap contracts stood at a gain of ₱1,304 million as of end-December 2025.

As of end-December 2025, 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, and July 2035. The MTM of the swap contracts stood at a gain of ₱4,118 million as of end-December 2025.

Globe has US\$426 million short-term FX swap contracts which remain outstanding as of end-December 2025. The mark-to-market of the outstanding FX swap contracts stood at a gain of ₱13 million as of end-December 2025.

Globe has US\$3 million in outstanding forward USD purchase contracts which remain outstanding as of end-December 2025. The mark-to-market of the outstanding forward USD purchase contract stood at a gain of ₱6 million as of end-December 2025.

INTEREST RATE EXPOSURE

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

As of end-December 2025, Globe had US\$163 million and JPY20 billion in cross currency swaps that were entered into contracts to achieve these targets. The US\$ and JPY swaps fixed some of the Company's outstanding floating rate debts with quarterly payment intervals up to March 2027, August 2027 and November 2032.

As of end-December 2025, 53% (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, 2025, the MTM value of the derivatives of the Globe amounted to ₱5,442 million while net gains on derivative instruments arising from changes in MTM reflected in the consolidated income statements as of end-December 2025 amounted to ₱773 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 and JPY/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 2025:

Tower Sale and Leaseback Update

As of December 2025, Globe officially turned over 6,945 towers under its Sale and Leaseback portfolio, generating approximately ₱89.3 billion in proceeds. A total of 2,410 towers were transferred in 2022, followed by 2,057 in 2023 and 2,205 in 2024. In 2025, 273 towers were closed, generating approximately ₱3.5 billion in proceeds.

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.

Konektadong Pinoy Act (KPA)

Republic Act No. 12234 titled "An Act Establishing a Comprehensive and Inclusive Data Transmission and Connectivity Framework for the Philippines" or the Konektadong Pinoy Act (KPA) lapsed into law on August 24, 2025 and took effect on September 13, 2025. The KPA aims to promote digital inclusion and bridge the digital divide by providing affordable, reliable, secure and accessible data connectivity services through fair, open and sustainable competition in the data transmission industry, infrastructure-sharing, and investment in data transmission infrastructure and services.

Under the KPA, new operators classified as Data Transmission Industry Participants (DTIP) who will engage in the provision of data transmission services no longer need to secure a legislative franchise from Congress as a prerequisite to launching a data service. Also, the KPA mandates infrastructure sharing and co-location, requiring incumbents to provide access to network and facilities to other DTIPs and permitting direct satellite access without NTC approval. Likewise, the KPA will establish a Spectrum Management Policy Framework (SMPF) to govern the management, and more crucially, the assignment and even recall of spectrum.

The implementing rules and regulations of the KPA took effect on January 2, 2026. On February 2, 2026, the NTC issued Memorandum Circular No. 02-02-2026 which prescribes the legal, financial and technical eligibility requirements for DTIPs and the registration and authorization processes for applicant DTIPs. Further regulations are expected to be released pursuant to the KPA, such as those relating to the SMPF, digital infrastructure access list and the designation of players found to have significant market power.

Data Center Update

ST Telemedia Global Data Centres Philippines (STT GDC Philippines) is a joint venture partnership between Globe Telecom, ST Telemedia Global Data Centres, and Ayala Corporation. It is dedicated to providing state-of-the-art digital infrastructure and data center services, with a focus on operational excellence, sustainability, and innovation.

During the last quarter of 2025, STT Fairview 1 successfully opened its first data hall and is now operational with a key 1MW customer deployment. The Level 2 fit-out is ongoing, and STT Cavite 2 has been energized, with testing and commissioning currently in progress. STT GDC Philippines continues to pursue high-visibility activities focused on industry advocacy through key events, engagements with relevant business organizations, and various sales campaigns.

2. 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 Charges 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 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 last December 5, 2012 in relation to the November 20, 2012 decision. Globe filed a petition for review of the NTC decision and resolution with the Court of Appeals.

The Court of Appeals 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 posted a surety bond to compensate for possible damages as directed by the Court of Appeals.

On June 27, 2016, the Court of Appeals 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 Court of Appeals 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. Further, 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 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 Court of Appeals’ ruling to the Supreme Court 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 Court of Appeals’ 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 Supreme Court’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 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. Nevertheless, if it is ultimately decided by the Supreme Court (in case an appeal is taken thereto by the NTC from the adverse resolution of the Court of Appeals) that Globe 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 Supreme Court 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 seconds per pulse. The rate for the first two 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 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 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 and the other carriers' constitutional and statutory right to due process. However, while the decision is in Globe'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 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 Court of Appeals on January 19, 2012.

On March 12, 2012, Globe and Innove elevated to the Supreme Court the questioned portions of the Decision and Resolution of the Court of Appeals 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's Decision promulgated on February 13, 2023 sustaining the said CA's Decision dated December 28, 2010 and Resolution dated January 19, 2012, which reversed and set aside the NTC's Orders dated December 5, 2009 and Show Cause Orders and Cease and Desist Orders dated December 9, 2009. The High Court also made permanent the writ of preliminary injunction issued by the CA enjoining the NTC from enforcing its assailed Orders.

In due course, the NTC filed its Motion for Reconsideration (MR) of the Supreme Court's aforesaid Decision.

On August 5, 2025, Globe and Innove received the Supreme Court Resolution dated May 19, 2025, denying the NTC's MR with FINALITY, the basic issues raised therein having been duly considered and passed upon by the court in its aforesaid decision. On August 27, 2025, Globe and Innove received a copy of the Entry of Judgement rendering the case closed and terminated.

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, San Miguel Corp. ("SMC") and Vega Telecom, Inc. ("VTI") regarding the Joint Notice filed by the aforementioned parties on May 30, 2016, disclosing the acquisition by Globe and PLDT of the entire

issued and outstanding shares of VTI, the PCC claims that the Joint Notice was deficient in form and substance and concludes that the acquisition cannot be claimed to be deemed approved.

On June 10, 2016, Globe formally responded to the letter reiterating that the Joint Notice, which sets forth the salient terms and conditions of the transaction, was filed pursuant to and in accordance with Memorandum Circular No. I6-002 issued by the PCC. MC No. 16-002 provides that before the implementing rules and regulations for RA No. 10667 or 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 clarified in its letter that the supposed deficiency in form and substance of the Joint 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 Joint Notice does not contain any false information.

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

On July 12, 2016, Globe Telecom petitioned the Court of Appeals to enjoin the government's anti-trust body from reviewing the acquisition of SMC's telecommunications business. Globe maintains the position that the deal was approved after Globe 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 filed a Petition for Mandamus, Certiorari and Prohibition against the PCC, docketed as CA-G.R. SP No. 146538. On July 25, 2016, the Court of Appeals, through its 6th Division issued a resolution denying Globe's application for a Temporary Restraining Order and injunction against PCC's review of the transaction. In the same resolution, however, the Court of Appeals required the PCC to comment on Globe'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. billion deal between PLDT-Globe and SMC be declared void for PLDT and Globe's alleged failure to comply with the requirements of the Philippine Competition Act of 2015. The PCC also prayed that the Court of Appeals direct Globe to: cease and desist from further implementing its co-acquisition of the SMC 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 Court of Appeals, docketed as CA G.R. SP No. 146528, which was raffled off to its 12th Division. On August 26, 2016, PLDT secured a Temporary Restraining Order from said court. Thereafter, Globe's petition was consolidated with that of PLDT, before the 12th Division. The consolidation effectively extended the benefit of PLDT's Temporary Restraining Order to Globe. The parties were required to submit their respective Memoranda, after which, the case shall be deemed submitted for resolution.

On February 17, 2017, the Court of Appeals 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 Supreme Court docketed as G.R. No. 230798, to lift the Court of Appeals' order that has prevented the review of the sale of SMC's telecommunications unit to PLDT Inc. and Globe. On April 25, 2017, Globe filed before the Supreme Court 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 Temporary Restraining Order on the PCC's petition to lift the injunction issued by the Court of Appeals. 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 16 November 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 prohibit 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 1 June 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 in 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.

Bypass/ISR penalty provision in the Interconnection Agreement between Globe and Dito

Dito filed with the NTC a petition for Globe to provide sufficient interconnection capacity as provided in their Interconnection Agreement. On April 18, 2022, Globe filed its Answer arguing that the petition is unjustified. Article 10 of their Interconnection Agreement provided that the interconnect facilities shall not be used for Bypass/International Simple Resale (ISR) activities and in case of violation, the aggrieved party shall be entitled to compensation. Prior to Dito's petition, Globe detected bypass/ISR activities emanating from the DITO network. Despite several notifications and demands, Dito failed to pay. On July 22, 2022, Globe filed a Motion to Temporarily Deactivate and/or Disconnect Interconnection of its trunk lines with Dito since Dito had not addressed the bypass traffic and the unpaid bypass liability amounted to ₱622 million already. On August 9, 2022, Globe issued a public statement in relation to the matter. On August 8, 2022, it was reported that the PCC had received a complaint filed by Dito against Globe alleging breach of the Interconnection Agreement. On 17 February 2025, Globe and DITO executed a Compromise Agreement to fully settle bypass provision and ISR penalties, affecting the Interconnection Agreement. Through the Compromise, the parties decided to: (i) extend their mutual cooperation and augment interconnection subject to completing relevant implementation works and required testing activities; and (ii) provide sufficient interconnection capacity as required under existing laws and regulatory issuances. The settlement also includes Globe's offer to substantially

reduce the penalties charged against DITO for ISR or bypass traffic and for its part, DITO has agreed to withdraw the NTC Case. Globe and DITO are still conducting technical and confidence testing to ensure network integrity. The NTC has yet to issue orders or resolutions regarding the Compromise Agreement.

3. Causes of any material change from period to period: 2025 vs. 2024

Below are the items in the consolidated financial position with material movements from 2025 to 2024.

STATEMENTS OF FINANCIAL POSITION

PhP Mn		For the Year Ended		YoY Change (%)
		31-Dec 2025	31-Dec 2024	
ASSETS				
Current Assets				
Cash and cash equivalents	A	25,030	21,354	3,676
Trade receivables – net	B	17,893	19,508	(1,615)
Contract Assets - net	C	4,512	5,443	(931)
Inventories and supplies-net	D	2,319	2,965	(646)
Derivative assets - current	E	112	177	(65)
Prepayments and other current assets - net	F	20,136	20,122	14
		70,002	69,569	433
Assets classified as held for sale	G	5,912	7,649	(1,737)
		75,914	77,218	(1,304)
Noncurrent Assets				
Property and equipment - net	H	356,127	352,115	4,012
Intangible assets and goodwill - net		20,828	20,131	697
Right of use assets – net	I	99,419	90,464	8,955
Investments in joint ventures	J	67,718	59,369	8,349
Derivative assets – net of current portion	E	5,936	5,042	894
Deferred income tax assets – net	S	2,263	1,971	292
Other noncurrent assets – net	F	27,787	27,326	461
		580,078	556,418	23,660
TOTAL ASSETS		655,992	633,636	22,356

LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and accrued expenses	K	72,187	78,107	(5,920)
Loans payable - current	L	22,219	26,350	(4,131)
Lease liability - current	M	9,068	8,176	(892)
Deferred revenues - current	N	5,912	6,050	(138)
Provisions	O	3,732	3,394	338
Income tax payable	P	1,366	902	464
Derivative liabilities - current	E	607	573	34

Liabilities classified as held for sale	Q	115,091 520	123,552 -	(8,461) 520
Noncurrent Liabilities		115,611	123,552	(7,941)
Loans payable – net of current portion	L	234,094	223,110	10,984
Lease liabilities - net of current portion	M	120,178	107,932	12,246
Pension liability	R	4,517	2,827	1,690
Deferred income tax liabilities - net	S	3,542	4,363	(821)
Deferred revenues - net of current portion	N	382	645	(263)
Other long-term liabilities	T	3,149	3,428	(279)
		365,862	342,305	23,557
TOTAL LIABILITIES		481,473	465,857	15,616

EQUITY				
Capital Stock		9,016	9,012	4
Additional paid in capital		54,863	54,569	294
Cost of share-based compensation	U	1,041	872	169
Capital Securities		29,978	29,978	-
Other reserves	V	(3,412)	(2,270)	(1,142)
Treasury Stocks		(10,000)	(10,000)	-
Retained earnings	W	92,984	85,587	7,397
Equity attributable to equity holders of the Parent		174,470	167,748	6,722
Noncontrolling interest	X	49	31	18
TOTAL EQUITY		174,519	167,779	6,740
TOTAL LIABILITIES AND EQUITY		655,992	633,636	22,356

Assets

- A** Cash and cash equivalents – Increase of ₱3.7 billion was primarily due to the net effect of ₱79.5 billion net cash generated from operating activities, (₱36.3 billion) net cash flows used in investing activities and (₱39.2 billion) net cash outflows on financing activities. Investing cash outflows were mainly on capital expenditures, partly reduced by proceeds from sale and lease of towers, collections of loans receivable from related parties, proceeds from sale of property and equipment, as well as proceeds from investment transactions. Meanwhile, the net cash outflows on financing activities were on payments of dividends, lease liabilities, and interest, offset by net loan availments.
- B** Trade receivables – Decrease of ₱1.6 billion was mainly attributable to the decrease in subscriber receivables.
- C** Contract assets – Decrease of ₱0.9 billion was driven by the net effect of (₱5.3 billion) reduction in contract assets representing the amounts that were billed to the subscribers and (₱0.6 billion) impairment during the year, partly offset by ₱5.0 billion new contract assets arising from the sales of mobile devices bundled with wireless postpaid plans.
- D** Inventories and supplies – Decrease of ₱0.6 billion was primarily due to lower inventory volume at period end, mainly on handset inventories.
- E** Net derivative assets – Increase of ₱0.8 billion was mainly attributable to fair value changes on currency and forwards swaps.

- F** Prepayments and other assets – Increase of ₱0.5 billion was primarily due to higher advance payments to contractors and suppliers that remained outstanding amounting to ₱2.4 billion and increase in the balances of investment in equity securities and non-trade receivables amounting to ₱0.7 billion and ₱0.3 billion, respectively, offset by collections of loans from related parties amounting to (₱3.0 billion).
- G** Assets classified as held-for-sale – Decrease of ₱1.7 billion was primarily due to the closing of the ECPay sale amounting to ₱1.8 billion, and the additional sale and leaseback of telecom towers during the year. This was also partly offset by the reclassification of Yondu's assets amounting to ₱1.7 billion to assets held-for-sale, following the agreement with NCSI Holdings for a 51% ownership with Globe retaining the remaining 49%.
- H** Property and equipment – Increase of ₱4.0 billion was driven by the net effect of ₱48.4 billion additions during the year on continuous network builds, (₱35.7 billion) depreciation expense, (₱7.7 billion) net transfers to intangible assets, and net disposals amounting to (₱1.0 billion).
- I** Right of use assets – Increase of ₱9.0 billion was primarily due to the net effect of the ₱20.6 billion additional lease contracts during the year, reduced by (₱11.6 billion) amortization expenses.
- J** Investments in joint ventures – Increase of ₱8.3 billion was primarily due to the share in net income of joint ventures amounting to ₱6.4 billion during the year, coupled by the gain on deemed sale of investment in Mynt amounting to ₱2.6 billion

Liabilities and Equity

- K** Trade payables and accrued expenses – Decrease of ₱5.9 billion was mainly due to the lower balance of accrued project costs amounting to ₱5.0 billion at the end of the year.
- L** Loans payable - Increase of ₱6.9 billion was driven by higher loan availments against payments.
- M** Lease liabilities - Increase of ₱13.1 billion was primarily due to additional lease contracts and interests during the year ₱28 billion, bulk from network site leases, and partly offset by the lease payments (₱16 billion) during the year.
- N** Deferred revenues – Decrease of ₱0.4 billion was mainly attributable to the lower balance of deferred revenues from prepaid wireless subscribers under prepaid arrangements.
- O** Provisions – Increase of ₱0.3 billion was primarily due to the additional provisions recognized during the year.
- P** Income taxes payable – Increase of ₱0.5 billion was mainly due to a higher taxable income during the year.
- Q** Liabilities classified as held-for-sale – Increase of ₱0.5 billion was primarily due to the reclassification of Yondu's liabilities following Globe's agreement with NCSI Holdings for the latter to hold 51% ownership in Yondu.
- R** Pension liabilities – Increase of ₱1.7 billion was mainly due to the net effect of ₱1.6 billion remeasurement, and ₱1.0 billion pension and interest cost recognized during the year, partly offset by contributions to the retirement fund amounting to (₱1.0 billion).
- S** Deferred income tax liabilities - Decrease of ₱1.1 billion was mainly due to the impact of capital gains tax on the deemed sale of the Mynt investment and movements in temporary taxable/deductible differences arising from reconciling items between statutory and taxable income.

- T** Other long-term liabilities – Decrease of ₱0.3 billion was mainly attributable to the lower asset retirement obligation.
- U** Cost of share-based compensation – Increase of ₱0.2 billion was primarily due to the accrual of share-based compensation, offset by issuance of shares under share-based compensation plan.
- V** Other reserves – Decrease of ₱1.0 billion was mainly due to the remeasurement loss on defined benefit plan amounting to ₱1.2 billion, transactions on cash flow hedges amounting to ₱0.1 billion, offset by changes in fair value of financial assets amounting to (₱0.1 billion) and exchange differences arising from translations of foreign investments amounting to (₱0.09 billion).
- W** Retained earnings – Increase of ₱7.4 billion was primarily due to the total comprehensive income amounting to ₱23 billion during the year, and partly offset by declarations of cash dividends and distributions on capital securities amounting to (₱15.9 billion).
- X** Non-controlling interest – Increase of ₱0.02 billion was mainly attributable to the adjustments on non-controlling interest due to increase in ownership share.

4. 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.

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

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

6. 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 contingency measures 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
- Active engagement and alignment with government programs.

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:

- Open access and infrastructure sharing / access obligations across operators
- Consumer protection and service quality requirements, including transparency obligations
- Pricing, tariff, and other market conduct rules
- Spectrum management (assignment, renewal, and refarming) and related obligations
- Competition and market conduct (mergers, acquisitions, and other transactions)
- Data privacy, cybersecurity, and critical infrastructure resilience requirements
- 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;
- Maintains active government engagement through industry consultation and public-private initiatives that helps shape the regulatory landscape of the telecommunications sector;
- 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 driven by a mature mobile market, continued growth in data demand, and aggressive acquisition and retention strategies from both incumbents and potential new market entrants.

The evolving regulatory and market environment may lower barriers to entry and enable new business models, which could increase pricing, churn, and competition across customers and

enterprise segments. These dynamics may affect Globe's market share, revenues, and margins, and may require sustained investments in network, customer experience, and differentiated offerings.

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.

Skills in digital, AI, and emerging technology continue to evolve rapidly, requiring Globe to accelerate capability building and targeted investments in upskilling and technology enablement.

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's revenues are predominantly denominated in Philippine Pesos, while some investment initiatives (ex. capex) and certain expenses, including debt obligations, are denominated in other currencies (principally U.S. dollars). Foreign exchange risks are managed such that foreign currency flows from operations (transaction exposures) are balanced or offset by the net foreign currency position (translation exposures). Transactional exposures are comprised of foreign currency linked revenues and expenses. Globe's foreign exchange translation exposures result primarily from movements of the Philippine Peso against foreign currency-denominated financial assets, liabilities and certain U.S. dollar-denominated assets.

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:

- Regular monitoring and review of foreign currency exposures to ensure the Company remains within policy;
- Assessing foreign exchange risk through sensitivity analysis to estimate the impact of foreign currency movements on the Profit & Loss (P&L);
- Entering into appropriate hedging instruments, including foreign currency forwards, cross-currency swaps, and principal-only swaps, to manage transaction and translation exposures, including foreign exchange risk on principal repayments of foreign currency debt (USD and JPY).

B. Interest Rate Risk (External)

Globe is exposed to financial risks arising from fluctuations in interest rates on its debt obligations. Interest rates are influenced by many factors, including monetary policies and domestic and international economic and political conditions. An increase in interest rates may increase Globe's financial expenses. Globe seeks to manage its interest rate risk by using a mix of fixed and variable rate debt that is meant to achieve a balance between cost and volatility.

There are no assurances that any of the strategies implemented by Globe to manage its debt profile will be successful and any failure to manage interest rate risk could adversely affect the company's financial condition and results.

Mitigation:

- Assessing interest rate risk exposures through sensitivity analysis to estimate the impact of interest rate movements on the P&L;

- Setting a target level of fixed and variable debt mix; and
- Entering into appropriate hedging instruments, including interest rate swaps to reduce volatility related to interest rate movements.

C. Liquidity Risk (Internal)

The telecommunications industry is capital intensive. The pace at which new technologies are developed is rapid, and companies operating in the telecommunications industry need to keep up with these changes in order to remain competitive. This requires constant investment in updating technologies and corresponding funding needs. Globe has made, and intends to continue to make, capital investments to develop, launch and enhance its service offerings. These ongoing investments increase Globe's liquidity requirements and funding needs, requiring adequate operating cash flows and access to financing to support capital expenditures and debt refinancing.

Mitigation:

- Regularly evaluate projected and actual cash flows and continuously assess financial markets conditions to identify and pursue funding opportunities;
- Strengthen capital expenditure (CAPEX) planning through a data-driven decision-making process;
- Maintain stable access to the bank financing and capital market by maintaining disciplined capital structure management, diversified funding sources, and adequate liquidity buffers; and
- Maintain strong and diversified relationships with partner banks and other creditors to support funding flexibility and reliable access to financing.

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 as AI-powered cybersecurity threats continue to rise 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.

FOR THE FINANCIAL YEAR ENDED 2024

1. 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 ECPay 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.
- o 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 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.
 - o 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.
 - o The annual decline of 6% in fixed line voice revenues was mainly due to lower outbound usage.
 - o The 47% drop in non-telco revenues from the ₱4.9 billion recorded at the end of 2023 was impacted by the deconsolidation of ECPay⁴, 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

⁴ The deal is currently undergoing thorough reviews. Completion is expected upon receipt of approvals from the relevant regulatory bodies and satisfaction of closing conditions.

requirements, ensuring uninterrupted access to digital solutions and connectivity services for Globe's customers.

GROUP 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 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)	For the Year Ended		
	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:

- a) Prorated monthly service fees on consumable minutes of postpaid plans;
- b) Subscription fees on unlimited and bucket voice promotions including the expiration of the unused value of denomination loaded;
- c) 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;
- d) 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
- e) Mobile service revenues of GTI and MVNO.

² Mobile SMS revenues consist of revenues from value-added services such as inbound and outbound SMS and MMS, infotext, and 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 GobeOne 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

	For the Year Ended		
	31-Dec 2024	31-Dec 2023	YoY Change (%)
Cumulative Subscribers (or SIMs) Net (End of period).....	60,906,496	57,047,237	7%
<i>Globe Postpaid</i>	2,429,816	2,545,462	-5%
Prepaid	58,476,680	54,501,775	7%
<i>Globe Prepaid</i>	32,078,927	29,884,300	7%
<i>TM</i>	26,397,753	24,617,475	7%
Net Subscriber (or SIM) Additions.....	3,859,259	(29,699,435)	-113%
<i>Globe Postpaid</i>	(115,646)	15,768	-833%
Prepaid	3,974,905	(29,715,203)	-113%
<i>Globe Prepaid</i>	2,194,627	(14,652,676)	-115%
<i>TM</i>	1,780,278	(15,062,527)	-112%
<u>Average Revenue Per Subscriber (ARPU)</u>			
ARPU¹			
<i>Globe Postpaid</i>	914	855	7%
Prepaid			

<i>Globe Prepaid</i>	148	121	22%
<i>TM</i>	113	84	35%
<u>Average Monthly Churn Rate (%)</u>			
<i>Globe Postpaid</i>	1.6%	1.5%	
<i>Prepaid</i>			
<i>Globe Prepaid</i>	1.9%	5.8%	
<i>TM</i>	2.2%	6.4%	

¹*Globe Prepaid include GOMO subscribers*

²*ARPU 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*⁵ 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

⁵ *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*

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.

G. *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 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 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:

- 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:

- e) Monthly service fees from international and domestic leased lines;
- f) Other wholesale transport services;
- g) Revenues from value-added services and ICT;
- h) 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 consisting 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 Home 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 GFP's growing momentum presents a promising opportunity for broadband expansion.

Furthermore, 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 GROUP REVENUES

International Long Distance (ILD) Services

Both Globe and Innove offer ILD voice services which cover international call services between the Philippines to 240 destinations with 616⁶ 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.

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 ECPay⁷ 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, Inquire 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

⁶ *Inbound and Outbound global roaming partners*

⁷ *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%
Cost 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 Loss (net)	(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 non-recurring charges taken up by Mynt related to the resolution of certain long-outstanding accounts. 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	

* 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	31-Dec	YoY change (%)
	2024	2023	
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 ₱79.6 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 Includes 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 Shares

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 144.4 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 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 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\$ inflows, an appreciation of the Peso has a negative impact on Globe's Peso EBITDA. Globe occasionally enters into forward contracts to hedge against a peso appreciation.

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.

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		For the Year Ended		YoY Change (%)
		31-Dec 2024	31-Dec 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)
		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 – non current	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 assets;; 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 P27.2B additional long-term leases during the year, including the tower sale and leaseback transaction, reduced by (P9.0B) 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.
- 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.

For details on material commitments and arrangements, see Note 33 and Note 34 for contingent obligations in the attached Notes to Consolidated 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.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 7. Directors and Key Officers

A. Board of Directors

As of December 31, 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)
Carl Raymond R. Cruz	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)

Note: 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, 66, 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, and Director of AC Energy and Infrastructure Corporation 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 Boards of Directors of Temasek Holdings, the J.P. Morgan International Council, the J.P. Morgan Asia Pacific Council, and LeapFrog Investments' Global Leadership Council. He sits on various advisory boards of Harvard University, including the Global Advisory Council and the Harvard Business School Asia-Pacific Advisory Board. He is Chairman Emeritus of the Asia Business Council and served as the Philippine Representative to the Asia-Pacific Economic Cooperation Business Advisory Council from 2010 to 2015. He is also 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 U.S.–Philippines Society since 2012 and assumed the Co-Chair position in 2024.

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

He received his BA in Economics (with honors) from Harvard University in 1981, his MBA from Harvard Business School in 1987, and an Honorary Doctorate in Management from the 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 on 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, 58, 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.

She is a widely recognised leader across Human Resources and Sustainability, with industry-wide recognition in Singapore, across Asia, and globally for her impact and leadership in both domains.

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, 66, has served as Director since April 2021 and Co-Vice Chair of the Board since November 2022. He has served as President and Chief Executive Officer (CEO) of Ayala Corporation since September 2022 and is the Chairman of ACEN Corporation. He is Vice Chairman of Bank of the Philippine Islands and Ayala Land, Inc.

He also serves as Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Mobility Holdings Incorporated, and Globe Capital Venture Holdings, Inc. In addition, he is Vice Chairman of AC Energy and Infrastructure

Corporation and Ayala Healthcare Holdings, Inc., and a Director of ACEN International, Inc., AC International Finance Limited, Asiacom Philippines, Inc., and Mynt, Inc.

He is the Chairman of the Philippine Dealing and Exchange Corporation and a non-executive Director of the Private Infrastructure Development Group, an infrastructure development and finance organization owned by the governments of Australia, Germany, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom. He is also 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, De La Salle University, 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. He was a Partner & Co-Head for Asia of The Rohatyn Group. He was an investment banker with J.P. Morgan & Co. For seven years, Mr. Consing was Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He also worked for the Bank of the Philippine Islands earlier in his career.

Mr. Consing has previously served as Chairman of Philippine Dealing System Holdings, Chairman of the College of St. Benilde, 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, Endeavor Philippines, and International Care Ministries.

Mr. Consing received an A.B. Economics degree, 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, ACEN Corporation and Ayala Land, Inc., all of which are listed on the Philippine Stock Exchange.

CARL RAYMOND R. CRUZ

Executive Director, President and CEO

Committee membership:

- *Executive Committee*

Mr. Cruz, Filipino, 55, was elected as Director, President and Chief Executive Officer (CEO) on April 22, 2025. He is a seasoned leader with over 30 years of experience in the fast-moving consumer goods (FMCG) industry, particularly in general management and marketing. He is also a Director for Bridge Mobile Alliance, Yondu Inc., GLOBE STT GDC INC., Mynt, Inc., Asiacom Philippines, Inc. and AC Mobility Holdings Incorporated, and the Chairman of GTI Business Holdings, Inc., Innove Communications, Inc., Bayan Telecommunications Inc. and Radio Communications of the Philippines Inc.

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.

Directorship in other publicly listed companies:

Mr. Cruz 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, 35, was elected as Director on November 11, 2022. He is the Chief Executive Officer (CEO) 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.

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 from 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 on the Philippine Stock Exchange.

DELFIN L. LAZARO

Non-Executive Director

Mr. Lazaro, Filipino, 79, 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., Co-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 Director of Purefoods International Ltd.

Skills and experience:

Mr. Lazaro graduated with BS Metallurgical Engineering at the University of the Philippines in 1967 and took his MBA (with Distinction) at Harvard Graduate School of Business in 1971.

Directorship in other publicly listed companies:

Mr. Lazaro also holds directorship in Ayala Corporation, which is listed on 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. 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:

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

Mr. Noel, Filipino, 68, has served as Independent Director since April 17, 2018. He is a lawyer and a Certified Public Accountant (CPA). He currently serves as Chairman of Security Bank Corporation, having been appointed to the Board of Directors in April 2018, named Vice Chairman in April 2020, and subsequently designated as Interim Chairman in May 2023 before assuming the role of Chairman on May 7, 2024. He is likewise the Chairman of Juxtapose Ergo Consultus Inc., Peakpower Energy Inc., Jin Navitas Electric Corporation, Jin Navitas Solaris Inc., and Confiar Land Corporation.

He is the Lead Independent Director of San Miguel Foods and Beverage, Inc., and an independent director of Robinsons Retail Holdings, Inc., First Philippine Holdings Corporation, Transnational Diversified Corporation, and LH Paragon Group, Golden ABC. He is a director of Eton Properties, Inc., and Infinity Energy Trading Systems Pte. Ltd. (formerly Amber Kinetics Holdings Co. Pte. Ltd.).

He is the Vice-Chairman of the Board of Trustees of St. Luke's Medical Center–Quezon City, St. Luke's Medical Center College of Medicine, and St. Luke's Foundation, Inc., as well as the Vice-Chairman of the Board of Directors of St. Luke's Medical Center–Global City.

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

Skills and experience:

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

He previously served as Chairman of Palm Concepcion Power Corporation, and a member of the Board of Directors of Philippine Airlines, PAL Holdings, Inc., and JG Summit Holdings, Inc. (from 2018 to 2021).

He held various leadership positions in SGV & Co., including Chairman, Managing Partner, Vice Chairman and Deputy Managing Director, Head of the Tax Division, and Partner, Tax Services.

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

He earned his Bachelor of Science in Business Administration from the University of the East, obtained his Bachelor of Laws from the Ateneo Law School, and completed his Master of Laws at Harvard Law School. He is a fellow of the Harvard International Tax Program 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., Robinsons Retail Holdings, Inc., all of which are listed on the Philippine Stock Exchange.

NATIVIDAD N. ALEJO

Non-Executive and Independent Director

Committee memberships:

- *Board Risk Oversight and Sustainability Committee (Chairperson)*
- *Audit and Related Party Transactions Committee*
- *Finance Committee*

Ms. Alejo, Filipino, 69, 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 and Co-Founder 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., a member of the Filipina CEO Circle, Management Association of the Philippines, and as an advisor to the board of microfinance-oriented rural bank CARD MRI Rizal Bank, Inc. Ms. Alejo likewise serves as the Lead Independent Director of Singlife Phils., Inc. and an independent director of Grand Plaza Hotel Corporation.

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 on 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, 65, has served as an Independent Director since April 25, 2023. He was most recently Chairman of Bankware Asia Pte. Ltd., a Singapore-based provider of Banking-as-a-Service (BaaS) solutions for financial institutions. He currently sits on the board of the Palawan Pawnshop Group as an Independent Director, serves as Vice-Chairman of SasonbiSolar Inc., and is a member of the Management Board of the National University of Singapore – Institute of Systems Science (NUS-ISS).

Prior to these roles, Mr. Jocson was Chief Operating Officer of the Bank of the Philippine Islands (BPI). As COO and Executive Vice President for Enterprise Services, he oversaw multiple key divisions—including Human Resources, Centralized Operations, Information Systems, Digital Channels, Business Transformation & Data Analytics, and Facilities Services—during his tenure from 2015 to 2022.

Skills and experience:

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 2005, the Cyber-Security Committee of the Bankers Association of the Philippines, where he was Vice-Chairman from 2016 to 2022, and the Digital Infrastructure sector of the Private Sector Advisory Council (Philippines) from 2022 to 2024.

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)*
- *Audit and Related Party Transactions Committee*
- *Board Risk Oversight and Sustainability Committee*
- *Nomination and Governance Committee*

Mr. Periquet, Filipino, 64, has served as Independent Director since April 25, 2023. He is Chairman and CEO of AB Capital & Investment Corporation, and Chairman of the Campden Hill Group, Inc. Mr. Periquet is also a director of The Straits Wine Co. Inc., Mynt, Inc. and Semirara Mining and Power Corporation, and an independent director of JG Summit Holdings, Inc., Universal Robina Corporation, Philippine Investment Management, Inc. (PHINMA), and the Albizia ASEAN Tenggara Fund. He is an Advisor to the ABS-CBN Corporation, DMCI Holdings, Inc., British International Investment (BII) and the Tech for Good Institute (Singapore). He is also a trustee of Lyceum University of the Philippines.

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 holds directorships in JG Summit Holdings, Inc., Universal Robina Corporation and Semirara Mining and Power Corporation, all of which are listed on the Philippine Stock Exchange.

Nominees to the Board of Directors (2026-2027)**1. CEZAR P. CONSING**

Mr. Consing, Filipino, 66, has served as Director since April 2021 and Co-Vice Chair of the Board since November 2022. He has served as President and Chief Executive Officer (CEO) of Ayala Corporation since September 2022 and is the Chairman of ACEN Corporation. He is Vice Chairman of Bank of the Philippine Islands and Ayala Land, Inc.

He also serves as Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Mobility Holdings Incorporated, and Globe Capital Venture Holdings, Inc. In addition, he is Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc., and a Director of ACEN International, Inc., AC International Finance Limited, Asiacom Philippines, Inc., and Mynt, Inc.

He is the Chairman of the Philippine Dealing and Exchange Corporation and a non-executive Director of the Private Infrastructure Development Group, an infrastructure development and finance organization owned by the governments of Australia, Germany, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom. He is also 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, De La Salle University, 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. He was a Partner & Co-Head for Asia of The Rohatyn Group. He was an investment banker with J.P. Morgan & Co. For seven years, Mr. Consing was Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He also worked for the Bank of the Philippine Islands earlier in his career.

Mr. Consing has previously served as Chairman of Philippine Dealing System Holdings, Chairman of the College of St. Benilde, 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, Endeavor Philippines, and International Care Ministries.

Mr. Consing received an A.B. Economics degree, 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, ACEN Corporation and Ayala Land, Inc., all of which are listed on the Philippine Stock Exchange.

2. **TAN MEE LING AILEEN**

Ms. Tan, Singaporean, 58, 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.

She is a widely recognised leader across Human Resources and Sustainability, with industry-wide recognition in Singapore, across Asia, and globally for her impact and leadership in both domains.

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.

3. **JAIME ALFONSO ANTONIO ZOBEL DE AYALA**

Mr. Zobel de Ayala, Filipino, 35, was elected as Director on November 11, 2022. He is the Chief Executive Officer (CEO) 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.

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 from 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 on the Philippine Stock Exchange.

4. NG TIAN CHONG

Mr. Ng Tian Chong, Singaporean, 61, leads Singtel Singapore, overseeing its consumer and enterprise businesses. In addition to ensuring the smooth running and advancement of its critical networks, as well as digital and mobile services, his role involves identifying synergies, building capabilities and driving innovation and growth locally and globally - strengthening Singtel's market leadership.

Under Mr. Ng's stewardship, Singtel Singapore is leading the shift towards being an AI-first Telco of the Future with AI enabled, digital first platforms for both consumers and enterprises. Singtel has achieved significant milestones in connectivity, cyber security, quantum computing and artificial intelligence – essential to supporting the digital lifestyles of consumers, the business goals of enterprises and the economic ambitions of the nation. Singtel has also won numerous global and regional accolades for its leading network advancements and capabilities.

Prior to joining the telco in 2022, Mr. Ng spent more than 30 years at HP, where he held key positions in sales, finance, product management, service and support as well as marketing, across regional and country portfolios. He played a key role in building HP to become a best-in-class player in the region. He left the company as Senior Vice President and Managing Director of Greater Asia, with responsibility for all its go-to-market strategies and overall financial performance.

Mr. Ng also sits on the boards of Dyson and some of Singtel's subsidiaries and regional associates like Globe Capital Venture Holdings Inc.

Skills and experience:

Mr. Ng holds a Bachelor of Science in International Business from Menlo College in California and a Masters in Business Administration from Haas School of Business, University of California at Berkeley.

He also served his National Service in the Singapore Army in various Command and Staff roles for 32 years of service, retiring at the rank of Colonel. During this time, he won the State Medal, Public Administration Medal Bronze (Military/SAF) 2016, State Medal, Long Service (Military) 2015 and State Medal, Commendation Medal (Military) 2007 among other awards.

Directorship in other publicly listed companies:

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

5. MARIANA BEATRIZ ZOBEL DE AYALA

Ms. Zobel de Ayala, Filipino, 37, is currently a Senior Vice President at Ayala Land, Inc., where she heads the Leasing and Hospitality Group, overseeing Ayala Malls, Ayala Land Offices, Ayala Land Hospitality, and Ayala Land Leisure Estates. In addition to serving as Chairman and Director across these Ayala Land units, she also serves as Director of the Makati Central Estate Association, Ortigas Land Corporation, and Fort Bonifacio Development Corporation, among others. Concurrently, she serves as a Board Director of Ayala Land, Inc and a member of its Executive Committee, Risk Oversight Committee, and Sustainability Committee, as well as a Director of AREIT, Inc. Aside from her directorships at the Ayala Land Group, Mariana also serves as a Board Director for BPI and ACX Holdings and its subsidiaries. She is concurrently a Managing Director at Ayala Corporation where she serves on the Management Committee.

She was named a board advisor for Asia Partners, a Singapore-based growth equity firm with over USD1Bn in assets under management, focused on enabling the next generation of high-growth technology companies in Southeast Asia. She is also a Board Advisor of U-Go, a non-profit organization looking to drive education equality in emerging markets by providing scholarship grants to women in pursuit of a university education.

Ms. Zobel de Ayala previously worked for the Bank of the Philippine Islands (BPI) as a Senior Vice President, leading the development of its marketing and digital platforms for its Consumer Bank. Before this position, she served as the Deputy Head of Ayala Malls and previously worked in project development across Ayala Land. She started working at the Ayala Group as a corporate strategy and business development associate at Ayala Corporation, supporting its portfolio reviews across the

conglomerate and business development interests in the healthcare industry. Ms. Zobel de Ayala began her career at J.P. Morgan in New York.

Skills and Experience:

She obtained her BA in Social Studies (Philosophy, Politics, and Economics) from Harvard College and an MBA from INSEAD.

Directorship in other publicly listed companies:

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

6. *CARL RAYMOND R. CRUZ*

Mr. Cruz, Filipino, 55, was elected as Director, President and Chief Executive Officer (CEO) on April 22, 2025. He is a seasoned leader with over 30 years of experience in the fast-moving consumer goods (FMCG) industry, particularly in general management and marketing. He is also a Director for Bridge Mobile Alliance, Yondu Inc., GLOBE STT GDC INC., Mynt, Inc., Asiacom Philippines, Inc. and AC Mobility Holdings Incorporated, and the Chairman of GTI Business Holdings, Inc., Innove Communications, Inc., Bayan Telecommunications Inc. and Radio Communications of the Philippines Inc.

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.

Directorship in other publicly listed companies:

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

7. *DELFIN L. LAZARO*

Mr. Lazaro, Filipino, 80, 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., Co-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 Director of Purefoods International Ltd.

Skills and experience:

Mr. Lazaro graduated with BS Metallurgical Engineering at the University of the Philippines in 1967 and took his MBA (with Distinction) at Harvard Graduate School of Business in 1971.

Directorship in other publicly listed companies:

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

8. *CIRILO P. NOEL – NOMINEE FOR INDEPENDENT DIRECTOR*

Mr. Noel, Filipino, 69, has served as Independent Director since April 17, 2018. He is a lawyer and a Certified Public Accountant (CPA). He currently serves as Chairman of Security Bank Corporation, having been appointed to the Board of Directors in April 2018, named Vice Chairman in April 2020, and

subsequently designated as Interim Chairman in May 2023 before assuming the role of Chairman on May 7, 2024. He is likewise the Chairman of Juxtapose Ergo Consultus Inc., Peakpower Energy Inc., Jin Navitas Electric Corporation, Jin Navitas Solaris Inc., and Confiar Land Corporation.

He is the Lead Independent Director of San Miguel Foods and Beverage, Inc., and an independent director of Robinsons Retail Holdings, Inc., First Philippine Holdings Corporation, Transnational Diversified Corporation, and LH Paragon Group, Golden ABC. He is a director of Eton Properties, Inc., and Infinity Energy Trading Systems Pte. Ltd. (formerly Amber Kinetics Holdings Co. Pte. Ltd.).

He is the Vice-Chairman of the Board of Trustees of St. Luke's Medical Center—Quezon City, St. Luke's Medical Center College of Medicine, and St. Luke's Foundation, Inc., as well as the Vice-Chairman of the Board of Directors of St. Luke's Medical Center—Global City.

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

Skills and experience:

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

He previously served as Chairman of Palm Concepcion Power Corporation, and a member of the Board of Directors of Philippine Airlines, PAL Holdings, Inc., and JG Summit Holdings, Inc. (from 2018 to 2021).

He held various leadership positions in SGV & Co., including Chairman, Managing Partner, Vice Chairman and Deputy Managing Director, Head of the Tax Division, and Partner, Tax Services.

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

He earned his Bachelor of Science in Business Administration from the University of the East, obtained his Bachelor of Laws from the Ateneo Law School, and completed his Master of Laws at Harvard Law School. He is a fellow of the Harvard International Tax Program 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 on the Philippine Stock Exchange.

9. *RAMON L. JOCSON – NOMINEE FOR INDEPENDENT DIRECTOR*

Mr. Jocson, Filipino, 66, has served as an Independent Director since April 25, 2023. He was most recently Chairman of Bankware Asia Pte. Ltd., a Singapore-based provider of Banking-as-a-Service (BaaS) solutions for financial institutions. He currently sits on the board of the Palawan Pawnshop Group as an Independent Director, serves as Vice-Chairman of SasonbiSolar Inc., and is a member of the Management Board of the National University of Singapore – Institute of Systems Science (NUS-ISS).

Prior to these roles, Mr. Jocson was Chief Operating Officer of the Bank of the Philippine Islands (BPI). As COO and Executive Vice President for Enterprise Services, he oversaw multiple key divisions—including Human Resources, Centralized Operations, Information Systems, Digital Channels, Business Transformation & Data Analytics, and Facilities Services—during his tenure from 2015 to 2022.

Skills and experience:

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 2005, the Cyber-Security Committee of the Bankers Association of the Philippines, where he was Vice-Chairman from 2016 to 2022, and the Digital Infrastructure sector of the Private Sector Advisory Council (Philippines) from 2022 to 2024.

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.

10. ANTONIO JOSE U. PERIQUET, JR. – NOMINEE FOR INDEPENDENT DIRECTOR

Mr. Periquet, Filipino, 64, has served as Independent Director since April 25, 2023. He is Chairman and CEO of AB Capital & Investment Corporation, and Chairman of the Campden Hill Group, Inc. Mr. Periquet is also a director of The Straits Wine Co. Inc., and Semirara Mining and Power Corporation, and an independent director of JG Summit Holdings, Inc., Universal Robina Corporation, Philippine Investment Management, Inc. (PHINMA), and the Albizia ASEAN Tenggara Fund. He is an Advisor to the ABS-CBN Corporation, DMCI Holdings, Inc., British International Investment (BII) and the Tech for Good Institute (Singapore). He is also a trustee of Lyceum University of the Philippines.

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:

Mr. Periquet also holds directorships in JG Summit Holdings, Inc., Universal Robina Corporation, and Semirara Mining and Power Corporation, all of which are listed on the Philippine Stock Exchange.

11. RIZALINA G. MANTARING – NOMINEE FOR INDEPENDENT DIRECTOR

Ms. Mantaring, Filipino, 66, has been an Independent Director of Ayala Corporation since April 24, 2020. Concurrently, she is also a Director of Sun Life Grepa Financial, Inc. and an Independent Director of Bank of the Philippine Islands, Inc., BPI Asset Management & Trust Group Inc., PHINMA Corporation, Universal Robina Corp. Inc., GoTYME Bank Inc., Maxicare Healthcare Corporation, Inc., and East Asia Computer Center Inc. She is also a member of the Boards of Trustees of the Makati Business Club and Philippine Business for Education, and a member of the Private Sector Advisory Council to the President of the Philippines. She was Chief Executive Officer and Country Head of Sun Life Financial Philippines, the country's leading insurer, prior to which she was Chief Operations Officer, Sun Life Financial Asia, responsible for IT & Operations across Asia. She was a recipient of the Asia Talent Management Award in the Asia Business Leaders Awards organized by the global business news network CNBC. She was selected as one of the 100 Most Outstanding Alumni of the Past Century by the University of the Philippines College of Engineering, and was 2019 PAX awardee of St.

Scholastica's College Manila, the highest award given by the school to outstanding alumni. She holds a BS Electrical Engineering degree, cum laude, from the University of the Philippines and an MS Computer Science from the State University of New York at Albany.

Skills and Experience:

She holds a BS Electrical Engineering degree, cum laude, from the University of the Philippines and an MS Computer Science from the State University of New York at Albany.

Directorship in other publicly listed companies:

Ms.Mantaring also holds directorships in Ayala Corporation, Bank of the Philippine Islands Inc., PHINMA Corporation, and Universal Robina Corporation, all of which are listed on the Philippine Stock Exchange.

B. Key Officers as of 31 December 2025

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 2025.

Key Officers – Globe

Name	Position
Carl Raymond R. Cruz ¹	President and Chief Executive Officer (CEO)
Juan Carlo C. Puno	Chief Finance Officer (CFO), Treasurer, and Chief Risk Officer (CRO)
Renato Manuel M. Jiao	Chief Human Resource Officer (CHRO)
Rebecca V. Eclipse	Chief Transformation and Operations Officer (CTOO) and Chief Customer Experience Officer (CCEO)
Vicente Froilan M. Castelo	General Counsel (GC)
Marisalve Ciocson-Co	Chief Compliance Officer, Senior Vice President – Legal and Compliance, and Assistant Corporate Secretary
Darius Jose R. Delgado	Chief Commercial Officer (CCO)
Maria Yolanda C. Crisanto	Chief Sustainability and Corporate Communications Officer (CSCCO)
Raul M. Macatangay	Chief Information Officer (CIO)
Carmeli Pauline M. Briones	Chief Audit Executive (CAE)
Anton Reynaldo M. Bonifacio	Chief Artificial Intelligence Officer (CAIO) and Chief Information Security Officer (CISO)
Maria Franchette M. Acosta	Corporate Secretary

¹ Member, Board of Directors

JUAN CARLO C. PUNO

Mr. Puno, 40, Filipino, is the Chief Finance 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. Moreover, Mr. Puno provides advisory support to the wider group, acting as the CFO and Treasurer of 917Ventures, as well as several 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 charterholder since 2018.

RENATO M. JIAO

Mr. Jiao, Filipino, 69, 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, 63, is Globe's Chief Transformation and Operations Officer (CTOO), and Chief Customer Experience Officer (CCEO). Ms. Eclipse was appointed as CTOO in 2022 and CCEO in 2015. She leads the Company's Experience Delivery Tribe, composed of Network, IT and Customer Experience Groups, continuously improving experience across all touch points, while instilling a company culture anchored on putting customers first.

Pivotal to doing right by its customers, the Globe network has constantly delivered exceptional CX under Ms. Eclipse's stewardship, cited as the Philippines' Most Consistent Network by Ookla, consecutively over the past 3 years. In prior years Ms. Eclipse was cited by Global Telecoms Business as one of the Top 50 Women to Watch in the industry, bannered by international recognition as Customer Service Executive of the Year. She then earned for Globe the Gold Stevie for Best Use of Technology (All Industries), Silver Stevie in Innovation, and Customer Service Team of the Year (Telecommunications). With Ms. Eclipse as Globe's CX champion, Globe has since become renowned for digital innovation and proactive care while bringing the Globe Purpose to life – treating people right to create a Globe of Good for customers, frontliners, employees, and partners.

Ms. Eclipse joined Globe in March 1995, heralding over 30 years of experience in the telecommunications industry, while holding key leadership roles in internal audit, financial and technology risk management, revenue assurance and fraud, and covering areas that include strategy management, process and quality management and customer experience transformation. She draws from her consulting, technology risk and financial management and auditing experience from SGV & Co, as well as Eastern Telecommunications, Inc. and Oceanic Wireless Network, 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 Philippine Institute of Certified Public Accountants (PICPA), Institute of Internal Auditors (IIA), and Information Systems and Control Auditors Association (ISACA).

VICENTE FROILAN M. CASTELO

Mr. Castelo, Filipino, 61, 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.

MARISALVE CIOCCSON-CO

Ms. Ciocson-Co, Filipino, 55, 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. Ciocson-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.

DARIUS JOSE R. DELGADO

Mr. Delgado, Filipino, 53, has been 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, consultancy, 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. Furthermore, 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 also participated in the Executive Development Program of the Kellogg School of Management at Northwestern University.

MARIA YOLANDA C. CRISANTO

Ms. Crisanto, Filipino, 59, is Globe's Chief Sustainability and Corporate Communications Officer and joined Globe in 2009. She is a Corporate Communications and Sustainability executive with over 40 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. Among her recent accolades, she was named both a 2025 Private Sector Sustainability Champion by the Philippine Securities and Exchange Commission and a 2025 Distinguished Thomasian Alumni (DTAN) Awardee by the University of Santo Tomas (UST) Alumni Association.

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, was appointed Chief Information Officer (CIO) of Globe effective May 1, 2022. As CIO, he collaborates with Management and leads teams across Architecture, Engineering, Program Delivery, Data Services and Service Management and Operations to support business objectives and ensure the successful delivery of key initiatives and business operations.

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.

CARMELI PAULINE M. BRIONES

Ms. Briones, Filipino, 58, has been Globe's Chief Audit Executive (CAE) since 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.

ANTON REYNALDO M. BONIFACIO

Mr. Bonifacio, Filipino, 43, is currently Globe's Chief Artificial Intelligence Officer and Chief Information Security Officer and has been working at the forefront of technology for over 20 years. Mr. Bonifacio has built, grown, and continues to develop one of the few IT and Network/Telecom converged Cybersecurity and Privacy teams globally, while also helping Globe's digital portfolio companies and businesses. Mr. Bonifacio is also responsible for the implementation, development, and operationalization of artificial intelligence in Globe.

Prior to Globe, he spent over a decade as a freelance consultant and expert, mostly for the public sector, with notable clients including the Development Bank of the Philippines, the Armed Forces of the Philippines, and the Philippine National Oil Company. When Mr. Bonifacio shifted his career to the private sector, he held management roles in other telcos handling multiple regions such as the Philippines, Central America, the United States, and Eastern Europe.

He earned his Bachelor of Science in Computer Science, major in Computer Network Engineering, from Asia Pacific College and completed his Master of Science in Information Technology at De La Salle University Manila. Mr. Bonifacio was among the first wave of young Linux, Unix, and Open Source advocates in the Philippines and one of the first Red Hat Linux Certified Engineers and, at 23, was the youngest Certified Information Systems Security Professional in the Philippines in 2006. He was awarded the Certified Information Security Manager Top Scorer Award for the December 2008 examinations.

MARIA FRANCHETTE M. ACOSTA

Ms. Acosta, Filipino, 53, is Globe's Corporate Secretary since April 2024. She is the Corporate Secretary, Corporate Governance Group Head and Chief Legal Officer of Ayala Corporation. 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 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.

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. Ms. Acosta graduated from New York University with a Master of Laws in 2003, and ranked 3rd in the Philippine Bar Examination.

C. 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.

D. Significant Employees

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

E. Involvement in Certain Legal Proceedings

(1) Directors, Officers - None of the directors, officers or members of the Company's senior management have 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.

Item 8. Executive Compensation

A. Standard Arrangements

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 2025:

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

* The amount equivalent to the retainer and per diem was paid to the account of Ayala Corporation

** The amount equivalent to the retainer and per diem was paid to the account of Singapore Telecom Int'l Pte. Ltd.

Key Officers

The total annual compensation (salary and other variable pay) of the CEO and other senior officers of the Company (excluding its subsidiaries) amounted to ₱330 million in 2025 and ₱321 million in 2024. The projected total annual compensation for 2025 is ₱292 million.

The total annual compensation paid to all senior personnel (Executives) of the Company (excluding its subsidiaries) amounted to ₱3,818 million in 2025 and ₱3,989 million in 2024. The projected total annual compensation for 2025 is ₱3,782 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)
Carl Raymond R. Cruz ¹ President & Chief Executive Officer				
Juan Carlo C. Puno ¹ Chief Finance Officer and Treasurer, and Chief Risk Officer				
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				
CEO & Most Highly Compensated Executive Officers	Actual 2024	170	151	0
	Actual 2025	166	164	0
	Projected 2026	159	133	0
All other officers ² as a group unnamed	Actual 2024	2,469	1,520	0
	Actual 2025	2,425	1,393	0
	Projected 2026	2,532	1,250	0

¹ CEO and Most Highly Compensated Executive Officers;

²All Other Executives

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

B. Other Arrangements

Globe has stock-based compensation, pension, and benefit plans.

Globe 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.

Long-Term Incentive Plan (LTIP)

On November 11, 2014, Globe obtained approval from the Board 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.

See Note 27.3 in the attached Notes to the Financial Statements for the discussion of the Company's LTIP.

Item 9. Security Ownership of Certain Record, Beneficial Owners & Management

A. Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of 31 December 2025

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 o/s shares ⁶
Voting Preferred	Asiacom Philippines, Inc. ("Asiacom") ¹ 34/F Tower 1 Bldg. Ayala Ave., Makati City	Asiacom Philippines, Inc.	Filipino	158,515,017	52.32%
Common	Singapore Telecom Int'l. Pte. Ltd. ("STI") ² 10 Eunos Road 8 #07-31, Singapore Post Centre, Singapore 408600	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 ("AC") ³ 39/F Ayala Gardens Tower 2, Paseo de Roxas cor Makati Avenue, Makati City	ARlyala Corporation	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	21,383,327	7.06%
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	13,931,606	4.60%

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 35,314,933 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.*

B. Security Ownership of Directors and Key Officers as of 31 December 2025:

Title of Class and Nature of Beneficial Ownership	Name of Beneficial Owner	Amount	Citizenship	% of Total Voting Shares	% of Total Outstanding Shares
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)	Cezar P. Consing	1	Filipino	0.00%	0.00%
Common (direct)	Jaime Alfonso Antonio E. Zobel de Ayala	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%

Voting Preferred (direct)	Ramon L. Jocson	1	Filipino	0.00%	0.00%
Common (indirect thru Campden Hill Group, Inc.)	Antonio Jose U. Periquet, Jr.	32,485	Filipino	0.01%	0.01%
Voting Preferred (direct)		1		0.00%	0.00%
Voting Preferred (direct)	Carl Raymond R. Cruz	1	Filipino	0.00%	0.00%
Officers***					
Voting Preferred (direct)	Carl Raymond R. Cruz	same as above			
Common (direct)	Juan Carlo C. Puno	1,640	Filipino	0.00%	0.00%
Common (direct)	Renato M. Jiao	39,925	Filipino	0.01%	0.01%
Common (indirect thru PCD)		2,883		0.00%	0.00%
Common (indirect thru PCD)	Rebecca V. Eclipse	34,718	Filipino	0.01%	0.01%
Common (direct)		12,570		0.00%	0.00%
Common (direct)	Vicente Froilan M. Castelo	3,295	Filipino	0.00%	0.00%
Common (indirect thru PCD)		4,044		0.00%	0.00%
Common (direct)	Marisalve Ciocson-Co	2,328	Filipino	0.00%	0.00%
Common (indirect thru PCD)		11,001		0.00%	0.00%
Common (direct)	Darius Jose R. Delgado	2,584	Filipino	0.00%	0.00%
Common (direct)	Maria Yolanda C. Crisanto	4,820	Filipino	0.00%	0.00%
Common (indirect thru PCD)		2,904		0.00%	0.00%
Common (direct)	Raul M. Macatangay	6,970	Filipino	0.00%	0.00%
Common (indirect thru PCD)		1,467		0.00%	0.00%
Common (direct)	Carmeli Pauline M. Briones	17,217	Filipino	0.01%	0.01%
Common (direct)	Anton Reynaldo M. Bonifacio	3,400	Filipino	0.00%	0.00%
Common (direct)	Maria Franchette M. Acosta	0	Filipino	0.00%	0.00%
All Directors and Officers as a group (Common)		184,361		0.06%	0.06%
All Directors and Officers as a group (Voting Preferred)		4		0.00%	0.00%

*** 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 website⁸.

Item 10. 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

None of these companies (AC and Singtel) exercise control over Globe Telecom (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 ₱251.66 million, ₱250.34 million and ₱336.00 million in 2025, 2024 and 2023, respectively. The interconnection costs recognized in relation to the agreements amounted to ₱21.76 million, ₱15.30 million and ₱23.05 million in 2025, 2024 and 2023, 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 ₱217.89 million, ₱202.19 million and ₱267.68 million in 2025, 2024 and 2023, respectively.

AC

Subscription receivable

Globe Telecom, Innove and BTI earn subscriber revenues from AC. Service revenues recognized from AC amounted to ₱31.37 million, ₱41.84 million and ₱39.22 million in 2025, 2024 and 2023, respectively.

Cost reimbursements

Globe Telecom reimburses AC for certain operating expenses. Total expenses recognized by Globe from the transaction amounted to ₱30.33 million, ₱58.41 million and ₱54.87 million in 2025, 2024 and 2023, 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 ₱0.38 million and ₱4.60 million as of December 31, 2025 and 2024, respectively. Total expenses recognized related to these transactions amounted to ₱22.41 million, ₱39.21 million and ₱20.14 million in 2025, 2024, and 2023, respectively.

⁸ Company website – "PSE/SEC Disclosures": <https://www.globe.com.ph/about-us/investor-relations/sec-pse-disclosures.html>.

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 ₱119.70 million, ₱80.84 million and ₱64.77 million in 2025, 2024, and 2023, 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 ₱128.60 million, ₱105.36 million and ₱16.47 million in 2025, 2024 and 2023, respectively.

Service arrangement

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.

Expenses charged to profit or loss in relation to these arrangements amounted to ₱3,924.32 million, ₱3,651.09 million and ₱3,883.58 million in 2025, 2024 and 2023, respectively.

Outstanding Gcash wallet balance as of December 31, 2025 and 2024 amounted to ₱353.06 million and ₱344.96 million, respectively.

ECPAY

Share Purchase Agreement

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. Thereafter, 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. In 2023, the fair value of Globe's interest in ECPay was reclassified to Assets classified as held-for-sale under the current assets sections in Globe's consolidated statement of financial position. The resulting gain, amounting to ₱76.67 million was recognized in the consolidated statements of comprehensive income in 2023 (See Note 22).

In September 2024, April 2025 and July 2025, ECPay declared dividends to its existing shareholders representing a return of investment. Globe Telecom received ₱500.50 million, ₱308.00 million and ₱346.50 million from these cash proceeds, respectively.

The closing of the transaction and actual transfer of ownership was subjected to review by the PCC. On May 14, 2025, PCC issued a certification allowing the transaction to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments.

The transaction's closing and actual transfer of ownership were completed on August 5, 2025 with Globe receiving ₱962.50 million of the proceeds.

Distributorship agreement

Globe entered into a distributorship agreement with ECPay, wherein ECPay is accredited to distribute over-the-air prepaid load and gaming e-pins to subscribers. Payout incurred by Globe in relation to the transaction amounted to ₱393.25 million (includes ₱152.32 million consolidated under Mynt following the share purchase agreement completed on August 5, 2025), ₱463.26 million and ₱125.31 million in 2025, 2024 and 2023, respectively.

AB Capital Securities, Inc. ("ABCSI")

On September 8, 2023, Mynt entered into a definitive agreement with AB Capital & Investment Corporation, an entity controlled by a company owned by a member of the Board of Directors of Globe, to acquire up to a 50.0% equity stake in ABCSI. As of December 31, 2025, Mynt has closed the three investment tranches and currently owns 24.5% of ABCSI.

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 ₱34.73 million, ₱36.56 million and ₱75.75 million in 2025, 2024 and 2023, 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 ₱390.29 million, ₱618.36 million and ₱41.80 million recognized as other income in 2025, 2024 and 2023, 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 ₱124.90 million and ₱1,747.48 million in 2025 and 2024, 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 ₱118.55 million, ₱113.17 million and ₱113.05 million in 2025, 2024 and 2023, respectively.

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

Globe Retirement Plan (GRP)

On May 5, 2021, Globe granted additional loans to the GRP at an interest rate of 6%, which will mature on May 26, 2026. The loan was fully settled in November 2025. Interest income amounted to ₱131.64 million, ₱155.42 million and ₱155.00 million in 2025, 2024 and 2023, respectively (see Note 21 of the attached consolidated financial statement). As of December 31, 2025 and 2024, the outstanding balance of loan receivable from GRP amounted to nil and ₱2,547.94 million, respectively (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 expense amounting to ₱70.00 million, ₱203.00 million and ₱215.00 million in 2025, 2024 and 2023, respectively.

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 and August 2025, Globe Telecom collected ₱101.00 million and ₱476.00 million, respectively, as partial settlement of the loan. Interest income amounted to ₱68.06 million, ₱81.34 and

₱59.79 million in 2025, 2024 and 2023, respectively (see Note 21 of the attached consolidated financial statement). As of December 31, 2025 and 2024, the outstanding balance of loan receivable from JVHI amounted to ₱740.00 million and ₱1,216.00 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 2025 and 2024 which includes accrued but unpaid amounts for the years ended:

(In Thousand Pesos)	2025	2024
Short-term employee benefits	₱293,700	₱282,900
Share-based payments	116,900	119,300
Post-employment benefits	16,800	17,700
	₱427,400	₱419,900

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 2025 Notes to the Audited Financial Statements.

PART IV – CORPORATE GOVERNANCE AND SUSTAINABILITY

Item 11. Corporate Governance

In 2025, Globe celebrated its 50th year of public listing at the Philippine Stock Exchange (PSE), commemorating five decades of remarkable growth, innovation, and leadership in telecommunications and digital solutions. The ceremonial bell ringing was held on August 11, 2025 at the Philippine Stock Exchange (PSE). This celebrated the invaluable contributions of Globe's shareholders, Board of Directors, employees, and partners, whose continued trust and support have been instrumental in the company's 50-year journey, affirming that this milestone is a shared achievement, especially in corporate governance.

In compliance with pertinent regulations, the Integrated Annual Corporate Governance Report (i-ACGR) replaced the corporate governance (CG) section of the company's Securities and Exchange Commission (SEC) Form 17-A, the previous SEC Form ACGR and PSE's CGR-1, and shall be submitted by the Company to pertinent regulatory agencies on or before May 30 of every year or on another date set forth by the SEC.

The i-ACGR will also be available on the company website, through the i-ACGR page (<https://www.globe.com.ph/about-us/corporate-governance/annual-corporate-governance-report.html>), upon completion of submission to pertinent regulatory agencies. Globe also continues to adopt Integrated Reporting in accordance with the International Integrated Reporting Framework advocated by the International Integrated Reporting Council (IIRC) and in reference to the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. This is in line with the Securities and Exchange Commission's Memorandum Circular No. 4, series of 2019 which mandates publicly-listed companies to submit a sustainability report. Beyond these frameworks and standards, Globe also aligns its Integrated Report with the United Nations Sustainable Development Goals (SDGs) and the United Nations Global Compact principles (UNGC), and has adopted the GSMA ESG Metrics for Mobile, the first-of-its-kind mobile sector ESG reporting framework aiming to drive consistency and comparability across the industry. The Integrated Report is also aligned with the ASEAN Corporate Governance Scorecard (ACGS) Principles, and the SEC i-ACGR. The Integrated Report undergoes external party assurance, which was conducted by DNV AS Philippine Branch for 2025. It reviews Globe's sustainability-linked operational performance and strategies for the financial year January 01, 2025 to December 31, 2025. As done in previous years, the Integrated Report will also be available on the company website on or before the Company's Annual Stockholders' Meeting (ASM), which will be held on April 21, 2026. The Company encourages stakeholders to refer to the Integrated Report for a more in-depth and detailed presentation and discussion not only of Globe Telecom's annual financial results, CG and sustainability initiatives, but also of the company's strategies, governance and performance in the context of its external environment and how these create value. The Integrated Report is also available on the company website through the Investor Relations page (<https://www.globe.com.ph/about-us/investor-relations.html>).

Globe's CG practices are principally contained in the Articles of Incorporation (AOI) and By-Laws, complemented by the Manual of Corporate Governance (MCG), company policies, Committee charters, the Board's charter, and the Code of Conduct and Ethics (CoC). The AOI and By-Laws maintain the basic structure of CG while the MCG, charters, policies and CoC act as supplements. These legal documents outline the core of Globe'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 interests of the company and protects Globe's stakeholders amidst an increasingly competitive environment. The same are likewise aligned with pertinent rules and regulations, and undergo regular review and enhancement in accordance with applicable guidelines and regulatory issuances. Amendments to the By-Laws and AOI received SEC approval in February 2021 and October 2022, respectively. Globe's corporate documents are also publicly available on the Company website.

Globe is likewise dedicated to maintaining the organization's compliance with the SEC Code of Corporate Governance, all listing rules of the Philippine Stock Exchange (PSE), and other regulations issued by the SEC, among other regulatory agencies. An annual Certification of Compliance with the

Company's MCG is issued and signed by the Chief Compliance Officer with the President and CEO. An annual Certification of Compliance with the CoC is issued and signed by the Chief Human Resource Officer (CHRO). These Certifications are also posted on the Company website's CG page and included in the Integrated Report.

Globe also continues to align the Company's policies and practices with the ASEAN Corporate Governance Scorecard (ACGS), which adopts international CG best practices and standards including the CG principles of the Organisation for Economic Co-operation and Development (OECD).

In 2025, Globe updated the Anti-Corruption and Bribery Policy, which was introduced to employees through extensive cascades, dissemination and training, including requiring every employee to acknowledge that they had read, understood and shall strictly comply with the contents thereof. The same acknowledgement exercise was done for the CoC. Thus, solidifying each and every employee's renewed commitment to these policies.

Globe also continues to maintain a structured and risk-based corporate governance framework to oversee enterprise risk, technology, data protection, and the responsible use of artificial intelligence (AI). AI initiatives are governed under Globe's Enterprise AI Governance Policy, which establishes a proportionate, lifecycle-based oversight model designed to enable innovation while safeguarding trust, security, and human rights. It aligns with internationally recognized standards and frameworks, including the OECD AI Principles, ASEAN guidance on AI governance, ISO/IEC standards (including ISO/IEC 42001 and ISO/IEC 27001), the NIST AI Risk Management Framework, and the GSMA Responsible AI Maturity Framework.

The Company operates on a comprehensive Privacy Management Program supported by the Globe Privacy Policy, Employee Privacy Policy, and related procedural manuals, which govern the lawful collection, processing, retention, and protection of personal data across operations. All new projects including AI initiatives are subject to structured risk assessments integrating Privacy Impact Assessments (PIA), Vendor Risk Assessments (VRA), and security evaluations aligned with ISO/IEC 27001 and internal information security standards.

In the event of a cybersecurity or data breach incident, Globe activates its Personal Data Breach Management Policy, which establishes clear escalation, containment, investigation, remediation, and regulatory notification protocols. Complementing this, Globe maintains a Vulnerability Disclosure Program to encourage responsible reporting of potential security weaknesses by external stakeholders, strengthening proactive threat detection and response.

Through this integrated governance architecture, Globe ensures that AI innovation is pursued responsibly balancing technological advancement with legal compliance, enterprise risk management, cybersecurity resilience, and the protection of customer and stakeholder trust.

The company website is maintained to ensure investor-friendliness and the convenient access of information for all of Globe's shareholders and various stakeholders. The Company website contains comprehensive information about Globe's business, products and services, disclosures and reports, CG scorecard, surveys and reports, press releases and an archive thereof, as well as the corporate policies, charters and manuals, vision, mission, core values, investor relations program, sustainability and corporate social responsibility activities, among others. Globe ensures that all information included in the company website is accurate, relevant and up-to-date.

Through keeping these CG structures effectively working and updated in place, coupled with continuous regulatory compliance, the CG culture enables Globe business to operate aggressively while ensuring the interests of the Company's customers – internal and external stakeholders – are protected and addressed.

Apart from the Sustainability page (<https://www.globe.com.ph/about-us/sustainability.html>), dedicated pages in the website were created for the posting of reports and corporate documents for the easy reference of all customers and all stakeholders. These pages include, but are not limited to, the following:

- i. IR page (<https://www.globe.com.ph/about-us/investor-relations.html>)
 - a. Various SEC and PSE Disclosures including the Annual Report (SEC Form 17-A), Audited Financial Statements, Annual Information Statement (SEC Form 20-IS) and the General Information Sheet (GIS), among others:
<https://www.globe.com.ph/about-us/investor-relations/sec-pse-disclosures.html>
 - b. Dividend Policy and Historical Dividends:
<https://www.globe.com.ph/about-us/investor-relations/stock-information/dividend-policy.html>
- ii. CG page (<https://www.globe.com.ph/about-us/corporate-governance.html>)
 - a. Integrated Annual Corporate Governance Report (i-ACGR):
<https://www.globe.com.ph/about-us/corporate-governance/annual-corporate-governance-report.html>
 - b. Integrated Reports:
<https://www.globe.com.ph/about-us/sustainability/integrated-report>
 - c. ASEAN Corporate Governance Scorecard (ACGS):
<https://www.globe.com.ph/about-us/corporate-governance/asean-corporate-governance-scorecard.html>
 - d. Annual Stockholders' Meetings (ASMs):
<https://www.globe.com.ph/about-us/corporate-governance/annual-stockholders-meetings.html>
 - e. Certificates of Compliance:
<https://www.globe.com.ph/about-us/corporate-governance/certificate-of-compliance.html>
 - f. Related Party Transactions (RPTs):
<https://www.globe.com.ph/about-us/corporate-governance/related-party-transactions.html>
 - g. Company Policies:
<https://www.globe.com.ph/about-us/corporate-governance/company-policies.html>
 - h. Board of Directors:
<https://www.globe.com.ph/about-us/corporate-governance/board-of-directors.html>
 - i. Conglomerate Map
<https://www.globe.com.ph/about-us/corporate-governance/conglomerate-map.html>
 - j. Enterprise Risk Management
<https://www.globe.com.ph/about-us/corporate-governance/enterprise-risk-management.html>
 - k. Internal Control Mechanism
<https://www.globe.com.ph/about-us/corporate-governance/internal-control-mechanism>
 - l. Disclosure and Transparency
<https://www.globe.com.ph/about-us/corporate-governance/disclosure-transparency>

Item 12. Sustainability Report

Please refer to the Sustainability Report embodied in the 2025 Integrated Report to be posted in the Company's official website on or before April 14, 2026 at the following link:
<https://www.globe.com.ph/about-us/sustainability/integrated-report.html>

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of **MAKATI CITY** on MAR 27 2026

By:

1.



Carl Raymond R. Cruz
President and Chief Executive Officer

SUBSCRIBED AND SWORN to before me this MAR 27 2026 2026, 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
Carl Raymond R. Cruz			

Doc. No. 124
Page No. 24
Book No. I
Series of 2026


ATTY. JUSTIN NICO L. RAVAGO
Notary Public
Appointment No. M-047
Makati City Metro Manila
Expires on 31 December 2026
15th and 16th Floors, BDO Life MegaPlaza
358 Sen. Gil Puyat Avenue,
1200 Makati City, Philippines
Attorney's Roll No. 73881
PTR No. 10764065/01.02.2026/Makati City
IBP No. 583692/01.02.2026/RSM
MCLE Compliance No. VIII-0032524/05.07.25

SIGNATURES

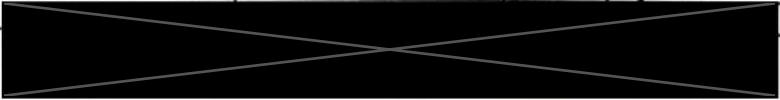
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of **MAKATI CITY** MAR 27 2026.

By:

2.


Juan Carlo C. Puno
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this MAR 27 2026 day of _____ 2026, 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			

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Page No. 26
Book No. I
Series of 2026

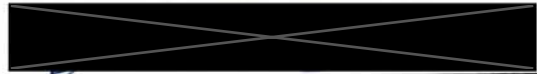

ATTY. JUSTEN NICO L. RAVAGO
Notary Public
Appointment No. M-047
Makati City Metro Manila
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1200 Makati City, Philippines
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MCLE Compliance No. VIII-0032524/05.07.25

SIGNATURES

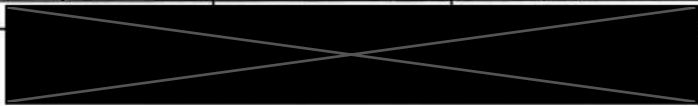
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of **MAKATI CITY** on MAR 27 2026

By:

3.


Maria Franchette M. Acosta
Corporate Secretary

MAR 27 2026
SUBSCRIBED AND SWORN to before me this ___ day of ___ 2026, 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
Maria Franchette M. Acosta			

Doc. No. 123
Page No. 26
Book No. 1
Series of 2026


ATTY. JUSTIN NICO L. RAVAGO
Notary Public
Appointment No. M-047
Makati City Metro Manila
Expires on 31 December 2026
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1200 Makati City, Philippines
Attorney's Roll No. 73881
PTR No. 10764065/01.02.2026/Makati City
IBP No. 583692/01.02.2026/RSM
MCLE Compliance No. VIII-0032524/05.07.25

PART V – EXHIBITS AND SCHEDULES

- A. Exhibits** – Please see accompanying Index to Exhibits in the following pages
- B. Reports on SEC Form 17-C** - The Company regularly files various reports on SEC Form 17-C relative to various company disclosures. Of these, the more significant ones are as follows:

Date	Title
February 13, 2025	Corporate Disclosure - GCash valuation soars to \$5B: Ayala Corp. and Japan's biggest bank MUFG invest in Mynt, GCash parent company
February 24, 2025	Update on Disposition of Assets (Philtower 8th Closing)
March 17, 2025	Press Release - Globe Telecom closes term loan facilities with BDO Unibank, Inc. & Metropolitan Bank & Trust Company
March 27, 2025	Press Release - Globe takes its IT arm, Yondu, to greater heights through a joint venture with technology services leader, NCS
March 28, 2025	Press Release - Globe concludes landmark tower sale with Unity, completing transfer of 447 towers; Raised Php87.9 billion to date, boosting financial flexibility and network growth
March 28, 2025	Update on Disposition of Assets (Unity 7th Closing)
April 22, 2025	Results of the Annual or Special Stockholders' Meeting and Organizational Meeting of the Board of Directors
May 15, 2025	Corporate Disclosure - Amended Disclosure on ECPay Sale
June 3, 2025	Corporate Disclosure - Globe Fintech Innovations Inc. Amendment of Articles of Incorporation
July 31, 2025	Update on Disposition of Assets (Philtower 9th Closing)
July 31, 2025	Update on Disposition of Assets (MIDC 11th Closing)
July 31, 2025	Press Release - Globe Approaches Final Phase of Tower Sale and Leaseback Deal; 6,945 Towers Transferred to date, raising Php89.3 billion
August 6, 2025	Corporate Disclosure - Amended Disclosure on ECPay Sale
September 12, 2025	Press Release - Globe Telecom Closes Term Loan Facility with Bank of Commerce
October 28, 2025	Corporate Disclosure - Amended Disclosure on Globe Fintech Innovations, Inc. (Mynt)'s Articles of Incorporation
November 5, 2025	Press Release - Globe Earns Five Golden Arrows for Fourth Consecutive Year, Cementing Leadership in Corporate Governance Excellence
November 19, 2025	Press Release - Globe Telecom Closes Term Loan Facility with Mizuho Bank, Ltd.

INDEX TO EXHIBITS

Description of Exhibit	Remarks/Attachment
Statement of Management's Responsibility for Consolidated Financial Statements	√
Independent Auditor's Report on the Consolidated Financial Statements and Notes to Consolidated Financial Statements	√
Independent Auditors' Report on the Supplementary Schedules	√
Consolidated Financial Statements and Notes to Consolidated Financial Statements	√
Schedule of Financial Soundness Indicators	√
Reconciliation of Retained Earnings Available for Dividend Declaration	√
Map of the relationship of the companies within the group	√
Schedule for Listed Companies with a Recent Offering of Securities to the Public	*
Financial Assets	*
Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	√
Trade & Other Receivables Eliminated During Consolidation	√
Long-term Debt	√
Indebtedness to Related Parties (Long-term loans from related parties)	*
Guarantees of Securities of Other Issuers	*
Capital Stock	√
Schedule of External Auditor Fee-Related information	√
Aging Analysis of Accounts Receivable	√
BIR ITR Filing Reference of Parent Company Financial Statements	√

*Note: * The exhibits are either Not Applicable to the Company or require No Answer.*

**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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting 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 3rd day of February 2026

SUBSCRIBED AND SWORN to before me this FEB 03 2026 at MAKATI 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. : 91
Page No. : 20
Book No. : 1
Series of 2024


ATTY. JUSTIN NICCO I. RAVAGO
Notary Public



 **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

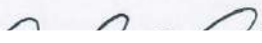
The management of Globe Telecom, Inc. and Subsidiaries ("Globe") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting 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.


CARL RAYMOND R. CRUZ
President and Chief Executive Officer

Signed this 3rd day of February 2026

SUBSCRIBED AND SWORN to before me this FEB 03 2026 at MAKATI 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
Carl Raymond R. Cruz			

Doc. No. : 93
Page No. : 20
Book No. : 1
Series of : 2024

ATTY. JUSTIN NICOL R. RAVAGO
Notary Public

**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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting 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 Finance Officer, Treasurer and Chief Risk Officer

Signed this 3rd day of February 2026

SUBSCRIBED AND SWORN to before me this FEB 03 2026 at MAKATI 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. : 92
Page No. : 20
Book No. : I
Series of 2024


ATTY. JUSTIN NICOL R. RAVAGO
Notary Public



Isla Lipana & Co.

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, 2025 and 2024, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2025, 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, 2025 and 2024;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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 Audits 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), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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 Note 2.14 to the consolidated financial statements. Revenue recognition was identified as a key audit matter due to the high volume of transactions processed through various systems which heavily relies on automated processes and controls from account activation, recording of usage, billing and 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 key automated and manual controls over the revenue process, including controls from account activation to termination, provisioning, call data capture, charging, billing interface and revenue recording. 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.

Key audit matter	How our audit addressed the key audit matter
	To address the risk related to the timing of recognition of postpaid service revenues, 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 service revenues in the correct reporting period. • We performed substantive audit procedures, on a sampling basis, over postpaid service revenues 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.

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 Audits 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.
-

- 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.

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.

Independent Auditor's Report
To the Board of Directors and Shareholders of
Globe Telecom, Inc.
Page 8

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.


Aldie P. Garcia
Partner

CPA Cert. No. 0107076

P.T.R. No. 0011459, issued on January 8, 2026, Makati City

SEC A.N (Individual) as general auditors 107076-SEC, Category A;
valid to audit 2019 to 2025 financial statements

SEC A.N (Firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

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, 2028

Makati City
February 3, 2026



Isla Lipana & Co.

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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 3, 2026. 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, is 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 supplementary 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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 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 8, 2026, Makati City

SEC A.N (Individual) as general auditors 107076-SEC, Category A;

valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

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, 2028

Makati City
February 3, 2026

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Isla Lipana & Co.

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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated February 3, 2026. 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, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part 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 8, 2026, Makati City

SEC A.N (Individual) as general auditors 107076-SEC, Category A;

valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

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, 2028

Makati City
February 3, 2026

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GLOBE TELECOM, INC. AND SUBSIDIARIES

Consolidated Financial Statements
December 31, 2025, 2024 and 2023





GLOBE TELECOM, INC. AND SUBSIDIARIES **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Notes	2025	2024
(In Thousand Pesos)			
ASSETS			
Current Assets			
Cash and cash equivalents	5	P25,029,857	P21,353,659
Trade receivables – net	6	17,892,540	19,508,236
Contract assets – net	7.1	4,512,486	5,442,961
Inventories and supplies – net	9	2,318,950	2,964,814
Derivative assets – current	8	112,445	177,153
Prepayments and other current assets	10.1	20,135,505	20,122,348
		70,001,783	69,569,171
Assets classified as held-for-sale	1.15, 11, 13.1, 14.2	5,912,496	7,648,795
		75,914,279	77,217,966
Noncurrent Assets			
Property and equipment – net	11	356,127,191	352,115,098
Intangible assets and goodwill – net	12	20,827,976	20,130,902
Right of use assets – net	13.1	99,418,585	90,464,458
Investments in joint ventures	14	67,717,570	59,368,924
Derivative assets – net of current portion	8	5,936,109	5,041,998
Deferred income tax assets – net	28	2,262,717	1,971,459
Other noncurrent assets	10.1	27,787,480	27,325,318
		580,077,628	556,418,157
TOTAL ASSETS		P655,991,907	P633,636,123
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables and accrued expenses	15	P72,188,252	P78,107,332
Loans payable – current	17	22,218,988	26,349,796
Lease liabilities – current	13.2	9,067,593	8,175,643
Deferred revenues – current	7.2	5,912,304	6,049,750
Provisions	16	3,732,047	3,393,957
Income tax payable	28	1,365,512	902,334
Derivative liabilities – current	8	606,638	573,005
		115,091,334	123,551,817
Liabilities classified as held-for-sale	1.15	519,974	-
		115,611,308	123,551,817
Noncurrent Liabilities			
Loans payable – net of current portion	17	234,094,409	223,110,113
Lease liabilities – net of current portion	13.2	120,177,863	107,932,231
Pension liability	27.1	4,516,831	2,826,848
Deferred income tax liabilities – net	28	3,541,847	4,363,232
Deferred revenues – net of current portion	7.2	381,550	644,855
Other long-term liabilities	18	3,149,085	3,427,798
		365,861,585	342,305,077
Total Liabilities		481,472,893	465,856,894
Equity			
Capital Stock	20	9,016,001	9,011,592
Additional paid in capital		54,862,551	54,568,560
Cost of share-based compensation		1,041,026	871,722
Capital securities	20.3	29,977,639	29,977,639
Other reserves	20.8	(3,412,319)	(2,269,627)
Treasury shares	20.4	(10,000,000)	(10,000,000)
Retained earnings		92,984,846	85,588,481
Equity attributable to equity holders of the Parent		174,469,744	167,748,367
Non-controlling interest		49,270	30,862
Total Equity		174,519,014	167,779,229
TOTAL LIABILITIES AND EQUITY		P655,991,907	P633,636,123

See accompanying Notes to Consolidated Financial Statements.



GLOBE TELECOM, INC. AND SUBSIDIARIES **CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME**

		For the Years Ended December 31		
	Notes	2025	2024	2023
<i>(In Thousand Pesos, Except Per Share Figures)</i>				
REVENUES				
Service revenues		P165,077,658	P165,016,289	P162,333,484
Nonservice revenues		13,162,186	15,569,771	17,830,971
	32	178,239,844	180,586,060	180,164,455
INCOME				
Equity share in net income of joint ventures	14	6,392,043	3,897,012	2,214,761
Interest income	21	821,815	918,338	677,570
Gain on sale and leaseback of telecom towers - net	11	380,717	3,482,083	7,258,378
Gain on disposal of property and equipment - net		283,559	206,500	371,655
Other income - net	22	3,870,814	1,734,944	959,898
		11,748,948	10,238,877	11,482,262
COSTS AND EXPENSES				
General, selling and administrative expenses	23	72,207,939	72,836,753	74,681,050
Depreciation and amortization	24	53,871,127	50,473,040	47,356,043
Financing costs	25	16,456,490	14,444,270	12,145,879
Cost of inventories sold	9	13,487,058	16,428,713	18,217,044
Interconnect costs	32, 33.1	1,911,763	1,619,788	1,367,052
Impairment and other losses	26	3,827,345	4,691,290	5,463,979
		161,761,722	160,493,854	159,231,047
INCOME BEFORE INCOME TAX		28,227,070	30,331,083	32,415,670
PROVISIONS (BENEFIT) FOR INCOME TAX				
Current		5,593,063	6,919,731	7,853,664
Deferred		(628,053)	(874,417)	(16,004)
	28	4,965,010	6,045,314	7,837,660
NET INCOME		23,262,060	24,285,769	24,578,010
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified into profit or loss in subsequent periods:				
Transactions on cash flow hedges - net		(139,085)	(870,457)	185,047
Exchange differences arising from translations of foreign investments		92,989	270,419	(22,443)
	20.8	(46,096)	(600,038)	162,604
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		141,406	155,313	231,871
Remeasurement gain (loss) on defined benefit plan		(1,191,284)	(499,467)	(1,604,048)
	20.8	(1,049,878)	(344,154)	(1,372,177)
TOTAL OTHER COMPREHENSIVE LOSS		(1,095,974)	(944,192)	(1,209,573)
TOTAL COMPREHENSIVE INCOME		P22,166,086	P23,341,577	P23,368,437

(Forward)



GLOBE TELECOM, INC. AND SUBSIDIARIES **CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME**

		For the Years Ended December 31		
	Notes	2025	2024	2023
<i>(In Thousand Pesos, Except Per Share Figures)</i>				
Total net income attributable to:				
Equity holders of the Parent		P23,263,760	P24,304,433	P24,512,760
Non-controlling interest		(1,700)	(18,664)	65,250
		23,262,060	24,285,769	24,578,010
Total other comprehensive income (loss) attributable to:				
Equity holders of the Parent	20.8	(1,097,218)	(936,374)	(1,216,947)
Non-controlling interest	20.8	1,244	(7,818)	7,374
		(1,095,974)	(944,192)	(1,209,573)
Total comprehensive income attributable to:				
Equity holders of the Parent		22,166,542	23,368,059	23,295,813
Non-controlling interest		(456)	(26,482)	72,624
		P22,166,086	P23,341,577	P23,368,437
Earnings Per Share				
Basic	29	P151.21	P158.48	P160.45
Diluted	29	P150.44	P157.83	P159.74
Cash dividends declared per common share	20.5	P100.00	P100.00	P100.00

See accompanying Notes to Consolidated Financial Statements.



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2025											
	Capital Stock	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	
	Notes (Note 20)	Capital	Compensation	(Note 20.3)	(Note 20.8)	Earnings	(Note 20.4)	to Parent	Interest	Total	
(In Thousand Pesos)											
As of January 1, 2025		₱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
Total comprehensive income for the year		-	-	-	-	(1,097,218)	23,263,760	-	22,166,542	(456)	22,166,086
Dividends on:	20.5	-	-	-	-	-	(14,444,648)	-	(14,444,648)	-	(14,444,648)
Common Stock		-	-	-	-	-	(61,297)	-	(61,297)	-	(61,297)
Preferred Stock - voting		-	-	-	-	-	(1,361,450)	-	(1,361,450)	-	(1,361,450)
Distributions on Capital Securities	20.3	-	-	-	-	-	(1,361,450)	-	(1,361,450)	-	(1,361,450)
Share-based compensation	27.3.1	-	-	467,704	-	-	-	467,704	-	-	467,704
Issue of shares under share-based compensation plan		4,409	293,991	(298,400)	-	-	-	-	-	-	-
Non-controlling interest adjustment arising from increase in ownership share	1.8, 1.16	-	-	-	-	(45,474)	-	-	(45,474)	18,864	(26,610)
As of December 31, 2025		₱9,016,001	₱54,862,551	₱1,041,026	₱29,977,639	(₱3,412,319)	₱92,984,846	(₱10,000,000)	₱174,469,744	₱49,270	₱174,519,014

See accompanying Notes to Consolidated Financial Statements
(Forward)

CREATE. WONDERFUL.



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		For the Year Ended December 31, 2024									
	Notes	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
<i>(In Thousand Pesos)</i>											
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	₱159,926,738
Total comprehensive income for the year		-	-	-	-	(936,374)	24,304,433	-	23,368,059	(26,482)	23,341,577
Dividends on:	20.5	-	-	-	-	-	(14,434,240)	-	(14,434,240)	-	(14,434,240)
Common Stock		-	-	-	-	-	(61,297)	-	(61,297)	-	(61,297)
Preferred Stock - voting		-	-	-	-	-	(1,369,672)	-	(1,369,672)	-	(1,369,672)
Distributions on Capital Securities	20.3	-	-	-	-	-	-	-	-	-	-
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

See accompanying Notes to Consolidated Financial Statements
(Forward)



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For the Year Ended December 31, 2023									
	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
Notes	(Note 20)	Capital	Share-Based Compensation	(Note 20.3)	(Note 20.8)	Earnings	(Note 20.4)			
<i>(In Thousand Pesos)</i>										
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

See accompanying Notes to Consolidated Financial Statements

CREATE. WONDERFUL.



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the Years Ended December 31		
	Notes	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱28,227,070	₱30,331,083	₱32,415,670
Adjustments for:				
Depreciation and amortization	24	53,871,127	50,473,040	47,356,043
Impairment and other losses	26	3,827,345	4,691,290	5,463,979
Financing cost	25	16,456,490	14,444,270	12,145,879
Equity share in net (income) in joint ventures	14	(6,392,043)	(3,897,012)	(2,214,761)
Foreign exchange losses (gains) – net	22	369,803	2,431,889	(1,042,052)
Loss (gain) on derivative instruments	22	(772,855)	(2,957,406)	740,686
Pension expense	27	947,838	930,637	842,239
Share-based compensation	27	467,704	376,623	285,888
Interest income	21	(821,815)	(918,338)	(677,570)
Gain on deemed sale of Investment in Mynt	14.2, 22	(2,560,357)	-	-
Loss on settlement and remeasurement of ARO	18, 22	56,594	-	-
Gain on sale and leaseback of telecom towers - net	11	(380,717)	(3,482,083)	(7,258,378)
Gain on disposal of property and equipment		(283,559)	(206,500)	(371,655)
Gain on sale of investments	14, 22	(21,093)	-	(76,669)
Operating income before working capital changes		92,991,532	92,217,493	87,609,299
Changes in operating assets and liabilities:				
Decrease (Increase) in:				
Trade receivables – net		(1,081,665)	(2,292,557)	(2,036,751)
Inventories and supplies		523,436	267,560	89,047
Contract assets		278,255	113,163	(279,226)
Prepayments and other current assets		967,722	440,718	(1,021,630)
Other noncurrent assets		(1,017,993)	1,499,941	547,578
Increase (Decrease) in:				
Trade payables and accrued expenses		(6,520,240)	(720,722)	382,459
Deferred revenues		(363,885)	(1,224,997)	47,019
Other long-term liabilities		(856,812)	(1,613,598)	(2,397,643)
Cash generated from operations		84,920,350	88,687,001	82,940,152
Income taxes paid		(5,378,583)	(3,905,160)	(2,493,272)
Net cash flows from operating activities		79,541,767	84,781,841	80,446,880
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Property and equipment	11	(46,067,462)	(55,960,088)	(70,534,793)
Investment in joint ventures	14	-	(270,150)	(749,390)
Intangible assets	12	(97,942)	(233,565)	(92,878)
Release of loans receivable to related parties	10	-	-	(636,000)
Proceeds from sale and leaseback of telecom towers - net	11	3,222,201	27,821,162	24,858,693
Collections of loans receivable from related parties	10	3,023,935	101,000	-
Proceeds from the sale of subsidiary	14.2	962,500	-	-
Cash from deconsolidated subsidiary	1.17	-	-	(2,457,220)
Interest received		747,897	857,470	660,328
Dividends received	14	654,500	598,500	-
Proceeds from redemption of investments	14.1	600,000	-	-
Proceeds from sale of property and equipment		1,068,690	1,068,740	747,121
Proceeds from sale of investments	14.8	200,595	-	-
Cash used in investing activities		(35,685,086)	(26,016,931)	(48,204,139)
Income taxes paid		(636,366)	(4,728,481)	(6,274,463)
Net cash flows used in investing activities		(36,321,452)	(30,745,412)	(54,478,602)

(Forward)



GLOBE TELECOM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the Years Ended December 31		
	Notes	2025	2024	2023
(In Thousand Pesos)				
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings:				
Long-term	17	P32,500,303	P27,000,000	P45,000,000
Short-term	17	1,036,000	23,310,000	63,250,000
Repayments of borrowings:				
Long-term	17	(19,102,080)	(18,396,869)	(20,214,691)
Short-term	17	(8,298,500)	(34,572,500)	(70,905,167)
Payments of dividends to stockholders:	20.5			
Common		(14,444,648)	(14,434,240)	(14,418,658)
Preferred		(61,297)	(61,297)	(50,027)
Distributions to holders of capital securities	20.3	(1,361,450)	(1,369,672)	(1,330,619)
Cash outflow on acquisition of additional ownership share in subsidiaries	1.8, 1.16	(29,519)	-	-
Payments of lease liabilities	13.2	(15,731,076)	(17,035,519)	(15,841,394)
Interest paid		(13,667,616)	(13,901,534)	(13,048,218)
Net cash used in financing activities		(39,159,883)	(49,461,631)	(27,558,774)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		4,060,432	4,574,798	(1,590,496)
NET FOREIGN EXCHANGE DIFFERENCE ON CASH AND CASH EQUIVALENTS		145,528	133,784	201,788
CASH AND CASH EQUIVALENTS RECLASSIFIED TO ASSETS HELD-FOR-SALE		1.15	(529,762)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		21,353,659	16,645,077	18,033,785
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		5	P25,029,857	P21,353,659
				P16,645,077

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 (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. 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.

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.

1.8 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 director of Caelum Northwest and Caelum US approved the dissolution of the companies. Subsequently, on July 29, 2024, the Department of Revenue State of Washington issued a revenue clearance certificate, allowing the companies to proceed with its dissolution. As of the reporting date, regulatory requirements for the dissolution of both companies 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.

On February 6, 2025, GTI and Cirrus Mountain Investments (Cirrus) signed a deed of assignment for the latter's transfer of its 51 million shares in CaelumPacific to GTI for a total consideration of \$0.39 million (₱22.55 million). The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱40.89 million (see [Note 20.8](#)). The acquisition increased GTI's ownership to 100%.

On May 30, 2025, the CaelumPacific's Board of Directors (BOD) and Shareholders approved resolutions of shortening the Company's corporate term to end on July 30, 2027 and subsequent closure.

1.9 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.



1.10 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. FINSI started its commercial operation in March 2021.

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.

1.11 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.

1.12 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").

1.13 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.

1.14 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.

1.15 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.



On March 26, 2025, Globe Telecom entered into an agreement with NCSI Holdings Pte. Ltd (NCSI) to hold 51% ownership in Globe's subsidiary, Yondu, as well as Yondu's acquisition of NCSI Philippines (NCS PH), making NCS PH a fully owned subsidiary of Yondu. Upon closing, Globe will retain 49% ownership in Yondu and NCS PH. Consequently, Yondu's assets and liabilities with net book value ₱1,665.16 million (including cash and cash equivalents of ₱529.76 million, see [Note 5](#)) and ₱519.97 million, were reclassified as assets held-for-sale and liabilities held-for-sale, respectively, in Globe's consolidated statements of financial position as of December 31, 2025.

Yondu, while a distinct Cash Generating Unit, is not considered as a separate major line of business. Consequently, its operational results will continue to be reported as part of Globe's continuing operations in the consolidated statements of comprehensive income until the transaction's closing date.

As of December 31, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

1.16 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%.

In April 2025, Yondu and Third Pillar's minority shareholders signed a deed of assignment to transfer the latter's shares to Yondu for a total consideration of ₱6.80 million. The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱4.58 million (see [Note 20.8](#)). The acquisition increased Yondu's ownership in Third Pillar to 100%.

1.17 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 Mynt for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million. Thereafter, 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 was reclassified to Assets classified as held-for-sale under the current assets sections in Globe's consolidated statement of financial position. The resulting gain, amounting to ₱76.67 million (see [Note 22](#)) was recognized in the consolidated statements of comprehensive income in 2023.

The closing of the transaction and actual transfer of ownership was subjected to review by the PCC.



On May 14, 2025, PCC issued a certification allowing the transaction to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments.

On August 5, 2025, the closing of the transaction and transfer of ownership were completed.

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, lease liabilities and asset retirement obligation 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 3, 2026, the BOD approved and authorized the release of the consolidated financial statements of Globe Telecom, Inc. and its subsidiaries as of December 31, 2025 and 2024 and each of the three years in the period ended December 31, 2025.

2.2 Statement of Compliance

The consolidated financial statements of Globe have been prepared in accordance with 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 ⁵	Principal Activity	Parent Company's Percentage of Ownership	
			2025	2024
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%
GTSG	Singapore	Wireless and data communication services	100%	100%
GTEU	United Kingdom	Holding company	100%	100%
Caelum Pacific ^{1, 3}	Philippines	Technical and IT consulting services	100%	88%
Caelum US ^{1, 3}	United States	Holding company	100%	100%
Caelum Northwest ^{1, 3}	United States	Cloud software development and consulting services	100%	100%
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	Cayman Islands	Management of capital investment funds	100%	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	Philippines	Management of technology platforms	100%	100%
BCHI	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 ⁴	Philippines	Information technology and software development	100%	100%
Rocket Search	Philippines	Information technology and software development	100%	100%
TPBAI	Philippines	Data management services	100%	85%
TPGDC	Philippines	Support and shared services provider	100%	100%
TPAPPL	Singapore	Data management services	100%	100%
EC Pay ²	Philippines	Information technology and electronic services	-	77%

¹Ceased operations

²Included under Assets classified as held for sale in 2024 and 2023

³Transferred to GTI in 2024

⁴Included under Assets classified as held for sale in 2025

⁵Same with principal place of business

2.4 Business Combination and Goodwill

Acquisitions of businesses are accounted for using the purchase 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 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 related property and equipment account when the construction or installation and the related activities necessary to prepare the property and equipment for their intended use are complete, and the property and equipment 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.

2.9 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.

2.10 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

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.

2.11 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.

2.12 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.

2.13 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.

2.14 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 2.14.1](#));
- Wireline services provided to subscribers under subscription arrangements such as, voice, corporate communication, and home broadband internet ([Note 2.14.1](#));
- Inbound traffic originating from other telecommunications providers that terminates at Globe's network ([Note 2.14.2](#));
- Inbound roaming due from foreign carriers ([Note 2.14.3](#));
- Postpaid wireless communication services bundled with sale of handsets and other devices ([Note 2.14.4](#));
- Postpaid wireline communication services bundled with equipment installation services ([Note 2.14.5](#));
- Leases, interests and management fees.

2.14.1 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.

2.14.2 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.

2.14.3 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.

2.14.4 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.

2.14.5 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.

2.14.6 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.

2.14.7 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.



2.15 Staff Costs

2.15.1 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.

2.15.2 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.

2.16 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.

2.17 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.

2.18 Leases

2.18.1 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.

Sublease arrangements

Globe has leases of right-of-use assets in a sublease arrangements and classifies the sublease by reference to the right-of-use assets arising from the original lease. Globe accounts its sublease arrangements as follows:

- derecognizes the right-of-use assets relating to the original lease that it transfers to the sublease and recognizes the sublease receivable in the sublease.
- recognizes any difference between the right-of-use asset and the net investment in the sublease in profit or loss.
- retains the lease liability relating to the original lease in its statement of financial position, which represents the lease payments owed to the lessor.

The lease receivable is presented as reduction to the lease liabilities of the original lease in Globe's statement of financial position. Interest income from the lease receivable is netted against interest expense from the original lease in Globe's statement of comprehensive income.



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.

2.19 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.

2.20 Income Tax

Income tax expense represents the sum of the current tax expense and deferred tax.

2.20.1 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.

2.20.2 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.

2.21 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.

2.22 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, 2025

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, 2025. 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 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 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 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 may have an impact on the presentation of Globe's consolidated financial statements in future periods.

3.2.2 Amendments to PFRS 9 and 7 – Amendments to the classification and measurement of Financial Instruments

The Amendments to IFRS 9 and IFRS 7 introduce clarifications and additional requirements relating to the classification, measurement, derecognition, and disclosure of financial instruments.

Derecognition of a financial liability settled through electronic transfer

The amendments to IFRS 9 clarify when a financial liability settled through an electronic payment system may be derecognised before the settlement date, provided specified criteria are met. If this accounting policy is elected, it must be applied consistently to all settlements made through the same electronic payment system.

Classification of financial assets

The amendments also provide additional guidance on assessing whether contractual cash flows of a financial asset are consistent with a basic lending arrangement, including assets with environmental, social, and governance (ESG)-linked features. Further clarifications are provided on financial assets with non-recourse features and on contractually linked instruments, including the characteristics that distinguish such instruments and the role of waterfall payment structures in creating concentrations of credit risk.

Disclosure of financial instruments

The amendments to IFRS 7 introduce additional disclosure requirements. These include enhanced disclosures for investments in equity instruments designated at fair value through other comprehensive income (FVTOCI), requiring entities to separately disclose fair value gains or losses relating to investments derecognised during the period and those held at the end of the reporting period. Additional disclosures are also required for contractual terms that could change the timing or amount of contractual cash flows upon the occurrence (or non-occurrence) of contingent events that are not directly related to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. If an entity elects early adoption, it is required to either apply all



amendments at the same time or apply only the amendments related to the classification of financial assets, and disclose that fact. The amendments are required to be applied retrospectively in accordance with PAS 8, subject to specific transition provisions.

4 Management's Significant Accounting Judgments and Use of Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards 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 2025 and 2024 on subscribers receivable amounted to ₱2,600.08 million and ₱2,886.12 million (see [Note 6](#)), and contract assets amounted to ₱643.77 million and ₱667.47 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 2025, 2024 and 2023 amounted to ₱122.43 million, ₱156.05 million, and ₱399.50 million, respectively (see [Notes 9](#) and [26](#)).

Inventories and supplies, net of allowances, amounted to ₱2,318.95 million and ₱2,964.81 million as of December 31, 2025 and 2024, 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, 2025 and 2024:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
Property and equipment – net*	11	₱273,236,902	₱254,618,575
Right of use assets – net	13	99,418,585	90,464,458
Intangible assets – net	12	19,687,728	18,450,131
		₱392,343,215	₱363,533,164

*Property and equipment – net also excludes Land amounting to ₱1,965.39 million and AUC amounting to ₱80,924.90 million and ₱95,531.13 million as of December 31, 2025 and 2024, respectively.

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, 2025 and 2024:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Property and equipment – net	11	P356,127,191	P352,115,098
Right of use assets – net	13	99,418,585	90,464,458
Investments in joint ventures	14	67,717,570	59,368,924
Intangible assets - net (excluding Goodwill)	12	19,687,728	18,450,131
Advance payments to suppliers and contractors	10.1	14,554,399	12,172,430
		P557,505,473	P532,571,041

Impairment loss recognized on property and equipment amounted to nil, P410.56 million, and P92.44 million in 2025, 2024 and 2023, 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, 2025 and 2024, the carrying value of goodwill amounted to P1,140.25 million and P1,680.77 million, respectively (see [Note 12](#)).

Impairment loss recognized on goodwill amounted nil, P53.43 million and P154.61 million in 2025, 2024 and 2023, 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, 2025 and 2024, the combined gross deferred tax assets of Globe amounted to P44,829.55 million and P39,188.19 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, 2025 and 2024 amounted to P4,516.83 million and P2,826.85 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, 2025 and 2024 amounted to ₱3,732.05 million and ₱3,393.96 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 ₱129,245.46 million and ₱116,107.87 million as of December 31, 2025 and 2024, respectively (see [Note 13.2](#)).

5 Cash and Cash Equivalents

The cash and cash equivalents account consists of the following as of December 31:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Cash on hand and in banks	₱8,234,554	₱6,651,217
Short-term money market placements	16,795,303	14,702,442
	₱25,029,857	₱21,353,659

Cash in banks earn interest at respective bank deposit rates.

Short-term money market placements are highly liquid investments that earn interest at prevailing rates and 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.

Cash and cash equivalents of Yondu amounting to ₱529.76 million as of December 31, 2025 were shown as part of Assets held for sale in the consolidated statement of financial position following the agreement with NCS to hold 51% ownership in the subsidiary (See [Note 1.15](#)).

Interest income from cash and cash equivalents are as follows (see [Note 21](#)):

	2025	2024	2023
	<i>(In Thousand Pesos)</i>		
Short-term money market placements	₱466,699	₱567,639	₱374,055
Cash in banks	104,301	65,227	75,980
	₱571,000	₱632,866	₱450,035

The consolidated statements of cash flows presents cash flow from financing activities, which encompass cash flows related to lease liabilities, interest in loans and loans payables. Details of cash and non-cash movements from these accounts are disclosed in [Notes 13.2](#) and [17](#), respectively.

6 Trade receivables - net

This account consists of receivables from:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
Subscribers		₱19,215,108	₱21,274,625
Traffic settlements - net	31.2 , 33.1	938,823	907,175
Dealers		505,716	640,035
Others		4,918,498	4,696,156
		25,578,145	27,517,991
Less allowance for impairment losses:			
Subscribers		6,870,560	7,216,550
Traffic settlements and others		815,045	793,205
		7,685,605	8,009,755
		₱17,892,540	₱19,508,236

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	Total Subscribers	Traffic Settlements and Others	Total
<i>(In Thousand Pesos)</i>						
2025						
December 31, 2024	₱4,599,773	₱2,136,116	₱480,661	₱7,216,550	₱793,205	₱8,009,755
Charges for the period (Note 26)	2,084,029	329,161	186,890	2,600,080	90,523	2,690,603
Write-offs and recoveries – net	(2,597,317)	(155,398)	(193,355)	(2,946,070)	(68,683)	(3,014,753)
December 31, 2025	₱4,086,485	₱2,309,879	₱474,196	₱6,870,560	₱815,045	₱7,685,605
2024						
December 31, 2023	₱5,657,773	₱2,140,484	₱550,018	8,348,275	₱1,180,862	₱9,529,137
Charges for the period (Note 26)	2,641,800	94,255	150,069	2,886,124	5,910	2,892,034
Write-offs and recoveries – net	(3,699,800)	(98,623)	(219,426)	(4,017,849)	(393,567)	(4,411,416)
December 31, 2024	₱4,599,773	₱2,136,116	₱480,661	₱7,216,550	₱793,205	₱8,009,755

7 Contract Assets and Liabilities

7.1 Contract Assets – net

Movements in the contract assets for the periods are as follows:

	Note	2025	2024
-		<i>(In Thousand Pesos)</i>	
Contract assets			
Balance at beginning of the year		P5,442,961	P6,223,595
Additions during the year		5,001,052	5,908,810
Billed to subscribers during the year		(5,287,757)	(6,021,973)
Impairment loss	26	(643,770)	(667,471)
Net contract assets, December 31		P4,512,486	P5,442,961

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:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Advance monthly service fees	P3,917,823	P3,924,745
Deferred revenue from wireless subscribers under prepaid arrangements	2,276,806	2,655,614
Deferred revenue rewards	35,698	58,148
Others	63,527	56,098
	6,293,854	6,694,605
Less current portion	5,912,304	6,049,750
Non current portion	P381,550	P644,855

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.



The following table shows the roll forward analysis of contract liabilities and other deferred revenues:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Balance at the beginning of the year	P6,694,605	P7,919,602
Additions during the year	132,441,133	142,426,808
Recognized as revenue during the year	(132,841,884)	(143,651,805)
Balance at end of year	P6,293,854	P6,694,605

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:

2025

	USD Notional Amount	PHP Notional Amount	JPY Notional Amount	Derivative Assets	Derivative Liabilities
	<i>(In Thousands)</i>				
Derivative instruments designated as hedges					
<i>Cash flow hedges</i>					
Cross currency swaps	\$163,275	P -	¥20,000,000	P1,418,419	P114,622
Principal only swaps	680,000	-	-	4,583,527	465,240
Derivative instruments not designated as hedges					
<i>Freestanding</i>					
Deliverable forwards	426,000	-	-	40,189	26,776
Non-deliverable forwards	3,382	-	-	6,419	-
				P6,048,554	P606,638
Less current portion				112,445	606,638
Non current portion				P5,936,109	P-

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-

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 and yen loans. The cross currency swaps have a notional amount of USD163.28 million and USD173.00 million as of December 31, 2025 and 2024, respectively, and JPY20,000 million as of December 31, 2025. Principal only swaps have a notional amount of USD680.00 million as of December 31, 2025 and 2024. The fair values of the currency swaps as of December 31, 2025 and 2024 amounted to net asset of ₱5,422.08 million and ₱4,869.63 million, respectively, of which ₱2,006.00 million and ₱1,866.91 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 ₱464.87 million, ₱318.44 million, and ₱490.05 million in 2025, 2024 and 2023, 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 USD426.00 million and USD448.50 million deliverable currency forward contracts as of December 31, 2025 and 2024, respectively, and USD3.38 million non-deliverable currency forward contracts not designated as hedges as of December 31, 2025.

8.3 *Hedge Effectiveness Results*

As of December 31, 2025 and 2024, the effective fair value changes on Globe's cash flow hedges that were deferred in equity amounted to loss of ₱2,006.00 million and ₱1,886.91 million, net of tax, respectively (see [Note 20.8](#)). Derivatives designated as cash flow hedges for the years ended December 31, 2025, 2024 and 2023 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:

	2025	2024
	<i>(In Thousand Pesos)</i>	
At beginning of year	P4,646,146	P4,234,782
Net changes in fair value of derivatives:		
Designated as cash flow hedges (Note 20.8)	87,587	262,102
Not designated as cash flow hedges	34,950	1,216,255
	4,768,683	5,713,139
Fair value of settled instruments	673,233	(1,066,993)
At end of period	P5,441,916	P4,646,146

Details of amounts reclassified from cash flow hedge reserve to profit or loss in relation to hedge accounting transactions are shown below.

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Gain (loss) on derivative instruments – net		P737,905	P1,741,151	(P609,572)
Swap costs	25	(464,870)	(318,440)	(490,046)
	20.8	P273,035	P1,422,711	(P1,099,618)

9 Inventories and Supplies - net

This account consists of:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Handsets, devices and accessories	P1,544,792	P2,154,304
Supplies	349,211	481,703
Broadband device	145,712	136,852
SIM cards and SIM packs	169,288	65,893
Modem and accessories	31,355	52,194
Others	78,592	73,868
	P2,318,950	P2,964,814

Breakdown of cost of inventories recognized as expense are as follows:

	Note	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Cost of inventories sold		P13,487,058	P16,428,713	P18,217,044
Repairs and maintenance		459,555	523,142	1,394,034
Inventory obsolescence	26	122,428	156,046	399,495
		P14,069,041	P17,107,901	P20,010,573

Cost of inventories sold and services consists of:

	2025	2024	2023
	<i>(In Thousand Pesos)</i>		
Handsets, devices and accessories	P12,389,926	P14,681,876	P16,611,417
SIM cards and SIM packs	401,252	336,913	557,551
Modems and accessories	314,245	259,734	167,053
Broadband device	37,338	135,550	428,700
Supplies	125	185,238	19,645
Others	344,172	829,402	432,678
	P13,487,058	P16,428,713	P18,217,044

10 Prepayment and Other Assets

10.1 Prepayments and Other Assets - net

This account consists of:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
Advance payments to suppliers and contractors	33.2	P 14,554,399	P12,172,430
Input VAT – net		6,530,969	6,672,173
Investment property		5,616,728	5,620,496
Prepayments		5,887,702	5,525,460
Investments in equity and debt securities		4,741,533	4,083,797
Non-trade receivables – net	10.2	3,648,674	3,324,995
Security deposits		1,734,996	1,579,260
Creditable withholding tax		1,284,388	1,155,326
Loans receivable from related parties	19.3	740,000	3,763,935
Deferred contract costs	10.3	587,805	551,231
Others		2,595,791	2,998,563
		47,922,985	47,447,666
Less current portion		20,135,505	20,122,348
Non current portion		P27,787,480	P27,325,318

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 P3.67 million, P3.77 million and P4.03 million in 2025, 2024 and 2023, 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 P116.90 million, P229.66 million and P224.06 million in 2025, 2024 and 2023, respectively (see [Note 20.8](#)).

10.2 Non-trade receivables - net

Non-trade receivables – net consists of:

	Note	2025	2024
<i>(In Thousand Pesos)</i>			
Due from related parties	19	₱2,083,241	₱1,170,419
Advances to employees		298,773	186,986
Others		1,284,310	1,981,303
		3,666,324	3,338,708
Allowance for impairment loss		(17,650)	(13,713)
		₱3,648,674	₱3,324,995

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:

	2025	2024
<i>(In Thousand Pesos)</i>		
Cost to obtain contracts with customers:		
Commissions	₱232,819	₱352,079
Cost to fulfill contracts with customers		
Installation costs	354,986	199,152
	₱587,805	₱551,231

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:

	2025	2024
<i>(In Thousand Pesos)</i>		
Balance at beginning of the year	₱551,231	₱1,676,459
Amounts capitalized during the period	671,632	1,059,332
Amounts recognized as expense	(635,058)	(2,184,560)
Balance at the end of the year	₱587,805	₱551,231

11 Property and Equipment – net

The rollforward analysis of this account follows:

2025

	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, 2025	P500,769,712	P68,807,089	P24,426,606	P17,569,441	P4,665,079	P95,533,175	P711,771,102
Additions	2,905,356	100,638	-	221,178	498,130	44,684,774	48,410,076
Retirements/disposals	(2,043,847)	(114,435)	-	(185,199)	(392,244)	(48,683)	(2,784,408)
Reclassifications and transfers (Note 12)	49,908,572	1,361,917	(198)	243,101	12,201	(59,239,870)	(7,714,277)
Adjustment due to subsidiary's assets reclassification to assets-held-for-sale (Note 1.15)	-	(41,398)	-	(95,076)	-	(5,035)	(141,509)
Others	20,939	-	102,469	399	-	2,580	126,387
At December 31, 2025	551,560,732	70,113,811	24,528,877	17,753,844	4,783,166	80,926,941	749,667,371
Accumulated Depreciation and Amortization							
At January 1, 2025	288,013,284	29,318,012	18,358,690	16,434,144	3,366,559	-	355,490,689
Depreciation and amortization (Note 24)	31,078,906	2,694,919	799,505	603,025	504,428	-	35,680,783
Retirements/disposals	(1,158,701)	(31,365)	-	(178,274)	(321,744)	-	(1,690,084)
Adjustment due to subsidiary's assets reclassification to assets-held-for-sale (Note 1.15)	-	(29,906)	-	(49,214)	-	-	(79,120)
Others	5,516	-	59,171	(5,842)	-	-	58,845
At December 31, 2025	317,939,005	31,951,660	19,217,366	16,803,839	3,549,243	-	389,461,113
Accumulated Impairment Losses							
At January 1, 2025	4,119,550	43,591	-	128	-	2,046	4,165,315
Write-off	(86,248)	-	-	-	-	-	(86,248)
At December 31, 2025	4,033,302	43,591	-	128	-	2,046	4,079,067
Carrying amount at December 31, 2025	P229,588,425	P38,118,560	P5,311,511	P949,877	P1,233,923	P80,924,895	P356,127,191



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	53,182,030	56,403,052
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	95,533,175	711,771,102
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)
Reclassifications	(548,254)	(62,818)	-	(3,224)	-	2,046	(612,250)
At December 31, 2024	4,119,550	43,591	-	128	-	2,046	4,165,315
Carrying amount at December 31, 2024	P208,636,878	P39,445,486	P6,067,916	P1,135,169	P1,298,520	P95,531,129	P352,115,098



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, 2025 and 2024, assets under construction reclassified to intangible assets and rights of use assets totaled to ₱7,714.28. million and ₱4,372.17 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. 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 5.24% and 5.45% capitalization rates in 2025 and 2024, respectively. Globe's total capitalized borrowing costs amounted to ₱5,566.47 million and ₱6,500.67 million in 2025 and 2024, respectively (see [Note 17](#)).

Impairment loss recognized on property and equipment amounted to nil, ₱410.56 million and ₱92.44 million in 2025, 2024 and 2023, 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:

	2025	2024	2023
	<i>(In Thousand Pesos)</i>		
Additions to property and equipment	₱48,410,076	₱56,403,052	₱97,167,960
Effect of movements in liabilities and prepayments	3,223,854	6,063,510	(19,922,882)
Capitalized ARO (Note 18)	-	(5,800)	-
Capitalized interest (Note 17)	(5,566,468)	(6,500,674)	(6,710,285)
Cash flows from acquisition of property and equipment	₱46,067,462	₱55,960,088	₱70,534,793

Sale and Leaseback of Telecom Towers

In 2022 and 2023, Globe signed sale and leaseback agreements with four tower companies consisting of 7,506 telecom towers and related passive telecom infrastructure. 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:

	2025	2024
	<i>(In Thousand Pesos except no. of Telecom Towers)</i>	
Telecom towers sold <i>(in absolute numbers in units)</i>	273	2,205
Cash consideration net of direct costs	₱3,222,201	₱27,821,162
Gain on sale on leaseback of telecom towers – net	380,717	3,482,083

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, 2025 and 2024, Globe completed the sale of 6,945 and 6,672 telecom towers, representing 93% and 89%, respectively, of the total towers portfolio subject to sale.

As of December 31, 2025 and December 31, 2024, property and equipment with net book value of ₱3,041.42 million and ₱4,520.41 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:

2025

	Application Software and Licenses	Goodwill	Other Intangible Assets	Total Intangible Assets and Goodwill
Cost				
At January 1	₱74,312,700	₱1,680,771	₱5,993,692	₱81,987,163
Additions	97,942	-	-	97,942
Adjustment due to subsidiary's assets reclassification to assets-held-for-sale (Note 1.15)	(26,158)	(540,523)	-	(566,681)
Retirements/disposals	(310,118)	-	-	(310,118)
Transferred from property equipment (Note 11)	3,985,577	-	3,728,700	7,714,277
Others	5	-	-	5
At December 31	78,059,948	1,140,248	9,722,392	88,922,588
Accumulated Amortization				
At January 1	59,668,328	-	2,187,933	61,856,261
Amortization (Note 24)	6,461,913	-	77,491	6,539,404
Retirements/disposals	(284,500)	-	-	(284,500)
Adjustment due to subsidiary's assets reclassification to assets-held-for-sale (Note 1.15)	(15,718)	-	-	(15,718)
Others	(835)	-	-	(835)
At December 31	65,829,188	-	2,265,424	68,094,612
Carrying Amount at December 31, 2025	₱12,230,760	₱1,140,248	₱7,456,968	₱20,827,976

2024

	Application Software and Licenses	Goodwill	Other Intangible Assets	Total Intangible Assets and Goodwill
Cost				
At January 1	₱71,184,561	₱1,734,205	₱5,993,692	₱78,912,458
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	₱14,644,372	₱1,680,771	₱3,805,759	₱20,130,902

Application software licenses and other intangible assets

Other intangible assets consist of customer contracts, franchise and spectrum. As of December 31, 2025 and 2024, 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:

	2025	2024	2023
	<i>(In Thousand Pesos)</i>		
BTI	₱1,140,248	₱1,140,248	₱1,140,248
Yondu	-	540,523	540,523
Others	-	-	53,434
	₱1,140,248	₱1,680,771	₱1,734,205

As of December 31, 2025, Goodwill on Yondu amounting to ₱540.52 million were reclassified to Assets held-for-sale following the agreement with NCSI for the latter to hold 51% ownership in Yondu and Yondu's acquisition of NCS-PH (See [Note 1.15](#)).



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:

	2025	2024
Mobile communications CGU	BTI	BTI
Standalone CGU	-	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 2025 and 2024, 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 2025 and 2024, the pre-tax discount rates applied to cash flow projections for mobile communications CGU were 10.30% and 9.87%, respectively. In 2024, the pre-tax discount rates applied to cash flow projections for Yondu standalone CGU was 14.00%. The cash flows beyond the five-year period were extrapolated using the average terminal growth rate for telecommunication industry of 1.50% and 2.00% in 2025 and 2024, 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:

2025

	Network Sites	Leased lines, IRUs and Data Centers	Transportation Equipment	Corporate Office	Stores	Total
<i>(In Thousand Pesos)</i>						
At January 1	P83,747,805	P5,500,744	P586,630	P518,895	P110,384	P90,464,458
Additions	18,876,955	1,295,896	290,616	-	120,745	20,584,212
Terminations and modifications	53,277	(69,122)	(8,968)	16,992	25,004	17,183
Depreciation (Note 24)	(8,453,753)	(2,338,822)	(409,648)	(305,529)	(139,516)	(11,647,268)
Carrying Amount at December 31	P94,224,284	P4,388,696	P458,630	P230,358	P116,617	P99,418,585

2024

	Network Sites	Leased lines, IRUs and Data Centers	Transportation Equipment	Corporate Office	Stores	Total
<i>(In Thousand Pesos)</i>						
At January 1	P64,591,245	P3,634,838	P504,368	P783,106	P25,239	P69,538,796
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	P83,747,805	P5,500,744	P586,630	P518,895	P110,384	P90,464,458

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 Suite arrangement with Tower Companies.

Sale and Leaseback of Telecom Towers

As disclosed in [Note 11](#) – Property and Equipment, Globe signed sale and leaseback agreements consisting of 7,506 telecom towers and related passive telecom infrastructure. The contract also covers the leaseback of the sold telecom towers for an initial period of 15 years with option to extend upon agreement by the parties.

The leaseback arrangements for those telecom towers sold took effect at the date of sale. Information on Globe's leaseback arrangements follows:

	2025	2024
	<i>(In Thousand Pesos except no. of Telecom Towers)</i>	
Telecom towers sold <i>(in absolute numbers in units)</i>	273	2,205
Recognition of lease liabilities	₱2,888,582	₱23,575,501
Recognition of ROU assets	1,327,820	12,879,334

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, 2025 and 2024, ROU assets with remaining net book value of ₱1,205.92 million and ₱1,318.89 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:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Network sites – net	₱126,751,492	₱111,850,877
Leased lines, IRU and Data Centers	1,749,686	3,178,316
Transportation Equipment	417,799	520,332
Stores	174,925	131,324
Corporate Office	151,554	427,025
	129,245,456	116,107,874
Less current portion	9,067,593	8,175,643
Non current portion	₱120,177,863	₱107,932,231

Network sites consist of telecom towers and ground leases.



The rollforward analysis of this account follows:

2025

	Network Sites - net	Leased Lines, IRUs and Data Centers	Corporate Office	Transportation Equipment	Stores	Total
<i>(In Thousand Pesos)</i>						
At January 1, 2025	₱111,850,877	₱3,178,316	₱427,025	₱520,332	₱131,324	₱116,107,874
Additions	20,437,717	233,214	-	290,616	120,745	21,082,292
Interests (Note 25)	7,849,293	135,442	20,464	28,767	5,005	8,038,971
Settlements	(13,199,669)	(1,698,352)	(312,927)	(412,948)	(107,180)	(15,731,076)
Terminations and modifications	(186,726)	(98,934)	16,992	(8,968)	25,031	(252,605)
At December 31, 2025	₱126,751,492	₱1,749,686	₱151,554	₱417,799	₱174,925	₱129,245,456

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 and modifications	(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



The table below presents the maturity profile of Globe's lease liabilities using undiscounted cash flows of future lease payments.

2025

	1 year	More than 1 year but not more than 5 years	More than 5 years	Total
<i>(In Thousand Pesos)</i>				
Network Sites	₱14,839,798	₱62,712,752	₱115,377,328	₱192,929,878
Transportation equipment	303,709	140,476	-	444,185
Corporate office	106,378	55,017	21,495	182,890
Stores	156,479	35,669	-	192,148
Leased lines and Data Centers	1,392,885	436,623	1,806	1,831,314
	₱16,799,249	₱63,380,537	₱115,400,629	₱195,580,415

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

As of December 31, 2025 and 2024, lease liabilities on network sites represent net obligations to lessors after offsetting lease receivables amounting to ₱730.77 million and ₱789.19 million, respectively. Interest income from sublease receivables amounted to ₱38.24 million and ₱17.38 million in 2025 and 2024, respectively presented net of interest expense on lease liabilities (See [Note 25](#)). Collections from sublease receivables amounted to ₱142.02 million and ₱133.75 million in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the portion of the lease liabilities related to ROU assets that are reclassified to assets classified as held-for-sale amounted to ₱1.52 billion and ₱1.60 billion. Such liabilities will remain as 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 ₱3,283.07 million, ₱2,983.98 million and ₱2,828.28 million in 2025, 2024 and 2023, respectively (see [Note 23](#)). The related cash outflows from these leases are presented as net cash flows from operating activities amounting to ₱3,568.25 million, ₱2,959.25 million and ₱3,499.15 million in 2025, 2024 and 2023, respectively.

14 Investments in joint ventures

This account consists of the following as of December 31:

		2025	2024
		<i>(In Thousand Pesos)</i>	
Vega	14.1	₱33,488,757	₱34,180,363
Mynt	14.2	24,003,286	15,293,630
GSG	14.3	9,458,861	9,086,466
Gogoro Philippines, Inc.	14.7	234,135	234,135
TechGlobal	14.4	189,898	148,498
Bridge Mobile Pte. Ltd (BMPL)	14.5	61,104	56,810
Telecommunications Connectivity, Inc. (TCI)	14.6	43,503	41,809
Others	14.8	238,026	327,213
		₱67,717,570	₱59,368,924

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	2025	2024
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%
TechGlobal	Philippines	Installation and management of data centers	49%	49%
Mynt	Philippines	Holding company	34%	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%	49%

*Incorporated in 2024

**A joint venture of Globe until April 11, 2025 (See [Note 14.8](#))

Equity share in net (loss) income from investment in joint ventures are as follows:

	2025	2024	2023
<i>(In Thousand Pesos)</i>			
Investments in joint ventures:			
Mynt	P6,149,299	P3,759,146	P2,369,752
GSG	372,395	473,876	330,051
Vega	(128,980)	44,262	28,176
TCI	1,694	(770)	2,117
BMPL	3,307	(1,242)	(2,107)
TechGlobal	41,400	(44,945)	33,360
Others	(47,072)	(333,315)	(546,588)
	P6,392,043	P3,897,012	P2,214,761

Investment in joint ventures share in other comprehensive income (loss) are as follows:

	Note	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Investments in joint ventures:				
Vega		P37,373	(P40,904)	P68,949
BMPL		987	4,949	(291)
	20.8	P38,360	(P35,955)	P68,658

The movement in investments in joint ventures are as follows:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Costs			
At January 1		P58,365,603	P58,193,453
Gain on deemed sale of investment in Mynt	14.2, 22	2,560,357	-
Additional capital contributions during the year			
Others	14.8	-	270,150
Redemption of investments	14.1	(600,000)	-
Return on investment	14.4	-	(98,000)
Disposal	14.8	(818,900)	
At December 31		59,507,060	58,365,603
Accumulated Equity in Net Losses			
At January 1		580,274	(3,316,738)
Equity share in net income		6,392,043	3,897,012
Disposal	14.8	776,786	-
At December 31		7,749,103	580,274
Other Comprehensive Income			
At January 1		423,047	459,002
Equity share in currency translation adjustment	20.8	987	4,949
Equity share in investment in equity securities	20.8	53,729	(16,932)
Equity share in retirement obligation	20.8	(16,356)	(23,972)
At December 31		461,407	423,047
Carrying Value at December 31		P67,717,570	P59,368,924

The table below presents the summarized financial information lifted from the unaudited statutory financial statements of Globe's investments in joint ventures:

2025

	Vega	Mynt	TechGlobal	BMPL	GSG	TCI	Others
<i>(In Thousand Pesos)</i>							
Statements of Financial Position:							
Current assets	P4,521,866	P237,149,696	P336,790	P 810,036	P5,761,557	P141,557	P346,378
Noncurrent assets	43,143,170	11,957,645	104,725	39,231	20,960,320	10,331	446,702
Current liabilities	2,651,098	181,339,358	28,223	217,752	2,068,056	21,380	494,057
Noncurrent liabilities	9,819,758	2,473,697	25,745	20,471	12,434,166	-	103,769
Equity attributable to Parent Company	31,328,024	65,294,286	387,547	611,038	12,219,655	130,508	195,254
Statements of Comprehensive Income:							
Revenue	4,904,339	79,843,092	63,962	604,420	2,808,568	84,492	8,812
Costs and expenses	(4,965,036)	(54,991,115)	21,603	(571,353)	(1,893,319)	(77,808)	(103,965)
Income (loss) before tax	(60,697)	24,851,977	85,565	33,067	915,249	6,684	(95,153)
Income tax	(37,229)	(7,087,648)	(1,076)	-	(170,459)	(1,603)	-
Profit (Loss) for the period	(97,926)	17,764,329	84,489	33,067	744,790	5,081	(95,153)
Equity holders of the parent	(257,960)	17,764,329	84,489	33,067	744,790	5,081	(95,153)
Non-controlling interest	160,034	-	-	-	-	-	-
Other comprehensive income	74,746	-	-	9,870	-	-	-
Total comprehensive income (loss)	(P23,180)	P17,764,329	P84,489	P42,937	P744,790	P5,081	(P95,153)

2024

	Vega	Mynt	TechGlobal	BMPL	GSG	TCI	Others
<i>(In Thousand Pesos)</i>							
Statements of Financial Position:							
Current assets	P5,490,996	P181,573,373	P227,693	P743,444	P4,974,915	P135,856	P457,307
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 (loss)	P229,575	P10,580,320	(P91,724)	P37,070	P947,752	(P2,309)	(P507,774)



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.

Globe's investment in VTI includes redeemable preference share, which VTI partially redeemed on September 2, 2025, at the issue price, resulting in ₱600.00 million proceeds in cash for Globe.

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, 2025 and 2024.

The table below presents the additional financial information of Vega:

	2025	2024
<i>(In Thousand Pesos)</i>		
Items in the Statements of Financial Position		
Cash and cash equivalents	₱2,006,239	₱3,009,985
Items in the Statements of Comprehensive Income		
Depreciation and amortization	₱1,105,532	₱1,158,994
Interest income	125,373	128,160
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 in G-Xchange, Inc. (GXl) and Fuse. GXl is registered with the Bangko Sentral ng Pilipinas (BSP) as a remittance agent and electronic money issuer under the GCash brand. Fuse is the lending arm of Mynt with a financing license under the Securities and Exchange Commission (SEC). Mynt's key products and services include: in payments, allowing customers to send and receive money anywhere in the Philippines and to other bank accounts, purchase prepaid load, pay bills nationwide, and purchase from merchants and social sellers both online and offline; In digital financial services, giving users access to credit, savings, investments, and insurance.

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., pushing Mynt's valuation to \$5 billion. On February 12, 2025, Mynt and MUFG closed its transaction on MUFG's acquisition of Mynt shares, completing MUFG's 8% stake in Mynt. The deal resulted in the dilution of Globe's ownership in Mynt from 36% to 34%. Accordingly, gain on deemed sale of investment in Mynt amounting to ₱2,560.36 million was recognized in the consolidated statements of comprehensive income (See [Note 22](#)).

On June 2, 2025, the Board of Directors and shareholders of Mynt approved the amendments to the articles of incorporation by amending the number of common shares and par value from 2,149,773,612 shares with par value of ₱1.00 per share to 71,659,120,400 shares with par value of ₱0.03 per share with authorized capital stock being retained at ₱2,149,773,612. The Securities and Exchange Commission (SEC) subsequently approved these changes on October 27, 2025.

Notional goodwill recognized as part of investment in Mynt amounted to ₱1,576.34 million and ₱1,630.59 million as of December 31, 2025 and 2024, respectively.

The table below presents the additional financial information of Mynt:

	2025	2024
<i>(In Thousand Pesos)</i>		
Items in the Statements of Financial Position		
Cash and cash equivalents	₱79,311,235	₱123,556,940
Current financial liabilities, excluding trade and other payables and provisions	145,745,351	120,240,945
Items in the Statements of Comprehensive Income		
Revenues	₱79,843,092	₱62,768,929
Depreciation and amortization	673,761	268,654
Interest income	3,995,322	2,359,015
Interest expense	116,057	61,946
Net income	17,764,329	10,580,320

Share Purchase Agreements

ECPAY

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. Thereafter, 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. In 2023, the fair value of Globe's interest in ECPay was reclassified to Assets classified as held-for-sale under the current assets sections in Globe's consolidated statement of financial position. The resulting gain of ₱76.67 million was recognized in the 2023 consolidated statements of comprehensive income (See [Note 22](#)).

In September 2024, April 2025 and July 2025, ECPay declared dividends to its existing shareholders representing a return of investment. Globe Telecom received ₱500.50 million, ₱308.00 million and ₱346.50 million in cash proceeds, respectively.



The closing of the transaction and actual transfer of ownership was subjected to review by the PCC. On May 14, 2025, PCC issued a certification allowing the transaction to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments.

The transaction's closing and actual transfer of ownership were completed on August 5, 2025 with Globe receiving ₱962.50 million of the proceeds.

Assets held-for-sale relating to Globe's interest in ECPay amounted to nil and ₱1,809.50 million as of December 31, 2025 and 2024, respectively, presented in the consolidated statements of financial position (See Note 1.17).

AB Capital Securities, Inc. ("ABCSI")

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 ABCSI. As of December 31, 2025, Mynt has closed the three investment tranches and currently owns 24.5% of ABCSI.

14.3 Investment in Globe STT GDC, Inc. (GSG, formerly known as KarmanEdge)

KarmanEdge is engaged in installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities. 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. Globe owns 50% ownership in GSG.

Notional goodwill recognized as part of investment in GSG amounted to ₱3,349.03 million as of December 31, 2025 and 2024.

The table below presents the additional financial information of Globe STT GDC, Inc.:

	December 31	
	2025	2024
Items in the Statements of Financial Position	<i>(In Thousand Pesos)</i>	
Cash and cash equivalents	₱2,401,375	₱959,158
Non-current financial liabilities, excluding trade and other payables and provisions	10,924,319	3,971,579
Items in the Statements of Comprehensive Income		
Depreciation and amortization	₱502,534	₱412,222
Interest income	60,116	61,929
Interest expense	146,835	72,953

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 nil and ₱98.00 million in 2025 and 2024, respectively.



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 business offering healthcare and digital solutions, among others, which are individually immaterial. Globe invested a total of nil, ₱270.15 million and ₱515.26 million of additional capital in 2025, 2024 and 2023, respectively.

On March 6, 2025, GCVH, Vigos and Salud entered into a Sale and Purchase Agreement with mWell for the acquisition of 100% of Konsulta's shares for a total consideration of ₱200.60 million. On April 11, 2025, the closing of the transaction and transfer of ownership were completed resulting in the recognition of the ₱21.09 million gain on sale of Investment in Konsulta in the consolidated statements of comprehensive income (See [Note 22](#)).

15 Trade Payables and Accrued Expenses

This account consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Accrued project costs	33.2	₱25,674,506	₱30,740,903
Accrued expenses		22,502,392	23,159,507
Trade payable		9,693,982	8,525,360
Taxes payable		7,753,842	9,958,773
Traffic settlements – net	31.2, 33.1	839,018	749,690
Other creditors		5,724,512	4,973,099
		₱72,188,252	₱78,107,332

Traffic settlements payable are presented net of traffic settlements receivable from the same carrier (see [Note 31.2](#)).

Accrued expenses consists of the following:

	2025	2024
<i>(In Thousand Pesos)</i>		
Professional and other contracted services	₱2,996,429	₱3,321,742
Staff costs	3,615,210	3,586,565
Repairs and maintenance	3,317,424	3,055,762
Utilities, supplies and other administrative expenses	3,523,743	2,895,099
Taxes and licenses	2,030,887	2,081,415
Lease	1,273,173	1,558,352
Selling, advertising and promotions	1,220,214	1,541,434
Interest on loans	1,338,606	1,438,267
Others	3,186,706	3,680,871
	₱22,502,392	₱23,159,507

16 Provisions

The rollforward analysis of this account follows:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
At beginning of year		₱3,393,957	₱2,960,993
Provisions for claims	26	829,941	874,255
Reversals for claims	26	(491,851)	(441,291)
At end of year		₱3,732,047	₱3,393,957



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, 2025, the remaining claims are still being resolved.

17 Loans Payable

Globe's loans payable consists of the following:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Term Loans:		
Peso	₱199,627,533	₱200,472,330
Dollar	14,293,662	14,605,104
Yen	7,399,458	-
	221,320,653	215,077,434
Retail bonds dollar	34,992,744	34,382,475
	256,313,397	249,459,909
Less current portion	22,218,988	26,349,796
Net of current portion	₱234,094,409	₱223,110,113

The rollforward analysis of this account follows:

	Note	2025	2024
		<i>(In Thousand Pesos)</i>	
At beginning of year		₱249,459,909	₱249,955,569
Cash items			
Proceeds from long term borrowings		32,500,303	27,000,000
Proceeds from short term borrowings		1,036,000	23,310,000
Repayments of long term borrowings		(19,102,080)	(18,396,869)
Repayments of short borrowings		(8,298,500)	(34,572,500)
		6,135,723	(2,659,369)
Non-cash items			
Debt issuance cost		(340,469)	(248,019)
Amortization of debt issue cost		220,874	273,568
Foreign exchange loss (gain)		837,360	2,138,160
		717,765	2,163,709
At end of year		₱256,313,397	₱249,459,909

The maturities of loans payable at nominal values as of December 31, 2025 follow (in thousands):

Due in:	
2026	₱22,240,913
2027	23,562,725
2028	23,589,765
2029	24,175,531
2030 and thereafter	164,098,140
	₱257,667,074

The interest rates and maturities of the above debts are as follows:

	Maturities	Interest Rates
Term Loans:		
Peso	2026-2040	4.00% to 7.00% in 2025
	2025-2039	4.00% to 7.11% in 2024
Dollar	2026-2027	4.80% to 7.04% in 2025
	2025-2027	5.51% to 8.10% in 2024
Yen	2028-2032	1.09% in 2025
Retail bonds Dollar	2030-2035	3.13% to 3.75% in 2025
	2030-2035	3.13% to 3.75% in 2024

Total interest expense recognized in the consolidated profit or loss related to long-term debt amounted to ₱7,752.01 million, ₱7,204.47 million and ₱6,723.60 million in 2025, 2024 and 2023, respectively (see [Note 25](#)).

The reconciliation of total interest on loans and actual interest paid are shown below:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
Interest on loans	25	₱7,752,005	₱7,204,469
Capitalized interest	11	5,566,468	6,500,674
Effect of movements in liabilities		349,143	196,391
Interest paid		₱13,667,616	₱13,901,534

Total interest expenses capitalized as part of property and equipment amounted to ₱5,566.47 million and ₱6,500.67 million in 2025 and 2024, respectively (see [Note 11](#)).



17.1 Term Loans and Corporate Notes

Globe Telecom has unsecured term loans which consist of peso, dollar and yen-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. Globe's loan agreements contain covenants that restrict dividend declarations and payments if such would trigger a default on principal or interest, or materially impair Globe's ability to meet its debt obligations.

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, 2025 and 2024, Globe is not in breach of any loan covenants.

18 Other Long-term Liabilities

This account consists of:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Asset retirement obligation (ARO)	₱1,900,305	₱2,018,702
Others	1,248,780	1,409,096
	₱3,149,085	₱3,427,798

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	2025	2024
		<i>(In Thousand Pesos)</i>	
At beginning of year		₱2,018,702	₱2,253,106
Accretion expense during the year	25	11,130	11,272
Capitalized to property and equipment during the year	11	-	5,800
Settlements, remeasurements and others		(129,527)	(251,476)
At end of year		₱1,900,305	₱2,018,702

Loss on settlement and remeasurement of ARO recognized in consolidated profit or loss amounted to ₱56.59 million in 2025 (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):

2025

	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	P251,655	P239,645	P-	P-	P63,733	P184,764	Interest-free, settlement in cash	Unsecured, no impairment
AC	19.1	31,368	30,328	-	-	25,306	19,054	Interest-free, settlement in cash	Unsecured, no impairment
Jointly controlled entities									
BMPL	19.2	-	22,411	-	-	-	377	Interest-free, settlement in cash	Unsecured, no impairment
Mynt	19.2	248,309	4,317,566	-	353,057	1,001,730	-	Interest-free, settlement in cash	Unsecured, no impairment
Globe STT GDC, Inc.	19.2	543,572	-	124,895	-	909,184	892,367	Interest-free, settlement in cash	Unsecured, no impairment
Other related parties									
GRP	19.3	131,643	-	-	-	-	-	3-5 years, 4.25-6.00% settlement in cash	Unsecured, no impairment
BEAM	19.3	-	70,000	-	-	-	-	-	-
JVHI	19.3	68,063	-	-	-	740,000	-	5-6 years, 5.94%-7.88% settlement in cash	Unsecured, no impairment
Key management personnel	19.4	-	427,400	-	-	-	-	-	-
Others	19.3	467,593	320,684	96,646	394,273	109,283	34,227	Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment
		P1,742,203	P5,428,034	P221,541	P747,330	P2,849,236	P1,130,789		



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	₱250,336	₱217,487	₱-	₱27,066	₱149,473	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	4,114,351	344,959	635,204	-	Interest-free, settlement in cash	Unsecured, no impairment
Globe STT GDC, Inc.	19.2	768,088	-	-	412,116	2,598,798	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	-	-	-	5-6 years, 5.94%-7.88%, settlement in cash	Unsecured, no impairment
JVHI	19.3	81,340	-	-	1,216,000	-	Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment
Key management personnel	19.4	-	419,900	-	-	-	Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment
Others	19.3	618,651	215,277	245,941	105,200	26,879		
		₱2,101,881	₱5,267,639	₱1,831,317	₱590,900	₱4,964,204	₱2,824,184	

Amounts owed by related parties are presented in the statement of financial position as follows:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Trade receivables – net		₱25,995	₱29,850
Due from related parties	10.2	2,083,241	1,170,419
Loans to related parties	10	740,000	3,763,935
		₱2,849,236	₱4,964,204

Amounts owed to related parties amounting to ₱1,130.79 million and ₱2,824.18 million as of December 31, 2025 and 2024, respectively are presented under trade payables and accrued expenses account in the statements of financial position.

As of December 31, 2025 and 2024, 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 ₱79,057.06 million and ₱81,574.63 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 ₱251.66 million, ₱250.34 million and ₱336.00 million in 2025, 2024 and 2023, respectively. The interconnection costs recognized in relation to the agreements amounted to ₱21.76 million, ₱15.30 million and ₱23.05 million in 2025, 2024 and 2023, 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 ₱217.89 million, ₱202.19 million and ₱267.68 million in 2025, 2024 and 2023, respectively.

AC

Subscription receivable

Globe Telecom, Innove and BTI earn subscriber revenues from AC. Service revenues recognized from AC amounted to ₱31.37 million, ₱41.84 million and ₱39.22 million in 2025, 2024 and 2023, respectively.

Cost reimbursements

Globe Telecom reimburses AC for certain operating expenses. Total expense recognized by Globe from the transaction amounted to ₱30.33 million, ₱58.41 million and ₱54.87 million in 2025, 2024 and 2023, 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 ₱0.38 million and ₱4.60 million as of December 31, 2025 and 2024, respectively. Total expenses recognized related to these transactions amounted to ₱22.41 million, ₱39.21 million and ₱20.14 million in 2025, 2024, and 2023, 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 ₱119.70 million, ₱80.84 million and ₱64.77 million in 2025, 2024, and 2023, 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 ₱128.60 million, ₱105.36 million and ₱16.47 million in 2025, 2024 and 2023, respectively.

Service arrangement

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 ₱3,924.32 million, ₱3,651.09 million and ₱3,883.58 million in 2025, 2024 and 2023, respectively.

Outstanding Gcash wallet balance as of December 31, 2025 and 2024 amounted to ₱353.06 million and ₱344.96 million, respectively.

ECPAY

Share Purchase Agreement

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. Thereafter, 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. In 2023, the fair value of Globe's interest in ECPay was reclassified to Assets classified as held-for-sale under the current assets sections in Globe's consolidated statement of financial position. The resulting gain, amounting to ₱76.67 million was recognized in the consolidated statements of comprehensive income in 2023 (See [Note 22](#)).



In September 2024, April 2025 and July 2025, ECPay declared dividends to its existing shareholders representing a return of investment. Globe Telecom received ₱500.50 million, ₱308.00 million and ₱346.50 million from these cash proceeds, respectively.

The closing of the transaction and actual transfer of ownership was subjected to review by the PCC. On May 14, 2025, PCC issued a certification allowing the transaction to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments.

The transaction's closing and actual transfer of ownership were completed on August 5, 2025 with Globe receiving ₱962.50 million of the proceeds.

Distributorship agreement

Globe entered into a distributorship agreement with ECPay, wherein ECPay is accredited to distribute over-the-air prepaid load and gaming e-pins to subscribers. Payout incurred by Globe in relation to the transaction amounted to ₱393.25 million (includes ₱152.32 million consolidated under Mynt following the share purchase agreement completed on August 5, 2025), ₱463.26 million and ₱125.31 million in 2025, 2024 and 2023, respectively.

AB Capital Securities, Inc. ("ABCSI")

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 ABCSI. As of December 31, 2025, Mynt has closed the three investment tranches and currently owns 24.5% of ABCSI.

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 ₱34.73 million, ₱36.56 million and ₱75.75 million in 2025, 2024 and 2023, respectively (See [Note 22](#)).

Reimbursement of expenses

In the normal course of business, Globe STT GDC reimburse expenses to Globe amounting to ₱390.29 million, ₱618.36 million and ₱41.80 million recognized as other income in 2025, 2024 and 2023, 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 ₱124.90 million and ₱1,747.48 million in 2025 and 2024, 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 ₱118.55 million, ₱113.17 million and ₱113.05 million in 2025, 2024 and 2023, respectively.



19.3 Transactions with the other related parties

Globe Retirement Plan (GRP)

On May 5, 2021, Globe granted additional loans to the GRP at an interest rate of 6%, which will mature on May 26, 2026. The loan was fully settled in November 2025. Interest income amounted to ₱131.64 million, ₱155.42 million and ₱155.00 million in 2025, 2024 and 2023, respectively (see [Note 21](#)). As of December 31, 2025 and 2024, the outstanding balance of loan receivable from GGRP amounted to nil and ₱2,547.94 million, respectively (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 ₱70.00 million, ₱203.00 million and ₱215.00 million in 2025, 2024 and 2023, respectively.

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 and August 2025, Globe Telecom collected ₱101.00 million and ₱476.00 million, respectively, as partial settlement of the loan. Interest income amounted to ₱68.06 million, ₱81.34 and ₱59.79 million in 2025, 2024 and 2023, respectively (see [Note 21](#)). As of December 31, 2025 and 2024, the outstanding balance of loan receivable from JVHI amounted to ₱740.00 million and ₱1,216.00 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 2025 and 2024 which includes accrued but unpaid amounts for the years ended:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Short-term employee benefits	P293,700	P282,900
Share-based payments	116,900	119,300
Post-employment benefits	16,800	17,700
	P427,400	P419,900

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, 2025 and 2024, 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

Globe Telecom's issued, subscribed and fully paid capital stock consists of:

	2025		2024	
	Shares	Amount	Shares	Amount
	<i>(In Thousand Pesos and Number of Shares)</i>			
Voting preferred stock	158,515	792,575	158,515	P792,575
Non-voting preferred stock	20,000	1,000,000	20,000	1,000,000
Common stock	144,468	7,223,426	144,380	7,219,017
Total capital stock		P9,016,001		P9,011,592

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](#)).

On April 22, 2025, the shareholders approved and authorized the offer, issuance or re-issuance, and listing of up to 40 million non-voting preferred shares, and, among others, the delegation to the Board of Directors full authority to approve any offering, issuance or re-issuance, and listing on an appropriate securities exchange of any class, series or tranche of the non-voting preferred shares from the authorized capital stock of the Corporation, from time to time, including the terms, denomination, and timing of such offer, issuance or re-issuance, and listing.

On August 5, 2025, the Board of Directors approved and authorized the offering and issuance or re-issuance of up to Twenty Million (20,000,000) non-voting preferred shares with a par value of Fifty Pesos (₱50.00) per share in one or more tranches, or one or more series per tranche, upon such terms and conditions as may be determined by the Board of Directors (the "Offer Shares"), and to authorize and approve the filing of the Offer Shares under a shelf registration to be issued for a period of three (3) years, or such longer period as may be approved by the Securities and Exchange Commission or allowed under its rules and regulations.

Additionally, the Board of Directors approved and authorized the initial offering and listing of such non-voting preferred shares with an aggregate amount of Twenty-Five Billion Pesos (₱25,000,000,000) subject to the registration requirements of the Securities and Exchange Commission and the listing requirements of the Philippine Stock Exchange.



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:

	2025		2024	
	Shares	Amount	Shares	Amount
<i>(In Thousand Pesos and Number of Shares)</i>				
At beginning of year	144,380	₱7,219,017	144,229	₱7,211,455
Issuance of shares under share-based compensation plan and exercise of stock options	88	4,409	151	7,562
At end of year	144,468	₱7,223,426	144,380	₱7,219,017

Holders of fully paid common stock are entitled to voting and dividends rights.

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.

Distributions to holders of capital securities amounted to ₱1,361.45 million, ₱1,369.67 million and ₱1,330.62 million in 2025, 2024 and 2023, 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 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
November 6, 2025	0.39	61,297	November 20, 2025	December 5, 2025
Dividends on Common stock:				
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
February 6, 2025	25.00	3,609,508	February 20, 2025	March 7, 2025
May 9, 2025	25.00	3,611,713	May 26, 2025	June 5, 2025
August 5, 2025	25.00	3,611,713	August 19, 2025	September 4, 2025
November 6, 2025	25.00	3,611,714	November 20, 2025	December 5, 2025

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 ₱16,796.46 million and ₱12,582.82 million as of December 31, 2025 and 2024, 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

2025

	Cash flow hedges (Note 8)	Investment in equity securities (Note 10)	Currency translation adjustment	Remeasurement on pension liabilities (Note 27)	Others	Total
<i>(Unaudited and In Thousand Pesos)</i>						
As of January 1	(₱1,866,910)	₱1,372,507	₱915,075	(₱2,690,299)	₱-	(₱2,269,627)
Fair value changes	87,587	116,903		-	-	204,490
Share in OCI from investment in joint venture (see Note 14)	-	53,729	987	(16,356)	-	38,360
Remeasurement on pension liabilities	-	-		(1,566,571)	-	(1,566,571)
Transferred to profit or loss	(273,035)	-	-	-	-	(273,035)
Exchange differences	-	-	92,002	-	-	92,002
Income tax effect (see Note 28)	46,363	(29,226)	-	391,643	-	408,780
Other comprehensive income for the period	(139,085)	141,406	92,989	(1,191,284)	-	(1,095,974)
Other comprehensive income attributable to non-controlling interest	-	-	(2,993)	1,749	-	(1,244)
Other comprehensive income attributable to equity holders of the Parent	(139,085)	141,406	89,996	(1,189,535)		(1,097,218)
Non-controlling interest adjustment arising from increase in ownership share (see Notes 1.8 and 1.16)					(45,474)	(45,474)
As of December 31	(₱2,005,995)	₱1,513,913	₱1,005,071	(₱3,879,834)	(₱45,474)	(₱3,412,319)

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	(P996,453)	P1,217,194	P637,601	(P2,191,595)	(P1,333,253)
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	(P1,866,910)	P1,372,507	P915,075	(P2,690,299)	(P2,269,627)

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)

21 Interest Income

Interest income is earned from the following sources:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Short-term placements	5	P466,699	P567,639	P374,055
Loans receivable:				
GRP	19.3	131,643	155,424	154,999
JVHI	19.3	68,063	81,340	59,790
Cash in banks	5	104,301	65,227	75,980
Others		51,109	48,708	12,746
		P821,815	P918,338	P677,570

22 Other Income - net

This account consists of:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Gain on deemed sale of Investment in Mynt	14.2	P2,560,357	P-	P-
Gain (loss) on derivatives instruments – net		772,855	2,957,406	(740,686)
Foreign exchange gain (loss) - net		(369,803)	(2,431,889)	1,042,052
Management fees:				
Mynt	19.2	119,704	80,841	64,767
Globe STT GDC	19.2	34,730	36,557	75,750
Others		14,045	98,446	45,142
Lease		273,046	276,909	160,381
Gain on sale of investments	14.8	21,093	-	76,669
Loss on settlement and remeasurement of ARO	18	(56,594)	-	-
Others		501,381	716,674	235,823
		P3,870,814	P1,734,944	P959,898

23 General, Selling and Administrative Expenses

This account consists of:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Staff costs	27	P17,709,349	P17,920,270	P18,959,128
Repairs and maintenance		14,531,401	13,207,896	13,345,136
Professional and other contracted services		14,219,209	14,095,009	14,938,459
Utilities, supplies and other administrative expenses		11,349,219	11,530,087	11,426,299
Taxes and licenses		3,326,374	4,336,674	3,816,353
Selling, advertising and promotions		3,310,630	3,978,198	4,776,126
Lease	13.3	3,283,068	2,983,982	2,828,275
Insurance and security services		1,546,814	1,591,082	1,916,654
Courier and delivery		530,663	437,757	246,937
Others		2,401,212	2,755,798	2,427,683
		P72,207,939	P72,836,753	P74,681,050

24 Depreciation and amortization

The account consists of:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Property and equipment	11	P35,680,783	P34,976,269	P33,477,566
Intangible assets	12	6,539,404	6,531,125	6,979,156
Right of use assets	13	11,647,268	8,961,878	6,895,289
Investment properties	10	3,672	3,768	4,032
		P53,871,127	P50,473,040	P47,356,043

25 Financing Costs

This account consists of:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Lease liabilities - net	13.2	P8,038,971	P6,749,514	P4,867,242
Loans payable*	17	7,752,005	7,204,469	6,723,599
Swap costs	8.4	464,870	318,440	490,046
Pension cost	27.1.1	165,725	134,378	33,584
ARO accretion expense	18	11,130	11,272	8,250
Others		23,789	26,197	23,158
		P16,456,490	P14,444,270	P12,145,879

*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	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Impairment loss on				
Trade receivables	6	P2,690,603	P2,892,034	P3,494,061
Contract assets	7.1	643,770	667,471	947,087
Property and equipment	11	-	410,563	92,441
Other assets		-	53,434	154,614
Provisions for (reversal of):				
Inventory obsolescence	9	122,428	156,046	399,495
Other probable losses – net	16	338,090	432,964	377,517
Other assets		32,454	78,778	(1,236)
		P3,827,345	P4,691,290	P5,463,979

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>		
2025		
Compensation and short-term benefits	P16,293,807	P-
Pension benefits	947,838	1,566,571
Share based compensation	467,704	-
	P17,709,349	P1,566,571
2024		
Compensation and short-term benefits	P16,613,010	P-
Pension benefits	930,637	633,993
Share based compensation	376,623	-
	P17,920,270	P633,993
2023		
Compensation and short-term benefits	P17,831,001	P-
Pension benefits	842,239	2,145,565
Share based compensation	285,888	-
	P18,959,128	P2,145,565

27.1 Pension Benefits

The details of pension liability recognized in the consolidated statements of financial position are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Globe Retirement Plan (GRP)	₱4,420,699	₱2,694,709
Other pension benefits	96,132	132,139
	₱4,516,831	₱2,826,848

The details of pension expense recognized in the consolidated statements of comprehensive income are as follows:

	Recognized in profit or loss	Recognized in OCI
2025	<i>(In Thousand Pesos)</i>	
GRP	₱882,193	₱1,564,119
Others	65,645	2,452
	₱947,838	₱1,566,571
2024		
GRP	₱901,657	₱629,584
Others	28,980	4,409
	₱930,637	₱633,993
2023		
GRP	₱773,424	₱2,224,333
Others	68,815	(78,768)
	₱842,239	₱2,145,565

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, 2025 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:

	2025	2024	2023
	<i>(In Thousand Pesos)</i>		
Current service cost	P996,146	P994,654	P847,295
Less: components capitalized as property and equipment	(113,953)	(92,997)	(73,871)
Amount recognized in profit or loss	882,193	901,657	773,424
Net interest expense (Note 25)	165,725	134,378	33,584
Components of defined benefit costs recognized in profit or loss	1,047,918	1,036,035	807,008
Remeasurement on the net defined benefit liability:			
Return on plan assets			
(excluding amounts included in net interest expense)	929,036	(64,951)	528,921
Actuarial gains and losses:			
from changes in assumptions	446,493	523,065	1,764,509
from experience adjustments	188,590	171,470	(69,097)
Components of defined benefit costs recognized in other comprehensive income	1,564,119	629,584	2,224,333
	P2,612,037	P1,665,619	P3,031,341

The breakdown of pension liability is as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Present value of benefit obligation	P15,992,069	P14,546,217
Less: fair value of plan assets	11,571,370	11,851,508
Pension liability	P4,420,699	P2,694,709

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

	2025	2024
	<i>(In Thousand Pesos)</i>	
Balance at beginning of year	P14,546,217	P14,316,235
Current service cost	996,146	994,654
Interest cost	817,833	841,355
Benefits paid	(1,003,210)	(2,244,554)
Transfer of employees	-	(56,008)
Remeasurements in other comprehensive income:		
Actuarial gains and losses arising from changes in assumptions	446,493	523,065
Actuarial gains and losses arising from experience adjustments	188,590	171,470
Balance at end of year	P15,992,069	P14,546,217



Fair value of plan assets

	2025	2024
	<i>(In Thousand Pesos)</i>	
Balance at beginning of year	₱11,851,508	₱11,680,142
Remeasurement (gains)/losses:		
Return on plan assets (excluding amounts included in net interest expense)	(929,036)	64,951
Contributions from the employer	1,000,000	1,700,000
Interest income	652,108	706,977
Benefits paid	(1,003,210)	(2,244,554)
Transfer payments	-	(56,008)
Balance at end of year	₱11,571,370	₱11,851,508
Actual return on plan assets	(₱276,928)	₱771,928

The expected contribution for Globe retirement fund for the year 2026 is approximately ₱2.7 billion. This amount is based on Globe's actuarial valuation report as of December 31, 2025.

The allocation of the fair value of the plan assets of Globe as of December 31 is as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Cash and cash equivalents	₱2,121	₱157
Investment in debt securities	4,820,063	3,231,769
Investment in equity shares	6,749,186	8,619,582
	₱11,571,370	₱11,851,508

The assumptions used to determine pension benefits for Globe are as follows:

	2025	2024
Discount rate	6.40%	6.15%
Salary rate increase	5.00%	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 2025 and 2024, 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, 2025 and 2024, assuming all other assumptions were held constant (in thousand pesos):

December 31, 2025

	Increase (decrease) in basis points	Increase (decrease) on defined benefit obligation
Discount rates	+0.50%	(784,755)
	-0.50%	850,287
Future salary increases	+0.50%	894,528
	-0.50%	(831,545)
Mortality	+10.00%	(33,435)
	-10.00%	33,394

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%	(20,339)
	-10.00%	19,725

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 13.70 years and 13.99 years in 2025 and 2024, respectively.



Shown below is the maturity analysis of the undiscounted benefit payments as of December 31:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Within 1 year	P1,294,960	P1,648,259
More than 1 year to 5 years	4,101,705	3,638,966
5 years to 10 years	3,085,284	1,063,255
	P8,481,949	P6,350,480

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
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
January 1, 2025	234,200	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	2,090.00	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 2025, 2024 and 2023 amounted to ₱467.70 million, ₱376.62 million and ₱285.89 million, respectively.

28 Income Tax

Income Tax Expense

Income tax expense charged to profit or loss includes the following:

	2025	2024	2023
	<i>(In Thousand Pesos)</i>		
Current	₱5,593,063	₱6,919,731	₱7,853,664
Deferred	(628,053)	(874,417)	(16,004)
	₱4,965,010	₱6,045,314	₱7,837,660

Deferred tax expense (benefit) recognized in the consolidated other comprehensive income amounted to (₱408.78) million, (₱391.24) million and (₱418.69) million in 2025, 2024 and 2023, 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:

	2025	2024	2023s
	<i>(In Thousand Pesos)</i>		
Income before income tax	₱28,227,070	₱30,331,083	₱32,415,670
Multiplied by statutory income tax rate	25%	25%	25%
Provision at statutory income tax rate	7,056,767	7,582,771	8,103,918
Add (deduct) tax effects of:			
Equity in net (income)losses of associates and joint ventures	(1,598,011)	(974,253)	(553,690)
Gain on deemed sale of Investment in Mynt	(256,036)	-	-
Income subjected to lower tax rates	49,343	(340,443)	71,477
Others	(287,053)	(222,761)	215,955
Actual provision for income tax	₱4,965,010	₱6,045,314	₱7,837,660



The current provision for income tax includes the following:

	2025	2024	2023
	<i>(In Thousand Pesos)</i>		
RCIT or MCIT, whichever is higher	P5,421,908	P6,751,507	P7,713,544
Final tax	171,155	168,224	140,120
	P5,593,063	P6,919,731	P7,853,664

Globe has available NOLCO which can be carried over and applied against taxable income.

NOLCO:

Year Incurred	Availment Period	Balance at beginning of year	Incurred	Used / Expired	Balance at end of year
		<i>(in Thousand Pesos)</i>			
2025	2026-2028	P-	P206,332	P-	P206,332

Details of excess MCIT that can be claimed against RCIT payable follows:

Excess MCIT:

Year Incurred	Availment Period	Balance at beginning of year	Incurred	Used / Expired	Balance at end of year
2025	2026-2028	P-	P2,173,948	P-	P2,173,948

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:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Net deferred income tax assets	P2,262,717	P1,971,459
Net deferred income tax liabilities	(3,541,847)	(4,363,232)
	(P1,279,130)	(P2,391,773)



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):

	2025	2024
	<i>(In Thousand Pesos)</i>	
Deferred tax assets		
Lease liabilities	P32,321,157	P29,042,343
MCIT	2,173,948	-
Unrealized foreign exchange losses	2,082,237	1,877,592
Allowance for impairment losses on receivables	1,904,786	1,990,313
Accrued pension	1,719,279	1,387,147
Accumulated impairment losses on property and equipment	1,046,979	1,068,541
Accrued manpower cost	1,014,036	1,047,897
Unearned revenues and advances already subjected to income tax	803,143	1,121,544
Provision for claims and assessment	768,325	678,254
NOLCO	51,583	-
ARO	394,618	463,251
Cost of share-based compensation	260,256	217,931
Inventory obsolescence and market decline	150,557	205,878
Others	138,644	87,500
	44,829,548	39,188,191
Deferred tax liabilities		
Right of use assets	(23,842,364)	(21,641,619)
Excess of accumulated depreciation and amortization of Globe		
Telecom equipment for (a) tax reporting over (b) financial reporting	(15,552,298)	(13,665,982)
Unrealized gain on derivative transaction	(1,360,479)	(1,161,537)
Contract asset	(1,275,073)	(1,498,548)
Others	(4,078,464)	(3,612,278)
	(46,108,678)	(41,579,964)
Net deferred income tax liabilities	(P1,279,130)	(P2,391,773)

The rollforward analysis of Globe's net deferred tax assets (liabilities) follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
At beginning of year	(P2,391,773)	(P3,703,975)
Deferred income tax recognized in profit or loss		
Deferred tax relating to temporary difference	628,053	874,417
Deferred income tax recognized in comprehensive income		
Deferred tax relating to temporary difference (Note 20.8)	408,780	391,235
Others	75,810	46,550
At end of year	(P1,279,130)	(P2,391,773)

29 Earnings Per Share

Globe's earnings per share amounts were computed as follows:

	2025	2024	2023
<i>(In Thousand Pesos and Number of Shares Except per Share Figures)</i>			
Net income attributable to common shareholders	₱23,263,760	₱24,304,433	₱24,512,760
Less dividends on preferred shares:			
Capital securities	1,361,450	1,369,672	1,330,619
Convertible voting preferred shares	61,297	61,297	50,027
Net income attributable to common shareholders for basic earnings per share (a)	21,841,013	22,873,464	23,132,114
Add dividends on convertible voting preferred shares	61,297	61,297	50,027
Net income attributable to common shareholders for diluted earnings per share (b)	21,902,310	22,934,761	23,182,141
Common shares outstanding, beginning	144,380	144,229	144,060
Add Weighted average number of issued shares under share-based compensation	66	101	112
Weighted average number of shares for basic earnings per share (c)	144,446	144,330	144,172
Add Dilutive shares arising from:			
Convertible preferred shares	446	390	442
Share based compensation plans	695	592	509
Adjusted weighted average number of common shares for diluted earnings per share (d)	145,587	145,312	145,123
Basic earnings per share (a/c)	₱151.21	₱158.48	₱160.45
Diluted earnings per share (b/d)	₱150.44	₱157.83	₱159.74

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, 2025 and 2024 was at 59% and 60%, 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 currency 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 and JPY 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, 2025 and 2024. 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, 2025 and 2024 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:

	2025	2024
USD fixed rate loans	88%	88%
PHP fixed rate loans	53%	62%

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>			
2025			
USD	+ 75bps	93,256	4,583
	- 75bps	(93,256)	(4,585)
PHP	+ 100bps	(453,498)	17,124
	- 100bps	453,498	(17,136)
JPY	+ 50 bps	3,600	(65)
	- 50 bps	(3,600)	66
PHP	+ 100 bps	7,240	3,394
	- 100 bps	(7,240)	(3,395)
2024			
USD	+ 120bps	56,669	(11,636)
	- 120bps	(56,669)	11,648
PHP	+ 100bps	(170,016)	5,822
	- 100bps	164,880	(5,827)

30.2.1.2 Foreign Exchange Risk

Globe's foreign exchange risk results primarily from movements of the PHP against the USD and JPY with respect to USD-denominated financial assets, USD and JPY-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, 19.24% and 19.68% of debt as of December 31, 2025 and 2024, respectively, are denominated in USD and 2.93% is denominated in JPY as of December 31, 2025, 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:

	2025			2024	
	US Dollar	JP Yen	Peso Equivalent	US Dollar	Peso Equivalent
<i>(In Thousand)</i>					
Assets					
Cash and cash equivalents	\$80,394	¥-	₱4,726,351	\$86,607	₱5,009,969
Trade Receivables	22,796	-	1,340,188	49,125	2,841,710
	103,190	-	6,066,539	135,732	7,851,679
Liabilities					
Trade payable and accrued expenses	604,751	-	35,553,338	606,829	35,103,209
Loans payable	843,275	20,000,000	57,124,773	853,000	49,343,491
	1,448,026	20,000,000	92,678,111	1,459,829	84,446,700
Net foreign currency - denominated liabilities	\$1,344,836	¥20,000,000	₱86,611,572	\$1,324,097	₱76,595,021



The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, 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 and JP Yen exchange rate	Effect on income before income tax Increase (Decrease)	Effect on equity Increase (Decrease)
<i>(In Thousand Pesos except change in bps)</i>			
2025			
USD			
	+0.70	(P732,485)	P496,680
	-0.70	732,485	(496,680)
JPY			
	+0.10	-	2,056,196
	-0.10	-	(2,056,196)
2024			
USD			
	+1.00	(P878,234)	P713,634
	-1.00	878,234	(713,634)

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	2025	2024
<i>(In Thousand Pesos)</i>			
Cash and cash equivalents	5	P25,029,857	P21,353,659
Trade receivables – net	6	17,892,540	19,508,236
Contract assets – net	7.1	4,512,486	5,442,961
Derivative assets	8	6,048,554	5,219,151
Loans receivable from related parties	10	740,000	3,763,935
Non-trade receivables	10	3,648,674	3,324,995
Security deposits	10	1,734,996	1,579,260
Investment in debt securities	31.1	138,156	142,304
		P59,745,263	P60,334,501

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, 2025 and 2024.

	High Quality	Medium Quality	Low Quality	Terminated Accounts	Total
<i>(In Thousand Pesos)</i>					
2025					
Wireless subscribers receivables:					
Consumer	₱5,276,082	₱746,446	₱494,554	₱758,263	₱7,275,345
Key corporate accounts	193,620	239,311	30,515	444,438	907,884
Other corporations and SMEs	338,649	91,726	3,540	118,758	552,673
	5,808,351	1,077,483	528,609	1,321,459	8,735,902
Wireline subscribers receivables:					
Consumer	522,544	354,595	402,673	2,304,364	3,584,176
Key corporate accounts	895,547	1,833,230	469,202	3,015,110	6,213,089
Other corporations and SMEs	126,045	120,348	49,000	386,548	681,941
	1,544,136	2,308,173	920,875	5,706,022	10,479,206
Total subscribers' receivables	7,352,487	3,385,656	1,449,484	7,027,481	19,215,108
Wireless contract assets					
Consumer	3,104,075	442,491	152,903	33,387	3,732,856
Key corporate accounts	208,109	208,147	8,107	4,390	428,753
Other corporations and SMEs	300,135	44,297	3,474	2,971	350,877
	3,612,319	694,935	164,484	40,748	4,512,486
Total subscribers' receivables and contracts assets	₱10,964,806	₱4,080,591	₱1,613,968	₱7,068,229	₱23,727,594

	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	534,435	426,520	410,650	3,129,164	4,500,769
Key corporate accounts	989,395	1,289,003	373,872	3,024,787	5,677,057
Other corporations and SMEs	135,198	127,724	50,975	376,133	690,030
	1,659,028	1,843,247	835,497	6,530,084	10,867,856
Total subscribers' receivables	8,117,797	3,189,346	1,448,846	8,518,636	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	₱12,488,896	₱4,012,160	₱1,648,786	₱8,567,744	₱26,717,586

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. ECL rates applied in this category ranges from 0-10%.
- 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. ECL rates applied in this category ranges from 10.1-50%.
- 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. ECL rates applied in this category ranges from 50.1-100%.
- 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. ECL rates applied in this category is 100% with recovery rates assumptions.

For traffic settlements and other trade receivables, Globe uses delinquency and past due information to analyze the credit risk. The following tables show the aging analysis of Globe's traffic settlements and other trade receivables as of December 31, 2025 and 2024.

2025

	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	₱475,185	₱-	₱10,992	₱6,262	₱209,931	₱702,370
Local	81,691	4,266	1,298	1,219	147,979	236,453
	556,876	4,266	12,290	7,481	357,910	938,823
Other trade receivables	3,169,088	724,743	261,065	132,392	1,136,926	5,424,214
Total	₱3,725,964	₱729,009	₱273,355	₱139,873	₱1,494,836	₱6,363,037

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	2,918,329	25,221	385,389	168,741	1,838,511	5,336,191
Total	₱3,340,704	₱29,712	₱428,674	₱200,446	₱2,243,830	₱6,243,366

With respect to receivables from related parties, non-trade receivables and security deposits, the exposure to credit risk is managed on a group basis. Credit risks covering these accounts are reviewed based on credit worthiness of concerned parties. There are no assessed credit risks as of December 31, 2025 and 2024.

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:

	2025	2024
Local bank deposits	70%	62%
Onshore foreign bank	30%	38%



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):

	2025	2024
Short term		
Committed		
USD	\$50	\$50
PHP	P3,000	P3,000
Uncommitted		
USD	\$114	\$114
PHP	P83,949	P85,788

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

2025

	Less than 1 year	1 to 3 years	Over 3 years
	(In Thousands)		
Loans Payable			
Fixed Rate			
USD notes	\$-	\$-	\$600,000
Philippine peso	P21,879,500	P38,269,000	P39,020,000
Floating rate			
USD notes	\$1,725	\$241,550	\$-
Philippine peso	P260,000	P16,345,000	P84,770,000
Japanese Yen	¥-	¥-	¥20,000,000
Interest payable*			
PHP debt	P10,444,122	P25,683,920	P32,219,509
USD debt	\$33,736	\$68,063	\$76,875
JPY debt	¥288,426	¥837,049	¥334,174

*Used PHP BVAL, Term SOFR, JPY TONA Reference rates.

2024

	Less than 1 year	1 to 3 years	Over 3 years
	(In Thousands)		
Loans Payable			
Fixed Rate			
USD notes	\$-	\$-	\$600,000
Philippine peso	₱25,304,500	₱48,803,500	₱50,365,000
Floating rate			
USD notes	\$9,725	\$1,725	\$241,550
Philippine peso	₱502,500	₱5,150,000	₱71,225,000
Interest payable*			
PHP debt	₱10,569,670	₱26,563,825	₱31,379,778
USD debt	\$35,637	\$83,777	\$97,500

*Used PHP BVAL, Term SOFR Reference 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, 2025 and 2024 (in thousand pesos).

2025

Other Financial Liabilities

	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade payables and accrued expenses*	₱64,434,410	₱-	₱-	₱64,434,410
Other long-term liabilities*	-	-	929,642	929,642
	₱64,434,410	₱-	₱929,642	₱65,364,052

*Excludes ARO and taxes payable which are deemed non-financial liabilities.

Derivative Instrument

	Less than 1 year		1 to 3 years		Over 3 years	
	Receive	Pay	Receive	Pay	Receive	Pay
Projected Swap Coupons:						
Interest Rate Swap-USD	₱-	₱-	₱-	₱-	₱-	₱-
Cross Currency Swap	₱545,328	₱790,469	₱641,031	₱1,353,981	₱218,290	₱482,023
Principal Only Swap	₱-	₱543,020	₱-	₱1,421,524	₱-	₱1,468,198

	Less than 1 year		1 to 3 years		Over 3 years	
	Receive	Pay	Receive	Pay	Receive	Pay
Projected Principal Exchanges:						
Forward Purchase of USD	\$3,382	₱192,510	\$ -	₱-	\$ -	₱-
Forward Sale of USD	₱-	\$-	₱-	\$-	₱-	\$ -
FX Swap	\$426,000	₱25,079,511	\$ -	₱-	\$ -	₱-
Cross Currency Swaps- PHP	₱-	₱87,823	₱-	₱8,239,331	₱-	₱-
Cross Currency Swaps- USD	\$1,725	\$-	\$161,550	\$-	\$-	\$-
Cross Currency Swaps- PHP	₱-	₱-	₱-	₱2,514,150	₱-	₱5,035,850
Cross Currency Swaps- JPY	¥-	¥-	¥6,660,000	¥-	¥13,340,000	¥-
Principal Only Swaps- PHP	₱-	₱-	₱-	₱4,031,200	₱-	₱29,118,475
Principal Only Swaps- USD	\$-	\$-	\$80,000	\$-	\$600,000	\$-

2024

Other Financial Liabilities

	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade payables and accrued expenses*	P68,148,559	P-	P-	P68,148,559
Other long-term liabilities*	-	-	1,018,474	1,018,474
	P68,148,559	P-	P1,018,474	P69,167,033

*Excludes ARO and taxes payable which are deemed non-financial liabilities .

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	P-	P-	P-	P-	P-	P-
Cross Currency Swaps	P511,786	P397,007	P693,727	P568,980	P-	P-
Principal Only Swaps	P-	P579,872	P-	P1,616,908	P-	P1,475,040

	Less than 1 year		1 to 3 years		Over 3 years	
	Receive	Pay	Receive	Pay	Receive	Pay
Projected Principal Exchanges:						
Forward Purchase of USD	\$-	P-	\$ -	P-	\$ -	P-
Forward Sale of USD	P-	\$-	P-	\$-	P-	\$ -
FX Swap	\$448,500	P26,243,373	\$ -	P-	\$ -	P-
Cross Currency Swaps- PHP	P-	P507,823	P-	P8,327,153	P-	P-
Cross Currency Swaps- USD	\$9,725	\$-	\$163,275	\$-	\$-	\$-
Principal Only Swaps- PHP	P-	P-	P-	P4,031,200	P-	P29,118,475
Principal Only Swaps- USD	\$-	\$-	\$80,000	\$-	\$600,000	\$-

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:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Financial Assets		
Derivative assets:		
Derivative assets designated as cash flow hedges (FVOCI)	P6,001,946	P5,209,490
Derivative assets not designated as hedges (FVPL)	46,608	9,661
Financial assets at FVOCI:		
Investment in equity securities	4,603,377	3,941,493
Financial assets at FVPL:		
Investment in debt securities	138,156	142,304
Financial assets at amortized cost		
Cash and cash equivalents	25,029,857	21,353,659
Trade receivables – net	17,892,540	19,508,236
Contract assets – net	4,512,486	5,442,961
Non-trade receivables	3,648,674	3,324,995
Loans receivable from related parties	740,000	3,763,935
	P62,613,644	P62,696,734
Financial Liabilities:		
Derivative liabilities		
Derivative liabilities designated as cash flow hedges (FVOCI)	P579,862	P339,862
Derivative liabilities not designated as hedges (FVPL)	26,776	233,143
Financial liabilities at amortized cost		
Trade payables and accrued expenses*	64,434,410	68,148,559
Loans payable	256,313,397	249,459,909
Lease liabilities – net	129,245,456	116,107,874
Other long term liabilities**	929,642	1,018,474
	P451,529,543	P435,307,821

*Trade payables and accrued expenses exclude taxes payables which are deemed non-financial liabilities

**Other long term liabilities exclude ARO and taxes payables which are deemed non-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, 2025					
Derivative assets	P6,048,554	P-	P6,048,554	(P606,638)	P5,441,916
Derivative liabilities	606,638	-	606,638	(606,638)	-
Traffic settlements receivable (Note 6)	1,647,355	(708,532)	938,823	-	938,823
Traffic settlements payable (Note 15)	1,547,550	(708,532)	839,018	-	839,018
Sublease receivables (Note 13.2)	730,769	(730,769)	-	-	-
Lease liabilities (Note 13.2)	129,976,225	(730,769)	129,245,456	-	129,245,456
December 31, 2024					
Derivative assets	P5,219,151	P-	P5,219,151	(P573,005)	P4,646,146
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
Sublease receivables (Note 13.2)	789,189	(789,189)	-	-	-
Lease liabilities (Note 13.2)	116,897,063	(789,189)	116,107,874	-	116,107,874

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:

	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<i>(In Thousand Pesos)</i>				
Financial Assets				
Derivative assets ¹	P6,048,554	P6,048,554	P5,219,151	P5,219,151
Investment in debt and equity securities ¹	4,741,533	4,741,533	4,083,797	4,083,797
	P10,790,087	P10,790,087	P9,302,948	P9,302,948
Financial Liabilities				
Derivative liabilities ¹	P606,638	P606,638	P573,005	P573,005
Loans payables ²	256,313,397	263,169,651	249,459,909	249,032,055
	P256,920,035	P263,776,289	P250,032,914	P249,605,060

¹ Measured at fair value on a recurring basis

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 7.1x in 2025 and 2.3x to 5.5x in 2024

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	
2025	<i>(In Thousand Pesos)</i>			
Financial Assets				
Derivative assets	P-	P6,048,554	P-	P6,048,554
Investment in debt and equity securities	768,240	3,436,842	536,451	4,741,533
Financial Liabilities				
Derivative liabilities	-	606,638	-	606,638
Loans payable	-	263,169,651	-	263,169,651
2024				
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

There were no transfers from Level 1 and Level 2 fair value measurements for the years ended December 31, 2025 and 2024.

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, 2025 and 2024, 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:

	2025			
	Mobile Communications Services	Wireline Communications Services	Others	Consolidated
<i>(In Thousand Pesos)</i>				
REVENUES:				
Service revenues:				
External customers:				
Data	P101,166,061	P 20,670,497	P-	P121,836,558
Voice	10,882,048	1,251,135	-	12,133,183
SMS	4,801,389	-	-	4,801,389
Broadband	-	23,980,120	-	23,980,120
Others	-	-	2,326,408	2,326,408
	116,849,498	45,901,752	2,326,408	165,077,658
Nonservice revenues:				
External customers	13,050,019	29,979	82,188	13,162,186
Segment revenues	129,899,517	45,931,731	2,408,596	178,239,844
Operating costs and expenses-net	(59,438,040)	(28,688,290)	(2,489,198)	(90,615,528)
EBITDA	70,461,477	17,243,441	(80,602)	87,624,316
Depreciation and amortization	(36,088,839)	(17,596,793)	(185,495)	(53,871,127)
EBIT	34,372,638	(353,352)	(266,097)	33,753,189
Finance cost and non-operating expenses – net	(6,531,820)	43,305	962,396	(5,526,119)
NET INCOME (LOSS) BEFORE TAX	27,840,818	(310,047)	696,299	28,227,070
Provision for income tax	(4,826,408)	23,203	(161,805)	(4,965,010)
NET INCOME (LOSS)	23,014,410	(P286,844)	534,494	P23,262,060
Intersegment revenues	(P1,022,962)	(1,670,570)	(6,293,874)	(P8,987,406)
Core net income after tax				P20,888,350
Operating costs and expenses - net				
Operating expenses-net ¹	(43,030,383)	(26,029,726)	(2,329,253)	(71,389,362)
Cost of inventories sold	(13,015,996)	(371,780)	(99,282)	(13,487,058)
Impairment/recovery and other losses ²	(2,339,599)	(1,427,042)	(60,704)	(3,827,345)
Interconnect costs	(1,052,062)	(859,742)	41	(1,911,763)
	(59,438,040)	(28,688,290)	(2,489,198)	(90,615,528)
Finance costs and non-operating charges				
Finance costs	(16,272,690)	(160,010)	(23,790)	(16,456,490)
Equity share in net profit of JVs	5,978,249	413,794	-	6,392,043
Interest income	471,491	147,545	202,779	821,815
Other non-operating income-net ³	3,291,130	(358,024)	783,407	3,716,513
	(6,531,820)	43,305	962,396	(5,526,119)
Cash Flows				
Net cash from (used in):				
Operating activities	P51,669,495	P27,927,901	(P55,629)	P79,541,767
Investing activities	(23,123,543)	(13,181,152)	(16,757)	(36,321,452)
Financing activities	(37,289,856)	(1,631,189)	(238,838)	(39,159,883)

¹Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income

²Impairment/recovery 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 deemed sale of investment in Mynt and 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

2024				
	Mobile Communications Services	Wireline Communications Services	Others	Consolidated
<i>(In Thousand Pesos)</i>				
REVENUES:				
Service revenues:				
External customers:				
Data	₱97,368,837	₱20,379,506	₱-	₱117,748,343
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)	₱24,084,845	₱222,375	(₱21,451)	₱24,285,769
Intersegment revenues	(₱1,036,603)	(₱2,209,280)	(₱5,597,524)	(₱8,843,407)
Core net income after tax				₱21,497,995
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 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	₱71,897,654	₱12,868,594	₱15,593	₱84,781,841
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/recovery 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 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/recovery 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



The reconciliation of the EBITDA to income before income tax presented in the consolidated statements of comprehensive income is shown below:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
EBITDA		P87,624,316	P86,813,676	P81,426,746
Depreciation and amortization	24	(53,871,127)	(50,473,040)	(47,356,043)
Financing costs	25	(16,456,490)	(14,444,270)	(12,145,879)
Impairment of property and equipment	26	-	(410,563)	(92,441)
Equity in net income (losses) of joint ventures	14	6,392,043	3,897,012	2,214,761
Foreign exchange gain (loss) – net	22	(369,803)	(2,431,889)	1,042,052
Gain (loss) on derivative instruments	22	772,855	2,957,406	(740,686)
Interest income	21	821,815	918,338	677,570
Gain on disposal of property and equipment - net		283,559	206,500	371,655
Gain on deemed sale of Investment in Mynt	14.2	2,560,357	-	-
Gain on sale and leaseback of telecom towers - net	11	380,717	3,482,083	7,258,378
Gain on sale of investments		21,093	-	76,669
Other items		67,735	(184,170)	(317,112)
Income before income tax		P28,227,070	P30,331,083	P32,415,670

The reconciliation of core net income after tax (core NIAT) to NIAT is shown below:

	2025	2024	2023
<i>(In Thousand Pesos)</i>			
Core NIAT	P20,888,350	P21,497,995	P18,915,767
Foreign exchange gains (losses)	(277,352)	(1,823,917)	781,538
Gain (loss) on derivatives instruments	579,641	2,218,055	(555,515)
Gain on sale and leaseback of telecom towers – net	285,538	2,611,562	5,443,784
Gain on deemed sale of Investment in Mynt	2,176,304	-	-
Others	(390,421)	(217,926)	(7,564)
NIAT	P23,262,060	P24,285,769	P24,578,010

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 Touch Mobile (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, and other internet services.
- Cloud computing - Globe's range of cloud computing 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 business 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 2025, 2024 and 2023 amounted to ₱1,911.76 million, ₱1,619.79 million and ₱1,367.05 million, respectively.

Net traffic settlement receivables amounted to ₱938.82 million and ₱907.18 million while net traffic settlement payables amounted to ₱839.02 million and ₱749.69 million as of December 31, 2025 and 2024, 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, 2025 and 2024 included in the "Trade payables and accrued expenses" account in the consolidated statements of financial position amounted to ₱25,674.51 million and ₱30,740.90 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, 2025 and 2024, the unapplied advances made to suppliers and



contractors relating to purchase orders issued amounted to ₱14,554.40 million and ₱12,172.43 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 897 and 776 tower lease commitments in which leases have not yet commenced as of December 31, 2025 and 2024, respectively.

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.

On September 18, 2024, Globe and Innove received the SC's Decision promulgated on February 13, 2023 sustaining the CA's Decision dated December 28, 2010 and Resolution dated January 19, 2012 which



reversed and set aside the NTC's Orders dated December 5, 2009 and Show Cause Orders and Cease and Desist Orders dated December 9, 2009. The High Court also made permanent the writ of preliminary injunction issued by the CA enjoining the NTC from enforcing its assailed Orders.

In due course, the NTC filed its Motion for Reconsideration (MR) of the SC's aforesaid decision.

On August 5, 2025, Globe and Innove received the Supreme Court Resolution's dated May 19, 2025, denying the NTC's MR with FINALITY, the basic issues raised therein having been duly considered and passed upon by the court in its aforesaid decision. On August 27, 2025, Globe and Innove received a copy of the Entry of Judgement rendering the case closed and terminated.

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. I6-002 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 ruling 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 16 November 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 7 November 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 1 June 2018, the Corporation received a copy of the Court of Appeals' Notice of Resolution dated 25 May 2018 and attached Resolution dated 24 May 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 24 May 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.

35 Konektadong Pinoy Act

Republic Act No. 12234 titled "An Act Establishing a Comprehensive and Inclusive Data Transmission and Connectivity Framework for the Philippines" or the Konektadong Pinoy Act (KPA) lapsed into law on August 24, 2025 and took effect on September 13, 2025. The KPA aims to promote digital inclusion and bridge the digital divide by providing affordable, reliable, secure and accessible data connectivity services through fair, open and sustainable competition in the data transmission industry, infrastructure-sharing, and investment in data transmission infrastructure and services.

Under the KPA, new operators classified as Data Transmission Industry Participants (DTIP) who will engage in the provision of data transmission services no longer need to secure a legislative franchise from Congress as a prerequisite to launching a data service. Also, the KPA mandates infrastructure sharing and co-location, requiring incumbents to provide access to network and facilities to other DTIPs and permitting direct satellite access without NTC approval. Likewise, the KPA will establish a Spectrum Management Policy Framework (SMPF) to govern the management, and more crucially, the assignment and even recall of spectrum.

The implementing rules and regulations of the KPA took effect on January 2, 2026. On February 2, 2026, the NTC issued Memorandum Circular No. 02-02-2026 which prescribes the legal, financial and technical eligibility requirements for DTIPs and the registration and authorization processes for applicant DTIPs. Further regulations are expected to be released pursuant to the KPA, such as those relating to the SMPF, digital infrastructure access list and the designation of players found to have significant market power.

36 Events After Reporting Period

Sale of Yondu

On January 2, 2026, Globe completed the closing of the sale of Yondu and transfer of ownership to NCSI. The transaction diluted Globe's ownership from 100% to 49% and resulted in a loss of control over Yondu. Thereafter, the investment in Yondu was accounted for as an investment in associate since Globe has significant influence in the financial and operating policy decisions of Yondu.

Dividend Declaration

On February 3, 2026, 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 18, 2026. Total dividends amounting to ₱3.6 billion will be payable on March 5, 2026.



GLOBE TELECOM, INC. AND SUBSIDIARIES

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Schedule 6 – Schedule of External Auditor Fee-Related information

Schedule 1

FINANCIAL SOUNDNESS INDICATORS	Formula	December 31 2025	December 31 2024
FINANCIAL RATIOS			
	EBITDA		
Interest Coverage Ratio	Interest Expense gross of capitalized borrowing costs	4.51	4.55
Debt to Equity (D/E Ratio)	Total Debt	1.47	1.49
	Total Equity		
Total Asset to Equity Ratio	Total Assets	3.76	3.78
	Total Equity		
Current Ratio	Current Assets	0.66	0.62
	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	0.64	0.60
	Current Liabilities		
PROFITABILITY MARGINS			
EBITDA Margins	EBITDA	53%	53%
	Service Revenues		
Net Profit Margin	Net Income	14%	15%
	Service Revenues		
Return on Asset	Net Income	4%	4%
	Total Assets		
Return on Equity	Net Income	14%	15%
	Total Average Equity		

Schedule 2
**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2025**

Items	Amount (In thousands)
Unappropriated Retained Earnings, beginning	₱12,582,820
Less: Category B – Items that are directly debited to Unappropriated Retained Earnings	
Dividends during the reporting period	(14,505,945)
Distribution on capital securities	(1,361,450)
Unappropriated Retained Earnings, as adjusted	3,248,575
Net income during the period closed to Retained Earnings	24,486,265
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	(6,668,198)
Category C.1 – Subtotal	(6,668,198)
Add: Category C.2 – Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period	
Unrealized fair value gain on derivatives from prior period realized during the year	5,834,163
Category C.2 – Subtotal	5,834,163
Adjusted net income during the period	23,652,230
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	(3,571,200)
Unappropriated Retained Earnings, as adjusted, ending	₱16,796,455



**MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN GLOBE
AS OF DECEMBER 31, 2025**





Schedule 4

**SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE
PUBLIC
AS OF DECEMBER 31, 2025**

	Planned Application Proceeds	Actual Disbursement	Balance of Offering Proceeds

Not Applicable



SCHEDULE 5A – FINANCIAL ASSETS
DECEMBER 31, 2025

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, 2025)		Amounts collected		Balance at the end of period (December 31, 2025)	
		Additions		Current	Non-current	
			<i>(In thousands)</i>			
Education Loan	₱86,024	₱114,410	₱116,852	₱83,582	₱-	₱83,582
Hospitalization Loan	14,312	95,192	28,382	81,122	-	81,122
Housing and Renovation Loan	50,065	72,823	64,720	58,168	-	58,168
Medical and Health Related Loan	10,922	59,761	21,399	49,284	-	49,284
Others	3,191	24,317	8,737	18,771	-	18,771
Total	₱164,514	₱366,503	₱240,090	₱290,927	₱-	₱290,927



Schedule 5C - Trade & Other Receivables Eliminated During Consolidation

Creditor's Relationship to the Reporting Company (Subsidiary or Parent)		Account Type	Beginning Balance	Net Movement	Outstanding Balance
			(January 1, 2025)		(December 31, 2025)
Globe	Parent	Traffic Receivables	₱314,789	(₱112,222)	₱202,567
	Parent	Trade Receivables	439,211	(439,211)	-
	Parent	Other Receivables	32,081,145	2,858,741	34,939,886
Innove	Subsidiary	Trade Receivables	90,948	(1,346)	89,602
	Subsidiary	Other Receivables	32,302,662	(4,139,044)	28,163,618
	Co-Subsidiary	Trade Receivables	36,295	(10,529)	25,766
Asticom	Co-Subsidiary	Other Receivables	574,945	(28,335)	546,610
	Co-Subsidiary	Traffic Receivables	151	(81)	70
	Subsidiary	Trade Receivables	691,392	(164,827)	526,565
BTI	Co-Subsidiary	Trade Receivables	29,018	19,025	48,043
	Co-Subsidiary	Other Receivables	240,131	459,614	699,745
	Subsidiary	Other Receivables	4,338,145	42,109	4,380,254
(forward)	Subsidiary	Traffic Receivables	3,126	(1,939)	1,187
	Subsidiary	Trade Receivables	4,886	(3,355)	1,531
	Co-Subsidiary	Trade Receivables	6,168	(89)	6,079
	Co-Subsidiary	Traffic Receivables	441	(441)	-
	Co-Subsidiary	Other Receivables	6,370,610	24,110	6,394,720

Creditor	Creditor's Relationship to the Reporting Company (Subsidiary or Parent)	Account Type	Beginning Balance	Net Movement	Outstanding Balance
			(January 1, 2025)		(December 31, 2025)
GCVH	Subsidiary	Trade Receivables	654,508	(31,494)	623,014
	Subsidiary	Other Receivables	271,070	(62,229)	208,841
	Co-Subsidiary	Other Receivables	1,771,145	(1,001,571)	769,574
	Co-Subsidiary	Trade Receivables	138,447	(1,517)	136,930
GTI	Subsidiary	Trade Receivables	615	(615)	-
	Subsidiary	Other Receivables	102,251	9,223	111,474
	Co-Subsidiary	Trade Receivables	1,177	2,829	4,006
	Co-Subsidiary	Other Receivables	539,323	(10,890)	528,433
TAOD	Subsidiary	Other Receivables	7,284	-	7,284
	Co-Subsidiary	Other Receivables	73	-	73
	Co-Subsidiary	Other Receivables	151,942	149,373	301,315
	Subsidiary	Other Receivables	8,710	5,322	14,032
Yondu	Subsidiary	Trade Receivables	60,897	6,106	67,003
	Co-Subsidiary	Trade Receivables	156,327	(969)	155,358
	Co-Subsidiary	Other Receivables	186,799	(83,317)	103,482
TOTAL			P81,574,631	(P2,517,569)	P79,057,062



SCHEDULE 5D – LONG TERM DEBT
DECEMBER 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	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		
			Amount <i>(In thousands)</i>	Interest rates	Maturity dates
Term Loans:					
Peso	₱209,000,000	₱22,117,704	₱177,509,829	4.00% to 7.00%	2026-2040
Dollar	\$350,000	101,284	14,192,378	4.80% to 7.04%	2026-2027
Yen	¥20,000,000	-	7,399,458	1.09%	2028-2032
Retail Bonds Dollar	\$600,000	-	34,992,744	3.13% to 3.75%	2030-2035
		₱22,218,988	₱234,094,409		



SCHEDULE 5E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2025

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, 2025

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, 2025

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	144,468	10,136	111,731	1,218	31,519
Voting preferred stock	160,000	158,515	-	158,515	-	-
Non-voting preferred stock*	40,000	-	-	-	-	-
20,000 shares reacquired as treasury						

Schedule 6
**SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2025**

	2025	2024
	<i>(In millions)</i>	
Total Audit Fees	₱18.19	₱17.34
Non-audit services fees:		
Other assurance services	8.10	0.32
Tax services	1.50	-
All other services	0.63	0.63
Total Non-audit Fees	10.23	0.95
Total Audit and Non-audit Fees	₱28.42	₱18.29

AGING ANALYSIS OF ACCOUNTS RECEIVABLE

The table below shows the aging analysis of the Globe's trade receivables as of December 31, 2025.

	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	₱3,927,854	₱1,860,330	₱322,557	₱248,561	₱916,043	₱7,275,345
Key corporate accounts	48,495	89,953	95,133	84,253	590,050	907,884
Other corporations and SME	205,512	134,582	34,773	33,093	144,713	552,673
	4,181,861	2,084,865	452,463	365,907	1,650,806	8,735,902
Wireline subscribers receivables:						
Consumer	741,892	131,813	55,068	44,662	2,610,741	3,584,176
Key corporate accounts	248,100	418,959	535,452	698,641	4,311,937	6,213,089
Other corporations and SME	99,139	87,434	40,442	21,701	433,225	681,941
	1,089,131	638,206	630,962	765,004	7,355,903	10,479,206
Total subscribers receivables	5,270,992	2,723,071	1,083,425	1,130,911	9,006,709	19,215,108
Traffic receivables:						
Foreign	475,185	-	10,992	6,262	209,931	702,370
Local	81,691	4,266	1,298	1,219	147,979	236,453
Total traffic receivables	556,876	4,266	12,290	7,481	357,910	938,823
Other trade receivables	3,169,088	724,743	261,065	132,392	1,136,926	5,424,214
	₱8,996,956	₱3,452,080	₱1,356,780	₱1,270,784	₱10,501,545	₱25,578,145

File Upload



All files successfully uploaded

Transaction Code:

AFS-0-6HLBK9HJ03PS4V4WXPQSY4T10MR2SNNTY

Submission Date/Time:

Apr 10, 2026 01:56 PM



Gerard Franz Calica <gscalica@globe.com.ph>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>

Fri, Apr 10, 2026 at 1:56 PM

To: GSCALICA@globe.com.ph

Cc: GSCALICA@globe.com.ph

Hi GLOBE TELECOM, INC.,

Valid files

- EAFS000768480AFSTY122025.pdf
- EAFS000768480ITRTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-6HLBK9HJ03PS4V4WXPQQSY4T10MR2SNNTY**Submission Date/Time: **Apr 10, 2026 01:56 PM**Company TIN: **000-768-480**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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COVER SHEET

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(Company's Full Name)

T	H	E		G	L	O	B	E		T	O	W	E	R																
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B	O	N	I	F	A	C	I	O		G	L	O	B	A	L		C	I	T	Y		T	A	G	U	I	G			

(Business Address: No. Street City / Town / Province)

JUAN CARLO C. PUNO

Contact Person

7797-2000

Company Telephone Number

Month Day Fiscal Year

	A	F	S	

FORM TYPE

0	4

2	1

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

[illegible]

File Number

LCU

LCU

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Document I.D.

Cashier

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR STANDALONE FINANCIAL STATEMENTS**

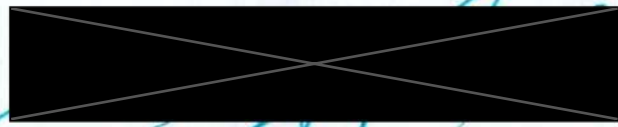
The management of Globe Telecom, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

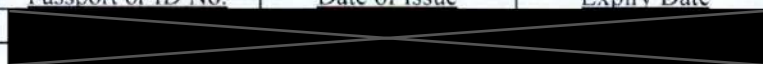
The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the 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 3rd day of February 2026

SUBSCRIBED AND SWORN to before me this MAR 16 2026 at MAKATI 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. : IOS
Page No. : 22
Book No.: I
Series of 2024


ATTY. JUSTIN NICO L. RAVAGO
Notary Public
Appointment No. M-047
Makati City Metro Manila
Expires on 31 December 2026
15th and 16th Floors, BDO Life MegaPlaza
358 Sen. Gil Puyat Avenue,
1200 Makati City, Philippines
Attorney's Roll No. 73881
PTR No. 10764065/01.02.2026/Makati City
IBP No. 583692/01.02.2026/RSM
MCLE Compliance No. VIII-0032524/05.07.25

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR STANDALONE FINANCIAL STATEMENTS**

The management of Globe Telecom, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the 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.

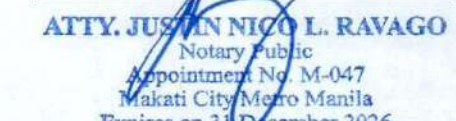

CARL RAYMOND R. CRUZ
President and Chief Executive Officer

Signed this 3rd day of February 2026

SUBSCRIBED AND SWORN to before me this MAR 16 2026 at MAKATI 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
Carl Raymond R. Cruz			

Doc. No. : 104
Page No. : 22
Book No. : I
Series of : 2024


ATTY. JUSTIN NICO L. RAVAGO
Notary Public
Appointment No. M-047
Makati City Metro Manila
Expires on 31 December 2026
15th and 16th Floors, BDO Life MegaPlaza
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MCLE Compliance No. VIII-0032524/05.07.25

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR STANDALONE FINANCIAL STATEMENTS**

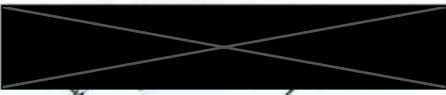
The management of Globe Telecom, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the 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 Finance Officer, Treasurer and Chief Risk Officer

Signed this 3rd day of February 2026

SUBSCRIBED AND SWORN to before me this **MAR 16 2026** at **MAKATI 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. : 103
Page No. : 22
Book No.: 1
Series of 2026


ATTY. JUSTIN NICO L. RAVAGO
Notary Public
Appointment No. M-047
Makati City Metro Manila
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PTR No. 10764065/01.02.2026/Makati City
IBP No. 583692/01.02.2026/RSM
MCLE Compliance No. VIII-0032524/05.07.25



Isla Lipana & Co.

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

Report on the Audits of the Parent Company's Financial Statements

Our Opinion

In our opinion, the accompanying parent company's financial statements present fairly, in all material respects, the financial position of Globe Telecom, Inc. (the "Company") as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The parent company's financial statements of the Company comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in equity for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the parent company's financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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 Audits of the Parent Company's 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 Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of parent company's financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of parent company's financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Responsibilities of Management and Those Charged with Governance for the Parent Company's Financial Statements

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

In preparing the parent company's financial statements, management is responsible for assessing the ability of the Company 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 Company, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audits of the Parent Company's Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company's 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 parent company's 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 parent company's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company's financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

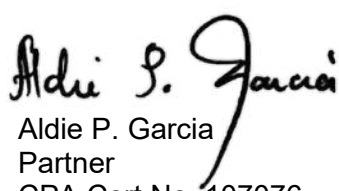
- Evaluate the overall presentation, structure and content of the parent company's financial statements, including the disclosures, and whether the parent company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on the Bureau of Internal Revenue (BIR) Requirement

Our audits were conducted for the purpose of forming an opinion on the basic parent company's financial statements taken as a whole. The supplementary information in Note 35 to the parent company's financial statements is presented for purposes of filing with the BIR and is not a required part of the basic parent company's financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic parent company's financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic parent company's financial statements taken as a whole.

Isla Lipana & Co.



Aldie P. Garcia
Partner

CPA Cert No. 107076

PTR No. 0011459, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 107076-SEC, Category A;
valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 923-763-007

BIR A.N. 08-000745-143-2025, issued on January 8, 2024; effective until January 7, 2028

BOA/PRC Reg. No. 0142/P-002, effective until November 14, 2028

Makati City
February 3, 2026



Isla Lipana & Co.

Statement Required by Section 8-A Revenue Regulations No. V-1

To the Board of Directors and Shareholders of
Globe Telecom, Inc.
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City

None of the partners of the firm have any financial interest in Globe Telecom, Inc. or any family relationships with its president, officers or shareholders.

The supplementary information on taxes and licenses for the year ended December 31, 2025 is presented in Note 35 to the parent company's financial statements.

Isla Lipana & Co.

Aldie P. Garcia
Partner
CPA Cert No. 107076

PTR No. 0011459, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 107076-SEC, Category A;
valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 923-763-007

BIR A.N. 08-000745-143-2025, issued on January 8, 2024; effective until January 7, 2028

BOA/PRC Reg. No. 0142/P-002, effective until November 14, 2028

Makati City
February 3, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
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GLOBE TELECOM, INC.

Parent Company's Financial Statements
December 31, 2025 and 2024





GLOBE TELECOM, INC.

PARENT COMPANY'S STATEMENTS OF FINANCIAL POSITION

		December 31	
	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
ASSETS			
Current Assets			
Cash and cash equivalents	5	₱10,387,076	₱9,731,618
Trade receivables – net	6	10,487,544	11,504,553
Contract assets – net	7.1	4,512,486	5,442,961
Inventories and supplies – net	9	1,894,692	2,369,342
Derivative assets – current	8	112,445	177,153
Prepayments and other current assets	10	46,459,851	43,473,735
		73,854,094	72,699,362
Assets classified as held-for-sale	11, 13, 14.10	4,317,624	7,735,140
		78,171,718	80,434,502
Noncurrent Assets			
Property and equipment – net	11	291,080,402	283,880,671
Intangible assets – net	12	18,835,289	17,528,109
Right of use assets – net	13.1	96,384,066	86,066,936
Investments in subsidiaries and joint ventures	14	73,662,546	73,683,192
Derivative assets – net of current portion	8	5,936,109	5,041,998
Deferred income tax asset – net	28	490,351	-
Other noncurrent assets	10	20,740,645	20,630,329
		507,129,408	486,831,235
TOTAL ASSETS		₱585,301,126	₱567,265,737
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables and accrued expenses	15	₱70,614,437	₱82,935,548
Deferred revenues	7.2	3,871,026	3,891,275
Loans payable – current	17	22,168,988	26,037,296
Derivative liabilities – current	8	606,638	573,005
Provisions	16	2,737,198	2,397,424
Lease liabilities – current	13.2	7,707,412	6,926,829
Income tax payable		547,704	-
		108,253,403	122,761,377
Noncurrent Liabilities			
Loans payable – net of current portion	17	229,394,409	218,360,113
Deferred income tax liability – net	28	-	1,276,548
Lease liabilities – net of current portion	13.2	119,273,925	105,782,021
Pension liability	21.1	4,412,713	2,690,413
Other long-term liabilities	18	2,859,100	3,092,502
		355,940,147	331,201,597
Total Liabilities		464,193,550	453,962,974
Equity			
Capital stock	20	9,016,001	9,011,592
Additional paid in capital	20	54,862,551	54,568,560
Cost of share-based compensation		1,041,026	871,722
Capital securities	20.3	29,977,639	29,977,639
Other reserves	20.7	(5,300,284)	(4,004,374)
Treasury shares	20.4	(10,000,000)	(10,000,000)
Retained earnings		41,510,643	32,877,624
Total Equity		121,107,576	113,302,763
TOTAL LIABILITIES AND EQUITY		₱585,301,126	₱567,265,737

See accompanying Notes to Parent Company's Financial Statements.

GLOBE TELECOM, INC.

PARENT COMPANY'S STATEMENTS OF TOTAL COMPREHENSIVE INCOME

		For the Years Ended December 31	
	Notes	2025	2024
(In Thousand Pesos)			
REVENUES			
Service revenues		₱120,661,584	₱120,869,838
Nonservice revenues		13,159,564	15,409,761
		133,821,148	136,279,599
INCOME			
Gain on sale and leaseback of telecom towers - net	11	366,106	3,352,455
Dividend income	14	20,370,000	4,518,000
Interest income	22	471,491	480,719
Gain on disposals of property and equipment - net	11	286,543	243,874
Other income – net	23	9,557,891	9,816,691
		31,052,031	18,411,739
COSTS AND EXPENSES			
General, selling and administrative expenses	24	62,270,124	63,093,404
Depreciation and amortization	25	42,596,039	40,875,196
Cost of inventories sold	9	13,119,715	15,837,339
Financing costs	26	16,941,065	15,263,899
Interconnect costs	31	1,799,096	1,637,313
Impairment losses and others	27	2,284,811	3,126,886
		139,010,850	139,834,037
INCOME BEFORE INCOME TAX		25,862,329	14,857,301
PROVISION FOR INCOME TAX			
Current		2,692,262	3,957,198
Deferred		(1,330,347)	(1,408,496)
		1,361,915	2,548,702
NET INCOME		24,500,414	12,308,599
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified into profit or loss in subsequent periods:			
Remeasurement loss on defined benefit plan - net	20.7	(1,170,567)	(470,912)
Changes in fair value of financial assets at fair value through other comprehensive income	20.7	13,742	113,537
Item that will be reclassified into profit or loss in subsequent periods:			
Transactions on cash flow hedges - net	20.7	(139,085)	(870,457)
TOTAL OTHER COMPREHENSIVE LOSS		(1,295,910)	(1,227,832)
TOTAL COMPREHENSIVE INCOME		₱23,204,504	₱11,080,767

See accompanying Notes to Parent Company's Financial Statements.

GLOBE TELECOM, INC. PARENT COMPANY'S STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2025								
Notes	Capital Stock (Note 20)	Additional Paid-in Capital	Cost of Share-based Compensation	Capital Securities (Note 20.3)	Other Reserves (Note 20.7)	Treasury Shares (Note 20.4)	Retained Earnings	Total
<i>(In Thousand Pesos)</i>								
As of January 1, 2025	₱9,011,592	₱54,568,560	₱871,722	₱29,977,639	(₱4,004,374)	(₱10,000,000)	₱32,877,624	₱113,302,763
Total comprehensive income for the year	-	-	-	-	(1,295,910)	-	24,500,414	23,204,504
Dividends on:	20.5							
Common stock	-	-	-	-	-	-	(14,444,648)	(14,444,648)
Preferred stock – voting	-	-	-	-	-	-	(61,297)	(61,297)
Distributions on Capital Securities	20.3	-	-	-	-	-	(1,361,450)	(1,361,450)
Share-based compensation	21.2	-	-	467,704	-	-	-	467,704
Issue of shares under share-based compensation plan		4,409	293,991	(298,400)	-	-	-	-
As of December 31, 2025	₱9,016,001	₱54,862,551	₱1,041,026	₱29,977,639	(₱5,300,284)	(₱10,000,000)	₱41,510,643	₱121,107,576

GLOBE TELECOM, INC. PARENT COMPANY'S STATEMENTS OF CHANGES IN EQUITY

For the Year Ended December 31, 2024									
	Notes	Capital Stock (Note 20)	Additional Paid-in Capital	Cost of Share-based Compensation	Capital Securites (Note 20.3)	Other Reserves (Note 20.7)	Treasury Shares (Note 20.4)	Retained Earnings	Total
(In Thousand Pesos)									
As of January 1, 2024		₱9,004,030	₱54,268,520	₱802,701	₱29,977,639	(₱2,776,542)	(₱10,000,000)	₱36,434,233	₱117,710,581
Total comprehensive income for the year		-	-	-	-	(1,227,832)	-	12,308,599	11,080,767
Dividends on:	20.5								
Common stock		-	-	-	-	-	-	(14,434,240)	(14,434,240)
Preferred stock – voting		-	-	-	-	-	-	(61,297)	(61,297)
Distributions on Capital Securities	20.3	-	-	-	-	-	-	(1,369,671)	(1,369,671)
Share-based compensation	21.2	-	-	376,623	-	-	-	-	376,623
Issue of shares under share-based compensation plan		7,562	300,040	(307,602)	-	-	-	-	-
As of December 31, 2024		₱9,011,592	₱54,568,560	₱871,722	₱29,977,639	(₱4,004,374)	(₱10,000,000)	₱32,877,624	₱113,302,763
See accompanying Notes to Parent Company's Financial Statements.									

GLOBE TELECOM, INC.

PARENT COMPANY'S STATEMENTS OF CASH FLOWS

For the Years Ended December 31			
	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P25,862,329	P14,857,301
Adjustments for:			
Depreciation and amortization	25	42,596,039	40,875,196
Financing costs	26	16,941,065	15,263,899
Impairment losses and others	27	2,284,811	3,126,886
Foreign exchange losses - net	23	433,567	2,342,882
Gain on derivative instruments - net	23	(772,855)	(2,957,406)
Pension expense	21	880,831	900,501
Share-based compensation	21.2	467,703	376,623
Interest income	22	(471,491)	(480,719)
Gain on sale and leaseback of telecom towers - net	11	(366,106)	(3,352,455)
Gain on disposals of property and equipment	11	(286,543)	(243,874)
Loss on settlement and remeasurement of ARO	23	56,594	-
Dividend income	14	(20,370,000)	(4,518,000)
Operating income before working capital changes		67,255,944	66,190,834
Changes in operating assets and liabilities:			
Decrease (Increase) in:			
Trade receivables		(129,905)	(2,122,570)
Inventories and supplies		387,332	225,451
Prepayments and other current assets		(3,134,917)	304,521
Contract assets		287,105	113,163
Other noncurrent assets		(108,205)	126,777
Increase (Decrease) in:			
Trade payables and accrued expenses		(12,993,191)	7,322,685
Deferred revenues		(20,250)	(547,131)
Other long-term liabilities		(949,742)	(1,614,292)
Cash generated from operations		50,594,171	69,999,438
Income taxes paid		(2,423,777)	(742,895)
Net cash flows from operating activities		48,170,394	69,256,543
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment	11	(40,387,305)	(48,079,526)
Intangible assets	12	(42,980)	(35,163)
Investments in subsidiaries and joint ventures	14	(579,353)	(465,128)
Interest received		480,375	481,765
Dividends received	14	22,272,500	5,225,500
Proceeds from sale and leaseback of telecom towers - net	11	3,222,201	27,821,162
Proceeds from sale of property and equipment		996,695	451,063
Proceeds from sale of subsidiary	14.10	962,500	-
Proceeds from redemption of investments	14.11	600,000	-
Collection of loans receivable from related party	10	2,547,935	-
Cash used in investing activities		(9,927,432)	(14,600,327)
Income taxes paid		(636,366)	(4,728,481)
Net cash flows used in investing activities		(10,563,798)	(19,328,808)
<i>(Forward)</i>			

GLOBE TELECOM, INC.

PARENT COMPANY'S STATEMENTS OF CASH FLOWS

		For the Years Ended December 31	
	Notes	2025	2024
		(In Thousand Pesos)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings:			
Long-term	17	(P19,052,080)	(P18,314,805)
Short-term	17	(8,036,000)	(34,500,000)
Proceeds from borrowings:			
Long-term	17	32,500,303	27,000,000
Short-term	17	1,036,000	23,250,000
Payments of dividends to stockholders:	20.5		
Common		(14,444,648)	(14,434,240)
Preferred		(61,297)	(61,297)
Distributions to holders of capital securities	20.3	(1,361,450)	(1,369,671)
Payment of lease liabilities	13.2	(14,363,676)	(14,897,763)
Interest paid	17	(13,409,020)	(13,636,852)
Net cash flows used in financing activities		(37,191,868)	(46,964,628)
NET INCREASE IN CASH AND CASH EQUIVALENTS		414,728	2,963,107
NET FOREIGN EXCHANGE DIFFERENCE ON CASH AND CASH EQUIVALENTS		240,730	28,963
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		9,731,618	6,739,548
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	5	P10,387,076	P9,731,618

See accompanying Notes to Parent Company's Financial Statements.

GLOBE TELECOM, INC.

NOTES TO PARENT COMPANY'S FINANCIAL STATEMENTS

1. Corporate Information

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 (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. 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.

2. Summary of Material Accounting Policies

2.1 Basis of Financial Statement Preparation

The Parent Company's financial statements, which are prepared for submission to regulatory bodies with supervision over Globe Telecom, have been prepared under the historical cost convention method, except for:

- certain financial instruments carried at fair value
- certain financial instruments, lease liabilities and asset retirement obligation carried at amortized cost;
- inventories carried at net realizable value;
- 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 Parent Company's financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional currency, and rounded to the nearest thousands except when otherwise indicated.

These are the Parent Company's separate financial statements. The Parent Company also prepares and issues consolidated financial statements of the Parent Company and its Subsidiaries for the same period. These are filed with and may be obtained at the Philippine Securities and Exchange Commission (SEC).

On February 3, 2026, the Board of Directors (BOD) of Globe Telecom approved and authorized the release of its financial statements as of December 31, 2025 and 2024 and for the years then ended.

2.2 Statement of Compliance

The Parent Company's financial statements 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 Financial Instruments

2.3.1 Initial Recognition

Financial instruments are recognized in the Parent Company's statements of financial position when the Parent Company 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 the Parent Company commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value. Transaction costs are included in the initial measurement of the Parent Company's financial instruments, except for financial instruments classified at fair value through profit or loss (FVPL).

2.3.2 Classification and Subsequent Measurement of Financial Assets

The Parent Company 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).

2.3.2.1 Financial assets at FVPL

The Parent Company 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 30.1](#).

2.3.2.2 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 30.1](#).

2.3.2.3 Financial assets at fair value through other comprehensive income

The Parent Company 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 [Note 30.1](#).

2.3.3 Impairment of Financial Assets and Contract Assets at amortized cost

The Parent Company assesses at end of the reporting date whether a financial asset or group of financial assets is impaired.

The Parent Company recognizes a loss allowance for expected credit losses (ECL) 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.

The Parent Company 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, the Parent Company 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, the Parent Company 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.

The Parent Company 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, the Parent Company 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, the Parent Company 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 the Parent Company'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, the Parent Company 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 reporting date. The Parent Company 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 fulfill its contractual cash flow obligations.

The Parent Company 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, the Parent Company considers that default has occurred when the subscriber has been permanently disconnected.

For all other receivables, The Parent Company 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 the Parent Company, in full (without taking into account any collateral held by the Parent Company).

Irrespective of the above analysis, the Parent Company considers that default has occurred when a financial asset is more than 90 days past due unless the Parent Company 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

The Parent Company 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 the Parent Company has effectively exhausted all collection efforts). Financial assets written off may still be subject to enforcement activities under the Parent Company'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 the Parent Company in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at the original effective interest rate.

If the Parent Company 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, the Parent Company 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.

The Parent Company 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.

2.3.4 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.

2.3.4.1 Classification and Subsequent Measurement of Financial liabilities

The Parent Company 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.

2.3.4.1.1 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 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 30.1](#).

2.3.4.1.2 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 30.1](#).

2.3.4.1.3 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 the Parent Company. The Parent Company 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 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.

2.3.5 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 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, the Parent Company 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. The Parent Company 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 profit or loss.

2.3.5.1 Types of Hedges

The Parent Company 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 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 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 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 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 profit or loss.

2.3.6 Other Derivative Instruments Not Accounted for as Accounting Hedges

Certain freestanding derivative instruments that provide economic hedges under the Parent Company'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 profit or loss.

2.3.7 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

2.3.8 Derecognition of Financial Instruments

2.3.8.1 Financial Asset

The Parent Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when the Parent Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Parent Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Parent Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Parent Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Parent Company 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 profit or loss.

2.3.8.2 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 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.

2.4 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, the Parent Company provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in 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.

2.5 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 statement of financial position as non-current assets when the cost of goods or services related to the prepayments are expected to be incurred beyond one year or if the prepayment is related to an acquisition of an item of property and equipment. Otherwise, prepayments are classified as current assets.

2.6 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 the Parent Company 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 the Parent Company. 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 on store and office space leases 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 profit or loss.

Assets Held for Sale (AHFS)

An asset 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 the Parent Company's control and there is sufficient evidence that the Parent Company 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 statement of financial position.

The Parent Company 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.

2.7 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 estimated useful lives. The estimated useful life 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 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.

Amortization of intangible asset is computed based on the EUL of the assets below:

	Years
Software and licenses	3-10
Spectrum	10-59

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 profit or loss.

2.8 Investments in Subsidiaries and 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.

A subsidiary is an entity in which the Parent Company exercises control. Control is achieved when the Parent Company is exposed or has the rights to variable returns from its involvement with the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has the following:

- 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
- ability to use its power over the investee to affect its returns.

Investments in subsidiaries and joint ventures are measured initially at cost. Subsequent to initial recognition, the Parent Company's investments in subsidiaries and joint ventures are measured at cost less any recognized impairment loss.

2.9 Impairment of Nonfinancial Assets

At the end of each reporting period, the Parent Company 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, the Parent 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.

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.

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 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.

2.10 Provisions

Provisions are recognized when the Parent Company has a present obligation, either legal or constructive, as a result of a past event and it is probable that the Parent Company 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.

2.11 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. The Parent Company 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, the Parent Company assesses whether the nature of its promise in the arrangement is to provide the specified services itself or arrange for those services to be provided by the other party. If the promise in an arrangement is to provide the services itself, the Parent Company 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, the Parent Company 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.

The Parent Company 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 2.11.1](#));
- Inbound traffic originating from other telecommunications providers that terminates at Parent Company's network ([Note 2.11.2](#));
- Inbound roaming due from foreign carriers ([Note 2.11.3](#));
- Postpaid wireless communication services bundled with sale of handsets and other devices ([Note 2.11.4](#));
- Leases, interests and management fees ([Note 2.11.6](#)).

2.11.1 Mobile services

Monthly service fees from mobile 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 as service revenues upon actual usage of load value. Any unused remaining load value after the prescribed validity period is immediately recognized as service revenue.

Subscription to promotional offer of SMS, voice, data communication, and other services, are recognized as service revenue over the promotional period.

The Parent Company's revenues comprise significantly of mobile services.

2.11.2 Inbound traffic

Inbound traffic originating from other telecommunications providers that terminates at the Parent Company's network are recognized as service revenues in the period the inbound traffic occurred based on agreed rates with the other telecommunication providers.

2.11.3 Inbound roaming services

Service revenues from foreign carriers for inbound roaming transactions at the Parent Company's network are recognized in the period the inbound roaming connection is provided.

2.11.4 Postpaid mobile services and sale of mobile handsets and other devices

The Parent Company 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. The Parent Company 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.

2.11.5 Globe Rewards

The Parent Company 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, the Parent Company 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. 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 charged as service revenues either upon redemption of points or upon expiration.

2.11.6 Management fees

Management fee is recognized when services are provided.

2.11.7 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 the Parent Company can specifically identify;
- The costs generate or enhance resources of the Parent Company that will be used in satisfying performance obligation in the future; and
- The costs are expected to be recovered.

2.12 *Staff Costs*

2.12.1 *Short-term benefits*

The Parent Company 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 the Parent Company 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.

Post-Employment benefits

The Parent Company 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 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 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

The Parent Company presents service cost and interest in 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 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 the Parent Company, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information.

2.13 *Share-based Compensation 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 the Parent Company at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

2.14 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.

2.15 Leases

2.15.1 Parent Company as Lessee

The Parent Company assesses whether a contract is or contains a lease, at inception of the contract. The Parent Company 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, the Parent Company 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, the Parent Company 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 the Parent Company is reasonably certain to exercise that option); and
- the periods covered by an enforceable option to terminate the lease (if the Parent Company 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.

Sublease arrangements

The Parent Company has leases of right-of-use assets in a sublease arrangements and classifies the sublease by reference to the right-of-use assets arising from the original lease. The Parent Company accounts its sublease arrangements as follows:

- derecognizes the right-of-use assets relating to the original lease that it transfers to the sublease and recognizes the sublease receivable in the sublease.
- recognizes any difference between the right-of-use asset and the net investment in the sublease in profit or loss.
- retains the lease liability relating to the original lease in its statement of financial position, which represents the lease payments owed to the lessor.

The lease receivable is presented as reduction to the lease liabilities of the original lease in the Parent Company's statement of financial position. Interest income from the lease receivable is netted against interest expense from the original lease in the Parent Company's statement of comprehensive income.

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 the Parent Company'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 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.

The Parent Company 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.

The Parent Company 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 the Parent Company; and
- Affects whether the Parent Company 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.

The Parent Company 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 statement of financial position.

The Parent Company 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 the Parent Company (the seller-lessee) transfers the control of an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, the Parent Company accounts for the transaction as sale and leaseback. Accordingly, the Parent Company 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 the Parent Company'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.

2.16 Foreign Currency Transactions

Transactions in currencies other than functional currency of the Parent Company 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 Parent Company are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in the 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.

2.17 Income Tax

Income tax expense represents the sum of the current tax expense and deferred tax.

2.17.1 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 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.

2.17.2 *Deferred Income Tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the 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.

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 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.

2.18 *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 the Parent Company.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the 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, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (see [Note 30.3](#)).

3. Adoption of New Standards, Amendments to Standards and Interpretations

The accounting policies adopted in the preparation and presentation of the 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, 2025

In the current year, the Parent Company 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, 2025. The adoption has not had any material impact on the disclosures or on the amounts reported in the financial statements.

3.1.1 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 New and Revised Standards Not Yet Effective

At the date of authorization of these financial statements, the Parent Company has not applied the following new and revised PFRS that have been issued but are not yet effective. The Parent Company anticipates that the application of these new and revised standards will not have material impact on the Parent Company's financial statements in future periods, unless otherwise stated.

3.2.1 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.

3.2.2 Amendments to PFRS 9 and 7 – Amendments to the classification and measurement of Financial Instruments

The Amendments to IFRS 9 and IFRS 7 introduce clarifications and additional requirements relating to the classification, measurement, derecognition, and disclosure of financial instruments.

Derecognition of a financial liability settled through electronic transfer

The amendments to IFRS 9 clarify when a financial liability settled through an electronic payment system may be derecognised before the settlement date, provided specified criteria are met. If this accounting policy is elected, it must be applied consistently to all settlements made through the same electronic payment system.

Classification of financial assets

The amendments also provide additional guidance on assessing whether contractual cash flows of a financial asset are consistent with a basic lending arrangement, including assets with environmental, social, and governance (ESG)-linked features. Further clarifications are provided on financial assets with non-recourse features and on contractually linked instruments, including the characteristics that distinguish such instruments and the role of waterfall payment structures in creating concentrations of credit risk.

Disclosure of financial instruments

The amendments to IFRS 7 introduce additional disclosure requirements. These include enhanced disclosures for investments in equity instruments designated at fair value through other comprehensive income (FVTOCI), requiring entities to separately disclose fair value gains or losses relating to investments derecognised during the period and those held at the end of the reporting period. Additional disclosures are also required for contractual terms that could change the timing or amount of contractual cash flows upon the occurrence (or non-occurrence) of contingent events that are not directly related to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. If an entity elects early adoption, it is required to either apply all amendments at the same time or apply only the amendments related to the classification of financial assets, and disclose that fact. The amendments are required to be applied retrospectively in accordance with PAS 8, subject to specific transition provisions.

The Parent Company anticipates that the application of these amendments may have an impact on the presentation of its financial statements in future periods.

4. Management's Significant Accounting Judgments and Use of Estimates and Assumptions

The preparation of the accompanying Parent Company's financial statements in conformity with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the Parent Company's financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying Parent Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Parent Company's 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

The Parent Company provides wireless communication services to subscribers which are bundled with handset sales. Based on the Parent Company'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, the Parent Company allocates the total contract consideration to the two performance obligations based on their corresponding relative stand-alone selling prices. Contract asset is recognized for any unbilled amount allocated to the revenue from handset sales.

4.1.2 Deferred Contract Costs

The Parent Company incurs certain commissions in relation to the service provided to its subscribers. Based on the Parent Company's assessment, these costs are incremental in obtaining and fulfilling its performance obligations. Accordingly, the Parent Company recognizes deferred contracts costs which are amortized as expense throughout the period of the subscription contract.

4.1.3 Determination of Whether the Parent Company is Acting as a Principal or an Agent

The Parent Company 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, the Parent Company 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, the Parent Company recognizes the service revenue at gross amount of consideration. Otherwise, the Parent Company 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

The Parent Company has certain lease agreements with renewal options, which the Parent Company applied judgment in evaluating its overall lease term. The Parent Company 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, the Parent Company 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 profit or loss.

Impairment loss recognized using ECL in 2025 and 2024 on subscribers receivables amounted to ₱1,211.59 million and ₱1,527.47 million (see [Note 6](#)), and contract assets amounted to ₱643.37 million and ₱667.47 million, respectively (see [Notes 7.1 and 27](#)).

4.2.2 Determination of SSP in arrangements with multiple performance obligations

In revenue arrangements involving multiple performance obligations, the transaction price are 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 need to be estimated or derived by other means.

The Parent Company 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*

The Parent Company, in determining the NRV, considers any adjustment necessary for obsolescence which is generally provided for non-moving items after a certain period. The Parent Company 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. The Parent Company 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, the Parent Company 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 2025 and 2024 amounted to ₱87.32 million and ₱182.34 million respectively (see [Notes 9 and 27](#)).

Inventories and supplies, net of allowances, amounted to ₱1,894.69 million and ₱2,369.34 million as of December 31, 2025 and 2024, 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 and market behavior.

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 the Parent Company's property and equipment, intangible assets and right of use assets with finite useful lives as of December 31:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
Property and equipment - net*	11	₱223,286,863	₱204,527,913
Intangible assets - net	12	18,835,289	17,528,109
Right of use assets - net	13	96,384,066	86,066,936
		₱338,506,218	₱308,122,958

*Property and equipment – net also excludes Land amounting to ₱1,565.55 million and AUC amounting to ₱66,227.99 million and ₱77,787.21 million as of December 31, 2025 and 2024, respectively.

4.2.5 Impairment of Nonfinancial Assets

The Parent Company performs an impairment review when certain impairment indicators are present.

Determining the recoverable amounts of non-financial assets requires the Parent Company to make estimates and assumptions on the cash flows expected to be generated from those assets.

While the Parent Company 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 the Parent Company's nonfinancial assets as of December 31:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Property and equipment - net	11	₱291,080,402	₱283,880,671
Investments in subsidiaries and joint ventures	14	73,662,546	73,683,192
Right of use assets - net	13	96,384,066	86,066,936
Intangible assets - net	12	18,835,289	17,528,109
Advance payments to suppliers and contractors	10.1	12,961,481	10,532,835
		₱492,923,784	₱471,691,743

4.2.6 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, 2025 and 2024, deferred tax assets of the Parent Company amounted to ₱41,734.25 million and ₱35,561.40 million, respectively (see [Note 28](#)).

4.2.7 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 the Parent Company 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, 2025 and 2024 amounted to ₱4,412.71 million and ₱2,690.41 million, respectively (see [Note 21.1](#)).

4.2.8 Provisions and Contingencies

The Parent Company 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 the Parent Company's defense in these matters and is based upon an analysis of potential results. The Parent Company currently does not believe that these proceedings will have a material adverse effect on the statements of financial position and financial performance. It is possible, however, that future financial performance could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see [Notes 16](#) and [32](#)).

The Parent Company's provision as of December 31, 2025 and 2024 amounted to ₱2,737.20 million and ₱2,397.42 million, respectively (see [Note 16](#)).

4.2.9 Determination of incremental borrowing rates in lease agreements

The Parent Company 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.

The Parent Company uses published government bond rates as the risk free input plus a spread adjustment using the Parent Company's credit worthiness.

Lease liabilities amounted to ₱126,981.34 million and ₱112,708.85 million as of December 31, 2025 and 2024, respectively (see [Note 13.2](#)).

5. Cash and Cash Equivalents

The cash and cash equivalents account consists of the following as of December 31:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Cash on hand and in banks	₱3,976,348	₱2,977,774
Short-term money market placements	6,410,728	6,753,844
	₱10,387,076	₱9,731,618

Cash in banks earn interest at respective bank deposit rates.

Short-term money market placements are highly liquid investments that earn interest at prevailing rates and are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. The Parent Company 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 22](#)):

	2025	2024
	<i>(In Thousand Pesos)</i>	
Cash in banks	₱65,183	₱36,385
Short-term money market placements	273,995	288,204
	₱339,178	₱324,589

The statements of cash flows presents cash flow from financing activities, which encompass cash flows related to lease liabilities, interest in loans and loans payables. Details of cash and non-cash movements from these accounts are disclosed in [Notes 13.2](#) and [17](#), respectively.

6. Trade Receivables – net

This account consists of receivables from:

	Note	2025	2024
<i>(In Thousand Pesos)</i>			
Subscribers		₱8,735,902	₱10,406,769
Traffic settlements – net	30.2, 31.1	823,417	907,422
Dealers		343,061	478,791
Others		2,311,745	1,646,529
		12,214,125	13,439,511
Less allowance for impairment losses:			
Subscribers		1,409,893	1,611,931
Traffic settlements and others		316,688	323,027
		1,726,581	1,934,958
		₱10,487,544	₱11,504,553

Trade receivables are noninterest-bearing and are generally due within 30 to 60 days. Subscriber receivables arise from wireless and data communications under postpaid arrangements.

Traffic settlement receivables are presented net of traffic settlement payables from the same carrier (see [Note 30.2](#) and [31.1](#)).

Others include trade receivables arising from nonsubscribers transactions.

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	Total Subscribers	Traffic Settlements and Others	Total
<i>(In Thousand Pesos)</i>						
2025						
January 1, 2025	₱1,030,222	₱497,207	₱84,502	₱1,611,931	₱323,027	₱1,934,958
Charges for the period (Note 27)	1,110,448	34,653	66,492	1,211,593	897	1,212,490
Write-offs	(1,170,743)	(134,663)	(108,225)	(1,413,631)	(7,236)	(1,420,867)
December 31, 2025	₱969,927	₱397,197	₱42,769	₱1,409,893	₱316,688	₱1,726,581
2024						
January 1, 2024	₱526,714	₱531,510	₱125,462	₱1,183,686	₱688,360	₱1,872,046
Charges for the period (Note 27)	1,365,872	51,406	110,191	1,527,469	13,901	1,541,370
Write-offs	(862,364)	(85,709)	(151,151)	(1,099,224)	(379,234)	(1,478,458)
December 31, 2024	₱1,030,222	₱497,207	₱84,502	₱1,611,931	₱323,027	₱1,934,958

7. Contract with Customers

7.1 Contract Assets – net

Movements in the contract assets for the periods are as follows:

	Note	2025	2024
<i>(In Thousand Pesos)</i>			
Contract assets			
Balance at beginning of the year		₱5,442,961	₱6,223,595
Additions during the year		5,001,052	5,908,810
Billed to subscribers during the year		(5,288,157)	(6,021,973)
Impairment loss	27	(643,370)	(667,471)
Net contract assets, December 31		₱4,512,486	₱5,442,961

The Parent Company provides wireless communication services to subscribers which are bundled with sale of handsets and other devices. The Parent Company allocates the revenue based on the stand-alone selling price 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 account consists of:

	2025	2024
<i>(In Thousand Pesos)</i>		
Deferred revenue from wireless subscribers under prepaid arrangements	₱2,310,160	₱2,688,968
Advance monthly service fees	1,516,626	1,134,911
Deferred revenue rewards	32,196	57,055
Others	12,044	10,341
	₱3,871,026	₱3,891,275

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 prepaid credit.

Advance monthly service fees represent advance billings to post-paid subscribers arising from contracts.

Deferred revenue rewards represent unredeemed customer award credit under customer loyalty program.

Deferred revenues from wireless subscribers under prepaid arrangements, deferred revenue rewards and advance monthly service fees are recognized as revenues within 12 months.

The following table shows the roll forward analysis of deferred revenues:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Balance at the beginning of the year	₱3,891,275	₱4,438,406
Additions during the year	111,017,459	119,212,717
Recognized as revenue during the year	(111,037,708)	(119,759,848)
Balance at end of year	₱3,871,026	₱3,891,275

8. Derivative Financial Instruments

The Parent Company's derivative financial instruments are accounted for as hedges or transactions not designated as hedges. The table below sets out information about the Parent Company's derivative financial instruments and the related fair values as of December 31:

2025

	USD Notional Amount	PHP Notional Amount	JPY Notional Amount	Derivative Assets	Derivative Liabilities
	<i>(In Thousands)</i>				
Derivative instruments designated as hedges					
<i>Cash flow hedges</i>					
Cross currency swaps	\$163,275	₱ -	¥20,000,000	₱1,418,419	₱114,622
Principal only swaps	680,000	-	-	4,583,527	465,240
Derivative instruments not designated as hedges					
<i>Freestanding</i>					
Deliverable forwards	426,000	-	-	40,189	26,776
Nondeliverable forwards	3,382	-	-	6,419	-
				₱6,048,554	₱606,638
Less current portion				112,445	606,638
Non current portion				₱5,936,109	₱-

2024

	USD Notional Amount	PHP Notional Amount	JPY 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	₱ -	¥-	₱1,526,688	₱-
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
				₱5,219,151	₱573,005
Less current portion				177,153	573,005
Non current portion				₱5,041,998	₱-

The subsequent sections will discuss the Parent Company'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.

▪ *Principal Only Swaps and Cross Currency Swaps*

The Parent Company entered into cross currency swap contracts and principal only swaps contracts to hedge the foreign exchange and interest rate risk on dollar and yen loans. The cross currency swaps have a notional amount of USD163.28 million and USD173.00 million as of December 31, 2025 and 2024, respectively, and JPY20,000.00 million as of December 31, 2025. Principal only swaps have a notional amount of USD680.00 million as of December 31, 2025 and 2024. The fair values of the currency swaps as of December 31, 2025 and 2024 amounted to net asset of ₱5,422.08 million and ₱4,869.63 million, respectively, of which ₱2,006.00 million and ₱1,866.91 million (net of tax), respectively is included in "Other reserves" in the equity section of statements of financial position (see [Note 20.7](#)).

Swap costs arising from both cross currency swaps recognized as financing cost amounted to ₱464.87 million and ₱318.44 million in 2025 and 2024, respectively (see [Note 26](#)).

8.2 *Freestanding Derivatives*

Freestanding derivatives that are not designated as hedges consist of currency forwards entered into by the Parent Company. Fair value changes on these instruments are accounted for directly in profit or loss in the statements of comprehensive income.

The Parent Company has USD426.00 million and USD448.50 million deliverable currency forward contracts as of December 31, 2025 and 2024, respectively, and USD3.38 million non-deliverable currency forward contracts not designated as hedges as of December 31, 2025.

8.3 *Fair Value Changes on Derivatives*

The net movements in fair value changes of all derivative instruments are as follows:

	Note	2025	2024
		<i>(In Thousand Pesos)</i>	
At beginning of year		₱4,646,146	₱4,234,782
Net changes in fair value of derivatives:			
Designated as cash flow hedges	20.7	87,587	262,102
Not designated as cash flow hedges		34,950	1,216,255
		₱4,768,683	₱5,713,139
Fair value of settled instruments		673,233	(1,066,993)
At end of period		₱5,441,916	₱4,646,146

Details of amounts reclassified from cash flow hedge reserve to profit or loss in relation to hedge accounting transactions are shown below.

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Gain (loss) on derivative instruments – net		₱737,905	₱1,741,151
Swap costs	26	(464,870)	(318,440)
	20.7	₱273,035	₱1,422,711

8.4 Hedge Effectiveness Results

As of December 31, 2025 and 2024, the effective fair value changes on the Parent Company's cash flow hedges that were deferred in equity amounted to loss of ₱2,006.00 million and ₱1,886.91 million, net of tax, respectively (see [Note 20.7](#)). Derivatives designated as cash flow hedges for the years ended December 31, 2025 and 2024 are fully effective with hedge ratio of 1:1. Accordingly, no hedge ineffectiveness was recognized in 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.

9. Inventories and Supplies - net

This account consists of:

	2025	2024
<i>(In Thousand Pesos)</i>		
Handsets, devices and accessories	₱1,536,142	₱2,114,278
Broadband device	142,720	133,719
SIM cards and SIM packs	196,621	92,679
Others	19,209	28,666
	₱1,894,692	₱2,369,342

Breakdown of cost of inventories recognized as expense are as follows:

	Note	2025	2024
<i>(In Thousand Pesos)</i>			
Cost of inventories sold		₱13,119,715	₱15,837,339
Repairs and maintenance		151,118	341,115
Inventory obsolescence and market decline	27	87,319	182,344
		₱13,358,152	₱16,360,798

Cost of inventories sold consists of:

	2025	2024
<i>(In Thousand Pesos)</i>		
Handsets, devices and accessories	₱12,613,807	₱14,861,293
SIM cards and SIM packs	401,153	336,905
Broadband device	37,338	135,550
Others	67,417	503,591
	₱13,119,715	₱15,837,339

10. Prepayments and Other Assets

10.1 Prepayments and Other Assets – net

This account consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Due from related parties	19	₱35,402,924	₱30,668,456
Advance payments to suppliers and contractors	31.2	12,961,481	10,532,835
Investment property		5,609,575	5,613,343
Prepayments		5,448,327	5,182,248
Non-trade receivables – net	10.2	2,110,166	3,733,256
Input VAT – net		1,855,657	1,655,025
Security deposits		1,275,704	1,208,517
Investments in equity securities		1,212,526	1,175,895
Creditable withholding tax		588,810	429,228
Deferred contracts costs		94,280	140,853
Loans receivable from related party	19	-	2,547,935
Others		641,046	1,216,473
		67,200,496	64,104,064
Less current portion		46,459,851	43,473,735
Non current portion		₱20,740,645	₱20,630,329

The “Prepayments” account includes prepaid insurance, rent, maintenance, and licenses fee, among others.

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 ₱3.77 million in 2025 and 2024, respectively (see [Note 25](#)).

Fair value gain from investment in equity securities recognized in OCI amounted to ₱13.74 million and ₱113.54 million in 2025 and 2024, respectively (see [Note 20.7](#)).

10.2 Non-trade receivables – net

Non-trade receivables – net consists of:

	Note	2025	2024
<i>(In Thousand Pesos)</i>			
Dividends receivable	19.2.1, 19.2.6, and 19.2.8	₱270,000	₱1,518,000
Advances to employees		287,843	166,935
Others		1,552,323	2,048,321
		₱2,110,166	₱3,733,256

11. Property and Equipment – net

The rollforward analysis of this account follows:

December 31, 2025

	Telecommunications Equipment	Buildings, Land and Leasehold Improvements	Cable Systems	Office Equipment	Transportation Equipment	Assets Under Construction	Total
<i>(In Thousand Pesos)</i>							
Cost							
At January 1	P348,761,913	P65,894,979	P16,908,174	P15,487,538	P4,320,047	P77,787,207	P529,159,858
Additions	533,877	97,127	-	146,596	495,395	40,601,606	41,874,601
Retirements/disposals	(1,667,450)	(114,413)	-	(122,037)	(382,945)	-	(2,286,845)
Reclassifications and transfers (Note 12)	42,982,921	1,334,636	-	233,434	12,200	(52,160,825)	(7,597,634)
At December 31	390,611,261	67,212,329	16,908,174	15,745,531	4,444,697	66,227,988	561,149,980
Accumulated Depreciation							
At January 1	186,441,091	26,983,754	13,049,799	14,542,179	3,055,504	-	244,072,327
Depreciation and amortization (Note 25)	22,162,434	2,661,537	539,539	504,674	485,866	-	26,354,050
Retirements/disposals	(1,053,796)	(31,348)	-	(119,918)	(315,651)	-	(1,520,713)
December 31	207,549,729	29,613,943	13,589,338	14,926,935	3,225,719	-	268,905,664
Accumulated Impairment Losses							
At January 1	1,206,860	-	-	-	-	-	1,206,860
Write off	(42,946)	-	-	-	-	-	(42,946)
At December 31	1,163,914	-	-	-	-	-	1,163,914
Carrying Amount at December 31	P181,897,618	P37,598,386	P3,318,836	P818,596	P1,218,978	P66,227,988	P291,080,402

December 31, 2024

	Telecommunications Equipment	Buildings, Land and Leasehold Improvements	Cable Systems	Office Equipment	Transportation Equipment	Assets Under Construction	Total
<i>(In Thousand Pesos)</i>							
Cost							
At January 1	₱302,263,594	₱63,231,438	₱17,329,357	₱14,997,566	₱4,466,658	₱82,737,963	₱485,026,576
Additions	79,524	411,345	507,269	105,253	491,898	47,437,869	49,033,158
Retirements/disposals	(2,350,914)	(583,545)	(421,508)	(94,457)	(644,831)	-	(4,095,255)
Reclassifications and transfers (Notes 12 and 13)	48,769,709	2,835,741	(506,944)	479,176	6,322	(52,388,625)	(804,621)
At December 31	348,761,913	65,894,979	16,908,174	15,487,538	4,320,047	77,787,207	529,159,858
Accumulated Depreciation							
At January 1	164,532,803	23,977,093	12,844,031	13,766,326	3,027,726	-	218,147,979
Depreciation and amortization (Note 25)	21,815,960	2,926,266	643,674	863,329	534,433	-	26,783,662
Retirements/disposals	(1,343,573)	(430,825)	(343,993)	(91,762)	(506,655)	-	(2,716,808)
Reclassification and transfers (Notes 12 and 13)	1,435,901	511,220	(93,913)	4,286	-	-	1,857,494
At December 31	186,441,091	26,983,754	13,049,799	14,542,179	3,055,504	-	244,072,327
Accumulated Impairment Losses							
At January 1	2,270,449	138,278	-	3,224	-	-	2,411,951
Reclassification	(502,620)	(138,278)	-	(3,224)	-	-	(644,122)
Write off	(560,969)	-	-	-	-	-	(560,969)
At December 31	1,206,860	-	-	-	-	-	1,206,860
Carrying Amount at December 31	₱161,113,962	₱38,911,225	₱3,858,375	₱945,359	₱1,264,543	₱77,787,207	₱283,880,671

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, 2025 and 2024, assets under construction reclassified to intangible assets and rights of use assets totaled to ₱7,597.63 million and ₱4,272.08 million, respectively.

Investments in cable systems include the cost of the Parent Company's ownership share in the capacity of certain cable systems under a joint undertaking or a consortium or private cable set-up. It also includes the cost of cable landing station and transmission facilities where the Parent Company is the landing party.

The Parent Company uses its borrowed funds to finance construction of network assets and bring it to its intended location and working condition. Borrowing costs incurred relating to these qualifying assets were included in the cost of property and equipment using 5.24% and 5.46% capitalization rates in 2025 and 2024, respectively. The Parent Company's total capitalized borrowing costs amounted to ₱4,659.06 million and ₱5,244.55 million in 2025 and 2024, respectively (see [Note 17](#)).

Gain on disposal of property and equipment amounted to ₱286.54 million and ₱243.87 million in 2025 and 2024, respectively.

Impairment loss recognized on property and equipment amounted to nil and ₱356.33 million in 2025 and 2024, respectively. (See [Note 27](#)).

The reconciliation of total additions to property and equipment and actual cash flows from acquisition of property and equipment are shown below:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Additions to property and equipment	11	₱41,874,601	₱49,033,158
Effect of movements in liabilities and prepayments		3,171,765	4,296,721
Capitalized ARO	18	-	(5,800)
Capitalized interest	17	(4,659,061)	(5,244,553)
Cash flows from acquisition of property and equipment		₱40,387,305	₱48,079,526

Sale and Leaseback of Telecom Towers

In 2022 and 2023, the Parent Company signed sale and leaseback agreements with four tower companies consisting of 7,506 telecom towers and related passive telecom infrastructure. 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 the Parent Company's sale of telecom towers were as follows:

	2025	2024
<i>(In Thousand Pesos except no. of Telecom Towers)</i>		
Telecom towers sold <i>(in absolute numbers in units)</i>	273	2,205
Cash consideration net of direct costs	₱3,222,201	₱27,821,162
Gain on sale on leaseback of telecom towers - net	366,106	3,352,455

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, 2025 and 2024, the Parent Company completed the sale of 6,945 and 6,672 telecom towers representing 93% and 89%, respectively, of the total towers portfolio subject to sale.

As of December 31, 2025 and December 31, 2024, property and equipment with net book value of ₱3,160.14 million and ₱4,661.21 million, respectively, were continued to be classified as assets-held-for-sale as the Parent Company remains committed to its plan to sell the telecom towers.

12. Intangible Assets – net

The roll forward analysis of this account follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Cost		
At January 1	₱75,294,619	₱72,284,349
Additions	42,980	35,163
Disposal	(302,310)	(102,923)
Transferred from property and equipment (Note 11)	7,597,634	3,078,030
At December 31	82,632,923	75,294,619
Accumulated Amortization		
At January 1	57,766,510	51,697,375
Amortization (Note 25)	6,314,895	6,149,343
Disposal	(283,771)	(80,208)
At December 31	63,797,634	57,766,510
Carrying Amount	₱18,835,289	₱17,528,109

Intangible assets pertain to telecommunications equipment software licenses, corporate application software and licenses and other VAS software applications that are not integral to the hardware or equipment. This account also includes spectrum.

No impairment loss on intangible assets was recognized in 2025 and 2024.

13. Lease Commitments

13.1 Right of use assets – net

The rollforward analysis of this account follows:

2025

	Network Sites	Leased lines	Transportation Equipment	Corporate Office	Stores	Total
<i>(In Thousand Pesos)</i>						
Carrying Amount at January 1	₱82,935,073	₱1,916,096	₱586,487	₱518,896	₱110,384	₱86,066,936
Additions	18,789,695	898,656	290,616	-	120,746	20,099,713
Terminations and modifications	107,714	-	(8,968)	16,992	25,005	140,743
Depreciation (Note 25)	(8,294,861)	(773,772)	(409,648)	(305,529)	(139,516)	(9,923,326)
Carrying Amount at December 31	₱93,537,621	₱2,040,980	₱458,487	₱230,359	₱116,619	₱96,384,066

2024

	Network Sites	Leased lines	Transportation Equipment	Corporate Office	Stores	Total
<i>(In Thousand Pesos)</i>						
Carrying Amount at January 1	₱64,101,080	₱1,325,395	₱503,407	₱783,106	₱25,240	₱66,738,228
Additions	24,266,951	-	513,489	57,544	167,075	25,005,059
Transfers from property and equipment (Note 11)	-	1,194,051	-	-	-	1,194,051
Terminations and modifications	1,081,641	-	(21,553)	(9,703)	17,636	1,068,021
Depreciation (Note 25)	(6,514,599)	(603,350)	(408,856)	(312,051)	(99,567)	(7,938,423)
Carrying Amount at December 31	₱82,935,073	₱1,916,096	₱586,487	₱518,896	₱110,384	₱86,066,936

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, the Parent Company 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.

The leaseback arrangements for those telecom towers sold took effect at the date of sale. Information on the Parent Company's leaseback arrangements follows:

	2025	2024
<i>(In Thousand Pesos except no. of Telecom Towers)</i>		
No. of Telecom Towers sold <i>(in absolute numbers in units)</i>	273	2,205
Recognition of lease liabilities	₱2,888,582	₱23,575,501
Recognition of ROU assets	1,327,820	12,879,334

The recognition of additional ROU assets represents only the rights retained by the Parent Company over the telecom towers leased back from the tower companies.

As of December 31, 2025 and 2024, ROU assets with remaining net book value of ₱1,157.48 million and ₱1,264.43 million, respectively, were continued to be classified as assets-held-for-sale as the Parent Company 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:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Network sites - net	₱126,031,885	₱111,037,024
Leased lines	205,174	593,147
Transportation Equipment	417,798	520,331
Corporate Office	151,555	427,025
Stores	174,925	131,323
	₱126,981,337	₱112,708,850
Less current portion	7,707,412	6,926,829
	₱119,273,925	₱105,782,021

Network sites consist of telecom towers and ground leases.

The rollforward analysis of this account follows:

2025

	Network Sites	Leased Lines	Transportation Equipment	Corporate Office	Stores	Total
	<i>(In Thousand Pesos)</i>					
Carrying Amount at January 1	₱111,037,024	₱593,147	₱520,331	₱427,025	₱131,323	₱112,708,850
Additions	20,350,457	115,228	290,616	-	120,746	20,877,047
Interests (Note 26)	7,804,767	22,748	28,767	20,464	5,003	7,881,749
Settlements	(13,004,672)	(525,949)	(412,948)	(312,927)	(107,180)	(14,363,676)
Terminations and modifications	(155,691)	-	(8,968)	16,993	25,033	(122,633)
Carrying Amount at December 31	₱126,031,885	₱205,174	₱417,798	₱151,555	₱174,925	₱126,981,337

2024

	Network Sites	Leased Lines	Transportation Equipment	Corporate Office	Stores	Total
	<i>(In Thousand Pesos)</i>					
Carrying Amount at January 1	₱83,624,819	₱1,082,217	₱478,515	₱714,478	₱27,167	₱85,927,196
Additions	34,963,118	-	513,489	57,544	167,075	35,701,226
Interests (Note 26)	6,457,697	54,532	25,159	39,402	3,223	6,580,013
Settlements	(13,423,670)	(543,602)	(475,931)	(373,452)	(81,108)	(14,897,763)
Terminations and modifications	(584,940)	-	(20,901)	(10,947)	14,966	(601,822)
Carrying Amount at December 31	₱111,037,024	₱593,147	₱520,331	₱427,025	₱131,323	₱112,708,850

The table below presents the maturity profile of the Parent Company's lease liabilities using undiscounted cash flows of future lease payments.

December 31, 2025

	1 year	More than 1 year but not more than 5 years	More than 5 years	Total
<i>(In Thousand Pesos)</i>				
Network sites	₱14,700,639	₱62,247,664	₱115,102,139	₱192,050,442
Transportation equipment	303,709	140,476	-	444,185
Corporate office	106,378	55,017	21,495	182,890
Stores	156,479	35,669	-	192,148
Leased lines	131,728	96,000	1,806	229,534
	₱15,398,933	₱62,574,826	₱115,125,440	₱193,099,199

December 31, 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	₱13,062,174	₱52,584,552	₱108,379,131	174,025,857
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	562,958	65,399	-	628,357
	₱14,359,549	₱53,019,196	₱108,409,889	₱175,788,634

As of December 31, 2025 and 2024, network site lease liabilities represents net obligations to lessors after offsetting lease receivables amounting to ₱730.77 million and ₱789.19 million, respectively, under sublease arrangements. Interest income from sublease receivables amounted to ₱38.24 million and to ₱17.38 million in 2025 and 2024, respectively, presented net of interest expense on lease liabilities (See [Note 26](#)). Collections from sublease receivables amounted to ₱142.02 million and ₱133.75 million in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the portion of the lease liabilities related to ROU assets that are reclassified to assets classified as held-for-sale amounted to ₱1.52 billion and ₱1.60 billion. Such liabilities will remain to be the Parent Company's liability until the closing conditions on the transfer of assets are met, on which date, these liabilities will be pre-terminated and will be assumed by tower companies.

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 profit or loss for December 31, 2025 and 2024 amounted to ₱3,532.00 million and ₱3,539.60 million, respectively (see [Note 24](#)). The related cash outflows from these leases presented under net cash flows from operating activities amounted to ₱3,140.44 million and ₱3,079.29 million in 2025 and 2024, respectively.

14. Investments in Subsidiaries and Joint Ventures

This account consists of:

	Country of Incorporation	Percentage of Ownership		Notes	2025	2024
		2025	2024		2025	2024

(In Thousand Pesos)

Investments at cost:

Subsidiaries:

Innove	Philippines	100%	100%	14.1	₱17,554,014	₱17,554,014
GCVHI	Philippines	100%	100%	14.5	11,569,091	11,569,091
GTI	Philippines	100%	100%	14.3	5,307,698	5,207,698
Kickstart	Philippines	100%	100%	14.4	3,242,913	2,763,559
BTI	Philippines	99%	99%	14.2	1,831,036	1,831,036
Yondu	Philippines	100%	100%	14.9	689,185	689,185
Tao	Philippines	67%	67%	14.6	207,015	207,015
GTowers, Inc.	Philippines	100%	100%	14.8	62,500	62,500
Asticom	Philippines	100%	100%	14.7	12,454	12,454
					₱40,475,906	₱39,896,552

Joint ventures:

VTI	Philippines	50%	50%	14.11	32,694,128	33,294,128
BAHC	Philippines	50%	50%	14.11	309,364	309,364
BHC	Philippines	50%	50%	14.11	94,812	94,812
BMPL	Singapore	10%	10%	14.12	48,336	48,336
TCI	Philippines	33%	33%	14.13	40,000	40,000
					33,186,640	33,786,640

Total **₱73,662,546** **₱73,683,192**

Investment in Subsidiaries

The table below presents the summarized financial information lifted from the unaudited statutory financial statements of the Parent Company's investments in subsidiaries:

2025

	Innove	BTI	GTI	Kickstart	GCVH	Tao	Asticom	GTowers	Yondu
Statement of Financial Position:									
Current assets	P15,463,416	P11,552,228	P5,652,066	P1,156,669	P7,454,523	P109,861	P3,181,895	P63,679	P1,986,602
Noncurrent assets	66,083,157	1,298,175	6,777,622	3,409,526	11,664,136	4,686	606,311	-	626,901
Current liabilities	41,798,479	7,911,780	2,347,793	355,946	2,289,728	100,321	864,587	82	574,705
Noncurrent liabilities	5,799,695	316,360	359,384	137,071	17,201	-	298,284	-	1,109,423
Equity	33,948,399	4,622,263	9,722,511	4,073,178	16,811,730	14,226	2,625,335	63,597	929,375
Statement of Comprehensive Income									
Revenues	40,348,106	544,487	1,490,303	235,761	5,364,777	-	2,499,916	-	1,778,554
Cost and expenses - net	(31,068,594)	(352,520)	(1,263,704)	(68,642)	(2,044,517)	-	(2,314,146)	2,136	(1,528,181)
Income (loss) before tax	9,279,512	191,967	226,599	167,119	3,320,260	-	185,770	2,136	250,373
Benefit (provision) for income tax	(2,325,767)	(52,969)	(14,940)	(12,743)	(595,172)	-	(46,507)	(350)	(2,056)
Net income (loss)	6,953,745	138,998	211,659	154,376	2,725,088	-	139,263	1,786	248,317
Other comprehensive income (loss)	(2,522)	703	60,926	90,475	(2,463)	-	11,246	-	(8,493)
Total comprehensive income (loss)	P6,951,223	P139,701	P272,585	P244,851	P2,722,625	P-	P150,509	P1,786	P239,824

2024

	Innove	BTI	GTI	Kickstart	GCVH	Tao	Asticom	GTowers	Yondu
Statement of Financial Position:									
Current assets	₱15,139,072	₱11,676,602	₱5,816,507	₱1,017,500	₱3,877,679	₱109,861	₱3,192,186	₱61,888	₱1,881,362
Noncurrent assets	71,111,705	1,464,325	6,509,443	2,705,734	11,995,043	4,686	616,547	-	1,007,865
Current liabilities	31,938,757	8,303,792	2,386,280	229,057	2,074,783	100,321	973,351	76	1,135,623
Noncurrent liabilities	7,314,844	354,573	183,613	149,342	8,419	-	350,460	-	211,149
Equity	46,997,176	4,482,562	9,756,057	3,344,835	13,789,520	14,226	2,484,922	61,812	1,542,455
Statement of Comprehensive Income									
Revenues	39,969,779	638,757	2,542,103	233,954	5,010,219	-	2,677,137	-	2,191,852
Cost and expenses - net	(29,205,488)	(57,321)	(2,174,005)	(195,151)	(1,989,329)	(157)	(2,398,793)	(76)	(2,230,370)
Income (loss) before tax	10,764,291	581,436	368,098	38,803	3,020,890	(157)	278,344	(76)	(38,518)
Benefit (provision) for income tax	(2,642,945)	(150,250)	(279)	(18,652)	(527,970)	-	(69,974)	-	(25,140)
Net income (loss)	8,121,346	431,186	367,819	20,151	2,492,920	(157)	208,370	(76)	(63,658)
Other comprehensive loss	(1,276)	(1,210)	255,890	38,566	-	-	(1,607)	-	(3,880)
Total comprehensive income (loss)	₱8,120,070	₱429,976	₱623,709	₱58,717	₱2,492,920	(₱157)	₱206,763	(₱76)	(₱67,538)

The Parent Company has no share of any contingent liabilities of the subsidiaries as of December 31, 2025 and 2024.

14.1 Investment in Innove

Innove is a stock corporation organized under the laws of the Philippines, and enfranchised under RA No. 7372 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.

Dividend income from investment in Innove amounted to ₱20,000.00 million and ₱2,318.00 million in 2025 and 2024, respectively. Outstanding dividend receivable amounted to nil and ₱718.00 million as of December 31, 2025 and 2024, respectively (see [Note 10](#)).

14.2 Investment in Bayan Telecommunications Inc. (BTI)

BTI is a facilities-based provider of data services and fixed-line telecommunications. The Parent Company's acquisition of BTI is intended to augment its current wireline data and voice businesses using BTI's existing platform.

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). BTI and subsidiaries are herein collectively referred to as "BTI Group".

14.3 Investment in GTI Business Holdings Inc. (GTI)

GTI was incorporated and registered under the laws of the Philippines on November 25, 2008 as a holding company.

GTI's subsidiaries are: GTI Corporation (GTIC), Globe Telecom HK Limited (GTHK), Global European Limited (GTEU), Global Singapore Pte. Ltd. (GTSG), and CaelumPacific Corp. (CaelumPacific). GTI and subsidiaries are herein collectively referred to as "GTI Group".

On October 28, 2024, GTI purchased the share of stock of CaelumPacific from Yondu, Inc., also a wholly-owned subsidiary of Globe Telecom.

The Parent Company made additional investments amounting to ₱100.00 million and nil in 2025 and 2024, respectively.

14.4 Investment in Kickstart

Kickstart is a stock corporation organized under the laws of the Philippines and formed for the purpose of investing in individual, corporate, or start-up businesses, and to do research, technology development and commercializing of new business ventures.

Kickstart's subsidiaries are: Kickstart Capital Co. Ltd. (KCCL), and Flipside Publishing Service, Inc. (FPSI). Kickstart and subsidiaries are herein collectively referred to as "Kickstart Group".

The Parent Company made additional investments amounting to ₱479.35 million and ₱112.60 million in 2025 and 2024, respectively.

14.5 Investment in Globe Capital Venture Holdings (GCVHI)

GCVHI was incorporated on June 29, 2015 as 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 non-telco incubated products.

GCVHI’s subsidiaries are: Brave Connective Holdings, Inc. (BCHI) and 917 Ventures, Inc. (917V). BCHI’s subsidiaries are: M360, Inc., Adspark, Inc. and Inquiro. GCVHI and subsidiaries are herein collectively referred to as “GCVHI Group”.

The Parent Company made additional investments amounting to nil and ₱351.99 million in 2025 and 2024, respectively.

Dividend income from investment in GCVHI amounted to nil and ₱2,200.00 million in 2025 and 2024, respectively. Outstanding dividend receivable amounted to nil and ₱800.00 million as of December 31, 2025 and 2024, respectively (see [Note 10](#)).

14.6 Investment in TaoDharma (Tao)

Tao is engaged in the business of establishing, operating and maintaining retail stores in strategic locations within the Philippines that will sell telecommunications or internet-related services, and devices, gadgets, accessories or embellishments in connection and in accordance with the terms and conditions of the exclusive dealership agreement executed among all of the entities.

14.7 Investment in Asticom Holding Co. Inc. (Asticom formerly known as Asticom Technology, Inc.)

Asticom is primarily engaged in providing manpower, business process and shared service support.

Asticom’s subsidiaries are: Asti Business Services, Inc. (ABSI), Fiber Infrastructure and Network Services Inc. (FINSI), BRAD Warehouse and Logistics Services Inc. (BRAD), and Acquiro Solutions and Tech Inc. (ACQR). Asticom and subsidiaries are herein collectively referred to as “Asticom Group”.

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.

There were no additional investments made in Asticom Group in 2025 and 2024.

14.8 Investment in 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 December 31, 2025.

14.9 Investment in Yondu

Yondu is 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’s subsidiaries are: Rocket Search, Inc. (RSI) and Third Pillar Business Applications, Inc. (TPBAI). Yondu and subsidiaries are herein collectively referred to as “Yondu Group”.

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

On March 26, 2025, the Parent Company entered into an agreement with NCSI Holdings Pte. Ltd (NCSI) for the latter to hold 51% ownership in Yondu, as well as for Yondu's acquisition of NCSI Philippines (NCS PH), making NCS PH a fully owned subsidiary of Yondu. Upon closing, the Parent Company will retain 49% ownership in Yondu and NCS PH.

As of December 31, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

There were no additional investments made in Yondu in 2025 and 2024.

Dividend income from investment in Yondu amounted to ₱370.00 million and nil in 2025 and 2024, respectively. Outstanding dividend receivable amounted to ₱270.00 million and nil as of December 31, 2025 and 2024, respectively (see [Note 10](#)).

14.10 Investment in Electronic Commerce Payments, Inc. (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, the Parent Company 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. Thereafter, the Parent Company ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained the Parent Company'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 the Parent Company's interest in ECPay was reclassified to Assets classified as held-for-sale under the current assets sections in the statement of financial position. The resulting gain, amounting to ₱779.90 million was recognized in the statements of comprehensive income in 2023.

In September 2024, April 2025 and July 2025, ECPay declared dividends to its existing shareholders representing a return of investment. The Parent Company received ₱500.50 million, ₱308.00 million and ₱346.50 million from these cash proceeds, respectively.

The closing of the transaction and actual transfer of ownership was subjected to review by the PCC. On May 14, 2025, PCC issued a certification allowing the transaction to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments.

The transaction's closing and actual transfer of ownership were completed on August 5, 2025 with Globe receiving ₱962.50 million of the proceeds.

Assets held-for-sale relating to the Parent Company's interest in ECPay amounted to nil and ₱1,809.50 million as of December 31, 2025 and 2024, respectively, presented in the statements of financial position.

Investment in Joint Ventures

The table below presents the summarized financial information lifted from the unaudited statutory financial statements of the Parent Company's significant investments in joint ventures:

	VTI, BHC & BAHC	BMPL	TCI
2025	<i>(In Thousand Pesos)</i>		
Statements of Financial Position:			
Current assets	₱4,521,866	₱810,036	₱141,557
Noncurrent assets	43,143,170	39,231	10,331
Current liabilities	2,651,098	217,752	21,380
Noncurrent liabilities	9,819,549	20,471	-
Equity attributable to Parent Company	31,328,024	611,038	130,508
Statements of Comprehensive Income:			
Revenue	4,904,339	604,420	84,492
Costs and expenses	(4,965,036)	(571,353)	(77,808)
Income before tax	(60,697)	33,067	6,684
Income tax	(37,229)	-	(1,603)
Profit (Loss) for the period	(97,926)	33,067	5,081
<i>Equity holders of the parent</i>	(257,960)	33,067	5,081
<i>Non-controlling interest</i>	160,034	-	-
Other comprehensive income	74,746	9,870	-
Total comprehensive income (loss)	(₱23,180)	₱42,937	₱5,081

	VTI, BHC & BAHC	BMPL	TCI
2024	<i>(In Thousand Pesos)</i>		
Statements of Financial Position:			
Current assets	₱5,490,996	₱743,444	₱135,856
Noncurrent assets	43,665,842	15,775	23,793
Current liabilities	2,666,581	190,114	34,211
Noncurrent liabilities	9,851,978	1,007	-
Equity attributable to Parent Company	32,711,240	568,098	125,428
Statements of Comprehensive Income:			
Revenue	4,707,733	516,805	71,942
Costs and expenses	(4,265,936)	(529,225)	(73,830)
Income before tax	441,797	(12,420)	(1,888)
Income tax	(130,414)	-	(421)
Profit (Loss) for the period	311,383	(12,420)	(2,309)
<i>Equity holders of the parent</i>	88,524	(12,420)	(2,309)
<i>Non-controlling interest</i>	222,859	-	-
Other comprehensive income (loss)	(81,808)	49,490	-
Total comprehensive income (loss)	₱229,575	₱37,070	(₱2,309)

The Parent Company has no share in any contingent liabilities of any joint ventures as of December 31, 2025 and 2024.

14.11 Investment in of VTI, BAHC and BHC

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.

Globe's investment in VTI includes redeemable preference share, which VTI partially redeemed on September 2, 2025, at the issue price, resulting in ₱600.00 million proceeds in cash for Globe.

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 Telecom 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.

14.12 Investment in BMPL

The Parent Company and other leading Asia Pacific mobile operators (JV partners) signed an Agreement (JV Agreement) in 2004 to form a regional mobile alliance, which will operate through a Singapore-incorporated Company, BMPL. The joint venture 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.

14.13 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.

15. Trade Payables and Accrued Expenses

This account consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Accrued project costs	31.2	₱20,209,366	₱24,874,170
Accrued expenses		23,316,184	23,506,196
Due to related parties	19	11,262,828	19,644,008
Trade payables		7,847,910	5,765,231
Taxes payable		4,633,084	6,543,008
Traffic settlements – net	30.2, 31.1	796,605	714,354
Others		2,548,460	1,888,581
		₱70,614,437	₱82,935,548

Traffic settlements payable are presented net of traffic settlements receivable from the same carrier (see [Note 30.2](#)).

Accrued expenses consists of the following:

	2025	2024
<i>(In Thousand Pesos)</i>		
Professional and other contracted services	₱2,951,816	₱3,453,160
Leases	3,723,609	3,332,051
Utilities, supplies, and other administrative expenses	3,546,955	2,828,400
Staff costs	3,402,347	3,404,964
Repairs and maintenance	2,338,465	2,197,849
Taxes and licenses	2,091,823	2,017,978
Interest on loans	1,302,891	1,406,454
Selling, advertising and promotions	983,026	1,544,527
Others	2,975,252	3,320,813
	₱23,316,184	₱23,506,196

16. Provisions

The roll forward analysis of this account follows:

	Note	2025	2024
<i>(In Thousand Pesos)</i>			
At beginning of year		₱2,397,424	₱2,028,287
Provisions for claims	27	764,932	686,972
Reversals for claims	27	(425,158)	(317,835)
At end of year		₱2,737,198	₱2,397,424

Provisions pertain to probable liabilities related to various pending unresolved claims over the Parent Company'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, 2025, the remaining claims are still being resolved.

17. Loans Payable

Loans payable debt consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Term Loans:			
Peso	17.1	₱194,877,534	₱195,409,831
Dollar	17.1	14,293,662	14,605,104
Yen	17.1	7,399,457	-
		216,570,653	210,014,935
Retail bonds dollar	17.2	34,992,744	34,382,474
		251,563,397	244,397,409
Less: Current portion		22,168,988	26,037,296
		₱229,394,409	₱218,360,113

The rollforward analysis of this account follows:

	2025	2024
<i>(In Thousand Pesos)</i>		
At beginning of year	₱244,397,409	₱244,798,505
Cash items		
Proceeds from long term borrowings	32,500,303	27,000,000
Proceeds from short term borrowings	1,036,000	23,250,000
Repayments of long term borrowings	(19,052,080)	(18,314,805)
Repayments of short borrowings	(8,036,000)	(34,500,000)
	6,448,223	(2,564,805)
Non-cash items		
Debt issuance cost	(340,468)	(248,019)
Amortization of debt issue cost	220,874	273,568
Foreign exchange loss	837,359	2,138,160
	717,765	2,163,709
At end of year	₱251,563,397	₱244,397,409

The maturities of loans payable at nominal values as of December 31, 2025 follow:

<i>(In Thousand Pesos)</i>		
Due in:		
2026		₱22,190,913
2027		23,512,725
2028		18,939,765
2029		24,175,531
2030 and thereafter		164,098,140
		₱252,917,074

The interest rates and maturities of the above debt are as follows:

	Maturities	Interest Rates
Term Loans:		
Peso	2026-2040	4.00% to 7.00 % in 2025
	2025-2039	4.00% to 7.11% in 2024
Dollar	2026-2027	4.80% to 7.04% in 2025
	2025-2027	5.51% to 8.10% in 2024
Yen	2028-2032	1.09% in 2025
Retail Bonds Dollar	2030-2035	3.13% to 3.75% in 2025
	2030-2035	3.13% to 3.75% in 2024

Total interest expense on loans payable amounted to ₱8,420.38 million and ₱8,222.42 million in 2025 and 2024, respectively, which includes amortization of debt issuance cost but net of capitalized interest.

Total interest expenses capitalized as part of property and equipment amounted to ₱4,659.06 million and ₱5,244.55 million in 2025 and 2024, respectively (see [Note 11](#)).

The reconciliation of total interest on loans and actual interest paid are shown below:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Interest on loans	26	8,420,380	8,222,420
Capitalized interest	11	4,659,061	5,244,553
Effect of movements in liabilities		329,579	169,879
Interest paid		₱13,409,020	₱13,636,852

17.1 Term Loans

The Parent Company has unsecured term loans and corporate notes, which consist of peso, dollar and yen-denominated term loans subject to fixed and floating interest rates.

17.2 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 were used to finance Globe's capital expenditures, refinance maturing and/or existing obligations, and for general corporate requirements.

17.3 Loan Covenant

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. Globe's loan agreements contain covenants that restrict dividend declarations and payments if such would trigger a default on principal or interest, or materially impair Globe's ability to meet its debt obligations.

The financial tests under loan agreements include compliance of the Parent Company's financial statements 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, 2025 and 2024, the Parent Company is not in breach of any loan covenants.

18. Other Long-term Liabilities

This account consists of:

	2025	2024
	<i>(In Thousand Pesos)</i>	
ARO	₱1,782,385	₱1,903,306
Others	1,076,715	1,189,196
	₱2,859,100	₱3,092,502

ARO represents Parent Company's estimated dismantling cost of property and equipment and obligation to restore leased properties to their original condition.

The rollforward analysis of the Parent Company's ARO follows:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
At beginning of year		₱1,903,306	₱2,140,235
Accretion expense during the year	26	8,606	8,748
Capitalized to property and equipment during the year	11	-	5,800
Settlements, reversals, and remeasurements		(129,527)	(251,477)
At end of year		₱1,782,385	₱1,903,306

19. Related Party Transactions

Parties are considered to be related to the Parent Company if it has the ability, directly or indirectly, to control the Parent Company or exercise significant influence over the Parent Company in making financial and operating decisions, or vice versa, or where the Parent Company and the party are subject to common control or common joint control. Related parties maybe 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 of the Parent Company where those parties are individuals, and post-employment benefit plan which are for the benefit of employees of the Parent Company or of any entity that is a related party of the Parent Company.

The Parent Company, in its regular conduct of business, enters into transactions with its major stockholders, AC and Singtel, subsidiaries, joint ventures and certain related parties which are generally agreed to be effective until amended or terminated by either or both parties.

The Parent Company's audit and related party transactions committee (Committee) reviews and approves all covered related party transactions in accordance with the Parent Company'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 thousands):

2025

	Amount/Volume						Terms	Conditions	
	Notes	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 Parent Company									
Singtel Group	19.1.1	P43,955	P192,712	P-	P-	P29,670	P74,987	Interest-free, settlement in cash	Unsecured, no impairment
AC	19.1.2	8,107	30,328	-	-	443	19,054	Interest-free, settlement in cash	Unsecured, no impairment
Subsidiaries									
Innove	19.2.1	28,392,233	3,527,038	-	-	33,723,512	10,449,360	Interest-free, settlement in cash	Unsecured, no impairment
								Loans receivables - USD denominated loans 7.5 years, 5%-6%, PHP loans 7.5 years 8%-9%; Due from related parties-Interest-free, settlement in cash	Unsecured, no impairment
BTI	19.2.4	13,929	641,293	-	-	277,102	4,339,009	Due from related parties-interest free, settlement in cash	Unsecured, no impairment
GTI	19.2.2	16,967	21,160	-	-	250,016	87,524	in cash	Unsecured, no impairment
GCVHI	19.2.6	1,029,653	1,733,548	-	-	311,012	793,566	Interest-free, settlement in cash	Unsecured
Asticom	19.2.5	32,006	1,442,632	-	-	324,545	554,005	Interest-free, settlement in cash	Unsecured
Kickstart	19.2.3	54,788	56,410	-	-	15,085	14,032	Interest-free, settlement in cash	Unsecured
Tao	19.2.7	-	-	-	-	33,469	9,481	Interest-free, settlement in cash	Unsecured
Yondu	19.2.8	374,176	254,043	-	-	293,238	53,047	Interest-free, settlement in cash	Unsecured, no impairment
Joint ventures									
BMPL	19.3.1	-	22,411	-	-	-	377	Interest-free, settlement in cash	Unsecured
GFI/Mynt and ECPay	19.3.2	272,443	4,276,026	-	302,294	1,001,730	-	Interest-free, settlement in cash	Unsecured, no impairment
Globe STT GDC, Inc	19.3.3	305,974	84,749	-	-	352,884	-	Interest-free, settlement in cash	Unsecured, no impairment
Other related parties									
GRP	19.4.1	131,643	-	-	-	-	-	3-5 years, 4.25%-6.00%, settlement in cash	Unsecured, no impairment
BEAM	19.4.2	-	70,000	-	-	-	-	-	-
Key management personnel	19.5	-	427,400	-	-	-	-	-	-
Others	19.4.4	122,315	268,041	96,646	376,635	14,784	185,357	Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment
		P30,798,189	P13,047,791	P96,646	P678,929	P36,627,490	P16,579,799		

*Intercompany charges are generally due within 30 to 60 days from statement date.

2024

	Amount/Volume						Terms	Conditions	
	Notes	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
<u>Entities with joint control over the Parent Company</u>									
Singtel Group	19.1.1	P34,019	P157,368	P-	P-	P10,775	P117,721	Interest-free, settlement in cash	Unsecured, no impairment
AC	19.1.2	7,011	58,414	-	-	1,338	44,439	Interest-free, settlement in cash	Unsecured, no impairment
<u>Subsidiaries</u>									
Innove	19.2.1	10,609,439	4,053,213	-	-	30,456,415	18,584,847	Interest-free, settlement in cash	Unsecured, no impairment
								Loans receivables - USD denominated loans 7.5 years, 5%-6%, PHP loans 7.5 years 8%-9%; Due from related parties-Interest- free, settlement in cash	Unsecured, no impairment
BTI	19.2.4	13,929	641,257	-	-	432,825	4,309,755	Due from related parties-interest free, settlement in cash	Unsecured, no impairment
GTI	19.2.2	226,321	210,070	-	-	317,798	85,040	in cash	Unsecured, no impairment
GCVHI	19.2.6	2,925,470	1,489,520	-	-	1,297,621	967,723	Interest-free, settlement in cash	Unsecured
Asticom	19.2.5	48,011	1,492,118	-	-	342,884	702,621	Interest-free, settlement in cash	Unsecured
Kickstart	19.2.3	51,991	55,191	-	-	26,579	9,983	Interest-free, settlement in cash	Unsecured
Tao	19.2.7	-	-	-	-	33,433	9,481	Interest-free, settlement in cash	Unsecured
Yondu	19.2.8	4,711	392,381	-	-	19,471	48,187	Interest-free, settlement in cash	Unsecured, no impairment
ECPay	19.3.2	67,370	463,259	-	-	-	-	Interest-free, settlement in cash	Unsecured
<u>Joint ventures</u>									
BMPL	19.3.1	-	24,762	-	-	-	3,009	Interest-free, settlement in cash	Unsecured
GFI/Mynt	19.3.2	184,327	3,594,136	-	265,997	631,621	-	Interest-free, settlement in cash	Unsecured, no impairment
Globe STT GDC, Inc	19.3.3	279,766	87,040	-	-	86,915	-	Interest-free, settlement in cash	Unsecured, no impairment
<u>Other related parties</u>									
GRP	19.4.1	155,424	-	-	-	2,547,935	-	3-5 years, 4.25%-6.00%, settlement in cash	Unsecured, no impairment
BEAM	19.4.2	-	203,000	-	-	-	-	-	-
Key management personnel	19.5	-	419,900	-	-	-	-	-	-
Others	19.4.4	154,484	198,592	83,837	220,510	21,566	26,336	Interest-free excluding cash and cash equivalents, settlement in cash	Unsecured, no impairment
		P14,762,273	P13,540,221	P83,837	P486,507	P36,227,176	P24,909,142		

*Intercompany charges are generally due within 30 to 60 days from statement date.

Amounts owed by related parties are presented in the statement of financial position as follows:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Due from related parties	10.1	₱35,402,924	₱30,668,456
Loans receivable from related parties	10.1	-	2,547,935
Dividends receivable	10.2, 14.1, 14.5	270,000	1,518,000
Other assets	10	579,683	771,889
Trade receivables – net		374,883	720,896
		₱36,627,490	₱36,227,176

Amounts owed to related parties are presented in the statement of financial position as follows:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Due to related parties	15	₱11,262,828	₱19,644,008
Accrued expenses		5,316,971	5,265,134
		₱16,579,799	₱24,909,142

19.1 Entities with Joint Control over the Parent Company

19.1.1 Singtel Group

Interconnection agreements

The Parent Company has interconnection agreements with Singtel Group. The interconnection revenues recognized in relation to the agreements amounted to ₱43.96 million and ₱34.02 million in 2025 and 2024, respectively. The interconnection costs recognized in relation to the agreements amounted to ₱21.76 million and ₱15.30 million in 2025 and 2024, respectively.

Technical assistance agreement

The Parent Company 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 the Parent Company's networks and communication services, equipment procurement and personnel services. In addition, the Parent Company 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 ₱170.95 million and ₱142.07 million in 2025 and 2024, respectively.

19.1.2 AC

Subscription receivable

The Parent Company earned subscriber revenues from AC, which amounted to ₱8.11 million and ₱7.01 million in 2025 and 2024, respectively.

Cost reimbursements

AC charges the Parent Company for shared operating expenses. General and administrative expenses charged to profit or loss in relation to the transaction amounted to ₱30.33 million and ₱58.41 million in 2025 and 2024, respectively.

19.2 Transactions with Subsidiaries

19.2.1 Globe Telecom - Innove Transactions

Omnibus Intercompany Services Agreement

The Parent Company and Innove has an existing Omnibus Intercompany Services Agreement wherein both companies agreed to make available to each other certain services and access to certain network resources and facilities.

Management fees recognized as other income in relation to the agreement amounted to ₱8,358.95 million and ₱8,257.27 million in 2025 and 2024, respectively (see [Note 23](#)).

Total general and administrative expenses charged to profit or loss in relation to the agreement amounted to ₱3,479.75 million and ₱3,991.78 million in 2025 and 2024, respectively.

Dividends

Dividend income recognized from cash dividends declared by Innove amounted to ₱20,000.00 million and ₱2,318.00 million in 2025 and 2024, respectively. Outstanding dividend receivable amounted to nil and ₱718.00 million as of December 31, 2025 and 2024, respectively (see [Note 10.2](#)).

Interconnection

The Parent Company has interconnection agreements with Innove. Net interconnection cost recognized in profit or loss in relation to the agreement amounted to ₱47.29 million and ₱61.44 million in 2025 and 2024, respectively.

Reimbursement of expenses

In the normal course of business, Innove reimburse expenses to the Parent Company amounting to ₱33.29 million and ₱34.17 million recognized as other income in 2025 and 2024, respectively.

19.2.2 Globe Telecom - GTI Transactions

Interconnection revenues

The Parent Company has interconnection agreements with GTI. Total interconnection revenues recognized in profit or loss in relation to the agreement amounted to ₱16.14 million and ₱36.27 million in 2025 and 2024, respectively.

Short-term leases

The Parent Company has a short-term lease arrangement with GTI for the use of certain telecommunication facilities. Lease expense incurred in relation to the agreement amounted to ₱21.16 million and ₱19.50 million in 2025 and 2024, respectively.

Management fees

The Parent Company renders management support services to GTI. Management fees recognized in relation to the services rendered amounted to ₱0.83 million and ₱0.71 million in 2025 and 2024, respectively (See [Note 23](#)).

Maintenance services

In the normal course of business, GTI Group provides maintenance services to the Parent Company. Maintenance expense incurred amounted to nil and ₱1.19 million in 2025 and 2024, respectively.

19.2.3 Globe Telecom - Kickstart Transactions

Research and development services

On September 1, 2012, the Parent Company and Kickstart executed a Service Agreement under which Kickstart will provide research and development services to Globe Telecom. In return for such services, the Parent Company shall compensate Kickstart for all the services rendered, as well as reimburse Kickstart for all the costs and expenses incurred in rendering the service.

Expenses incurred in relation to said agreement amounted to ₱56.41 million and ₱55.19 million in 2025 and 2024, respectively.

Management fees

The Parent Company renders management support services to Kickstart. Management fees recognized in relation to the services rendered amounted to ₱54.79 million and ₱51.99 million in 2025 and 2024, respectively (See [Note 23](#)).

19.2.4 Globe Telecom - BTI Transactions

Capacity provisioning

On July 26, 2012, the Parent Company and BTI executed an agreement to jointly use BTI frequencies for their respective telecommunications services. The Parent Company agreed to pay BTI a capacity provisioning fee per annum and grant access to each other's network, resources and facilities to enable joint and efficient use of the frequency. Expenses incurred in relation to the agreement amounted to ₱461.00 million both in 2025 and 2024.

Fiber optic lease

On October 2016, the Globe Telecom and BTI entered into fiber lease agreement. Under the agreement, Globe Telecom was granted the right to lease dark optical fiber pairs and microwave links. Expenses incurred in relation to the agreement amounted to ₱180.00 million both in 2025 and 2024.

Interconnection revenues

The Parent Company has interconnection agreements with BTI. Total net interconnection costs recognized in profit or loss in relation to the agreement amounted to ₱0.29 million and ₱0.26 million in 2025 and 2024, respectively.

Management fees

The Parent Company renders management support services primarily on the stores operations of BTI. Management fees recognized in relation to the services rendered amounted to ₱13.93 million both in 2025 and 2024 (see [Note 23](#)).

19.2.5 Globe Telecom - Asticom Transactions

Business process and shared service support

Asticom Group provides business process and shared services functions to the Parent Company. General and administrative expenses incurred in relation to the transaction amounted to ₱1,442.63 million and ₱1,492.12 million in 2025 and 2024, respectively.

Management fees

The Parent Company renders management support services to Asticom Group. Management fees recognized in relation to the services rendered amounted to ₱12.96 million and ₱11.86 million in 2025 and 2024, respectively (See [Note 23](#)).

Leases

The Parent Company has lease arrangements with Asticom Group for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱19.05 million and ₱36.16 million in 2025 and 2024, respectively.

19.2.6 Globe Telecom - GCVHI Transactions

Marketing, advertising and application-to-person (A2P) services

In the normal course of business GCVHI Group provides marketing, advertising and A2P services to the Parent Company. Expenses incurred in relation to the transaction amounted to ₱1,733.55 million and ₱1,489.52 million in 2025 and 2024, respectively.

Management fees

The Parent Company renders management support services to GCVHI Group. Management fees recognized in relation to the services rendered amounted to ₱19.08 million and ₱20.65 million in 2025 and 2024, respectively (See [Note 23](#)).

Leases

The Parent Company has lease arrangements with GCVHI Group for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱13.54 and ₱41.33 million in 2025 and 2024, respectively.

Service agreement

The Parent Company has a data and software related agreement with GCVHI Group through the utilization of telecommunication facilities. Service revenue recognized in profit or loss in relation to the agreement amounted to ₱997.04 million and ₱663.49 million in 2025 and 2024, respectively.

Dividends

Dividend income recognized from cash dividends declared by GCVHI Group amounted to nil and ₱2,200.00 million in 2025 and 2024, respectively. Outstanding dividend receivable amounted to nil and ₱800.00 million as of December 31, 2025 and 2024, respectively (see [Note 10](#)).

19.2.7 Globe Telecom - Tao Transactions

Marketing and distribution services

In the normal course of business, Tao provides marketing and distribution services to the Parent Company.

19.2.8 Globe Telecom - Yondu Transactions

Service agreements

The Parent Company has a VAS sharing agreement with Yondu. Under the agreement, Yondu is entitled to a share on revenue for providing mobile contents to Globe and TM subscribers.

Yondu also provides various enterprise solutions-based services to the Parent Company for network, platform and applications development under its Business Process Outsourcing Unit (BPO) and mobile content.

General and administrative expense recognized in relation to the transaction amounted to ₱254.04 million and ₱392.38 million in 2025 and 2024, respectively.

Management fees

The Parent Company renders management support services to Yondu. Management fees recognized in relation to the services rendered amounted to ₱4.18 million and ₱4.71 million in 2025 and 2024, respectively (See [Note 23](#)).

Dividends

Dividend income recognized from cash dividends declared by Yondu amounted to ₱370.00 million and nil in 2025 and 2024, respectively. Outstanding dividend receivable amounted to ₱270.00 million and nil as of December 31, 2025 and 2024, respectively (see [Note 10](#)).

19.3 Transactions in which the Parent Company is a venturer

19.3.1 Transactions with BMPL

Preferred roaming services

The Parent Company has preferred roaming service contract with BMPL. Under this contract, the Parent Company 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. General and administrative expenses incurred in relation to the transaction amounted to ₱22.41 million and ₱24.76 million for the years ended December 31, 2025 and 2024, respectively.

19.3.2 Transactions with Mynt and ECPay

Mynt

Management support services

The Parent Company renders management support services to Mynt. The management services also include the use of the Parent Company's network and facilities to conduct Mynt's operations. Management fees recognized in relation to the services rendered amounted to ₱119.70 million and ₱80.84 million in 2025 and 2024, respectively. (see [Note 23](#)).

Leases

The Parent Company has lease arrangements with Mynt for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱128.60 million and ₱103.49 million in 2025 and 2024, respectively.

Service arrangement

Mynt offers over-the-air reloading to the mobile prepaid subscribers of the Parent Company 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 the Parent Company and functions as an Internet Payment Gateway. This enables the subscribers of the Parent Company to purchase Globe products and settle postpaid bills using the GCash platform.

Expense charged to profit or loss in relation to the virtual Gcash wallet amounted to ₱3,882.78 million and ₱3,594.14 million in 2025 and 2024, respectively.

Outstanding Gcash wallet balance as of December 31, 2025 and 2024 amounted to ₱302.29 million and ₱266.00 million, respectively.

ECPay

Share Purchase Agreement

On September 29, 2023, the Parent Company 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. Thereafter, the Parent Company ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained the Parent Company'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 the Parent Company's interest in ECPay was reclassified to Assets classified as held-for-sale under the current assets sections in the statement of financial position. The resulting gain, amounting to ₱779.90 million was recognized in the statements of comprehensive income in 2023.

In September 2024, April 2025 and July 2025, ECPay declared dividends to its existing shareholders representing a return of investment. The Parent Company received ₱500.50 million, ₱308.00 million and ₱346.50 million in cash proceeds, respectively.

The closing of the transaction and actual transfer of ownership was subjected to review by the PCC. On May 14, 2025, PCC issued a certification allowing the transaction to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments.

The transaction's closing and actual transfer of ownership were completed on August 5, 2025 with Globe receiving ₱962.50 million of the proceeds.

Assets held-for-sale relating to the Parent Company's interest in ECPay amounted to nil and ₱1,809.50 million as of December 31, 2025 and 2024, respectively, presented in the statements of financial position.

Management support services

The Parent Company renders management support services to ECPay. Management fees recognized in relation to the services rendered amounted to ₱24.13 million and ₱67.37 million in 2025 and 2024, respectively (See [Note 23](#)).

Distributorship agreement

The Parent Company entered into a distributorship agreement with ECPay, wherein ECPay is accredited to distribute over-the-air prepaid load and gaming e-pins to subscribers. Payout incurred by the Parent Company in relation to the transaction amounted to ₱393.25 million and ₱463.26 million in 2025 and 2024, respectively.

19.3.3 Transactions with Globe STT GDC, Inc. (GSG)

Management fees

The Parent Company renders certain management support services to GSG. Management fees recognized in relation to the services rendered amounted to ₱34.73 million and ₱36.56 million in 2025 and 2024, respectively. (See [Note 23](#)).

Reimbursement of expenses

In the normal course of business, GSG reimburse expenses to the Parent Company amounting to ₱152.69 million and ₱130.03 million recognized as other income in 2025 and 2024, respectively.

Leases

The Parent Company has lease arrangements with GSG for the use of certain office space. Lease income recognized in relation to the agreement amounted to ₱118.55 million and ₱113.18 million in 2025 and 2024, respectively.

The Parent Company has lease arrangements with GSG for the use of certain telecommunication and data center facilities. Lease expense amounted to ₱0.85 million and ₱0.87 million in 2025 and 2024, respectively.

19.4 Transactions with other related parties

19.4.1 Globe Retirement Plan (GRP)

On May 5, 2021, the Parent Company granted additional loans to the GRP at an interest rate of 6%, which will mature on May 26, 2026. The loan was fully settled in November 2025. Interest income amounted to ₱131.64 million and ₱155.42 million in 2025 and 2024, respectively (see [Note 22](#)). As of December 31, 2025 and 2024, the outstanding balance of loan receivable from GRP amounted to nil and ₱2,547.94 million, respectively (see [Note 10](#)).

19.4.2 BEAM

On February 1, 2009, the Parent Company 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. The Parent Company recognized a general and administrative expenses amounting to ₱70.00 million and ₱203.00 million in 2025 and 2024, respectively.

19.4.3 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.

19.4.4 Others

The Parent Company 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.

19.5 Transactions with key management personnel of the Parent Company

The following compensation of key management personnel were recognized as expenses in 2025 and 2024 which includes accrued but unpaid amounts for the years ended:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Short-term employee benefits	₱293,700	₱282,900
Share-based payments	116,900	119,300
Post-employment benefits	16,800	17,700
	₱427,400	₱419,900

There are no agreements between the Parent Company 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 the Parent Company's retirement plans.

20. Equity and Other Comprehensive Income

As of December 31, 2025 and 2024, the Parent Company'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 -₱5 per share	160,000	₱800,000
Non-voting preferred stock -₱50 per share	40,000	2,000,000
Common stock -₱50 per share	168,934	8,446,719

The Parent Company's issued and subscribed capital stock consists of:

	2025		2024	
	Shares	Amount	Shares	Amount
<i>(In Thousand Pesos and Number of Shares)</i>				
Voting preferred stock	158,515	₱792,575	158,515	₱792,575
Non-voting preferred stock	20,000	1,000,000	20,000	1,000,000
Common stock	144,468	7,223,426	144,380	7,219,017
Total capital stock		₱9,016,001		₱9,011,592

Below is the summary of the 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	₱5.00	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, regardless of nationality or partnership, association or corporation provided that at least 60% of the outstanding capital stock shall be owned by Filipinos
- 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 statements of financial position (see [Note 20.4](#)).

On April 22, 2025, the shareholders approved and authorized the offer, issuance or re-issuance, and listing of up to 40 million non-voting preferred shares, and, among others, the delegation to the Board of Directors full authority to approve any offering, issuance or re-issuance, and listing on an appropriate securities exchange of any class, series or tranche of the non-voting preferred shares from the authorized capital stock of the Corporation, from time to time, including the terms, denomination, and timing of such offer, issuance or re-issuance, and listing.

On August 5, 2025, the BOD approved and authorized the offering and issuance or re-issuance of up to 20 million non-voting preferred shares with a par value of ₱50.00 per share in one or more tranches, or one or more series per tranche, upon such terms and conditions as may be determined by the Board of Directors (the "Offer Shares"), and to authorize and approve the filing of the Offer Shares under a shelf registration to be issued for a period of three (3) years, or such longer period as may be approved by the Securities and Exchange Commission or allowed under its rules and regulations.

Additionally, the BOD approved and authorized the initial offering and listing of such non-voting preferred shares with an aggregate amount of ₱25,000 million subject to the registration requirements of the Securities and Exchange Commission and the listing requirements of the Philippine Stock Exchange.

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 the Parent Company's BOD.

20.2 Common Stock

The rollforward of outstanding common shares follows:

	2025		2024	
	Shares	Amount	Shares	Amount
<i>(In Thousand Pesos and Number of Shares)</i>				
At beginning of year	144,380	₱7,219,017	144,229	₱7,211,455
Issuance of shares under share-based compensation plan and exercise of stock options	88	4,409	151	7,562
At end of year	144,468	₱7,223,426	144,380	₱7,219,017

Holders of fully paid common stock are entitled to voting and dividends rights.

20.3 Capital Securities

On November 2, 2021, the Parent Company 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 the Parent Company. The Parent Company 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 amounted to ₱1,361.45 million and ₱1,369.67 million in 2025 and 2024, respectively.

20.4 Treasury Shares

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

			Date	
	Per Share	Amount	Record	Payment
(In Thousand Pesos, Except Per Share Figures)				
Dividends on Voting Preferred stock:				
November 7, 2024	0.39	61,297	November 21, 2024	December 6, 2024
November 6, 2025	0.39	61,297	November 20, 2025	December 5, 2025
Dividends on Common stock:				
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
February 6, 2025	25.00	3,609,508	February 20, 2025	March 7, 2025
May 9, 2025	25.00	3,611,713	May 26, 2025	June 5, 2025
August 5, 2025	25.00	3,611,713	August 19, 2025	September 4, 2025
November 6, 2025	25.00	3,611,714	November 20, 2025	December 5, 2025

20.6 Common Stock Dividend

The dividend policy of the Parent Company 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.

On February 6, 2024, the BOD approved the proposed change in the dividend policy of 60% to 90% of the prior year's core net income, to be applied starting 2024 dividend declarations.

20.7 Other Reserves

2025

	Cash Flow Hedges (Note 8)	Investment in equity securities (Note10)	Remeasurement on Defined Benefit Plan (Note 21)	Total
<i>(In Thousand Pesos)</i>				
As of January 1	(P1,866,910)	P532,490	(P2,669,954)	(P4,004,374)
Fair value changes	87,587	13,742	-	101,329
Remeasurement loss on defined benefit plans	-	-	(1,560,756)	(1,560,756)
Transferred to profit or loss	(273,035)	-	-	(273,035)
Income tax effect (Note 28)	46,363	-	390,189	436,552
Other comprehensive income (loss)	(139,085)	13,742	(1,170,567)	(1,295,910)
As of December 31	(P2,005,995)	P546,232	(P3,840,521)	(P5,300,284)

2024

	Cash Flow Hedges (Note 8)	Investment in equity securities (Note10)	Remeasurement on Defined Benefit Plan (Note 21)	Total
<i>(In Thousand Pesos)</i>				
As of January 1	(P996,453)	P418,953	(P2,199,042)	(P2,776,542)
Fair value changes	262,102	113,537	-	375,639
Remeasurement loss on defined benefit plans	-	-	(627,884)	(627,884)
Transferred to profit or loss	(1,422,711)	-	-	(1,422,711)
Income tax effect (Note 28)	290,152	-	156,972	447,124
Other comprehensive income (loss)	(870,457)	113,537	(470,912)	(1,227,832)
As of December 31	(P1,866,910)	P532,490	(P2,669,954)	(P4,004,374)

21. Staff cost

This account consists of:

	Recognized in profit or loss (Note 24)	Recognized in OCI (Note 20.7)
2025	<i>(In Thousand Pesos)</i>	
Compensation and other short-term benefits	₱13,547,724	₱-
Pension benefits	880,831	1,560,756
Share based compensation	467,703	-
	₱14,896,258	₱1,560,756
2024		
Compensation and other short-term benefits	₱14,007,789	₱-
Pension benefits	900,501	627,884
Share based compensation	376,623	-
	₱15,284,913	₱627,884

21.1 Pension Benefit

The Parent Company sponsors Globe Retirement Plan (GRP), a noncontributory defined benefit plan for qualifying employees. 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 the Parent Company 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 all 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, 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 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, 2025 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 statements of comprehensive income are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Current service cost	₱994,784	₱993,498
Less: components capitalized as property and equipment	(113,953)	(92,997)
Amount recognized in profit or loss	880,831	900,501
Net interest expense (Note 26)	165,460	134,278
Components of defined benefit costs recognized in profit or loss	1,046,291	1,034,779
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	927,902	(64,825)
Actuarial gains and losses:		
from changes in assumptions	445,727	522,248
from experience adjustments	187,127	170,461
Components of defined benefit costs recognized in other comprehensive income	1,560,756	627,884
	₱2,607,047	₱1,662,663

The breakdown of pension liability is as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Present value of benefit obligation	₱15,969,696	₱14,528,505
Less: fair value of plan assets	11,556,983	11,838,092
Pension liability	₱4,412,713	₱2,690,413

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

	2025	2024
	<i>(In Thousand Pesos)</i>	
Balance at beginning of year	₱14,528,505	₱14,300,912
Current service cost	994,784	993,498
Interest cost	816,763	840,465
Benefits paid	(1,003,210)	(2,243,073)
Remeasurements in other comprehensive income:		
Actuarial changes arising from changes in assumptions	445,727	522,248
Actuarial changes arising from experience adjustment	187,127	170,461
Transfer of employees	-	(56,006)
Balance at end of year	₱15,969,696	₱14,528,505

Fair value of plan assets

	2025	2024
	<i>(In Thousand Pesos)</i>	
Balance at beginning of year	₱11,838,092	₱11,666,509
Return on plan assets (excluding amount included in net interest)	(927,902)	64,825
Contributions	998,700	1,699,650
Benefits paid	(1,003,210)	(2,243,073)
Interest income	651,303	706,187
Transfer payments	-	(56,006)
Balance at end of year	₱11,556,983	₱11,838,092
Actual return on plan assets	(₱276,599)	₱771,012

The expected contribution for Globe retirement fund for the year 2026 is approximately ₱2.7 billion. This amount is based on Globe's actuarial valuation report as of December 31, 2025.

The allocation of the fair value of the plan assets of the Parent Company as of December 31 is as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Cash and cash equivalents	₱2,119	₱157
Investment in debt securities	4,814,070	3,228,111
Investment in equity shares	6,740,794	8,609,824
	₱11,556,983	₱11,838,092

The assumptions used to determine pension benefits for the Parent Company are as follows:

	2025	2024
Discount rate	6.40%	6.15%
Salary rate increase	5.00%	4.50%

The assumptions regarding future mortality rates were based on the 2017 Philippine Intercompany Mortality Table.

In 2025 and 2024, the Parent Company 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, assuming all other assumptions were held constant (in thousand pesos):

	2025		2024	
	Increase (Decrease)	Impact on defined benefit obligation Increase (Decrease)	Increase (Decrease)	Impact on defined benefit obligation Increase (Decrease)
Discount rates	+0.50%	(783,412)	+0.50%	(698,513)
	-0.50%	848,824	-0.50%	757,453
Future salary increases	+0.50%	892,986	+0.50%	798,867
	-0.50%	(830,121)	-0.50%	(741,916)
Mortality	+10%	(33,326)	+10%	(20,249)
	-10%	33,285	-10%	19,635

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 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 13.70 years and 13.99 years in 2025 and 2024, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Within 1 year	₱1,294,264	₱1,647,616
More than 1 year to 5 years	4,097,041	3,635,624
More than 5 years	3,081,535	1,061,823
	₱8,472,840	₱6,345,063

21.2 Share-based Compensation

The Parent Company 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.

21.2.1 Long-Term Incentive Plan

In November 2014, the Parent Company 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 the Parent Company under the LTIP:

Date of Grant	Number of Grants at Grant Date	Settlement Dates	Fair Value of Each Grants	Fair Value Measurement
January 1, 2020	230,360	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	1,970.20	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
January 1, 2025	234,200	100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements	2,090.00	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.

Share-based compensation in 2025 and 2024 amounted to ₱467.70 million and ₱376.62 million, respectively.

22. Interest Income

Interest income is earned from the following sources:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Short-term placements	5	₱273,995	₱288,204
Loans receivable from related party	19.4.1	131,643	155,424
Cash in banks	5	65,183	36,385
Others		670	706
		₱471,491	₱480,719

23. Other Income – net

This account consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Management fees			
Innove	19.2.1	₱8,358,947	₱8,257,273
Mynt/GFI	19.3.2	119,704	80,841
Ecpay	19.3.2	24,134	67,370
Kickstart	19.2.3	54,788	51,991
GSG	19.3.3	34,730	36,557
GCVHI	19.2.6	19,079	20,653
BTI	19.2.4	13,929	13,929
Asticom	19.2.5	12,954	11,855
Yondu	19.2.8	4,175	4,711
GTI	19.2.2	825	711
Others		11,739	32,526
Gain on derivatives instruments – net		772,855	2,957,406
Foreign exchange loss – net		(433,567)	(2,342,882)
Loss on settlement and remeasurement of ARO		(56,594)	-
Rent and others	14.10	620,193	623,750
		₱9,557,891	₱9,816,691

24. General, Selling and Administrative Expenses

This account consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Staff costs	21	₱14,896,258	₱15,284,913
Professional and other contracted services		12,143,292	12,113,561
Repairs and maintenance		11,220,652	10,236,537
Utilities, supplies and other administrative expenses		11,005,633	11,144,248
Leases	13.3	3,531,996	3,539,596
Selling, advertising and promotions		3,353,026	3,552,681
Taxes and licenses	35	2,603,712	3,789,105
Insurance and security services		1,288,004	1,315,536
Courier and delivery		426,961	344,525
Others		1,800,590	1,772,702
		₱62,270,124	₱63,093,404

25. Depreciation and amortization

The account consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Property and equipment	11	₱26,354,050	₱26,783,662
Intangible assets	12	6,314,895	6,149,343
Right of use assets	13.1	9,923,326	7,938,423
Investment properties	10	3,768	3,768
		₱42,596,039	₱40,875,196

26. Financing Costs

This account consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Loans payable	17	₱8,420,380	₱8,222,420
Lease liabilities	13.2	7,881,749	6,580,013
Swap costs	8.1, 8.3	464,870	318,440
Accretion expense	18	8,606	8,748
Pension cost	21.1	165,460	134,278
		₱16,941,065	₱15,263,899

27. Impairment Losses and Others

This account consists of:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Impairment losses on:			
Trade receivables	6	₱1,212,490	₱1,541,370
Contract assets	7.1	643,370	667,471
Property and equipment	11	-	356,327
Provisions for (reversal of):			
Inventory obsolescence and market decline	9	87,319	182,344
Other probable losses – net	16	339,774	369,137
Others		1,858	10,237
		₱2,284,811	₱3,126,886

28. Income Tax

Income Tax Expense

Income tax expense charged to profit or loss includes the following:

	2025	2024
<i>(In Thousand Pesos)</i>		
Current	₱2,692,262	₱3,957,198
Deferred	(1,330,347)	(1,408,496)
	₱1,361,915	₱2,548,702

Deferred tax benefit recognized in the other comprehensive income amounted to ₱436.55 million and ₱447.12 million in 2025 and 2024, respectively. (see [Note 20.7](#)).

The reconciliation of the provision for income tax at statutory tax rate and the actual current and deferred provision for income tax follows:

	2025	2024
<i>(In Thousand Pesos)</i>		
Income before income tax	₱25,862,329	₱14,857,301
Multiplied by statutory income tax rate	25%	25%
Provision at statutory income tax rate	6,465,583	3,714,325
Add (deduct) tax effects of:		
Income exempt from tax and subjected to lower tax rates	(5,138,237)	(1,211,516)
Others	34,569	45,893
Actual provision for income tax	₱1,361,915	₱2,548,702

The current provision for income tax which excludes the tax impact of equity items is composed of the following:

	2025	2024
<i>(In Thousand Pesos)</i>		
RCIT or MCIT, whichever is higher	₱2,622,586	₱3,899,221
Final tax	69,676	57,977
	₱2,692,262	₱3,957,198

The Parent Company has available NOLCO which can be carried over and applied against taxable income.

NOLCO:

Year Incurred	Availment Period	Balance at beginning of year	Incurred	Used / Expired	Balance at end of year
<i>(in Thousand Pesos)</i>					
2025	2026-2028	P-	P206,332	P-	P206,332

Details of excess MCIT that can be claimed against RCIT payable as follows:

Excess MCIT:

Year Incurred	Availment Period	Balance at beginning of year	Incurred	Used / Expired	Balance at end of year
2025	2026-2028	P-	P2,168,769	P-	P2,168,769

Deferred Income Tax Assets and Liabilities

Net deferred tax assets (liabilities) presented in the statements of financial position amounted to P490.35 million and (P1,276.55 million) in 2025 and 2024, respectively.

The significant components of the deferred income tax assets and liabilities of the Parent Company represent the deferred income tax effects of the following:

	2025	2024
<i>(in Thousand Pesos)</i>		
Deferred tax assets		
Lease Liabilities	P31,745,334	P28,177,213
MCIT	2,168,769	-
Unrealized foreign exchange losses	2,065,676	1,825,837
Accrued pension	1,733,306	1,397,496
Accrued manpower cost	1,010,260	1,043,131
Provision for claims and assessment	684,300	599,356
Unearned revenues and advances already subjected to income tax	586,287	687,161
Accumulated impairment losses on property and equipment	561,388	572,123
Allowance for impairment losses on receivables	431,645	483,739
ARO	364,390	434,005
Cost of share-based payments	260,256	217,931
Inventory obsolescence and market decline	71,060	123,403
NOLCO	51,583	-
	41,734,254	35,561,395
Deferred tax liabilities		
Right of use assets	(23,141,025)	(20,528,632)
Excess of accumulated depreciation and amortization of Globe		
Telecom equipment for (a) tax reporting over (b) financial reporting	(15,590,707)	(13,709,912)
net of accumulated impairment losses	(1,360,479)	(1,161,537)
Unrealized gain on derivative transaction	(1,151,692)	(1,395,954)
Contract asset and deferred contract costs	-	(41,908)
Others	(41,243,903)	(36,837,943)
	P490,351	(P1,276,548)

The rollforward analysis of the Parent Company's net deferred tax assets (liabilities) follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
At beginning of year	(P1,276,548)	(P3,132,168)
Deferred income tax recognized in profit or loss		
Deferred tax relating to temporary difference	1,330,347	1,408,496
Deferred income tax recognized in comprehensive income		
Deferred tax relating to temporary difference (Note 20.7)	436,552	447,124
At end of year	P490,351	(P1,276,548)

29. Capital and Financial Risk Management and Financial Instruments

The Parent Company 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 the Parent Company's mission, vision, strategies, and goals, and to provide emphasis on how management and employees play a vital role in achieving the Parent Company'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. The Parent Company 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 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 the Parent Company's business operations and environment.

The Parent Company continues to monitor and manage its financial risk exposures according to its BOD approved policies.

The succeeding discussion focuses on Parent Company's capital and financial risk management.

29.1 Capital Risk Management Objectives and Policies

Capital represents equity attributable to equity holders of the Parent Company.

The primary objective of the Parent Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Parent Company 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, 2025 and 2024 was at 68%.

The Parent Company's loan agreements include compliance with certain ratios which are also regularly monitored (see [Note 17.3](#)).

29.2 Financial Risk Management Objectives and Policies

The Parent Company'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.

The Parent Company's risk management policies are summarized below:

29.2.1 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. The Parent Company is mainly exposed to two types of market risk: interest rate risk and foreign exchange risk.

The Parent Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. The Parent Company 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 and YEN debt.

It is the Parent Company's policy to ensure that capabilities exist for active but conservative management of its foreign exchange and interest rate risks. The Parent Company 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, 2025 and 2024. 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, 2025 and 2024 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.

29.2.1.1 Interest Rate Risk

The Parent Company's exposure to market risk from changes in interest rates relates primarily to the Parent Company's long-term debt obligations.

Parent Company'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, the Parent Company enters into interest rate swaps, in which Parent Company 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:

	2025	2024
USD fixed rate loans	88%	88%
PHP fixed rate loans	53%	62%

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>			
2025			
USD	+75bps	₱38,019	₱4,583
	-75bps	(38,019)	(4,585)
PHP	+100bps	(480,683)	17,124
	-100bps	480,683	(17,136)
JPY	+50bps	3,600	(65)
	-50bps	(3,600)	66
PHP	+100bps	7,240	3,394
	-100bps	(7,240)	(3,395)
2024			
USD	+120bps	(₱32,056)	(₱11,636)
	-120bps	32,056	11,648
PHP	+200bps	(203,000)	5,822
	-200bps	197,864	(5,827)

29.2.1.2 Foreign Exchange Risk

The Parent Company's foreign exchange risk results primarily from movements of the PHP against the USD and JPY with respect to USD-denominated financial assets, USD and JPY-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, 19.24% and 19.68% of debt as of December 31, 2025 and 2024, respectively, are denominated in USD and 2.93% is denominated in JPY as of December 31, 2025, before taking into account any swap and hedges.

Information on the Parent Company's foreign currency-denominated monetary assets and liabilities and their PHP equivalents are as follows:

	2025			2024	
	US Dollar	JP Yen	Peso Equivalent	US Dollar	Peso Equivalent
Assets					
Cash and cash equivalents	\$31,822	¥-	₱1,870,795	\$40,940	₱2,368,242
Receivables	8,932	-	525,096	30,055	1,738,617
	40,754	-	2,395,891	70,995	4,106,859
Liabilities					
Accounts payable and accrued expenses	467,187	-	27,465,912	458,430	26,518,808
Loans Payable	843,275	20,000,000	57,124,773	853,000	49,343,491
	1,310,462	20,000,000	84,590,685	1,311,430	75,862,299
Net foreign currency-denominated liabilities	\$1,269,708	¥20,000,000	₱82,194,794	\$1,240,435	₱71,755,440

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rate, with all other variables held constant, of the Parent Company's income before tax (due to changes in the fair value of foreign currency-denominated financial assets and liabilities).

	Increase/decrease in Peso to US Dollar and JP Yen exchange rate	Effect on income before income tax Increase (decrease)	Effect on equity Increase (decrease)
<i>(In Thousand Pesos except in bps)</i>			
2025			
USD			
	+.70	(₱679,895)	₱496,680
	-.70	679,895	(496,680)
JPY			
	+.10	-	2,056,196
	-.10	-	(2,056,196)
2024			
	+1.00	(₱794,573)	₱713,634
	-1.00	794,573	(713,634)

The movement in equity arises from changes in the fair values of derivative financial instruments designated as cash flow hedges.

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

29.2.2 Credit Risk

Credit Risk Exposure

The table below details the Parent Company's exposure to credit risk:

	Notes	2025	2024
<i>(In Thousand Pesos)</i>			
Cash and cash equivalents	5	₱10,387,076	₱9,731,618
Trade receivables – net	6	10,487,544	11,504,553
Contract assets – net	7	4,512,486	5,442,961
Derivative assets	8	6,048,554	5,219,151
Due from related parties	10.1, 19	35,402,924	30,668,456
Non-trade receivables – net	10.1	2,110,166	3,733,256
Security deposits	10.1	1,275,704	1,208,517
Loans receivable from related parties	10.1, 19	-	2,547,935
		₱70,224,454	₱70,056,447

The Parent Company 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 the Parent Company. Applications for postpaid service are subjected to standard credit evaluation and verification procedures. The Credit, Billing and Risk Management of the Parent Company 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.

The Parent Company analyzes its subscribers' receivables and contract assets based on internal credit risk rating. The table below shows the analysis of the Parent Company's subscribers' receivables and contract assets as of December 31, 2025 and 2024.

	High Quality	Medium Quality	Low Quality	Terminated Accounts	Total
<i>(In Thousand Pesos)</i>					
2025					
Subscribers receivables:					
Consumer	₱5,276,082	₱746,446	₱494,554	₱758,263	₱7,275,345
Key corporate accounts	193,620	239,311	30,515	444,438	907,884
Other corporations and SMEs	338,649	91,726	3,540	118,758	552,673
	₱5,808,351	₱1,077,483	₱528,609	₱1,321,459	₱8,735,902
Contract assets					
Consumer	3,104,075	442,491	152,903	33,387	3,732,856
Key corporate accounts	300,135	44,297	3,474	2,971	350,877
Other corporations and SMEs	208,109	208,147	8,107	4,390	428,753
	3,612,319	694,935	164,484	40,748	4,512,486
Total subscribers' receivables and contracts assets	₱9,420,670	₱1,772,418	₱693,093	₱1,362,207	₱13,248,388

	High Quality	Medium Quality	Low Quality	Terminated Accounts	Total
<i>(In Thousand Pesos)</i>					
2024					
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
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	₱10,829,868	₱2,168,913	₱813,289	₱2,037,660	₱15,849,730

The Parent Company'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 the Parent Company has excellent payment experience. ECL rates applied in this category ranges from 0-10%.
- 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 the Parent Company has limited experience and therefore, creditworthiness needs to be further established over time. ECL rates applied in this category ranges from 10.1-50%.
- 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. ECL rates applied in this category ranges from 50.1-100%.
- 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. ECL rates applied in this category is 100% with recovery rate assumptions.

For traffic settlements and other trade receivables, the Parent Company uses delinquency and past due information to analyze the credit risk.

The table below shows the aging analysis of the Parent Company's traffic settlements and other trade receivables as of December 31.

2025

	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	₱482,187	₱-	₱10,992	₱6,262	₱80,520	₱579,961
Local	198,463	-	-	-	44,993	243,456
	680,650	-	10,992	6,262	125,513	823,417
Other trade receivables	2,654,806	-	-	-	-	2,654,806
Total	₱3,335,456	₱-	₱10,992	₱6,262	₱125,513	₱3,478,223

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	₱356,506	₱-	₱39,851	₱30,623	₱80,489	507,469
Local	360,046	-	-	-	39,907	399,953
	716,552	-	39,851	30,623	120,396	907,422
Other trade receivables	2,125,320	-	-	-	-	2,125,320
Total	₱2,841,872	₱-	₱39,851	₱30,623	₱120,396	₱3,032,742

With respect to other financial assets of the Parent Company which comprise cash in banks, short-term investments, due from related parties, non-trade receivables, loans receivable from related parties, security deposits, and certain derivative instruments, the exposure to credit risk is managed on a Group basis.

For investments with banks and other counterparties, the Parent Company has a risk management policy which allocates investment limits based on counterparty credit rating and credit risk profile. The Parent Company 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.

For its derivative counterparties, the Parent Company deals only with counterparty banks with investment grade ratings and major universal and commercial local banks. Credit ratings of derivative counterparties are reviewed quarterly.

Following are the Parent Company exposures with its investment counterparties for time deposits as of December 31:

	2025	2024
Local bank deposits	82%	76%
Onshore foreign bank	18%	24%

29.2.3 Liquidity Risk

The Parent Company seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Parent Company intends to use internally generated funds and available long-term and short-term credit facilities.

The following table shows the Parent Company's available credit facilities (in millions)

	2025	2024
Short term		
Committed		
USD	\$50	\$50
PHP	₱3,000	₱3,000
Uncommitted		
USD	\$107	\$107
PHP	₱82,649	₱84,488

As part of its liquidity risk management, the Parent Company 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 the Parent Company's financial instruments as of the end of the reporting presented by maturity profile including forecasted interest payments for the next five years.

Loans Payable

2025

	Less than 1 year	1 to 3 years	Over 3 years
Loans Payable			
Fixed Rate			
USD notes	\$-	\$-	\$600,000
Philippine peso	₱21,829,500	₱33,569,000	₱39,020,000
Floating rate			
USD notes	\$1,725	\$241,550	\$-
Philippine peso	₱260,000	₱16,345,000	₱84,770,000
Japanese yen	¥-	¥-	¥20,000,000
Interest payable*			
PHP debt	₱10,169,604	₱25,337,233	₱32,854,609
USD debt	\$33,736	\$68,063	\$76,875
JPY debt	¥288,426	¥837,049	¥334,174

*Used PHP BVAL, Term SOFR, and JPY TONA reference rates.

2024

	Less than 1 year	1 to 3 years	Over 3 years
Loans Payable			
Fixed Rate			
USD notes	\$-	\$-	\$600,000
Philippine peso	₱24,992,000	₱44,053,500	₱50,365,000
Floating rate			
USD notes	\$9,725	\$1,725	\$241,550
Philippine peso	₱502,500	₱5,150,000	₱71,225,000
Interest payable*			
PHP debt	₱10,240,283	₱25,921,875	₱32,208,789
USD debt	\$35,637	\$83,777	\$97,500

*Used PHP BVAL and Term SOFR reference rates.

The following tables present the maturity profile of the Parent Company's other liabilities and derivative instruments (undiscounted cash flows including swap costs payments/receipts except for other long-term liabilities) as of December 31.

2025

Other Financial Liabilities

	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade payables and accrued expenses*	₱65,981,353	₱-	₱-	₱65,981,353
Other long-term liabilities*	-	-	757,576	757,576
	₱65,981,353	₱-	₱757,576	₱66,738,929

*Excludes ARO and taxes payable which are deemed non-financial liabilities.

Derivative Instrument

	Less than 1 year		1 to 3 years		Over 3 years	
	Receive	Pay	Receive	Pay	Receive	Pay
Projected Swap Coupons:						
Cross Currency Swaps	₱545,328	₱790,469	₱641,031	₱1,353,981	₱218,290	₱482,023
Principal Only Swaps	₱-	₱543,020	₱-	₱1,421,524	₱-	₱1,468,198
Projected Principal Exchanges:						
Forward Purchase of USD	\$3,382	₱192,510	\$-	₱-	\$-	₱-
Forward Sale of USD	₱-	\$-	₱-	\$-	₱-	\$-
FX Swap	\$426,000	₱25,079,511	\$-	₱-	\$-	₱-
Cross Currency Swaps- PHP	₱-	₱87,823	₱-	₱8,239,331	₱-	₱-
Cross Currency Swaps- USD	\$1,725	\$-	\$161,550	\$-	\$-	\$-
Cross Currency Swaps- PHP	₱-	₱-	₱-	₱2,514,150	₱-	₱5,035,850
Cross Currency Swaps- JPY	¥-	¥-	¥6,660,000	¥-	¥13,340,000	¥-
Principal Only Swaps- PHP	₱-	₱-	₱-	₱4,031,200	₱-	₱29,118,475
Principal Only Swaps- USD	\$-	\$-	\$80,000	\$-	\$600,000	\$-

2024

Other Financial Liabilities

	Less than 1 year	1 to 5 years	Over 5 years	Total
Trade payables and accrued expenses*	₱76,392,540	₱-	₱-	₱76,392,540
Other long-term liabilities*	-	-	798,574	798,574
	₱76,392,540	₱-	₱798,574	₱77,191,114

* 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:						
Cross Currency Swaps	₱511,786	₱397,007	₱693,727	₱568,980	₱-	₱-
Principal Only Swaps	₱-	₱579,872	₱-	₱1,616,908	₱-	₱1,475,040
Projected Principal Exchanges:						
Forward Purchase of USD	\$-	₱-	\$-	₱-	\$-	₱-
FX Swaps	\$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	\$-

Lease Liabilities

The maturity profile of Parent Company's lease liabilities using undiscounted cash flows of future lease payments has been disclosed in [Note 13.2](#).

30. Financial Assets and Liabilities

30.1 Categories of Financial Assets and Financial Liabilities

The table below presents the carrying value of Parent Company's financial instruments by category as of December 31 based on the classification requirements of PFRS 9 (in thousand pesos):

	Notes	2025	2024
Financial Assets			
Derivative financial assets			
Designated as cash flow hedges (FVOCI)	8	₱6,001,946	₱5,209,490
Not designated as hedges (FVPL)	8	46,608	9,661
Financial assets at FVOCI:			
Investment in equity securities - net	10	1,212,526	1,175,895
Financial assets at amortized cost			
Cash and cash equivalents	5	10,387,076	9,731,618
Trade receivables – net	6	10,487,544	11,504,553
Contract assets – net	7.1	4,512,486	5,442,961
Due from related parties	10.1, 19	35,402,924	30,668,456
Non-trade receivables	10.1	2,110,166	3,733,256
Loans receivable from related parties	10.1	-	2,547,935
Security deposits	10.1	1,275,704	1,208,517
		₱71,436,980	₱71,232,342
Financial Liabilities:			
Derivative financial liabilities			
Designated as cash flow hedges (FVOCI)	8	₱579,862	₱339,862
Not designated as hedges (FVPL)	8	26,776	233,143
Financial liabilities at amortized cost			
Trade payables and accrued expenses*	15, 29.2.3	65,981,353	76,392,540
Loans payable	17	251,563,397	244,397,409
Lease liabilities – net	13.2	126,981,337	112,708,850
Other long term liabilities**	18, 29.2.3	757,576	798,574
		₱445,890,301	₱434,870,378

*Trade payables and accrued expenses excludes taxes payables which are deemed non-financial liabilities .

**Other long term liabilities exclude ARO and taxes payable which are deemed non-financial liabilities .

30.2 Offsetting Financial Assets and Financial Liabilities

The Parent Company has financial instruments that have offsetting arrangements. Upon adoption of the amendment to PFRS 7, the Parent Company has determined that there is no impact on financial position or in profit or loss, but resulted in additional disclosures about such offsetting arrangements. Accordingly, these additional disclosures are set forth below.

	Gross amounts	Amounts offset under PAS 32	Reported amounts in the statement of financial position	Amounts offset under master netting arrangements or other similar contracts	Net exposure
<i>(In Thousand Pesos)</i>					
December 31, 2025					
Derivative assets	₱6,048,554	₱-	₱6,048,554	(₱606,638)	₱5,441,916
Derivative liabilities	606,638	-	606,638	(606,638)	-
Traffic settlement receivable (Note 6)	1,282,514	(459,097)	823,417	-	823,417
Traffic settlement payable (Note 15)	1,255,702	(459,097)	796,605	-	796,605
Sublease receivables (Note 13.2)	730,769	(730,769)	-	-	-
Lease liabilities (Note 13.2)	127,712,106	(730,769)	126,981,337	-	126,981,337
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 settlement receivable (Note 6)	1,589,493	(682,071)	907,422	-	907,422
Traffic settlement payable (Note 15)	1,396,425	(682,071)	714,354	-	714,354
Sublease receivables (Note 13.2)	789,189	(789,189)	-	-	-
Lease liabilities (Note 13.2)	113,498,039	(789,189)	112,708,850	-	112,708,850

The Parent Company makes use of master netting agreements with counterparties with whom a significant volume of transactions is 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.

30.3 Fair Values of Financial Assets and Financial Liabilities

The table below presents a comparison of carrying amounts and estimated fair values of all the Parent Company's financial instruments as of December 31:

	Notes	2025		2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
(In Thousand Pesos)					
Financial Assets					
Derivative assets ¹	8	₱6,048,554	₱6,048,554	₱5,219,151	₱5,219,151
Investment in equity securities ¹	10	1,212,526	1,212,526	1,175,895	1,175,895
		₱7,261,080	₱7,261,080	₱6,395,046	₱6,395,046
Financial Liabilities					
Derivative liabilities ¹	8	₱606,638	₱606,638	₱573,005	₱573,005
Loans payables	17	251,563,397	258,222,696	244,397,409	243,829,919
		₱252,170,035	₱258,829,334	₱244,970,414	₱244,402,924

¹ Measured at fair value on a recurring basis

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.

30.3.1 Non-Derivative Financial Instrument

The fair values of cash and cash equivalents, trade receivables, contract assets, due from related parties, non-trade receivables, trade payables and accrued expenses are approximately equal to their carrying amounts considering the short-term maturities of these financial instruments (Level 2).

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 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 7.1x in 2025 and 2.3x to 5.5x in 2024

For variable rate financial instruments 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 financial instruments 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 obligations, 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.

30.3.2 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 the Parent Company deals its derivatives with large foreign and local banks with very minimal risk of default.

30.3.3 Fair Value Hierarchy

The following tables provide the fair value measurement hierarchy of the Parent Company's assets and liabilities:

	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
2025	<i>(In Thousand Pesos)</i>			
Financial Assets				
Derivative assets	P-	P6,048,554	P-	P6,048,554
Investment in equity securities	615,892	596,634	-	1,212,526
Financial Liabilities				
Derivative liabilities	-	606,638	-	606,638
Loans payable	-	258,222,696	-	258,222,696
2024				
Financial Assets				
Derivative assets	P-	P5,219,151	P-	P5,219,151
Investment in equity securities	651,892	524,003	-	1,175,895
Financial Liabilities				
Derivative liabilities	-	573,005	-	573,005
Loans payable	-	243,829,919	-	243,829,919

There were no transfers from Level 1 and Level 2 fair value measurements for the years ended December 31, 2025 and 2024. The Parent Company has no financial instruments classified under Level 3.

31. Significant Agreements

31.1 Agreements and Commitments with Other Carriers

The Parent Company has existing international telecommunication service agreements with various foreign administrations and interconnection agreements with local telecommunications companies for their various services. The Parent Company 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 2025 and 2024 amounted to ₱1,799.10 million and ₱1,637.31 million, respectively.

Net traffic settlement receivables amounted to ₱823.42 million and ₱907.42 million while net traffic settlement payables amounted to ₱796.61 million and ₱714.35 million as of December 31, 2025 and 2024, respectively (see [Notes 6 and 15](#)).

31.2 Arrangements and Commitments with Suppliers

The Parent Company 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 downpayments 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, 2025 and 2024 included in the "Trade payables and accrued expenses" account in the Parent Company's statements of financial position amounted to ₱20,209.37 million and ₱24,874.17 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, 2025 and 2024, the unapplied advances made to suppliers and contractors relating to purchase orders issued amounted to ₱12,961.48 million and ₱10,532.84 million, respectively (see [Note 10](#)).

Also, the Parent Company has existing agreements with various Tower Companies for the use of Telecom Towers. In relation to these arrangements, the Parent Company has 897 and 776 tower lease commitments in which leases have not yet commenced as of December 31, 2025 and 2024, respectively.

32. Contingencies

The Parent Company 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's Decision promulgated on February 13, 2023 sustaining the CA's Decision dated December 28, 2010 and Resolution dated January 19, 2012 which reversed and set aside the NTC's Orders dated December 5, 2009 and Show Cause Orders and Cease and Desist Orders dated December 9, 2009. The High Court also made permanent the writ of preliminary injunction issued by the CA enjoining the NTC from enforcing its assailed Orders.

In due course, the NTC filed its Motion for Reconsideration (MR) of the SC's aforesaid decision.

On August 5, 2025, Globe and Innove received the Supreme Court Resolution's dated May 19, 2025, denying the NTC's MR with FINALITY, the basic issues raised therein having been duly considered and passed upon by the court in its aforesaid decision. On August 27, 2025, Globe and Innove received a copy of the Entry of Judgement rendering the case closed and terminated.

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 ruling 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 16 November 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 7 November 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 1 June 2018, the Corporation received a copy of the Court of Appeals' Notice of Resolution dated 25 May 2018 and attached Resolution dated 24 May 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 24 May 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.

33. Konektadong Pinoy Act

Republic Act No. 12234 titled "An Act Establishing a Comprehensive and Inclusive Data Transmission and Connectivity Framework for the Philippines" or the Konektadong Pinoy Act (KPA) lapsed into law on August 24, 2025 and took effect on September 13, 2025. The KPA aims to promote digital inclusion and bridge the digital divide by providing affordable, reliable, secure and accessible data connectivity services through fair, open and sustainable competition in the data transmission industry, infrastructure-sharing, and investment in data transmission infrastructure and services.

Under the KPA, new operators classified as Data Transmission Industry Participants (DTIP) who will engage in the provision of data transmission services no longer need to secure a legislative franchise from Congress as a prerequisite to launching a data service. Also, the KPA mandates infrastructure sharing and co-location, requiring incumbents to provide access to network and facilities to other DTIPs and permitting direct satellite access without NTC approval. Likewise, the KPA will establish a Spectrum Management Policy Framework (SMPF) to govern the management, and more crucially, the assignment and even recall of spectrum.

The implementing rules and regulations of the KPA took effect on January 2, 2026. On February 2, 2026, the NTC issued Memorandum Circular No. 02-02-2026 which prescribes the legal, financial and technical eligibility requirements for DTIPs and the registration and authorization processes for applicant DTIPs. Further regulations are expected to be released pursuant to the KPA, such as those relating to the SMPF, digital infrastructure access list and the designation of players found to have significant market power.

34. Events After Reporting Period

Sale of Yondu

On January 2, 2026, the Parent Company completed the closing of the sale of Yondu and transfer of ownership to NCSI. The transaction diluted the Parent Company's ownership from 100% to 49% and resulted in a loss of control over Yondu. Thereafter, the investment in Yondu was accounted for as an investment in associate since the Parent Company has significant influence in the financial and operating policy decisions of Yondu.

Dividend Declaration

On February 3, 2026, 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 18, 2026. Total dividends amounting to ₱3.6 billion will be payable on March 5, 2026.

35. Disclosures Required Under Revenue Regulations 15-2010

The Parent Company reported and/or paid the following types of taxes for the year:

Value-added Tax (VAT)

a) The Parent Company is liable to pay output VAT on revenue collections received in the regular course of its business. Under Republic Act (RA) No. 9337, the VAT rate is 12% effective February 1, 2006. The Parent Company is also entitled to claim input VAT on purchases of goods and services from VAT-registered suppliers subject to its compliance with requirements of existing laws and regulations. The Output VAT declared during the year and zero-rated sales/receipts and exempt sales are as follows (in thousands):

	Base Amount	VAT
Output VAT declared during the year	₱151,845,658	₱18,221,479
Zero-rated sales/receipts	1,659,224	-
VAT-exempt sales	221,588	-

Transactions subject to zero percent (0%) rate pertain to sales made to non-residents, the consideration for which were paid for in acceptable foreign currency and accounted for in accordance with the rules and regulations of the BSP, pursuant to Section 108 (B)(2) of the National Internal Revenue Code (NIRC).

VAT-exempt sales of services refer to services rendered for overseas dispatch, message or conversation originating from the Philippines pursuant to Section 109 E of NIRC.

b) Details of the Parent Company's claimed Input VAT are as follows (in thousands):

Beginning of the year	₱21,232
Add: Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	3,653,543
Capital goods subject to amortization	60,992
Services	9,257,916
Total current year's domestic purchases/payments	12,972,451
Adjustments	(18,975)
Balance at the end of the year	(3,986)
Input VAT claimed	₱12,970,722

Landed Cost of Imports, Customs Duties and Tariff

Landed cost of imports and the amount of customs duties and tariff fees paid or accrued thereon are as follows (in thousands):

Landed cost	₱19,440,339
VAT	2,332,841
	₱21,773,180

Documentary Stamp Tax

Documentary stamp tax on loan instruments, shares of stock and other transactions subject thereto amounted to ₱243.83 million for the year ended 2025.

Other Taxes and Licenses

All other taxes, local and national, including real estate taxes, license and permit fees lodged under the Taxes and Licenses account amounted to ₱2,603.71 million for the year ended 2025.

Withholding Taxes

The Parent's withholding taxes that were paid or accrued during the year are as follows (in thousands):

Withholding tax on compensation	₱2,813,962
Expanded withholding tax	2,270,543
Final withholding tax	2,069,503
Fringe benefits tax	116,311
	₱7,270,319

Tax Assessments and Contingencies

The Parent Company has no ongoing internal revenue tax case, litigation and/or prosecution in regular courts, other bodies or tribunals as at December 31, 2025.