## IMPORTANT NOTICE

**THIS PRELIMINARY PROSPECTUS IS BEING DISPLAYED ON THIS WEBSITE TO MAKE THE PRELIMINARY PROSPECTUS ACCESSIBLE TO INVESTORS IN THE PHILIPPINES AND IS TO BE VIEWED EXCLUSIVELY WITHIN THE PHILIPPINES.**

**THE PHILIPPINE STOCK EXCHANGE, INC. (THE "PSE") ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF STATEMENTS MADE, OR THE OPINIONS OR REPORTS EXPRESSED IN THIS DRAFT PRELIMINARY PROSPECTUS. THE PSE MAKES NO REPRESENTATION AS TO THE COMPLETENESS OF THE PRELIMINARY PROSPECTUS AND DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM OR IN RELIANCE, IN FULL OR IN PART, OF THE CONTENTS OF THE PRELIMINARY PROSPECTUS.**

**A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE THEREBY, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO THE NOTICE OF ITS ACCEPTANCE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.**

**THE SEC HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SEC.**

THIS PRELIMINARY PROSPECTUS AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT WITHOUT NOTICE. THE OFFER SHARES MAY NOT BE SOLD NOR MAY AN OFFER TO BUY BE ACCEPTED PRIOR TO THE TIME THAT THIS PRELIMINARY PROSPECTUS IS ISSUED IN FINAL FORM. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY PROSPECTUS CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OFFER SHARES NOR SHALL THERE BE ANY OFFER, SOLICITATION OR SALE OF THE OFFER SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.


**Globe Telecom, Inc.**

The Globe Tower
32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City, Philippines
Telephone Number (632) 7730-2000


# PRELIMINARY PROSPECTUS

**Shelf Registration**
**Up to Twenty Million Non-Voting Preferred Shares**
**With a par value of ₱50.00 per share**

**to be offered within a period of five (5) years**

**to be listed and traded on the Main Board of**
**The Philippine Stock Exchange, Inc.**

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The date of this Preliminary Prospectus is [●].

**Globe Telecom, Inc.**
**The Globe Tower**
**32nd Street corner 7th Avenue**
**Bonifacio Global City, Taguig City, Philippines**
**Telephone No. (632) 7730-2000**
**https://www.globe.com.ph/**

This preliminary prospectus ("**Prospectus**") relates to Globe Telecom, Inc.'s ("**Globe**", the "**Issuer**" or the "**Company**") five (5)-year shelf registration (the "**Shelf Registration**") of up to Twenty Million (20,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable, and re-issuable Philippine Peso-denominated perpetual preferred shares with a par value of ₱50.00 per share ("**Non-Voting Preferred Shares**") to be offered in one or more tranches (each, a "**Tranche**"), which may be comprised of one or more series (each, a "**Series**"), at the discretion of the Company, under a securities program ("**Non-Voting Preferred Shares Program**") to be registered with the Securities and Exchange Commission ("**SEC**"). A registration statement covering the Non-Voting Preferred Shares Program was filed by the Issuer with the SEC on [●].

The Non-Voting Preferred Shares will be offered and sold in various Series and in Tranches (each such Tranche, an "**Offer**") within a period of five (5) years from the effective date of the Registration Statement (the "**Shelf Period**"). On August 5, 2025, the Board of Directors of the Company (the "**Board of Directors**" or the "**Board**") authorized the shelf registration of up to 20,000,000 Non-Voting Preferred Shares (the "**Offer Shares**") to be issued from time to time in one or more Series and/or Tranches during the Shelf Period, and under such terms and conditions for each Series and/or Tranche as determined by the Board of Directors, with authority expressly granted to the Finance Committee to determine and fix the number of shares to be included per Series and/or Tranche and the offer price, dividend rate, the pertinent rights, preferences, redeemability, and limitations of the shares of each such Series and/or tranche at the time of issue. To the extent not set forth in its Articles of Incorporation, the terms of each such Series shall be specified in the resolution adopted by the Board of Directors.

The Offer Shares will comprise the unissued treasury shares to be offered and issued by the Company. The specific terms of the Non-Voting Preferred Shares for each Series and Tranche will be determined by the Company considering the prevailing market conditions and shall be provided in a supplement to be circulated at the time of the offer of the relevant Tranche (the "**Offer Supplement**"). In the event of any inconsistency between the Prospectus and the Offer Supplement, the more specific information provided between the two shall prevail. The Non-Voting Preferred Shares may be issued in one or more Series for each Tranche. The Company will apply for the listing of the Non-Voting Preferred Shares on the Main Board of The Philippine Stock Exchange, Inc. ("**PSE**").

The declaration and payment of dividends on the Non-Voting Preferred Shares on each Dividend Payment Date will be subject to the sole and absolute discretion of the Issuer's Board of Directors to the extent permitted by law and subject to the Dividend Payment Conditions (as defined below). The declaration and payment of dividends (except stock dividends) do not require any further approval from the shareholders.

As and if declared by the Board, dividends on the Non-Voting Preferred Shares shall be at such rate as the Board of Directors, through its Finance Committee, may determine for each particular Series and disclosed in the relevant Offer Supplement.

Dividends on the Non-Voting Preferred Shares will be cumulative. If, for any reason, the Board does not declare a dividend on the Non-Voting Preferred Shares for a dividend period, the Issuer will not pay a dividend on the Dividend Payment Date for that dividend period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Non-Voting Preferred Shares as of record date of such dividends must receive the Dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Non-Voting Preferred Shares as of the same record date prior to such Dividend Payment Date (see "**Overview of the Non-Voting Preferred Shares Program**"). As and if declared by the Board, the Issuer may redeem in whole (and not in part), any Series of the Non-Voting Preferred Shares on the Dividend Rate Step-Up Date or any Dividend Payment Date after the Dividend Rate Step-Up Date (as defined in the relevant Offer Supplement), at a redemption price equal to the relevant Offer Price plus any accrued and unpaid dividends after deduction for any tax and customary transfer costs to effect the redemption (the "**Redemption Payment**"). The Redemption Payment shall be made to holders of the Non-Voting Preferred Shares as of the record date set by the Issuer for such redemption.

The overall rights and privileges of the holders of the Offer Shares are not identical to the rights and privileges of holders of existing common shares or voting preferred shares of the Company.

The use of proceeds for each Tranche of the Non-Voting Preferred Shares Program will be set out in the relevant Offer Supplement.

The Non-Voting Preferred Shares will be offered through underwriters that may be engaged by the Company for each Tranche (the "**Underwriters**") and/or selling agents. The Underwriters and/or selling agents for each Tranche will be disclosed in the relevant Offer Supplement.

The Offer Shares will constitute direct and unsecured subordinated obligations of the Issuer ranking at least *pari passu* in all respects and ratably without preference or priority among themselves with all other Non-Voting Preferred Shares issued by the Issuer.

The Offer Shares will be issued in scripless form. Title to the Offer Shares shall pass by endorsement and delivery to the transferee and registration in the registry of shareholders to be maintained by the Registrar and Depository Agent (as defined herein).

Subject to compliance with law, the Company may purchase the Offer Shares at any time at any price either through the PSE, in the open market, by public tender or through negotiated transactions. Subject to compliance with law, any Offer Shares redeemed or purchased by the Company shall be recorded as treasury stock of the Company and may be re-issued in the future at such terms and at such time as the Company may determine.

All payments in respect of the Offer Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Government of the Republic of the Philippines (the "**Government**"), including, but not limited to, stamp, issue, registration, documentary, value-added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of Offer Shares will receive the full amount of the relevant payment which otherwise would have been due and payable, provided, however, that the Issuer shall not be liable for, and the foregoing payment undertaking of the Company shall not apply to: (a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Offer Shares prescribed under the National Internal Revenue Code of 1997, as amended (the "**Tax Code**") including any additional tax on such dividends imposed by changes in law, rule, or regulation; (b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Offer Shares; (c) any expanded value-added tax which may be payable by any holder of the Offer Shares on any amount to be received from the Issuer under the Offer"; (d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend payable to any holder of Offer Shares; and (e) any applicable taxes on any subsequent sale or transfer of the Offer Shares by any holder of the Offer Shares which shall be for the account of such holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

Any documentary stamp tax for the recording of the Offer Shares in the name of an investor under the Offer shall be paid for by Globe. After the Issue Date, taxes generally applicable to a subsequent sale of the Offer Shares by any Offer shareholder, including receipt by such Non-Voting Preferred Shareholder of a Redemption Payment, shall be for the account of the said Non-Voting Preferred Shareholder.

On [·], the Company filed an application with the SEC to register the Non-Voting Preferred Shares Program under the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799). The SEC is expected to issue an order rendering the Registration Statement filed by the Company effective. The Issuer shall apply with the SEC for the issuance of a permit to offer securities for sale ("**Permit to Sell**") for the Offer Shares prior to the sale of any Non-Voting Preferred Shares to the public. Any offering to the public requires the submission by the Company of the relevant updates and amendments to the Registration Statement and the issuance of the corresponding Permit to Sell by the SEC. As a listed company, the Company regularly disseminates such updates and information in its disclosures to the SEC and the PSE.

The Company may, likewise, apply for the listing of any Series of the Offer Shares on the Main Board of the PSE. However, there is no assurance that such a listing will actually be achieved either before or after the relevant issue date of the Offer Shares being offered at a particular time or whether such a listing will materially affect the liquidity of the Non-Voting Preferred Shares on the secondary market.

The listing of any Tranche or Series of the Offer Shares is subject to the approval of the board of directors of the PSE. If approved by the PSE, such approval for listing is permissive only and does not constitute a recommendation or endorsement of the Offer Shares by the PSE. The PSE assumes no responsibility for the correctness of any statements made or opinions expressed in this Prospectus. The PSE makes no representation as to its completeness and expressly disclaims any liability whatsoever for any loss arising from reliance on the entire or any part of the Prospectus and the relevant Offer Supplement.

Within five (5) years following the effectivity date of the Non-Voting Preferred Shares Program, the Company may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal of Offer Shares covered by such Non-Voting Preferred Shares Program, in one or more Series and in subsequent Tranches under Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code, as amended. The Shelf Registration provides the Company with the ability to take advantage of opportunities in a volatile equity capital market, as these occur. However, there can be no assurance in respect of: (i) whether Globe would issue such Offer Shares at all; (ii) the size or timing of any Series or Tranche or the total issuance of such Offer Shares; or (iii) the specific terms and conditions of any such Series or Tranche. Any decision by Globe to offer the Offer Shares will depend on a number of factors at the relevant time, many of which are not within Globe's control, including but not limited to: prevailing interest rates, the financing requirements of Globe's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

Each Offer will be conducted exclusively in the Philippines and pursuant to requirements under Philippine laws, rules and regulations that may be different from those of other countries and jurisdictions. No action has been or will be taken by the Issuer or any person on behalf of the Issuer to permit an offering of the Offer Shares in any jurisdiction other than the Philippines, where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may any offering material relating to the Offer Shares be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

The Offer Shares may be owned by any person or entity regardless of citizenship or nationality, subject to the nationality limits under Philippine law. The Philippine Constitution and related statutes set forth restrictions on foreign ownership of companies that own land in the Philippines. The Company is subject to Philippine legislation restricting the aggregate foreign ownership to 40.0% of all the outstanding shares of the Company and those entitled to vote in the election of the directors. Accordingly, the Company cannot allow the issuance or the transfer of its Common Shares which may result in the Company ceasing to be at least 60.0% owned by Philippine Nationals. As of September 30, 2025, approximately 74.5% of the Company's voting shares were held by Philippine Nationals. The Company has the right to reject an Application or reduce the number of Offer Shares applied for subscription or purchase if the same will cause the Company to be in breach of these nationality restrictions. See "*Overview of the Non-Voting Preferred Shares Program*", "*Risk Factors*", "*Regulatory and Environmental Matters—Nationality Restrictions*", "*Regulatory and Environmental Matters—Registration of Foreign Investments and Exchange Controls".*

Full information on the Company and each Offer are only available on the basis of the combination of this Prospectus, the relevant Offer Supplement and all the transaction documents. All information contained in the Prospectus are deemed qualified by, and should be read together with the disclosures, reports, and filings of the Company submitted to the SEC and the PSE pursuant to the Revised Corporation Code, the Securities Regulation Code, the Revised Disclosure Rules of the PSE, and the Philippine Dealing & Exchange Corp. ("**PDEx**") ("**Company Disclosures**"). Investors should review all information contained in the Prospectus and the Company Disclosures.

No dealer, salesman, or any other person has been authorized to give any information or to make any representation not contained in this Prospectus. If given or made, any such information or representation must not be relied upon as having been authorized by the Company or any of the Underwriters. The distribution of this Prospectus and the offer and sale of the Non-Voting Preferred Shares may, in certain jurisdictions, be restricted by law. The Company and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions.

Unless otherwise stated, the information contained in this Prospectus has been supplied by the Company. To the best of its knowledge and belief, the Company (which has taken all reasonable care and has exercised due diligence to ensure that such is the case) confirms that the information contained in this Prospectus is correct, and that there is no material statement or omission of fact which would make any statement in the Prospectus misleading in any material respect.

Unless otherwise indicated, all information in this Prospectus is as of the date provided. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company and its subsidiaries since such date

**NOTHING IN THIS PROSPECTUS CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.**

Unless the context clearly indicates otherwise, any reference to the "**Company**", the "**Issuer**" or "**Globe**" are references to Globe Telecom, Inc. on an unconsolidated basis, and references to the "**Group**" are references to the Company and its subsidiaries and associates on a consolidated basis. The information contained in this Prospectus relating to the Company, its operations and those of its subsidiaries has been supplied by the Company, unless otherwise stated herein. In accordance with the requirements of applicable laws and regulations in the Philippines for the sale of securities, such as the Offer Shares, in the Philippines, the Underwriters and the Company have exercised the required due diligence to the effect that, and the Joint Underwriters and the Company confirm that to the best of their knowledge and belief after having taken reasonable care to ensure that such is the case, as of the date of this Prospectus, the information contained in this Prospectus relating to the Company and its operations is true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect. Each person contemplating an investment in the Offer Shares should make their own investigation and analysis of the creditworthiness of the Company and their own determination of the suitability of any such investment.

Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus and, other than as may be required by applicable law or regulations, the Company undertakes no obligation to update such information to reflect subsequent events or circumstances. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date.

In making an investment decision, investors must rely on their own examination of the Company and the terms of each Offer, including the material risks involved. Investors are not entitled to rely on any of the Underwriters for purposes of making an investment decision to subscribe to the Offer Shares. Each Offer shall be made on the basis of this Prospectus and the relevant Offer Supplement.

Market data and certain industry data used throughout this Prospectus were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Company nor the Underwriters make any representation or warranty, express or implied, as to the accuracy and completeness of such information.

This Prospectus includes forward-looking statements and other information that involves risks, uncertainties and assumptions. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business. The words "anticipates", "believes", "estimates", "continues", "will", "plans", "expects", "intends", "may", "predicts", "projects" and similar expressions are intended to identify forward-looking statements. In light of these risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. The Company's actual results could differ substantially from those anticipated in the Company's forward-looking statements.

**A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE THEREBY, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO THE NOTICE OF ITS ACCEPTANCE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.**

**GLOBE TELECOM, INC.**

By:

**Carl Raymond R. Cruz**
*President and Chief Executive Officer*

REPUBLIC OF THE PHILIPPINES )
CITY OF TAGUIG ) S.S.

Before me, a notary public for and in the city named above, personally appeared Carl Raymond R. Cruz, known to me and to me known to be the same person who presented the foregoing instrument and signed the instrument in my presence, who took an oath before me as to such instrument, and who presented to me his evidence of identity, as follows: Passport No. P6858489C issued on 09 April 2024 and issued at DFA Manila.

Witness my hand and seal this _________________ at Taguig City.

Doc. No. ;
Page No. ;
Book No. ;
Series of 2025.

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## GLOSSARY OF CERTAIN TERMS

*In this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below*:

| | |
|---|---|
| 917Ventures | Globe Capital Venture Holdings, Inc. |
| 917VI | 917Ventures, Inc. |
| A2P | Application-to-person |
| ABSI | Asti Business Services, Inc. |
| AC | Ayala Corporation |
| AC Health | Ayala Healthcare Holdings, Inc. |
| ACS | Authorized Capital Stock |
| Adspark | Adspark Inc. |
| AHI | Adspark Holdings, Inc. |
| AIDE | APPPPS Partners, Inc. |
| Alibaba Group | Alibaba Group Holding Limited and its subsidiaries |
| AMAX | AutoloadMax |
| AMBER | Automated Mobile Blaster |
| Ant Financial | Ant Financial Services Group |
| ARPT | Audit and Related Party Transactions Committee |
| Articles of Incorporation | Articles of Incorporation of Globe, as amended |
| Asiacom | Asiacom Philippines, Inc. |
| Asticom | Asticom Holding Co., Inc. |
| B2B | Business-to-business |
| B2C | Business-to-consumer |
| BAP | Bankers' Association of the Philippines |
| BAHC | Bow Arken Holdings Company Inc. |
| Bayantel | Bayan Telecommunications, Inc. |
| Bayanihan II PCC Rules | Bayanihan to Recover as One Act, Relating to the Review of Mergers and Acquisitions |
| Bayanihan II | Bayanihan to Recover as One Act |

| | |
|---|---|
| BCC | Bonifacio Communications Corporation |
| BEAM | Broadcast Enterprises and Affiliated Media Inc. |
| Bell Tel | Bell Telecommunication Philippines, Inc. |
| BGC | Bonifacio Global City |
| BHC | Brightshare Holdings Corporation |
| BHI | Bethlehem Holdings Inc. |
| BMPL | Bridge Mobile Pte. Limited |
| Board or Board of Directors | Board of Directors of Globe |
| BPO | business processing outsourcing |
| BROSC | Board Risk Oversight and Sustainability Committee |
| BSP | Bangko Sentral ng Pilipinas |
| CA 146 | Public Service Act |
| CAAP | Civil Aviation Authority of the Philippines |
| Caelum Northwest | Caelum Northwest Corp. |
| Caelum US | Caelum US Holdings Inc. |
| CaelumPacific | CaelumPacific Corporation |
| CAR | Certificate Authorizing Registration |
| CBA | Collective bargaining agreement |
| CCCS | Central Clearing and Central Settlement |
| CFU | Customer facing unit |
| CG | Corporate governance |
| Consumer Act | Consumer Act of the Philippines |
| CPCN | Certificates of Public Convenience and Necessity |
| CRMD | Company Registration and Monitoring Department |
| CX | customer experience |
| D.O. 174 | Department Order No. 174, Series of 2017 or the Rules Implementing Articles 106 to 109 of the Labor Code, as amended |
| Data Privacy Act | R.A. 10173, otherwise known as the Data Privacy Act of 2012 |
| DENR | Department of Environment and Natural Resources |

| | |
|---|---|
| Depository Participant | a person, including securities brokers and custodians, that maintains an account with the PDTC |
| DHSUD | Department of Human Settlements and Urban Development |
| DICT | Department of Information and Communications Technology |
| Digitel | Digitel Telecommunications Philippines, Inc. |
| DILG | Department of Interior and Local Government |
| Director | Director of Globe |
| Dito | Dito Telecommunity Corporation |
| DOH | Department of Health |
| DOLE | Department of Labor and Employment |
| DPA IRR | Data Privacy Act's Implementing Rules and Regulations |
| DPO | data protection officer |
| DPWH | Department of Public Works and Highways |
| DSCR | debt service coverage ratio |
| DSL | digital subscriber lines |
| DTI | Department of Trade and Industry |
| ECPay | Electronic Commerce Payments (EC Pay), Inc. |
| ECC | Environmental Compliance Certificate |
| ECQ | Enhanced Community Quarantine |
| EDGe | the PSE's Electronic Disclosure Generation Technology |
| EIA | Environmental Impact Assessment |
| EIS | Environmental Impact Statement |
| EMB | Environmental Management Bureau |
| ePLDT | ePLDT, Inc. |
| Escrow Agent | BPI Asset Management and Trust Corporation |
| Executive Officer | executive officer of Globe |
| FBDC | Fort Bonifacio Development Corporation |
| FOBN | Fiber Optic Backbone Network |
| FTTH | *Fiber To The Home* |
| GB | gigabyte |

| | |
|---|---|
| GCQ | General Community Quarantine |
| Globe | Globe Telecom, Inc. |
| GOMO | Globe's fully digital service brand created to address the needs of the underserved, digitally savvy, young urban professional segment |
| Government | Government of the Republic of the Philippines |
| Group | Globe Telecom, Inc. and its consolidated subsidiaries |
| GSM | Global System for Mobile Communication |
| GSG | GLOBE STT GDC, INC. |
| GTEU | Globetel European Limited |
| GTI | GTI Business Holdings, Inc. |
| GTIC | GTI Corporation |
| GTHK | Globe Telecom HK Limited |
| GTowers | GTowers, Inc. |
| GTSG | Globetel Singapore Pte. Ltd. |
| GXI | G-Xchange, Inc. |
| HCX | HCX Technology Partners, Inc. |
| HealthNow | HealthNow, Inc. |
| IASB | International Accounting Standards Board |
| IATF | Interagency Task Force for the Management of Emerging Infectious Diseases |
| ICT | Information and communications technology |
| IDD | International direct dialing |
| IEE | Initial Environmental Examination |
| Innove | Innove Communications, Inc. |
| Inquiro | Inquiro Inc. |
| IP | Internet protocol |
| IRR | Implementing Rules and Regulations of the PCC |
| IRU | Indefeasible rights of use |
| ISIS | Islamic State of Iraq and Syria |
| Islacom | Isla Communications Company, Inc. |

| | |
|---|---|
| IT | information technology |
| ITCs | independent common tower companies |
| JVHI | Jerusalem Ventures Holdings Inc. |
| KCCL | Kickstart Capital Co. Ltd. |
| Kickstart | Kickstart Ventures, Inc. |
| KonsultaMD | Global Telehealth, Inc. |
| Labor Code | Labor Code of the Philippines |
| LGC | R.A. 7160 or the Local Government Code of 1991 |
| LGU | local government unit |
| LIB | Liberty Telecoms Holdings, Inc. |
| LTE | Long-Term Evolution |
| LTIP | Long-Term Incentive Plan |
| LTM | Group’s last twelve months |
| M360 | M360, Inc. |
| Management | management of Globe |
| MB | megabyte |
| MC 16-002 | PCC Memorandum Circular No. 16-002 |
| MCG | Manual on Corporate Governance |
| MCIT | Minimum Corporate Income Tax |
| MECQ | Modified Enhanced Community Quarantine |
| MGCQ | Modified General Community Quarantine |
| MHz | Megahertz |
| MIMO | multiple-input and multiple-output |
| MNO | mobile network operator |
| Merger Rules | Rules on Merger Procedure |
| Mynt | Globe Fintech Innovations, Inc. |
| NCR | National Capital Region |
| NIAT | Net Income After Tax |
| NPC | National Privacy Commission |

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| NTC | National Telecommunications Commission |
| OFW | Overseas Filipino Workers |
| OTT | over-the-top |
| PCA | Philippine Competition Act |
| PCC | Philippine Competition Commission |
| PCD | Philippine Central Depository, Inc. |
| PCD Nominee | PCD Nominee Corporation |
| PDS | Philippine Dealing System |
| PDTC | Philippine Depository & Trust Corp. |
| petabyte | means 1024 terabytes or a million GB |
| PFRS Accounting Standards | Philippine Financial Reporting Standards Accounting Standards |
| Philippines | Republic of the Philippines |
| PHIVOLCS | Philippine Institute of Volcanology and Seismology |
| PLDT | PLDT Inc. |
| PPE | Personal Protective Equipment |
| PSE | The Philippine Stock Exchange, Inc. |
| Principal Shareholders | Ayala Corporation and Singapore Telecom International Pte. Ltd. |
| PureGo | Pure Commerce, Inc. |
| Qualified Buyers | qualified buyers as defined in Section 10(l) of the SRC and Sections 10.1.3 and 10.1.11 of its Implementing Rules and Regulations |
| R.A. | Republic Act |
| RDC | Robert Dollar Company |
| Receiving Agent | Bank of the Philippine Islands through its Stock Transfer Agency |
| Regulation S | Regulation S under the U.S. Securities Act |
| RM | Risk management |
| Rush | Rush Technologies, Inc. |
| SCCP | Securities Clearing Corporation of the Philippines |
| SDG | Sustainable Development Goals |
| SDN-NFV | Software defined network and network function virtualization |
| SEC | The Philippine Securities and Exchange Commission |

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| SIM | subscriber identification module |
| Singtel | Singapore Telecom International Pte. Ltd. |
| Smart | Smart Communications, Inc. |
| SMC | San Miguel Corporation |
| SME | small- and medium-sized enterprises |
| SMS | Short message service |
| Socialytics | Socialytics Inc. |
| Spectrum | Tori Spectrum Telecom, Inc. |
| SRC | Philippines Securities Regulation Code |
| Stock Transfer Agent | Stock Transfer Service, Inc. |
| SSS | Social Security System |
| STT GDC | ST Telemedia Global Data Centres, Pte. Ltd. |
| Tao | TaoDharma |
| Tax Code | National Internal Revenue Code of 1997, as amended |
| TCFD | Task Force on Climate-Related Financial Disclosure |
| TCI | Telecommunications Connectivity, Inc. |
| TechGlobal | TechGlobal Data Center, Inc. |
| Techgroowers | Techgroowers, Inc. (currently known as M360, Inc.) |
| TGN-IA | Tata Global Network – Intra Asia |
| Towerco | Tower company |
| TPBAI | Third Pillar Business Applications, Inc. |
| U.S. or United States | United States of America, its territories and possessions, any State of the United States and the District of Columbia |
| UK | the United Kingdom |
| U.S. Securities Act | the U.S. Securities Act of 1933, as amended |
| UNCLOS | United Nations Convention on the Law of the Sea |
| UNGC | United Nations Global Compact |
| VAS | Value-Added Services |
| VoIP | Voice-over-internet-protocol |
| VoLTE | Voice over Long-Term Evolution |

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|---|---|
| VTI | Vega Telecom, Inc. |
| VWAP | Volume-weighted average price |
| Yondu | Yondu Inc. |

## FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements and other information that involves risks, uncertainties and assumptions. Although the forward-looking statements contained in this Prospectus reflect the current beliefs of the Company based upon information currently available to management and what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. Forward-looking statements are statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Such forward-looking statements include, without limitation, statements relating to expansion plans, the competitive environment in which the Group operates, general economic and business conditions, political, economic and social developments in the Philippines, changes in prices of telecommunications services, changes in governmental regulations relating to the telecommunications industry, the cost and availability of adequate insurance coverage and financing, changes in interest rates and other factors beyond the Group’s control. Risks and uncertainties that could affect the Group include, without limitation:

- general economic and business conditions within the Philippines;
- the capital-intensive nature of Globe's business;
- outbreak of communicable diseases;
- difficulties in obtaining and maintaining licenses, permits and other authorizations necessary for the roll out of telecommunications infrastructure;
- changes in regional and global economic trends;
- instability in the social, political and economic conditions in the Philippines;
- increased competition by other telecommunications companies;
- changes in regulations or Government policies or differing interpretations of such regulations or policies;
- difficulties in raising additional financing to fund future capital expenditures, acquisitions and other general corporate activities;
- inability to adapt to technology shifts and address changing consumer demand;
- reliance by the Group on key personnel;
- fluctuation in exchange rates and the imposition of capital controls;
- cybersecurity concerns and data privacy breaches;
- system failures;
- exposure to unforeseen catastrophic events over which the Group has little or no control;
- insufficient insurance coverage;
- controlling shareholder risk; and
- other risks related to the business, the industry or the regions in which the Group operates.

Should one or more of such risks and uncertainties materialize, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this Prospectus are made only as of the date of this Prospectus or the respective dates indicated herein, and the Company and the Underwriters expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to such forward-looking statements contained herein to reflect subsequent events or circumstances. The Underwriters do not take any responsibility for, or give any representation, warranty, or undertaking in relation to any such forward-looking statements.

All of the Group's forward-looking statements made herein and elsewhere are qualified in their entirety by the risk factors discussed in "*Risk Factors*". These risk factors and statements describe circumstances that could cause actual results to differ materially from those contained in any forward-looking statement in this Prospectus.

**Certain Defined Terms and Conventions**

In this Prospectus, references to "**Philippine Peso**" or "**₱**" are to the lawful currency of the Republic of the Philippines (the "**Philippines**"). The Company maintains its accounts in Philippine Pesos.

All references to the "**BSP**" are to the *Bangko Sentral ng Pilipinas*, the central bank of the Philippines. All references in this Prospectus to the "**Government**" are to the government of the Philippines and all references to the "**Philippines**" are to the Republic of the Philippines. References to the "**United States**", "**USA**" or "**U.S.**" in this Prospectus shall be to the United States of America, its territories and possessions, any State of the United States and the District of Columbia. References to "**management**", "**Directors**" and "**executive officers**" refer to the management, Directors and executive officers of the Company. References to the "**Articles of Incorporation**" refer to the Articles of Incorporation of the Company, as amended.

References to "**financial year**" in this Prospectus are to the Group's financial year ended or ending December 31.

All references to dates and times are to Manila dates and times, unless otherwise specified.

**Basis for Certain Market Data and the Assessment Report**

Certain statistical information and forecasts in this Prospectus relating to the Philippines and other data used in this Prospectus were obtained or derived from internal surveys, market research, Government data, publicly available information, and/or industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. This Prospectus also contains industry information that was prepared from available public sources.

**Presentation of Financial Information**

Unless otherwise stated, all financial information relating to the Company contained herein is stated on a consolidated basis and in accordance with Philippine Financial Reporting Standards Accounting Standards ("**PFRS Accounting Standards**").

Isla Lipana & Co., a Philippine member of the PwC network, has audited the Company's consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022 (the "**Audited Consolidated Financial Statements**") included elsewhere in this Prospectus in accordance with Philippine Standards on Auditing. Isla Lipana & Co., a Philippine member of the PwC network, has reviewed the unaudited interim condensed consolidated financial statements (prepared in accordance with Philippine Accounting Standards 34, Interim Financial Reporting) as of September 30, 2025 and for each of the nine (9) months in the periods ended September 30, 2025 and 2024 (the "**Unaudited Interim Condensed Consolidated Financial Statements**") included elsewhere in this Prospectus in accordance with the Philippine Standards on Review Engagements.

Unless otherwise indicated, the description of the Company's business activities in this Prospectus is presented on a consolidated basis. For further information on the Company's corporate structure, see "***Business—Corporate Structure***".

**Non-PFRS Accounting Standards Financial Measures**

In this Prospectus, the term "**Adjusted EBITDA**" refers to earnings before interest expenses, taxes, depreciation and amortization. The Group calculates Adjusted EBITDA by taking service revenues less subsidy (comprising non-service revenues less cost of sales, mostly on sales on handsets/SIM packs, accessories and gadgets), operating expenses and other income and expenses (other income and expenses do not include any property and equipment-related gains and losses, foreign exchange differences and derivative gains and losses, gains, other non-operating gains and losses and financing costs). This measure provides useful information regarding a company's ability to generate cash flows, incur and service debt, finance capital expenditures and working capital changes. As the Group's method of calculating Adjusted EBITDA may differ from other companies, it may not be comparable to similarly titled measures presented by other companies. For the purpose of ratio calculation of Debt to EBITDA and Debt Service Coverage Ratio under the financial loan covenants, the term EBITDA is defined as consolidated earnings before finance cost, taxes, depreciation and amortization for the preceding twelve (12) month period. The Group calculates EBITDA by adding the taxes, financing costs, depreciation and amortization to the Group's net income after tax.

In this Prospectus, the term "**EBIT**" refers to earnings before interest, property and equipment-related gains and losses, income taxes, other non-operating charges such gains and losses related to investments in joint ventures and associates, foreign exchange differences and derivative gains and losses. The Group calculates EBIT by deducting depreciation and amortization from Adjusted EBITDA. The Group's method of calculating EBIT may differ from other companies and, hence, may not be comparable to similar measures presented by other companies.

Adjusted EBITDA and EBIT are supplemental measures of the Group's performance and liquidity that are not required by, or presented in accordance with, PFRS Accounting Standards. Further, neither EBIT nor Adjusted EBITDA is a measurement of the Group's financial performance or liquidity under PFRS Accounting Standards and should not be considered as an alternative to net income, gross revenues or any other performance measure derived in accordance with PFRS Accounting Standards or as an alternative to cash flow from operations or as a measure of the Group's liquidity.

The Group believes that EBIT and Adjusted EBITDA facilitate operating performance comparisons from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets (affecting relative depreciation expense). In particular, EBIT eliminates potential differences caused by interest and tax expenses and Adjusted EBITDA further eliminates non-cash depreciation expenses that arise from the capital-intensive nature of the Group's business. The Group also believes that EBIT and Adjusted EBITDA are supplemental measures of its ability to meet debt service requirements. Finally, the Group presents EBIT and Adjusted EBITDA because it believes they are frequently used by securities analysts and investors in the evaluation of companies in its industry.

"**Core net income after tax**" is measured as the Group's net income, excluding net gains or losses on derivative instruments, foreign exchange gains or losses – net, and the impact of non-recurring charges or one-time gains or losses such as remeasurement loss on investment in associate, gain on sale of investment in associate, impairment of goodwill, and gain on value of retained interest. Core net income after tax results are monitored by management for purposes of making decisions about resource allocation and performance assessment. Core net income after tax should not be considered as an alternative to income before income tax or net income determined in accordance with PFRS Accounting Standards as an indicator of the Group's performance. Unlike net income, core net income after tax does not include foreign exchange gains and losses, mark-to-market gains or losses, and other non-recurring gains or charges. The Group compensates for these limitations by using core net income after tax as only one of several comparative tools, together with PFRS Accounting Standards -based measurements, to assist in the evaluation of operating performance. Such PFRS Accounting Standards-based measurements include income before income tax and net income. The Group's calculation of core net income after tax may be different from the calculation methods used by other companies and, therefore, affect the comparability of such financial metric against similarly named financial metrics of other companies.

# EXECUTIVE SUMMARY

*The following summary is qualified in its entirety, and is subject to, the more detailed information and the financial information contained or referred to elsewhere in this Prospectus. The meanings of terms not defined in this summary can be found elsewhere in this Prospectus.*

## OVERVIEW

Globe Telecom, Inc. ("**Globe**" or the "**Company**") is a leading digital platform in the Philippines, with interests in telecommunications, fintech, data center services, venture building, shared services, and digital marketing. The Company delivers a full suite of mobile, fixed, broadband, data connectivity, internet and managed services to meet the needs of consumers and businesses.

Globe is guided by its vision of *"leading a Philippines where families' dreams come true, businesses flourish, and the nation is admired*", and hopes to fulfill this through its mission of *"creating wonderful experiences, helping its customers overcome challenges, and discovering new ways to enjoy life*".

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. As of September 30, 2025, Globe is supported by approximately 6,662 employees and over 397 thousand AutoloadMax ("**AMAX**") retailers, distributors, and business partners nationwide. As of September 30, 2025, the Group had approximately 63.1 million mobile subscribers (including fully mobile broadband), approximately 2.1 million home broadband customers and over 631 thousand landline subscribers.

The Company's principal shareholding groups are AC and Singtel, acknowledged industry leaders in the Philippines and across Asia. 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.

Globe Fintech Innovations, 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 data.ai, as of September 30, 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.

In addition, Mynt has gone beyond the nation's borders. As of September 30, 2025, it now offers payments in over 200 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. As of September 30, 2025, Mynt also empowers overseas Filipinos in 145 countries to manage their finances through GCash Overseas. They can now use the GCash app with their international mobile numbers, giving them access to services such as Send Money, Pay Bills, and Buy Load.

Beyond Payments, the GCash application 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 as of September 30, 2025. These milestones were achieved through innovative lending products covering credit lines (GCredit), cash loans (GLoan), buy-now-pay-later (via GGives), and micro-credit starter loans (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 September 30, 2025, more than 4.2 million trees have been planted, enabling GCash users to build a greener tomorrow.

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 quarter, 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.

Globe's Sustainability practice is anchored on the Globe Purpose to "Uplift Filipino Lives Everyday". By aligning with global sustainability frameworks, standards, and principles such as the United Nations' Sustainable Development Goals ("**UN SDGs**") and UN Global Compact and industry sustainability ambitions, the Company is able to collaborate with its stakeholders to deliver positive societal and environmental impact. Globe is focused on addressing its material topics by scaling the integration of its sustainability practices within its business units and across the value chain.

Progress towards sustainability ambitions are disclosed in the Globe Sustainability website (https://www.globe.com.ph/about-us/sustainability.html) and in the annual Integrated Report (https://www.globe.com.ph/about-us/sustainability/integrated-report.html#gref).

The recently published 2024 Integrated Report ("**IR**") is guided by the principles of the following frameworks:

- Reference to the Global Reporting Initiative ("**GRI**") standards
- International Integrated Reporting Council ("**IIRC**") Framework
- Sustainability Accounting Standards Board ("**SASB**")
- Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations
- United Nations Global Compact ("**UNGC**") Principles
- United Nations Sustainable Development Goals ("**UN SDGs**")
- Securities and Exchange Commission ("**SEC**") recommendations
    - Integrated Annual Corporate Governance Report ("**i-ACGR**")
    - Sustainability Reporting Guidelines
- GSMA ESG Metrics for Mobile

The annual integrated report is in compliance with the recommendations made in the Philippines SEC Memorandum Circular No. 4, series of 2019 on Sustainability Reporting for Publicly-Listed Companies ("**PLCs**") and has undergone third-party External Assurance conducted by DNV AS Philippines Branch, covering:
(1) select sustainability metrics
(2) GHG accounting

Globe achieved and maintains an MSCI ESG Rating upgrade to AA since 2023, signaling strong management of industry-specific risks. The company has also been a constituent of the prestigious FTSE4Good Index Series for 10 consecutive years and maintains Sustainalytics' Medium ESG Risk Rating. Furthermore, Globe holds the distinction of being the only telco in the Philippines with a Science Based Targets initiative (SBTi) validated net-zero ambition. This climate leadership is supported by its CDP Supplier Engagement Leader status (an A score)—the highest rating in this assessment—and a consistent CDP Climate B Score. Globe's sustainability strategy and programs were also affirmed by the 2025 International Finance Award for Best Practices, recognition by 2025

Standard Insights Consumer Choice Awards, and the only telco in the Philippines to be part of the TIME and Statista's Most Sustainable Companies in 2025.

Globe has been consistently recognized both locally and internationally for its corporate governance practices. Most notably, the Company has received Five Golden Arrow recognition from the Institute of Corporate Directors ("**ICD**") for the fourth consecutive year in October 2025, which is the highest distinction under the ASEAN Corporate Governance Scorecard ("**ACGS**"). Globe was also honored as one of the Top 50 ASEAN Publicly Listed Companies, the Top 5 Publicly Listed Companies per Country (Philippines), and as an ASEAN Asset Class Publicly Listed Company at the ASEAN Corporate Governance Conference and Awards in July 2025. It has been listed on the Philippine Stock Exchange for 50 years, since 1975 under the ticker symbol GLO. As of September 30, 2025, Globe had a market capitalization of US$3.7 billion.

The Group recorded total service revenues of ₱165,016.29, ₱162,333.48 million, and ₱157,979.34 million for the years ended December 31, 2024, 2023 and 2022, respectively. The Group recorded net income attributable to equity holders of Globe of ₱24,304.43 million, ₱24,512.76 million and ₱34,563.01 million for the years ended December 31, 2024, 2023, 2022, respectively. For the nine months ended September 30, 2025 and 2024, the Group recorded total service revenues of ₱121,676.45million and ₱124,009.42 million, respectively, and net income attributable to equity holders of Globe of ₱17,692.84 million and ₱20,575.48 million, respectively.

**STRENGTHS**

***Exposure to a large, attractive, and fast-growing market, driven by favorable industry and social-economic dynamics***

The Philippine telecommunications industry has seen a shift in recent years, with the advent of data and the adoption of a digital lifestyle changing customer behavior and the manner in which telecommunications firms operate. In addition, according to the 2024 e-Conomy SEA report by Google, Temasek, and Bain & Company, the Philippines has the fastest-growing digital economy in Southeast Asia. The country is poised for continued strong growth, with Globe as a key enabler and facilitator of the industry's digital requirements.

In the mobile segment, consumers are increasingly favoring data for their communication needs, causing a shift away from traditional voice and SMS services towards mobile data. This trend is illustrated by the growth in the Group's mobile data traffic, which increased to 4,846 petabytes for the nine (9) months ended September 30, 2025, from 4,843 petabytes for the nine months ended September 30, 2024.

For the broadband market, home broadband penetration is currently estimated by analysts at 33%. Driven by opportunity for home broadband connectivity, among lower income households, the prepaid fiber broadband market provides the Group with an opportunity for near to medium-term growth. As of end-September 2025, Globe's total GFiber Prepaid subscribers reached up to 700 thousand, highlighting Globe's successful execution in democratizing fiber access for more Filipino homes and ability to capture the untapped market.

In respect of corporate data and Information and Communication Technology ("**ICT**"), there is an opportunity to capitalize on the continued demand for connectivity and digitalizing operations by corporates (including both enterprise and small business clients).

Collectively, these connectivity and ICT revenue streams provide recurring, diversified cash flows and strong growth opportunities, underpinned by the resilience of the Philippines' fast-growing digital economy.

In respect of data center services, the industry is expected to exhibit a significant increase in demand from hyperscalers and local enterprises given high data traffic and nascent in-country capacity. Currently, the local market sees opportunities requiring significant increases in rack capacity and power allocation. Drivers such as growth in cloud computing, AI, increasing interest from hyperscalers, digital transformation efforts of local enterprises and supply-side factors are expected to accelerate co-location demand growth.

Mynt on the other hand continues to be a significant contributor to the Group's growth, supported by long-term secular trends in the digitalisation of financial services in the Philippines. As consumers and enterprises increasingly adopt digital payments, online financial transactions, and mobile-first financial solutions, GCash is well positioned to benefit from this sustained shift in customer behaviour. The platform remains focused on **responsibly expanding its suite of products and services,** including payments, financial access, and digital lifestyle solutions, while maintaining prudent risk management and regulatory compliance. Finally, the strong long-term Philippine economic outlook is also expected to drive Globe's growth. The Philippines has a relatively young data-centric population, with those below 24 years of age, comprising 45.7% of the total population of the country, according to Digital 2025: The Philippines, a report by DataReportal and Meltwater published in January 2025, this young demographic is projected to continue to grow over the next two decades. In addition, according to the report, there were approximately 97.5 million internet users in the Philippines, and, on average, internet users in the Philippines[1] spend over 9 hours per day on the internet. Lastly, the e-Conomy SEA report by Google, Temasek, and Bain & Company said that the Philippines had the fastest-growing internet economy across Southeast Asia in 2024, with the digital economy projected to reach a gross merchandise value between $80 billion and $150 billion by the year 2030.

***Market leader and pioneer in digital connectivity in the Philippines***

Globe is one of the major telecommunications providers in the Philippines that offer both Mobile and Fixed Line services. The Group has steadily grown its market share in recent years – from having a market share of 32% of mobile subscribers in 2012 to a market leading position of 51% as of December 31, 2024.

In addition to being the subscriber share market leader, Globe is also a pioneer in digital connectivity in the Philippines. At the world's largest and most influential connectivity event—the Mobile World Congress (MWC) held in March 2025—Globe reaffirmed this position after being recognized for network consistency and AI enablement. Globe received Ookla®'s Speedtest Verified™ claim for the Most Consistent Network in the Philippines from 2022 to 2024, reinforcing its commitment to delivering reliable connectivity to Filipinos. The recognition, based on real-world data from user-initiated Speedtest® results, highlights Globe's excellence in providing a seamless and dependable digital experience across the country. Globe also secured the Excellent All-Optical Network for AI Enablement award at the Green All-Optical Network Forum 2025 during MWC. This accolade recognizes the company's advancements in all-optical network infrastructure, enabling seamless AI applications and efficient access to computing resources.

Globe believes that its 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. The Group's partners include popular local, regional and global brands such as Disney+, Facebook, Prime Video, Beetzee Play, Spotify, TikTok, Viber, Grab, Shopee and Lazada.

Globe has consistently delivered a corporate culture built around the customer and innovation, enabled by highly engaged employees. The Group's focus on delivering superior, end-to-end customer experience is embedded in the Group's strong culture of service and care, sustaining the momentum of Globe's "Circle of Happiness" where "happy employees create happy customers". Globe has scored highly in sustainable engagement scores – registering 93% in 2020, being named the Best Company to Work for in Asia by HR Asia in 2019 and winning the Gold Stevie Award for Employer of the Year in 2020. Globe has continued to be recognized by the domestic and global awards communities, including, by *Finance Asia* ("Best Managed Companies") in 2015 and 2017, The Asset Corporate Awards ("The Asset Platinum Award for Excellence in Environmental, Social, and Corporate Governance (ESG)") in 2017 and 2018, London's Ethical Boardroom ("Best Corporate Governance Telecoms - Asia 2019" and "Best Corporate Governance Telecoms - Asia 2021"), Alpha Southeast Asia Magazine 10th Annual Poll Institutional Investor Corporate Awards ("Strongest Adherence to Corporate Governance-2nd Place") in 2020, Philippine Institute of Corporate Directors' Golden Arrow Awards on Excellence in Corporate Governance ("4 Golden Arrows 2019") and ASEAN Corporate Governance Scorecard Awards ("Top 20 ASEAN PLC 2019", "Top 3 Philippine PLC 2019", and "Asset Class PLC 2019"). The Group supports a low carbon future to address climate change and seeks to reduce the Company's impact on the environment, local communities surrounding the Group's operations, and the Group's stakeholders and has similarly received high ratings and recognition, including, by MSCI ("A" Rating, July 2021), FTSE4Good (member for six consecutive years, July 2021), Vigeo Eiris (part of Moody's ESG Solutions) (Top 100 Best Emerging Market Performers, August 2021), Sustainalytics (Medium Risk, September 2021) and CDP (formerly known as the Carbon Disclosure Project) ("B", December 2021). The Group has also received accolades for its technological developments and achievements, winning the "Excellent Consistent Quality Award", "Core Consistent Quality Award", and the "5G Video Experience Award" in Opensignal's April 2022 Mobile Network Experience Report for the Philippines, was recognized by Opensignal as a "Global Rising Star" for the third consecutive year in Opensignal's Global

[1] Internet users between 16 and 64 years of age.

Mobile Network Experience Awards February 2022 report, placed first in 5G improvement over 4G for Games Experience, and second in 5G improvement over 4G for Video Experience at the Opensignal Awards – 5G Global Mobile Network Experience Awards 2021, and was awarded "Best Use of Data for Customer Experience Excellence" and "Best Use of Cloud to Increase Productivity" at the CIO Academy Asia's inaugural INSPIRE Tech Awards 2021 and the Wireless Broadband Alliance's Best Wi-Fi for Social Impact award in 2021 for helping bring high-speed internet connectivity in hard-to-reach areas, especially in communities where electricity is unreliable or non-existent.

***Offers innovative service offerings to cater to the emerging needs of customers and drive further growth***

The Group supports its market-leading position and future growth with prudent investments into digital platforms. As the Group continues to evolve from a traditional telecommunications services operator, it believes that investing early in adjacent digital spaces will drive further growth in customer engagement and provide the potential to realize value from these non-core services. The Group's current investments into digital companies include:

- **Financial Services** – 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. Globe's share in Mynt's equity earnings for the first nine months of 2025 surged to ₱5.3 billion, a 52% jump from the same period last year. This now makes up 25% of Globe's pre-tax net income, versus its 14% contribution from the previous year.

- **Mobile Advertising** – Adspark is 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 that connect brands with their audiences and drive measurable results.

- **E-Commerce and E-Commerce Solutions** – M360 is a leading, multi-awarded communications platform delivering innovative solutions that help businesses connect with customers effectively across multiple messaging channels. Through its advanced One API, it empowers enterprises with scalable, secure, and intelligent messaging capabilities—connecting to over 700 mobile operator partners worldwide, reaching more than 142 million subscribers across the Philippines, and serving over 70 million OTT users, solidifying its position as a trusted leader in customer communications and digital engagement. Inquiro is a cutting-edge data analytics company that transforms insights into actionable intelligence for businesses. With innovative solutions and a commitment to empowering smarter decisions, Inquiro helps brands unlock growth and drive success. Inquiro's revenue has grown 12x in the last 4 years, with a client base growing more than 30% year on year.

The Group believes that its brand positioning and roots in the Philippine digital economy give it an advantage against both existing competitors and new entrants, who would need to invest considerable resources and time in order to develop comparable brands targeted at similar segments of the market.

***Track record of resilient and profitable growth***

With a long-standing track record of success in the Philippines, Globe is one of the most recognized brands in the local market. The Group considers this strong brand recognition a critical advantage in securing and growing market share, and significantly enhances the Group's ability to cross-sell and market its other product and service offerings.

Globe believes that its superior execution and focus on a differentiated customer experience reinforce its resilient and profitable growth. The Group's operating revenue for the years ended December 31, 2024, 2023, and 2022, was ₱180,586.06 million, ₱180,164.46 million and ₱175,040.72 million, respectively. The Group's total operating revenues increased from 2022 to 2024 due primarily to the increase in data consumption among Filipinos for work, education, healthcare, daily commercial transactions, entertainment and essential social interactions, and this translates to total operating revenue growth at a CAGR of 1.6% since 2019 and 5.8% since 2014. Profitability has also continuously increased and the Company recorded an adjusted EBITDA of ₱86,813.68 million,

₱81,426.75 million and ₱79,092.02 million, for the years ended December 31, 2024, 2023, and 2022, respectively, reflecting a CAGR of 8.3% since 2014.

***Continuous investment in network enhancements while optimizing capital deployment to solidify market leading position***

Globe continued to reinforce its network leadership through sustained infrastructure expansion and focused capital deployment. Globe incurred ₱56.2 billion in capital expenditures for the year ended December 31, 2024, of which around 90% was allocated to data and network infrastructure. Globe was able to build 1,212 new cell sites and upgraded 4,613 existing mobile sites with LTE technology. Mobile data traffic grew to 6,351 petabytes in 2024, compared to 5,960 petabytes in 2023, reflecting sustained digital engagement across the customer base. For the nine (9) months ended September 30, 2025, the Group incurred total cash capital expenditures of ₱31.4 billion, a decrease of 23% as compared with the same period in 2024, of which 89% was allocated to building the Group's data network to improve mobile and internet experiences for more Filipinos, 6% to business support, 3% to core and 2% to others. For the nine (9) months ended September 30, 2024, the Group incurred capital expenditure of ₱41.0 billion, of which 91% was allocated to further improve data and network infrastructure, 7% to business support, 1 % to core and 1% to others. For the nine (9) months ended September 30, 2025, the Globe recorded 4,846 petabytes in mobile data traffic compared to 4,843 petabytes for the nine (9) months ended September 30, 2024.

The Group has continued to lead investments in its network, including accelerating the roll-out of LTE and 5G services across the Philippines using acquired spectrum frequencies, and maintaining continuous engagement with independent tower companies to support the buildout of critical telecommunications infrastructure nationwide.

***Strong balance sheet with prudent capital management***

The Group believes that its financial position remains strong with ample liquidity and gearing comfortably within lender covenants. Given that the telecommunications industry is inherently capital expenditure intensive, requiring continuous investment in network expansion and maintenance, a strong balance sheet is essential to ensure adequate funding headroom for both ongoing and future infrastructure needs. As of September 30, 2025, the Group had total gross debt of ₱253.49 billion.

The Group's leverage had comfortable headroom, with the Group's last twelve months' ("**LTM**") of gross debt to EBITDA measuring 2.69x, which was within the prescribed maximum debt to EBITDA of 3.50x under its existing loan covenants. As of December 31, 2022, 2023 and 2024, the Group's gross debt to EBITDA ratio was 2.35x, 2.75x and 2.66x, respectively. The Group was also compliant with its debt service coverage ratio ("**DSCR**"), with its LTM DSCR as of September 30, 2025 of 3.74x, which was higher than the minimum DSCR of 1.30x required under the Group's loan covenants. As of December 31, 2022, 2023 and 2024, the Group's DSCR was 3.82x, 2.18x and 3.42x, respectively. The Group's DSCR is defined as the ratio of EBITDA to Required Debt Service[2].

Furthermore, the Group believes it had a well-managed and evenly spread debt maturity profile as of September 30, 2025:

| Year | Principal[(1)] (in U.S.$ millions)[(2)] |
|---|---|
| 2025 | 88.96 |
| 2026 | 382.46 |
| 2027 | 402.55 |
| 2028 | 391.27 |
| 2029 | 386.94 |

[2]"**Required Debt Service**" is computed as the aggregate amount during the preceding twelve (12) month period of all Debt Service (excluding, however, any Debt Service under (i) shareholder loans and (ii) principal repayment of loan wherein: (a) repayments have been made with the proceeds of new loans incurred for the sole purpose of refinancing such existing loans and (b) the refinancing loan has a longer or equivalent remaining tenor than the loans being refinanced on a consolidated basis, calculated using the average of the applicable exchange rate during such period. "**Debt Service**" is computed as the aggregate of (i) the amount of all repayments of principal in respect of all debt (where such debt is not in the form of short-term revolving working capital facilities), and (ii) the net amounts of principal repayments of short-term revolving working capital facilities, and (iii) the amount of all payments of interest and other amounts in respect of all debt. In this definition, short-term revolving working capital facilities are revolving working capital facilities with a maturity of 364 days or less.

| Year | Principal[1] (in U.S.$ millions)[2] |
|---|---|
| 2030 | 407.14 |
| 2031 | 346.18 |
| 2032 | 263.46 |
| 2033 | 329.67 |
| 2034 | 410.50 |
| 2035 | 385.47 |
| 2036 | 113.50 |
| 2037 | 158.21 |
| 2038 | 3.44 |
| 2039 | 156.49 |
| 2040 | 154.78 |
| **Total** | **4,381.02** |

*Notes:*

(1) Principal amount prior to debt issuance costs.
(2) Translations were made at the exchange rate of ₱58.149 per U.S.$1.00, being the BAP Rate as of September 30, 2025.

The Group 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 interest rate and currency exposures.

***Experienced management team with strong execution track record and backed by reputable shareholders***

The Group believes it has a strong management team, composed of industry professionals with significant experience in the mobile and fixed-line telecommunications markets in the Philippines and abroad, with the proven ability to execute on its business plan and achieve positive results. The Group believes that its top management team is a highly stable group with the majority of C-suite executives having been with the Group for at least a decade. With its continued expansion, the Group has been able to attract and retain senior managers from the telecommunications, consumer goods and finance industries with experience in managing large scale and complex operations. The Group believes that its executives are able to quickly adapt to changes in the market, including the continuing developments in the competitive landscape and technological evolution.

Globe's principal shareholders are AC and Singtel, both considered to be among industry leaders in the Philippines and across Asia. 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. Globe's principal shareholders are committed to their investment and have prepared a robust corporate governance framework in order to facilitate the implementation of the Group's business plan.

***Commitment to Environment, Social, and Governance ("ESG") Initiatives***

Sustainability in Globe is anchored on its Purpose, which is "Uplift Filipino Lives Everyday." By aligning with global sustainability frameworks, standards, and principles such as the United Nations' Sustainable Development Goals (UN SDGs) and UN Global Compact and industry sustainability ambitions, the company is able to collaborate with its stakeholders to deliver positive societal and environmental impact.

Globe achieved and maintains an MSCI ESG Rating upgrade to AA since 2023, signaling strong management of industry-specific risks. The company has also been a constituent of the prestigious FTSE4Good Index Series for 10 consecutive years and maintains Sustainalytics' Medium ESG Risk Rating. Furthermore, Globe holds the distinction of being the only telco in the Philippines with a Science Based Targets initiative (SBTi) validated net-zero ambition. This climate leadership is supported by its CDP Supplier Engagement Leader status (an A score)—the highest rating in this assessment—and a consistent CDP Climate B Score. Globe's sustainability strategy and programs were also affirmed by the 2025 International Finance Award for Best Practices, recognition by 2025

Standard Insights Consumer Choice Awards, and the only telco in the Philippines to be part of the TIME and Statista's Most Sustainable Companies in 2025.

Globe's dedication to cultivating a supportive and engaged workforce is the foundation of its sustained operational success, a commitment that has been recognized through notable HR-related distinctions. By prioritizing its people through the "Alagang Globe" initiatives—which provide comprehensive well-being support, flexible hybrid work arrangements, and continuous professional development via Globe University— the company aims to create a workplace where employees can thrive. This approach led to Globe being recognized as the Overall Grand Winner at the HR Excellence Awards 2025, where it received commendation across several categories, building on its previous achievement of being named Employer of the Year for the third consecutive time in 2024 and being consistently included among the HR Asia Best Companies to Work For in Asia.

**STRATEGIES**

For a highly penetrated mobile market such as the Philippines, the prevalence of affordable data plans and smart devices is further driving the demand for data. Other than entertainment, Filipinos have also used mobile data to avail of shopping applications, map applications, and banking applications, as well as transport network services, and online food delivery, navigation services among others. This trend towards a digital lifestyle is mirrored in the Group's mobile data traffic numbers with 4,846 PB for the first nine months ended September 30, 2025 versus 4,843 PB the previous year.

The fixed line industry is also seeing an increase in demand for data. At home, smart televisions and gaming consoles enable the consumption of bandwidth intensive multimedia content such as high definition videos and network gaming. More customers are now taking advantage of free multimedia content and paid video streaming services which are encroaching on cable TV service. Beyond connectivity, corporate and enterprise clients are looking to service providers, including telecommunications operator partners, to provide solutions to help businesses grow, generate more revenue, and safeguard vital business information and corporate assets.

With the aim to capitalize on the increasing demand for data and connectivity and rapid digitalization and to create and enhance business and shareholder value, the Group intends to implement the following strategies in the near-term.

***Accelerate network rollout to provide best-in-class internet connectivity***

The Group intends to optimize its cell sites deployment to keep pace with demand and increase its wired footprint in order to address serviceability. Further, the Group is committed to providing best-in-class internet connectivity, and targets to:

- maintain capital expenditures of below U.S.$1.0 billion in 2025 from U.S.$1.0 billion in 2024 for its continued network expansion and improvement in its network and telecommunications equipment;
- provide seamless internet connectivity services, such as FTTH capacity, to more households and consistently deliver improved customer experience;
- launch relevant 5G offers for the home and central business districts; and
- invest in future-ready ICT solutions to support enterprise digital transformation.

Under the Konektadong Pinoy Act, coordination with national infrastructure programs and policies could also aid in speeding up rollout, aligning with Globe's strategy of maintaining efficient capital deployment while ensuring best-in-class network and service reliability for its customers. Ultimately, these will lead to wider coverage and deeper internet penetration across the nation, which is part and parcel of Globe's commitment to providing fast, affordable, and reliable connectivity to the Filipinos.

***Increase Household Penetration***

The Group intends to continue offering and improving its broadband services across various technologies and connectivity speeds for its residential customers. A key part of this strategy is the success of GFiber Prepaid, which saw its subscriber base surge 28% quarter-on-quarter to 700 thousand in 3Q2025, establishing Globe as a leader in the mass-market fiber segment.

GFiber Prepaid is designed to be an accessible, no-lock-in broadband option for low-income households, effectively bridging the digital divide. The brand continues to resonate with households through its affordable and flexible fiber offers, driving wider adoption across segments. At the same time, higher-value reload activity pushed ARPU upward, with average daily top-ups surging more than 4.2x in 3Q2025 versus the 2024 average.

Globe continues to invest in its fiber infrastructure, having laid down 60,193 new fiber-to-the-home (FTTH) lines as of the first nine months of 2025. The company is also committed to connecting Geographically Isolated and Disadvantaged Areas (GIDAs). To complement its fiber rollout and accelerate broadband access in underserved locations, Globe launched the Globe At Home 5G Loop, a plug-and-play fixed wireless solution that delivers fiber-like speeds without requiring cable installation, allowing more households to connect seamlessly to high-speed broadband. Globe's growing total home broadband subscriber base reflects these efforts to innovate and expand, with the Group achieving a three-player industry market share of 19% as of end-September 2025, an improvement from just 17% in December 2024.

Globe also continues to analyze the market to determine the most appropriate product or channel applicable to its customer base and intends to selectively roll out its FTTH services and extend LTE coverage to the entire Philippines while strategically rolling out its 5G services.

For the nine (9) months ended September 30, 2025, the Group has further expanded its network through building new cell sites, upgrading sites with both 4G LTE and 5G technology, allowing it to maintain its best-in-class network services. In a two-player market, this paved the way for Globe to reach 52% mobile subscriber market share as of end-September 2025. Outdoor 5G coverage reached 98.71% of Metro Manila and 98.31% of key cities in Visayas and Mindanao. Internationally, Globe kept an extensive global presence with 168 inbound and 183 outbound 5G roaming agreements across 99 destinations, ensuring uninterrupted service for Filipino travelers.

***Relentlessly Improve Customer Experience***

The Group aims to continue to improve its customer's experience by adopting new technologies and delivering content. The Group believes it is positioned to be a leader of the Filipino digital lifestyle by providing world-class technologies for entertainment, education, engagement and rewards designed to address customers' needs. In particular, the Group intends to:

- provide an encompassing ecosystem of digital services beyond connectivity that serves as new life essentials for customers to thrive at home and wherever they may be;

- deepen relationships with customers through highly personalized engagements that intently recognize and adapt to their evolving needs;

- implement more proactive care programs that anticipate potential gaps in the Group's ability to provide a wonderful end-to-end customer experience for consumer and business customers;

- drive more attentive, resolution-focused and consistent service support across the Group's channels, enabled by automated and fully digital means of customer handling and issue resolution;

- simplify processes and eliminate friction points that impede the seamlessness of a truly delightful journey for customers and employees; and

- leverage technology and process innovations underpinned by compassion and care for customers.

One of the unintended consequences of digitalization is the rise of cyber threats. Globe has made online safety one of its key responsibilities. In 2024, the Company blocked 978,106,959 spam and scam messages and 417,640 domains and URLs containing child sexual abuse and exploitation materials. It also pioneered the blocking of non-photographic imagery (NPI) of child sexual abuse, including AI-generated content, further enhancing efforts to safeguard children online.

Moreover, Globe's #PlayItRight campaign combats digital piracy, educating the public on the importance of consuming content from legitimate sources. The #MakeITSafePH campaign provides practical cybersecurity education, empowering Filipinos to protect themselves from online threats.

***Develop new information and communications technology capabilities***

Globe is actively establishing itself as a trusted digital transformation partner for enterprise customers, both large and small. It continues to offer and enhance a diverse range of information and communications technology services and solutions. These offerings span mobility, voice, connectivity, cloud, data center, cybersecurity, and various business applications, leveraging its extensive network technologies. Globe is also committed to providing specific and bespoke solutions to meet the evolving needs of its enterprise customers, particularly in response to increased connectivity demands, remote working requirements, and business continuity plans.

***Create new high growth and profitable complementary revenue streams, and create value in digital technology, and lifestyle***

Globe continues to expand beyond its core telecommunications business by building high-growth and profitable digital ventures that create sustainable value across technology and lifestyle ecosystems. Anchored on innovation, partnerships, and customer-centricity, Globe's diversified portfolio now spans financial technology, enterprise ICT, and digital infrastructure—each contributing meaningfully to long-term profitability and shareholder value.

Globe's fintech affiliate Mynt (operator of GCash) remains the cornerstone of this growth strategy. As of mid-2025, 94 million Filipinos have used GCash, which continues to scale its comprehensive digital finance ecosystem encompassing payments, savings, loans, insurance, and investments. With strong profitability momentum and equity earnings reaching ₱5.3 billion in the first nine months of 2025—up 52% year-on-year—Mynt has become a key earnings driver and a platform for inclusive financial access. This is following successful strategic investments from MUFG and Ayala in 2024.

In parallel, Globe continues to strengthen its digital infrastructure backbone through ST Telemedia Global Data Centres (STT GDC) Philippines, its joint venture with ST Telemedia and Ayala Corporation. Following the successful launch of the 20-megawatt Sta. Rosa data center in 2024, the venture is advancing developments in its Fairview and Cavite campuses, which are expected to add an additional 15 megawatts of capacity by year-end. These expansions reinforce Globe's commitment to building resilient, energy-efficient, and hyperscale-ready infrastructure, positioning the company—and the Philippines—as a key enabler of the region's growing digital economy.

Complementing these initiatives, Globe's enterprise ICT and cloud services under Globe Business, delivering AI-enabled cloud solutions, cybersecurity, and managed services for Philippine enterprises and SMEs. These capabilities expand Globe's participation in higher-value digital services, translating innovation into recurring, scalable revenue streams.

Together, these businesses underscore Globe's transformation from a traditional telco into a digital platform group—creating profitable growth engines in fintech, data infrastructure, and digital technology that extend beyond connectivity and strengthen Globe's role in shaping the country's digital future.

***Continue to recruit talents and build an agile workforce***

The Group aims to build an agile organization with a deep understanding of, and ability to be responsive to, its customers' needs. The Group intends to create a high-performance organization with a purpose-driven workforce and a culture of empowerment, collaboration and innovation. In particular, the Group aims to:

- pioneer the transformation of the service delivery engine to "*simple, digital, agile*" to shorten time to market, increase delivery efficiency, increase effectiveness of cost management measures, and improve collaboration;

- continue its organizational focus on customer-centricity through agile competency-building and work processes;

- empower leadership with a focus on clarity, collaboration and succession planning;

- continue to enrich lives of its employees, customers and shareholders through the Group's "*Circle of Happiness*", "*Globe of Good*" purpose and high overall organizational health; and

- value people and to continue to implement universal sustainability principles by promoting innovation and technology for greater social impact.

***Continue to explore and pursue targeted investment, acquisition and divestment opportunities***

The Group continually evaluates and explores opportunities to create and enhance business and shareholder value, including considering both potential investment as well as divestment opportunities. The Group actively scouts for and considers opportunities in both existing and potential new business lines within its rapidly expanding and evolving industry backdrop. In parallel, the Group also considers potential joint ventures, divestitures and partnerships in areas and business units where it may need additional technical or other expertise, or where it determines shareholder value and returns are maximized by partial or total divestitures. To this end, the Group consults with and engages various advisors, partners and industry market participants to determine the optimal market conditions and parameters for any potential acquisition, partnership or divestiture.

## RECENT DEVELOPMENTS

***Tower Sale and Leaseback Update***

Globe Approaches Final Phase of Tower Sale And Leaseback Deal

As of end July 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, 2,205 in 2024. To date, 273 towers have been closed this year, generating approximately ₱3.5 billion in proceeds.

***Konektadong Pinoy Act***

The Konektadong Pinoy Act ("**KPA**"), which lapsed into law last August, establishes a comprehensive legal framework to promote open access, competition, and investment in data transmission infrastructure in the Philippines. It aims to narrow the digital divide by mandating infrastructure sharing, simplifying regulatory processes, ensuring cybersecurity compliance, and protecting user rights.

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 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 Department of Information and Communications Technology (DICT) announced on November 05, 2025 the signing of KPA IRR, which is awaiting publication in the Official Gazette or a newspaper of general circulation. The IRR shall take effect fifteen (15) days from publication. The DICT and NTC will issue implementing guidelines and circulars necessary to fully implement KPA such as, access list, qualification of DTIPs and SMPF.

## RISKS OF INVESTING

Before making an investment decision, investors should carefully consider the risks associated with an investment in the Company. These risks include:

- risks relating to the Group's business;
- risks relating to the Philippines;
- risks relating to the Offer Shares; and
- risks relating to certain information in this Prospectus.

Please refer to the section entitled "*Risk Factors*", which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of Offer Shares.

**CORPORATE INFORMATION**

The Company is incorporated under the laws of the Philippines. It maintains its principal executive offices at The Globe Tower, 32$^{nd}$ Street corner 7$^{th}$ Avenue, Bonifacio Global City, Taguig, Philippines. The telephone number at that address is +63-2-7730-2000. The Company's corporate website is at www.globe.com.ph. Information on its website or websites is not incorporated by reference into, and does not constitute part of, this Prospectus.

## SUMMARY FINANCIAL INFORMATION AND OTHER DATA

*The summary historical consolidated statement of financial position as of December 31, 2024, 2023, and 2022 and summary historical consolidated statements of comprehensive income and summary historical consolidated statements of cash flows for the years ended December 31, 2024, 2023, and 2022 set forth below have been derived from, and should be read in conjunction with, the Audited Consolidated Financial Statements and, including the notes thereto, included elsewhere in this Prospectus.*

*Isla Lipana & Co., a Philippine member of the PwC network, has audited the relevant Audited Consolidated Financial Statements in accordance with Philippine Standards on Auditing.*

*The summary historical unaudited interim condensed consolidated statements of financial position as of September 30, 2025 and the summary historical unaudited interim condensed consolidated statements of comprehensive income and summary historical unaudited interim condensed consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024, have been derived from, and should be read in conjunction with, the Unaudited Interim Condensed Consolidated Financial Statements and, including the notes thereto, which Isla Lipana & Co., a Philippine member of the PwC network, has reviewed in accordance with the Philippine Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".*

*Potential investors should read the following data together with the more detailed information contained in the Audited Consolidated Financial Statements and related notes thereto, and the Unaudited Interim Condensed Consolidated Financial Statements and the related notes thereto, included elsewhere in this Prospectus. The following data is qualified in its entirety by reference to all of that information.*

### CONSOLIDATED STATEMENTS OF INCOME

| | For the years ended December 31, | | | For the nine (9) months ended September 30 | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| | **(Audited)** | **(Audited)** | **(Audited)** | **(Unaudited)** | **(Unaudited)** |
| | *(in millions, except earnings per share figures)* | | | | |
| | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** |
| **REVENUES** | | | | | |
| Service revenues | 157,979.3 | 162,333.5 | 165,016.3 | 124,009.4 | 121,676.5 |
| Nonservice revenues | 17,061.4 | 17,831.0 | 15,569.8 | 10,734.8 | 9,914.0 |
| | 175,040.7 | 180,164.5 | 180,586.1 | 134,744.2 | 131,590.4 |
| **INCOME (LOSSES)** | | | | | |
| Equity share in net income (losses) of associates and joint ventures | 1,083.2 | 2,214.8 | 3,897.0 | 3,663.8 | 5,382.4 |
| Interest income | 340.1 | 677.6 | 918.3 | 625.7 | 542.4 |
| Gain on disposal of property and equipment – net | 321.4 | 371.7 | 206.5 | 241.3 | 130.7 |
| Gain on sale and leaseback of telecom towers – net | 8,260.9 | 7,258.4 | 3,482.1 | 3,627.8 | 380.7 |
| Gain on sale of controlling interest on data center business | 10,511.9 | - | - | - | - |
| Other income – net | 2,474.8 | 959.9 | 1,734.9 | 1,225.7 | 3,215.8 |
| | 22,992.4 | 11,482.3 | 10,238.9 | 9,384.4 | 9,652.0 |
| **COSTS AND EXPENSES** | | | | | |
| General, selling and administrative expenses | 74,227.3 | 74,681.1 | 72,836.8 | 55,255.6 | 53,392.6 |
| Depreciation and amortization | 45,653.3 | 47,356.0 | 50,473.0 | 37,301.4 | 39,981.8 |

| | For the years ended December 31, | | | For the nine (9) months ended September 30 | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | *(in millions, except earnings per share figures)* | | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| Costs of inventories sold | 17,691.7 | 18,217.0 | 16,428.7 | 11,509.1 | 10,092.1 |
| Interconnect costs | 1,362.3 | 1,367.1 | 1,619.8 | 1,186.8 | 1,373.2 |
| Financing costs | 10,091.3 | 12,145.9 | 14,444.3 | 10,511.0 | 12,105.4 |
| Impairment and other losses | 4,906.7 | 5,464.0 | 4,691.3 | 2,965.0 | 3,137.6 |
| | 153,932.6 | 159,231.0 | 160,493.9 | 118,728.9 | 120,082.7 |
| **INCOME BEFORE INCOME TAX** | **44,100.5** | **32,415.7** | **30,331.1** | **25,399.6** | 21,159.7 |
| **PROVISIONS FOR INCOME TAX** | | | | | |
| Current | 9,696.5 | 7,853.7 | 6,919.7 | 4,896.3 | 2,705.1 |
| Deferred | (200.1) | (16.0) | (874.4) | (53.1) | 763.8 |
| | 9,496.4 | 7,837.7 | 6,045.3 | 4,843.2 | 3,468.8 |
| **NET INCOME** | **34,604.0** | **24,578.0** | **24,285.8** | **20,556.3** | 17,690.8 |
| Net Income attributable to: | | | | | |
| Equity holders of Globe | 34,563.0 | 24,512.8 | 24,304.4 | 20,575.5 | 17,692.8 |
| Non-controlling interest | 41.0 | 65.3 | (18.6) | (19.1) | (2.0) |
| | 34,604.0 | 24,578.0 | 24,285.8 | 20,556.3 | 17,690.8 |
| **EARNINGS PER SHARE**[1] | | | | | |
| Basic | ₱245.44 | ₱160.45 | ₱158.48 | ₱135.25 | ₱115.29 |
| Diluted | ₱244.25 | ₱159.74 | ₱157.83 | ₱134.59 | ₱114.72 |

*Notes:*

(1) Rounded to the nearest ₱1.00.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | As of December 31, | | | As of September 30 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) |
| | | *(in millions)* | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash and cash equivalents | 18,033.8 | 16,645.1 | 21,353.7 | 27,728.4 |
| Trade receivables – net | 23,563.4 | 18,097.9 | 19,660.5 | 17,549.0 |
| Contract assets – net | 6,891.5 | 6,223.6 | 5,443.0 | 4,648.7 |
| Inventories and supplies – net | 3,881.7 | 3,388.4 | 2,964.8 | 1,873.0 |
| Derivative assets – current | 502.3 | 516.7 | 177.2 | 385.6 |
| Prepayments and other current assets | 19,706.1 | 19,328.1 | 19,970.1 | 23,817.2 |
| Assets classified as held-for-sale | 27,948.9 | 22,724.3 | 7,648.8 | 5,985.1 |
| Total Current Assets | 100,527.7 | 86,924.1 | 77,218.0 | 81,986.9 |
| **Noncurrent Assets** | | | | |
| Property and equipment – net | 281,899.1 | 334,408.7 | 352,115.1 | 359,923.0 |
| Intangible assets and goodwill- net | 25,082.6 | 23,373.1 | 20,130.9 | 18,303.2 |
| Right of use assets – net | 37,108.1 | 69,538.8 | 90,464.5 | 96,442.4 |
| Investments in joint ventures | 52,138.0 | 55,335.7 | 59,368.9 | 66,669.9 |
| Deferred income tax assets – net | 2,228.0 | 2,280.0 | 1,971.5 | 1,869.8 |
| Derivative assets – net of current portion | 4,627.0 | 4,200.2 | 5,042.0 | 5,573.0 |
| Other noncurrent assets | 52,066.9 | 35,567.6 | 27,325.3 | 25,985.4 |
| Total Noncurrent Asset | 455,149.7 | 524,704.0 | 556,418.2 | 574,766.7 |
| **Total Assets** | **555,677.4** | **611,628.2** | **633,636.1** | 656,753.7 |
| **LIABILITIES AND EQUITY** | | | | |
| **Current Liabilities** | | | | |
| Trade payables and accrued expenses | 88,380.8 | 87,664.3 | 78,107.3 | 77,605.8 |
| Contract liabilities and deferred revenues – current | 7,576.1 | 7,154.7 | 6,049.8 | 6,154.1 |
| Loans payable – current | 46,172.0 | 36,793.0 | 26,349.8 | 22,202.5 |
| Derivative liabilities – current | 609.3 | 482.2 | 573.0 | 432.7 |
| Lease liabilities – current | 4,522.4 | 5,899.4 | 8,175.6 | 8,575.8 |
| Provisions | 2,583.5 | 2,961.0 | 3,394.0 | 4,104.5 |
| Income tax payable | 3,621.7 | 1,605.0 | 902.3 | 812.1 |
| Liabilities classified as held-for-sale | - | - | - | 552.0 |
| Total Current Liabilities | 153,465.8 | 142,559.5 | 123,551.8 | 120,439.5 |
| **Noncurrent Liabilities** | | | | |
| Loans payable – net of current portion | 187,032.6 | 213,162.6 | 223,110.1 | 231,289.0 |
| Contract liabilities and deferred revenues – net of current portion | - | 764.9 | 644.9 | 447.2 |
| Deferred income tax liabilities – net | 6,446.3 | 5,984.0 | 4,363.2 | 5,056.6 |
| Lease liabilities – non-current | 49,709.2 | 82,825.1 | 107,932.2 | 118,448.2 |
| Pension liabilities | 1,963.5 | 2,718.3 | 2,826.8 | 3,656.6 |
| Other long-term liabilities | 4,527.2 | 3,687.1 | 3,427.8 | 3,022.1 |
| Total Noncurrent Liabilities | 249,678.7 | 309,141.9 | 342,305.1 | 361,919.7 |
| **Total Liabilities** | **403,144.6** | **451,701.4** | **465,856.9** | **482,359.2** |
| **Equity** | | | | |
| Capital stock | 8,995.6 | 9,004.0 | 9,011.6 | 9,016.0 |
| Additional paid in capital | 53,944.9 | 54,268.5 | 54,568.6 | 54,862.6 |

| | As of December 31, | | | As of September 30 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) |
| | | *(in millions)* | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| Cost of share based payments | 848.9 | 802.7 | 871.7 | 877.1 |
| Capital securities | 29,977.6 | 29,977.6 | 29,977.6 | 29,977.6 |
| Other reserves | (116.3) | (1,333.3) | (2,269.6) | (2,171.7) |
| Treasury shares | (10,000.0) | (10,000.0) | (10,000.0) | (10,000.0) |
| Retained earnings | 68,539.7 | 77,149.3 | 85,588.5 | 91,783.9 |
| Equity attributable to equity holders of the Company | 152,190.3 | 159,868.9 | 167,748.4 | 174,345.5 |
| Non-controlling interests | 342.5 | 57.8 | 30.9 | 49.0 |
| Total Equity | **152,532.9** | **159,926.7** | **167,779.2** | **174,394.5** |
| **Total Liabilities and Equity** | **555,677.4** | **611,628.2** | **633,636.1** | **656,753.7** |



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## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | For the years ended December 31, | | | For the nine (9) months ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | | *(in millions)* | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| Net cash flows from (used in) operating activities | 65,155.0 | 80,446.9 | 84,781.8 | 65,563.5 | 60,711.3 |
| Net cash flows from (used in) investing activities | (73,851.3) | (54,478.6) | (30,745.4) | (14,516.1) | (24,903.9) |
| Net cash flows from (used in) financing activities | 2,203.3 | (27,558.8) | (49,461.6) | (45,299.2) | (29,130.8) |
| Net increase (decrease) in cash and cash equivalents | (6,493.0) | (1,590.5) | 4,574.8 | 5,748.2 | 6,676.6 |
| Cash and cash equivalents reclassified to assets held for sale | - | - | - | - | (349.1) |
| Net foreign exchange difference on cash and cash equivalents | 287.6 | 201.8 | 133.8 | (137.2) | 47.2 |
| Cash and cash equivalents at beginning of period | 24,239.2 | 18,033.8 | 16,645.1 | 16,645.1 | 21,353.7 |
| Cash and cash equivalents at end of period | 18,033.8 | 16,645.1 | 21,353.7 | 22,256.0 | 27,728.4 |

## OTHER FINANCIAL DATA

| | For the years ended December 31, | | | For the nine (9) months ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | | | *(in millions, except ARPU figures)* | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| Average Revenue Per Subscriber (“**ARPU**”)(1) | | | | | |
| Globe Postpaid | 839 | 855 | 914 | 901 | - |
| Prepaid | | | | | |
| Globe Prepaid | 98 | 121 | 148 | 150 | -8% |
| TM | 63 | 84 | 113 | 114 | -5% |
| Adjusted EBITDA | 79,092.0 | 81,426.7 | 86,813.7 | 64,864.7 | 64,185.5 |
| Core Net Income after Tax | 19,168.7 | 18,915.8 | 21,498.0. | 17,614.2 | 15,452.9 |

*Notes:*

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

## OVERVIEW OF THE NON-VOTING PREFERRED SHARES PROGRAM

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of the Non-Voting Preferred Shares Program, the applicable terms and conditions contained in the relevant Offer Supplement. In case of conflict between the terms below and those contained in the relevant Offer Supplement corresponding to a particular Tranche, the latter shall prevail.*

| | |
|---|---|
| **Issuer:** | Globe Telecom, Inc. |
| **The Program:** | Up to Twenty Million (20,000,000) Non-Voting Preferred Shares to be issued in one or more Tranches, which may be comprised of one or more series, at the discretion of the Issuer. |
| **Instrument:** | Cumulative, non-voting, non-participating, non-convertible, redeemable, and re-issuable Philippine Peso-denominated perpetual preferred shares with a par value of ₱50.00 per Non-Voting Preferred Share. |
| **Purpose:** | The intended use of proceeds for each Tranche of the Non-Voting Preferred Shares Program being offered shall be set in the relevant Offer Supplement under the "Use of Proceeds" section. |
| **Availability:** | The Non-Voting Preferred Shares Program will be continuously available until the expiration of the shelf registration and the permit to offer securities for sale to be issued by the SEC. |
| **Offer Price:** | To be determined by the Board of Directors of the Issuer at the time of issuance. |
| **Registration and Listing:** | The Non-Voting Preferred Shares will be registered with the SEC under a shelf registration, subject to compliance with SEC regulations. The Company may apply for the listing of the Non-Voting Preferred Shares on the Main Board of the PSE for such Series and Tranche of the Non-Voting Preferred Shares as may be determined by the Board of Directors and approved by the stockholders. |
| **Dividend Rate:** | The dividend rate for each Series of the Offer shall be set out in the relevant Offer Supplement. |
| **Conditions for the Declaration of Dividends:** | The Company has full discretion over the declaration and payment of dividends on the Offer Shares, to the extent permitted by law. The Board of Directors will not declare and pay dividends on any Dividend Payment Date where (a) payment of the Dividend would cause the Company to breach any of its financial covenants, or (b) the unrestricted retained earnings available to the Company for distribution as dividends are not sufficient to enable the Company to pay the dividends in full on all other classes of the Company's outstanding shares that are scheduled to be paid on or before any Dividend Payment Date and that have an equal right or priority to dividends as the Offer Shares.<br><br>If the unrestricted retained earnings available to distribute as dividends are, in the Board's opinion, not sufficient to enable the Issuer to pay in full on the same date both dividends on the Offer Shares and the dividends on other shares that have an equal right to dividends as the Offer Shares, the Issuer is required first, to pay in |

full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that Dividend Payment Date on any shares with a right to dividends ranking in priority to that of the Offer Shares; and second, to pay dividends on the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in profits pro rata to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrear on past cumulative dividends on any shares ranking equal in the right to dividends with the Offer Shares.

The profits available for distribution are, in general and with some adjustments, equal to the Issuer's accumulated, realized profits less accumulated, realized loss.

Dividends on the Offer Shares will be cumulative and non-participating. If for any reason the Issuer's Board does not declare a dividend on the Offer Shares for a Dividend Period, the Issuer will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Offer Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Offer Shares prior to such Dividend Payment Date.

Holders of Offer Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Offer Shares.

**Dividend Payment Dates:**

Dividends will be payable on such frequency as determined by the Board of Directors at the time of issuance (a "**Dividend Period**"), as and if declared by the Company in accordance with the terms and conditions of the Offer Shares. The Dividend Payment Dates for each Tranche or Series of the Offer Shares will be reflected in the relevant Offer Supplement.

If the Dividend Payment Date is not a Business Day, Dividends will be paid on the next succeeding Business Day, without adjustment as to the amount of dividends to be paid.

**Optional Redemption and Purchase:**

As and if declared by the Board of Directors, the Issuer has the option, but not the obligation, to redeem in whole (and not in part) any Series of the Offer Shares (having given not less than thirty (30) days' prior written notice nor more than sixty (60) days' prior written notice by publication (either in print or digital format) in two national newspapers) on:

(i) the relevant Dividend Rate Step-Up Date; or
(ii) any Dividend Payment Date thereafter.

Exercise of the Issuer's redemption option shall be completed by payment of the redemption price equal to the relevant Offer Price plus any accrued and unpaid dividends after deduction for any tax and customary transfer costs to effect the redemption (the "**Redemption Payment**"). The Redemption Payment shall be made to the holders of the Offer Shares as of the record date set by the Issuer for such redemption.

Subject to compliance with the law, the Issuer may purchase the

| | |
|---|---|
| | Offer Shares at any time at any price either through the PSE, in the open market, by public tender, or through negotiated transactions.<br><br>Holders of the Offer Shares have no right to require the Issuer to redeem the Offer Shares.<br><br>Any Offer Shares redeemed or purchased by the Issuer shall be recorded as treasury stock of the Issuer and may be re-issued in the future at such terms and at such time as the Issuer may determine.<br><br>In the event the Optional Redemption Date which the Issuer has chosen to redeem the Offer Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment to the Redemption Payment and the amount of dividends to be paid. |
| **Early Redemption Due to Occurrence of a Tax Event:** | If payments become subject to additional withholding or any new tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem in whole (and not in part) any Series of the Offer Shares, on any date (having given not more than sixty (60) nor less than thirty (30) days') at the Offer Price plus all accrued and unpaid dividends, if any. |
| **Early Redemption Due to Changes in Accounting Treatment** | If an Accounting Event occurs that will result in a change in accounting treatment of the Offer Shares, the Issuer may redeem in whole (and not in part), any Series of the Offer Shares, on any date (having given not more than sixty (60) nor less than thirty (30) days' prior written notice) at the Offer Price plus all accrued and unpaid dividends, if any.<br><br>An Accounting Event shall occur if in the opinion of Globe with due consultation with its independent auditors, at the relevant time there is a change in applicable accounting standards that result in more than an insubstantial risk that either Offer Shares or the funds raised through the issuance of the Offer Shares may no longer be recorded as "**equity**" to the full extent as at the Issue Date pursuant to PFRS Accounting Standards, or such other accounting standards, which succeed PFRS Accounting Standards, as adopted in the Philippines, applied by the Issuer for drawing up its financial statements for the relevant financial year. |
| **No Sinking Fund:** | Globe has not established and currently does not intend to establish a sinking fund for the redemption of the Offer Shares. |
| **Perpetual / No Fixed Maturity** | The Offer Shares are equity securities in the capital stock of Globe and thus have no fixed maturity or mandatory redemption date. The Offer Shares are not repayable in cash unless the Board should approve resolutions providing for the optional redemption of the Offer Shares for the cash redemption amount set out in the terms and conditions of the Offer Shares, at the sole discretion of the Board. |
| **Taxation:** | All payments in respect of the Offer Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including but not limited to, documentary stamp, issue, registration, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, Globe will pay additional amounts so that Shareholders will |

receive the full amount of the relevant payment which otherwise would have been due and payable. Provided, however, that Globe shall not be liable for:

a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Offer Shares prescribed under the Tax Code including any additional tax on such dividends imposed by changes in law, rule, or regulation;

b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Offer Shares;

c) any expanded value-added tax which may be payable by any holder of the Offer Shares on any amount to be received from the Issuer under the Offer;

d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any dividend payable to any holder of Offer Shares or any entity which is a non-resident foreign corporation; and

e) any applicable taxes on any subsequent sale or transfer of the Offer Shares by any holder of the Offer Shares which shall be for the account of such holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

Any documentary stamp tax for the recording of the Offer Shares in the name of an investor under the Offer shall be paid for by Globe. After the Issue Date, taxes generally applicable to a subsequent sale of the Offer Shares by any Offer Shareholder, including receipt by such Non-Voting Preferred Shareholder of a Redemption Payment, shall be for the account of the said Non-Voting Preferred Shareholder.

**Liquidation Rights:**

In the event of a return of capital in respect of the Issuer's winding up or otherwise (whether voluntarily or involuntarily) (but not on a redemption or purchase by the Issuer of any of its share capital), the holders of the Offer Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the Issuer's assets available for distribution to shareholders, together with the holders of any other of the Issuer's shares ranking, as regards repayment of capital, *pari passu* with the Offer Shares and before any distribution of assets is made to holders of any class of the Issuer's shares ranking junior to the Offer Shares as regards repayment of capital, liquidating distributions at the Offer Price plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then-current Dividend Period to (and including) the date of commencement of the Issuer's winding up or the date of any such other return of capital, as the case may be. If, upon any return of capital in the Issuer's winding up, the amount payable with respect to the Offer Shares and any other of the Issuer's shares ranking as to any such distribution *pari passu* with the Offer Shares are not paid in full, the holders of the Offer Shares and of such other shares will share ratably in any such distribution of the Issuer's assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Offer Shares will have no right or claim to any of the Issuer's remaining assets and will not be entitled to any further participation or return of capital in a winding up.

**Non-convertible:** The Offer Shares shall not be convertible into Issuer's common shares, other preferred shares, whether voting or non-voting or any other classes of shares that the Issuer may issue now or in the future.

**Non-voting:** Under the Amended Articles of Incorporation, the holders of the Offer Shares shall have no voting rights except as specifically provided by law. Thus, holders of the Offer Shares shall not be eligible, for example, to vote for or elect the Company's Directors or to vote for or against the issuance of a stock dividend.

Holders of the Offer Shares, however, may vote on matters which the Revised Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the Amended Articles of Incorporation

Please refer to the section on ***Description of the Securities*** in this Prospectus.

**Form, Title and Registration of the Non-Voting Preferred Shares:** The Non-Voting Preferred Shares as may be listed with the PSE are recorded in scripless form through the electronic book entry system of Stock Transfer Service, Inc. as Registrar for the Offer, and will be lodged with the Philippine Depository & Trust Corp. ("**PDTC**") as Depository Agent on the relevant Issue Date through PSE Trading Participants nominated by the accepted Applicants. For this purpose, Applicants shall indicate in the proper space provided for in the Application to Purchase Form the name of the PSE Trading Participant under whose name their Offer Shares will be registered.

After Issue Date, Non-Voting Preferred Shareholders may request the Registrar, through their nominated PSE Trading Participant, to issue stock certificates evidencing their investment in Offer Shares. Any expense that will be incurred in relation to such registration or issuance shall be for the account of the requesting Non-Voting Preferred Shareholder.

Legal title to the Offer Shares listed with the PSE will be shown in an electronic register of shareholders (the "**Registry of Shareholders**") which shall be maintained by the Registrar. The Registrar shall send a transaction confirmation advice confirming every receipt or transfer of the Offer Shares that is effected in the Registry of Shareholders (at the cost of the requesting Non-Voting Preferred Shareholder). Any request by Non-Voting Preferred Shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Non-Voting Preferred Shareholder.

**Status of the Offer Shares in the Distribution of Assets in the Event of Dissolution:** The Offer Shares will constitute the direct and unsecured subordinated obligations of Globe ranking at least *pari passu* in all respects and ratably without preference or priority among themselves with all other Offer Shares issued by Globe.

**Creation of Additional Non-Voting** The Company is at liberty from time to time without the consent of

| | |
|---|---|
| **Preferred Shares** | holders of the Offer Shares to issue additional Non-Voting Preferred Shares or securities either (a) ranking at least *pari passu* in all respects with the Offer Shares, or (b) upon such terms as to ranking, distributions, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. The creation of additional Non-Voting Preferred Shares may require the consent of such holders if an amendment to the Issuer's Articles of Incorporation is necessary for such creation. |
| **Selling and Transfer Restrictions:** | Initial placement of the Offer Shares and subsequent transfers of interests in the Offer Shares shall be subject to applicable selling restrictions and registration requirements for equity securities as may prevail in the Philippines from time to time. |
| **Title and Transfer:** | Legal title to the Offer Shares shall pass by endorsement and delivery to the transferee and registration in the Registry of Non-Voting Preferred Shareholders to be maintained by the Registrar. Settlement of the Non-Voting Preferred Shares as may be listed with the PSE in respect of such transfer or change of title to the Offer Shares, including the settlement of documentary stamp taxes, if any, arising from subsequent transfers, shall be similar to the transfer of title and settlement procedures for listed securities in the PSE. |
| **Governing Law:** | The Offer Shares will be issued pursuant to, and the terms and conditions of the Offer Shares will be governed by, the laws of the Republic of the Philippines. |
| **Eligible Investors:** | The Offer Shares may be owned or subscribed to by any (a) natural person of legal age who is a resident of the Philippines, regardless of nationality; or (b) a corporation, partnership, association, trust account, fund or entity, that is a resident in and organized under the laws of the Philippines and/or licensed to do business in the Philippines, regardless of nationality, provided that at any time, at least 60% of the outstanding capital stock of Globe shall be owned by citizens of the Philippines or by partnerships, associations or corporations at least 60% of whose voting stock or voting power is owned and controlled by citizens of the Philippines. In addition, under certain circumstances Globe may reject an Application to Purchase or reduce the number of First Tranche Shares applied for subscription or purchase.<br><br>Subscription to the Offer Shares may be restricted by law or in certain jurisdictions. Foreign investors interested in subscribing to or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares. |
| **Registration of Foreign Investments:** | The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the domestic banking system. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. |

## DESCRIPTION OF THE SECURITIES

*The following are general information relating to the Company's capital stock and does not purport to be a complete listing of all the features, rights, obligations, or privileges of the Offer Shares, and is qualified in its entirety by reference to applicable provisions of the Company's Amended Articles of Incorporation and Amended By-laws, as well as the Receiving Paying Agency and Registry Agreement. Some rights, obligations, or privileges may be further limited or restricted by other documents.*

### GLOBE'S SHARE CAPITAL

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in the Amended Articles of Incorporation and the Amended By-laws of the Corporation.

On August 5, 2025, the Board approved and authorized to offer and issue or re-issue up to 20,000,000 non-voting preferred shares with a value of ₱50.00 per share in one or more tranches or one or more series per tranche. The Board delegated to its Finance Committee the authority to determine and fix the number of shares per series, the offer price, the dividend rate, the pertinent rights, preferences, redeemability, limitations, and such other features of the first tranche shares. The non-voting preferred shares will be re-issued from the previously issued and redeemed (not currently outstanding) preferred shares in the Company's treasury stock.

On November 5, 2025, the Finance Committee of the Board, approved and authorized the proposed public offer, issuance and listing of up to ₱15,000,000,000.00 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 ₱50.00 per share (the "**Base Offer Shares**"), with an oversubscription option of up to ₱10,000,000,000.00 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 ₱2,000.00 per First Tranche Share (the "Offer Price") as the first tranche of the Non-Voting Preferred Shares Program.

As of September 30, 2025, the Company had an authorized capital stock consisting of (a) 168,934,373 common shares with a par value of ₱50.00 per share, of which 144,468,524 were issued and outstanding; (b) 160,000,000 voting preferred shares with a par value of ₱5.00 per share, of which 158,515,021 were issued and outstanding, and (c) 40,000,000 Non-Voting Preferred with a par value of ₱50.00 per share, of which none were outstanding. The Company has 20,000,000 Non-Voting Preferred Shares, held in treasury. The overall rights and privileges of the holders of the Offer Shares are not identical with the rights and privileges of holders of existing common and voting preferred shares of the Company.

After the Offer, following the full exercise of the Oversubscription Option, the Company will have (a) [144,468,524] of 168,934,373 authorized common shares, (b) [158,515,021] of [160,000,000] authorized voting preferred shares, and (c) [12,500,000] of 40,000,000 authorized non-voting preferred shares, issued and outstanding. The Company will have [7,500,000] Non-Voting Preferred Shares, held in treasury.

### THE OFFER SHARES

#### General Features

Under the amended Articles of Incorporation, Non-Voting Preferred Shares have the following features, rights and privileges:

1. Par value of ₱50.00 per share;
2. The Board shall determine the following at the time of issuance:
    a. Dividend rate, which may be fixed or variable;
    b. Cumulation or non-cumulation of dividends, the date or dates of cumulation or accrual. Dividends shall be deemed to be cumulative from date of issue unless otherwise specified in the resolution creating such series;
    c. Conditions and restrictions, if any, on the payment of dividends;
3. Non-participating;

4. No voting rights except on all corporate matters where the law grants such voting rights;
5. Preference over holders of common stock and equally with the Voting Preferred Shares in the distribution of corporate assets in the event of dissolution and liquidation of the Company.
6. The Board shall prescribe the amount which shares of such series shall be entitled to receive in the event of any liquidation, dissolution, or winding up of the Corporation, which shall not exceed the consideration received therefore plus accrued and unpaid dividends thereon nor be less than the par value thereof;
7. Redeemable at the option of the Company under such terms and price(s) as the Board may approve at the time of the issuance, which price may not be less than the par value thereof plus accrued dividends;
8. Re-issuable when partially or fully redeemed;
9. No pre-emptive rights over any sale or issuance of any share in the Corporation's capital stock;
10. May be owned or subscribed by or transferred to any person, partnership, association, or corporation regardless of nationality, provided, that, at anytime, at least 60% of the outstanding capital stock of the Corporation shall be owned by citizens of the Philippines or by partnerships, associations, entities, or corporations 60% of the capital stock of which is owned and controlled by citizens of the Philippines or as may be required for the Corporation to comply with applicable nationality restrictions prescribed by law; and
11. The overall rights and privileges of the holders of the Offer Shares are not identical with the rights and privileges of holders of the existing common and voting preferred shares of the Company.

**Features Specific or Particular to the Offer Shares**

The following are certain features specific or particular to the Offer Shares.

*In General: No Voting Rights*

Under the Amended Articles of Incorporation, the holders of the Offer Shares shall have no voting rights except as specifically provided by law. Thus, holders of the Offer Shares shall not be eligible, for example, to vote for or elect the Company's Directors or to vote for or against the issuance of a stock dividend.

Holders of the Offer Shares, however, may vote on matters which the Revised Corporation Code considers significant corporate acts that may be implemented only with the approval of shareholders, including those holding shares denominated as non-voting in the Amended Articles of Incorporation. These acts, which require the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the Company in a meeting duly called for the purpose, are as follows:

1. Amendment of the Articles of Incorporation (including any increase or decrease in capital stock);
2. Amendment of the Company's By-laws;
3. Sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of the Company's assets;
4. Incurring, creating or increasing bonded indebtedness;
5. Increase or decrease of capital stock;
6. Merger or consolidation of the Company with another corporation or corporations;
7. Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized; and
8. Dissolution of the Company.

*Perpetual*

The Offer Shares are equity securities in the capital stock of Globe and thus have no fixed maturity or mandatory redemption date. The Offer Shares are not repayable in cash unless the Board should approve resolutions providing for the optional redemption of the Offer Shares for the cash redemption amount set out in the terms and conditions of the Offer Shares, at the sole discretion of the Board. Furthermore, holders of the Offer Shares have no right to require the Issuer to redeem the Offer Shares.

*Dividend Policy in Respect of the Offer Shares*

The declaration and payment of dividends on each Dividend Payment Date will be subject to the sole and absolute discretion of the Board to the extent permitted by law. The dividend rate for each Series of the Offer shall be set out in the relevant Offer Supplement.

*Please refer to the section on "Dividends and Dividend Policy" in this Prospectus for a description of Globe's dividend policy.*

The Board will not declare and pay dividends on any Dividend Payment Date where (a) payment of the dividend would cause the Issuer to breach any of its financial covenants or (b) the profits available to the Issuer to distribute as dividends are not sufficient to enable the Issuer to pay in full both the dividends on the Offer Shares and the dividends on all other classes of the Issuer's shares that are scheduled to be paid on or before the same date as the dividends on the Offer Shares and that have an equal right to dividends as the Offer Shares.

If the unrestricted retained earnings available to distribute as dividends are, in the Board's opinion, not sufficient to enable the Issuer to pay in full on the same date both dividends on the Offer Shares and the dividends on other shares that have an equal right to dividends as the Offer Shares, the Issuer is required first, to pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that Dividend Payment Date on any shares with a right to dividends ranking in priority to that of the Offer Shares; and second, to pay dividends on the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in profits pro rata to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrear on past cumulative dividends on any shares ranking equal in the right to dividends with the Offer Shares.

The profits available for distribution are, in general and with some adjustments, equal to the Issuer's accumulated, realized profits less accumulated, realized loss. In general, under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purposes and which are free for distribution to the shareholders as dividends.

Dividends on the Offer Shares will be cumulative and non-participating. If for any reason the Issuer's Board does not declare a dividend on the Offer Shares for a Dividend Period, the Issuer will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which dividends are declared, holders of the Offer Shares must receive the dividends due them on such Dividend Payment Date as well as all dividends accrued and unpaid to the holders of the Offer Shares prior to such Dividend Payment Date.

Holders of Offer Shares shall not be entitled to participate in any other or further dividends beyond the dividends specifically payable on the Offer Shares.

*Optional Redemption of the Offer Shares*

As and if declared by the Board, the Issuer has the option, but not the obligation, to redeem in whole (and not in part) any Series of the Offer Shares (having given not less than thirty (30) days' prior written notice nor more than sixty (60) days' prior written notice by publication (either in print or digital format) in two national newspapers) on (i) the Dividend Rate Step-Up Date; or (ii) on any Dividend Payment Date thereafter.

Exercise of the Issuer's redemption option shall be completed by payment of the redemption price equal to the relevant Offer Price plus any accrued and unpaid dividends after deduction for any tax and customary transfer costs to effect the redemption (the "**Redemption Payment**"). The Redemption Payment shall be made to holders of the Offer Shares as of the record date set by the Issuer for such redemption. The Issuer has not established, and currently has no plans to establish, a sinking fund for the redemption of the Offer Shares.

In the event the date upon which the Issuer has chosen to redeem the Offer Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment to the Redemption Payment and the amount of dividends to be paid.

Subject to compliance with the law, the Issuer may purchase the Offer Shares at any time and at any price through the PSE, in the open market, by public tender, or through negotiated transactions.

Holders of the Offer Shares have no right to require the Issuer to redeem the Offer Shares.

Any Offer Shares redeemed or purchased by the Issuer shall be recorded as treasury stock of the Issuer and may be re-issued in the future at such terms and at such time as the Issuer may determine.

The Issuer shall give not less than thirty (30) days' prior written notice nor more than sixty (60) days' prior written notice by publication in two national newspapers of its intention to redeem the Offer Shares, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Offer Shares at the Redemption Date stated in such notice.

In the event an Optional Redemption Date which the Issuer has chosen as the date to redeem the Offer Shares falls on a day that is not a Business Day, the redemption shall be made on the next succeeding day that is a Business Day, without adjustment as to the Redemption Payment and the amount of dividends to be paid.

*Early Redemption Due to Taxation*

If payments become subject to additional withholding or any new tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem in whole (and not in part) any Series of the Offer Shares, on any date (having given not more than sixty (60) nor less than thirty (30) days' prior written notice by publication in two national newspapers) at the Offer Price plus all accrued and unpaid dividends, if any.

*Early Redemption Due to an Accounting Event*

If an Accounting Event occurs that will result in a change in accounting treatment of the Offer Shares, the Issuer may redeem in whole (and not in part), any Series of the Offer Shares, on any date (having given not more than sixty (60) nor less than thirty (30) days' prior written notice) at the Offer Price plus all accrued and unpaid dividends, if any.

An Accounting Event shall occur if in the opinion of Globe with due consultation with its independent auditors, at the relevant time there is a change in applicable accounting standards that result in more than an insubstantial risk that either Offer Shares or the funds raised through the issuance of the Offer Shares may no longer be recorded as "**equity**" to the full extent as at the Issue Date pursuant to PFRS Accounting Standards, or such other accounting standards, which succeed PFRS Accounting Standards, as adopted in the Philippines, applied by the Issuer for drawing up its financial statements for the relevant financial year.

*Liquidation Rights in Respect of the Offer Shares*

The Offer Shares will constitute direct and unsecured subordinated obligations of the Issuer ranking at least *pari passu* in all respects and ratably without preference or priority among themselves with all other non-voting preferred shares issued by the Issuer.

In the event of a return of capital in respect of the Issuer's winding up or otherwise (whether voluntarily or involuntarily) (but not on a redemption or purchase by the Issuer of any of its share capital), the holders of the Offer Shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the Issuer's assets available for distribution to shareholders, together with the holders of any other of the Issuer's shares ranking, as regards repayment of capital, *pari passu* with the Offer Shares and before any distribution of assets is made to holders of any class of the Issuer's shares ranking junior at the Offer Price plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period and any accrued and unpaid dividends for the then current Dividend Period to (and including) the date of commencement of the Issuer's winding up or the date of any such other return of capital, as the case may be. If, upon any return of capital in the Issuer's winding up, the amount payable with respect to the Offer Shares and any other of the Issuer's shares ranking as to any such distribution *pari passu* with the Offer Shares are not paid in full, the holders of the Offer Shares and of such other shares will share ratably in any such distribution of the Issuer's assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Offer Shares will have no right or claim to any of the Issuer's remaining assets and will not be entitled to any further participation or return of capital in a winding up.

*Payments vis-à-vis Offer Shares*

All payments in respect of the Offer Shares are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including but not limited to, stamp, issue, registration, documentary, value added or any similar tax or other taxes and duties, including interest and penalties. If such taxes or duties are imposed, the Issuer will pay additional amounts so that holders of the Offer Shares will receive the full amount of the relevant payment which otherwise would have been due and payable. Provided, however, that the Issuer shall not be liable for: (a) any withholding tax applicable on dividends earned or on any amounts payable to the holders of the Offer Shares prescribed under the Tax Code the withholding tax applicable on dividends earned or on any amounts payable to the holders on the Offer Shares prescribed under the Tax Code including any additional tax on such dividends imposed by changes in law, rule, or regulation, (b) any income tax (whether or not subject to withholding); percentage tax (such as stock transaction tax), documentary stamp tax or other applicable taxes on the redemption (or receipt of the redemption price) of the Offer Shares or any liquidating distributions as may be received by a holder of the Offer Shares, (c) any expanded value added tax which may be payable by any holder of the Offer Shares on any amount to be received from the Offer, (d) any withholding tax, including any additional tax imposed by change in law, rules, or regulation, on any amount payable to any holder of the Offer Shares or any entity which is a non-resident foreign corporation, and (e) any applicable taxes on any subsequent sale or transfer of the Offer Shares by any holder of the Offer Shares which shall be for the account of such holder (or the buyer in case such buyer shall have agreed to be responsible for the payment of such taxes).

Any documentary stamp tax for the recording of the Offer Shares in the name of an investor under the Offer shall be paid for by Globe. After the Issue Date, taxes generally applicable to a subsequent sale of the Offer Shares by any Offer shareholder, including receipt by such Non-Voting Preferred Shareholder of a Redemption Payment, shall be for the account of the said Non-Voting Preferred Shareholder.

*No Pre-emptive Rights*

The Amended Articles of Incorporation currently deny pre-emptive rights to holders of Voting Preferred Shares and Non-Voting Preferred Shares. However, shareholders representing at least two-thirds (2/3) of the Company's issued and outstanding capital stock voting at a shareholders' meeting duly called for the purpose may amend the Amended Articles of Incorporation to grant pre-emptive rights to subscribe to a particular issue or other disposition of shares from Globe's capital.

*Transfer of Shares and Share Register*

The Offer Shares will be re-issued in scripless form.

Legal title to the Offer Shares will be shown in the Registry of Shareholders which shall be maintained by the Registrar. The Registrar shall send (at the cost of the Issuer) at least once every quarter a Statement of Account to all shareholders named in the Registry of Shareholders confirming the number of Offer Shares held by each shareholder on record in the Registry of Shareholders. Such Statement of Account shall serve as evidence of ownership of the relevant shareholder as of a given date thereof. Any request by shareholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting shareholder.

Initial placement of the Offer Shares and subsequent transfers of interests in the Offer Shares shall be subject to normal Philippine selling restrictions for listed securities as may prevail from time to time.

After the Issue Date, shareholders of the Offer Shares may apply with PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC shall implement its procedure of upliftment under which PCD Nominee and will transfer back to the shareholder the legal title to the Offer Shares lodged. The shareholder who requested the upliftment shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the Offer Shares lodged under the name of the PCD Nominee. The Stock Transfer Agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are on the account of the shareholder who requested the upliftment.

Upon the issuance of stock certificates for the Offer Shares in the name of the shareholder applying for upliftment, such Offer Shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such Offer Shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the Offer Shares into certificated securities will be charged to the shareholder who requested the upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of shareholder whose Offer Shares are the subject of an upliftment shall have been issued by the Stock Transfer Agent.

Philippine law does not require transfers of the Offer Shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax and documentary stamp tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. See "***Philippine Taxation***". All transfers of shares on the PSE must be effected through a licensed stock broker in the Philippines.

*Not Convertible into Common Shares*

The Offer Shares shall not be convertible into Globe's common shares.

**Other Rights and Incidents Relating to the Offer Shares**

The following are other rights and incidents relating to the Offer Shares, which may also apply to other classes of Globe's stock.

*Restrictions on Foreign Ownership of Globe's Shares by Non-Philippine Nationals*

The Philippine Constitution and related statutes set forth restrictions on foreign ownership of companies that own land in the Philippines. Under Philippine law, no more than 40% of the capital of corporations holding land may be owned by non-Philippine nationals. Globe currently owns parcels of land and as such, is subject to the 40% foreign ownership limitations for land ownership. Accordingly, the Company cannot allow the issuance or the transfer of its shares which may result in the Company ceasing to be at least 60% owned by Philippine Nationals. In the event that Globe ceases to own land, the foreign ownership limitation in Globe shall not be subject to any foreign ownership limitation.

R.A. No. 11659, which took effect on April 9, 2022 classified telecommunications as "critical infrastructure." As a critical infrastructure, foreign nationals, whether natural or juridical, may own more than 50% of the capital stock of Globe provided that the country of such foreign national accords reciprocity to Philippine nationals as may be provided by foreign law, treaty, or international agreement. In the absence of reciprocity, foreign nationals of such country are only allowed to hold up to 50% of the capital of critical infrastructure. Further, foreign state-owned enterprises may not make any new or additional investments in the capital of critical infrastructure.

Accordingly, the Offer Shares and Globe's other shares may be owned or subscribed by or transferred to any person, partnership, association or corporation regardless of nationality, provided that at any time at least 60% of both the Company's total outstanding shares of stock, whether or not entitled to vote, and (ii) the Company's total outstanding shares of stock entitled to vote in the election of directors, shall be owned by citizens of the Philippines or by partnerships, associations or corporations 60% of the voting stock or voting power of which is owned and controlled by citizens of the Philippines in accordance with SEC Memorandum Circular No. 8, Series of 2013. (*See Regulatory and Environmental Matters—Nationality Restrictions)*

The Company, through its Corporate Secretary, is mandated to monitor compliance with these foreign ownership restrictions on a continuing basis.

*Directors*

Unless otherwise provided by law or the Company's Amended Articles of Incorporation, the Company's corporate powers are exercised, its business is conducted, and its property is controlled by the Board. Globe has eleven (11) Directors who are elected by holders of shares entitled to voting rights under the Company's Amended Articles of Incorporation during each annual meeting of the shareholders for a term of one year. As mentioned, holders of Offer Shares are not entitled to vote for and elect the Company's Directors.

Globe's Amended By-laws currently disqualify or deem ineligible for nomination or election to the Board any person who is engaged in any business which competes with or is antagonistic to that of the Company. Without limiting the generality of the foregoing, a person shall be deemed so engaged:

(a) If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any corporation (other than one in which the Company owns at least 30% of the capital stock) engaged in a business which the Board, by at least three-fourths vote, determines to be competitive or antagonistic to that of the Company;

(b) If he is an officer, manager, controlling person of, or the owner (either of record or beneficially of 10% or more of any outstanding class of shares of any other corporation or entity engaged in any line of business of the Company, when in the judgment of the Board, by at least three-fourths vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board); and

(c) If the Board, in the exercise of its judgment in good faith, determines by at least three-fourths vote that he is the nominee of any person set forth in (a) or (b).

In determining whether or not a person is a controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relations.

The Company conforms to the requirement to have such number of independent directors as may be required by laws, rules, and regulations. As of the date of this Prospectus, the Company's independent directors are [Cirilo P. Noel, Natividad N. Alejo, Ramon L. Jocson, and Antonio Jose U. Periquet, Jr.]

Directors may only act collectively. Two-thirds (2/3) of the number of Directors as fixed in the Amended Articles of Incorporation constitute a quorum for the transaction of corporate business, except for the election of officers, which shall require the presence of all directors. Every decision of a majority of the quorum duly assembled as a board is valid as a corporate act. Any vacancy created by the death or resignation of a Director prior to expiration of his term may be filled by the remaining members of the Board, if still constituting a quorum. Any such vacancy may also be filled by the shareholders entitled to vote at any meeting or adjourned meeting held during such vacancy, provided that the notice of the meeting mentions such vacancy or expected vacancy. The director so elected shall be referred to as replacement director and act as a member of the said Board only for the unexpired term of his predecessor.

*Derivative Suit and Appraisal Rights*

Philippine law recognizes the right of a shareholder to institute, under certain circumstances, proceedings on behalf of the corporation in a derivative action in circumstances where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the corporation or to vindicate corporate rights, as for example, where the directors themselves are the malefactors.

In addition, the Revised Corporation Code grants a shareholder a right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

(a) an amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence;

(b) the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;

(c) the investment of corporate funds in another corporation or business or for any purpose other than the primary purpose for which the corporation was organized; and

(d) a merger or consolidation.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default of agreement, is determined by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. The SEC will, in the event of a dispute, determine any question about whether a dissenting shareholder is entitled to this right of appraisal. The dissenting stockholder will be paid if the corporate action in question is implemented and the corporation has unrestricted retained earnings sufficient to support the purchase of the shares of the dissenting shareholders.

*Shareholders' Meeting*

At the annual meeting or at any special meeting of the Company's shareholders, the latter may be asked to approve actions requiring shareholder approval under Philippine law. Shareholders' meetings may be held in a fully virtual format, subject to applicable laws, rules and regulations of the SEC unless shareholders holding at least ten percent (10%) of the outstanding capital stock ask for a physical meeting.

*Quorum*

The Revised Corporation Code provides that, except in instances where the assent of shareholders representing two-thirds (2/3) of the outstanding capital stock is required to approve a corporate act (usually involving the significant corporate acts where even non-voting shares may vote, as identified above) or where the Amended By-laws provide otherwise, a quorum for a meeting of shareholders will exist if shareholders representing a majority of the capital stock are present in person or by proxy, by remote communication, or by electronically voting *in absentia*.

Under the Corporation's By-laws, regular meetings and duly called special meetings shall be constituted to pass resolutions provided over one-half of the stock is present or represented except in cases where the applicable law requires a greater number. For the election of directors, it is necessary that the majority of the outstanding capital stock be present or represented. Stockholders participating in person. by proxy through remote communication or in absentia, electronically or otherwise shall be counted in determining the existence of a quorum.

*Voting*

At each shareholders' meeting, each shareholder shall be entitled to vote, as applicable, in person, or by proxy, or electronically *in absentia,* all shares held by him which have voting power, upon any matter duly raised in such meeting.

The Company's Amended By-laws provide that proxies shall be in writing and signed and in accordance with the existing laws, rules and regulations of the SEC. Duly accomplished proxies must be submitted to the office of the Corporate Secretary not later than seven business days prior to the date of the stockholders' meeting. Validation of proxies shall be conducted by the Proxy Validation Committee at least five business days prior to the date of the stockholders' meeting.

*Fixing Record Dates*

The Board has the authority to fix in advance the record date for shareholders entitled: (a) to notice of, to vote at any shareholders' meeting; (b) to receive payment of dividends or other distributions or allotment of any rights; or (c) to exercise any rights in respect of any change, conversion or exchange of stock, or (d) for any lawful action or for making any other proper determination of shareholders' rights, provided that the stock and transfer book will be closed at least twenty (20) days for regular meetings and seven (7) days for special meetings, before the scheduled date of the meeting.

*Issues of Shares*

Subject to applicable limitations, the Company may issue additional shares to any person for consideration deemed fair by the Board, provided that such consideration shall not be less than the par value of the issued shares.

*Mandatory Tender Offers*

Under the Securities Regulation Code and its implementing rules, subject to certain exceptions:

(a) Any person or group of persons acting in concert, who intends to acquire 35% or more of equity shares in a public company shall disclose such intention and contemporaneously make a tender offer for the percent sought to all holders of such class. In the event that the tender offer is oversubscribed, the aggregate amount of securities to be acquired at the close of such tender offer shall be proportionately distributed across both selling shareholder with whom the acquirer may have been in private negotiations and minority shareholders.

(b) Any person or group of persons acting in concert, who intends to acquire 35% or more of equity shares in a public company in one or more transactions within a period of twelve (12) months, shall be required to make a tender offer to all holders of such class for the number of shares so acquired within the said period.

(c) If any acquisition of even less than 35% would result in ownership of over 51% of the total outstanding equity securities of a public company, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining stockholders of the said company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party.

The acquirer in such a tender offer shall be required to accept any and all securities thus tendered.

*Accounting and Auditing Requirements / Rights of Inspection*

Philippine stock corporations are required to file copies of their annual financial statements with the SEC and the BIR. Corporations whose shares are listed on the PSE are also required to file quarterly and annual reports with the SEC and the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a balance sheet as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year. This report is required to include audited financial statements.

*Notice to the Shareholders of the Offer Shares*

Notices to the shareholders of the Offer Shares shall be sent by electronic transmission. Electronic transmission means the delivery or transfer of documents data or information by electronic mail to the electronic address of the stockholders registered in the books of the Corporation, posting in the PSE, posting in the Corporation's website (in the subsections for stockholders' meetings or disclosures of the Governance section), or such other recognized means of electronic transfer of data or information.

# RISK FACTORS

*An investment in the Offer described in this Prospectus and the Offer Supplement involves a number of risks. This Prospectus contains forward-looking statements that involve risks and uncertainties. The Group adopts what it considers conservative financial and operational controls and policies to manage its business risks. The Group's actual results may differ significantly from the results discussed in the forward-looking statements. See section "**Forward-Looking Statements**" of this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of the Group, in particular, and those that pertain to the over-all political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below.*

*Investors should carefully consider all the information contained in this Prospectus and the Offer Supplement, including the risk factors described below, before deciding to invest in the Offer Shares. This section entitled "Risk Factors" does not purport to disclose all of the risks or other significant aspects of investing in the Offer Shares. An investor should undertake its/his/her own research and study on the trading of securities before commencing any trading activity. Investors may request information on the securities and the Issuer thereof from the SEC and the PSE, which are available to the public. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and on the Offer Shares and the investors may lose all or part of their investment. Investors may request publicly available information on the Offer Shares and the Company from the SEC and PSE.*

*An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the Offer or the nature of risks involved in purchasing, holding and trading the Offer Shares. Each investor should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the Offer Shares.*

*The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.*

**General Risk Factors**

- *The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.*
- *Past performance is not a guide to future performance. There may be a considerable difference between the buying price and the selling price of these securities.*
- *An investor deals in a range of investments, each of which may carry a different level of risk.*

**Risks Relating to the Group's Business**

***The telecommunications industry in the Philippines is highly competitive.***

Competition remains intense but rational in the Philippine telecommunications industry amidst a maturing mobile market and high growth data business, as current operators seek to increase market share with aggressive offerings while potential new entrants continue to further heighten the competitive dynamics. The Philippine telecommunications industry can be split into two major lines of business, Mobile Telephony and Fixed Line Services. The Mobile Industry is a three-player market with the third telecommunications company, Dito Telecommunity Corporation ("**Dito**") (owned by DITO CME Holdings Corporation, Chelsea Logistics and Infrastructure Holdings Corp. and China Telecommunications Corporation), which commenced commercial operations in March 2021. The PLDT Group, composed of PLDT Inc ("**PLDT**"), Smart Communications, Inc. ("**Smart**") and Digitel Telecommunications Philippines, Inc. ("**Digitel**"), continues to be the Group's principal competitor in this space. The Fixed Line Industry, comprising the Broadband and Corporate Data businesses, is predominantly a three-player market with PLDT and Converge Information and Communications Technology Solutions, Inc. ("**Converge**") as the Group's major competitors.

In November 2018, the Department of Information and Communications Technology ("**DICT**") and the National Telecommunications Commission ("**NTC"**) approved the entry of Dito as a new major telecommunications player. In July 2019, Dito was given its permit to operate in the Philippines. Dito's commercial operations commenced in March 2021. Based on news reports as of December 31, 2024, Dito has a total of approximately 13.7 million subscribers. To date, Dito has claimed, behind the continued expansion of its network and distribution footprint and coverage, it is seeking to double its subscriber base in 2022.

In October 2020, Converge, a joint venture between Comclark Network and Technology Corp. and Coherent Cloud Investments B.V. (the funds of which are ultimately managed by affiliates of Warburg Pincus LLC), listed its shares in the PSE. Converge's entry into the public space coincided with the significant increase in demand for fiber connectivity as the country continues adjusting to working, learning and entertaining from home. As a result, Converge posted a 69% increase in its topline and 111% increase in its bottom-line for the year ended December 31, 2024.

In February 2023, it was reported in local and social media that satellite internet service Starlink is now available in the Philippines. While Starlink is not expected to compete in terms of pricing with existing telecommunications providers in the Philippines, and instead focus on underserved areas, there is no assurance that such technology would not be more widely adapted in the Philippines, or that Starlink be allowed to offer products that compete with existing offerings of telecommunication providers. The entry of Starlink may also disincentivize the potential geographical expansion of existing telecommunication providers into more remote areas of the Philippines

R.A. No. 11659 explicitly provides that its provisions restricting foreign government or state-owned enterprise from owning capital in companies such as Globe that provide critical infrastructure in the Philippines will be implemented prospectively and will not affect investments made prior to its effectivity, consistent with the non-impairment clause of the Philippine Constitution. R.A. No. 11659 also provides that sovereign wealth funds and independent pension funds may collectively own up to 30% of the capital of a public service company, such as Globe. In addition, R.A. No. 11659 prohibits foreign nationals from owning more than 50% of capital in the operation and management of critical infrastructure (including Globe) unless the foreign nationals' home countries accord reciprocity to Philippine nationals. In addition, the President of the Philippines may, in the interest of national security, suspend or prohibit any proposed merger or acquisition or any investment in a public service company such as Globe, that effectively grants control to a foreign person. (*See Regulatory and Environmental Matters—Nationality Restrictions)*

The competitiveness of the industry is further underlined by cheap alternatives to communication such as instant messaging, social network services and voice over internet protocol. These alternatives are also driven by the proliferation of affordable smartphones and internet-capable mobile devices. The Group's ability to adequately address competition may impact its business, revenues, and net income.

Further, it is essential for the Group to maintain a favorable reputation among its customers in order to compete in the highly competitive telecommunications industry. Any inability of the Group to predict and respond to the changing needs and demands of its customers will affect its competitive position relative to other telecommunications companies, and its ability to capture value from the digital transformation process. In addition, any failure by the Group to maintain a favorable perception among its customers could have an adverse effect on its business, financial condition, results of operations or cash flows.

To manage these risks, the Group intends to implement strategies in the near-term including optimizing its network rollout, increasing household penetration and improving customer experience, developing new information and communications technology capabilities. See "*Business—Strategies*" for details of the key elements of the Group's strategy for growth and expansion. See also "*Business—Strengths*" for details of the Group's principal competitive strengths.

***The Group's business is regulated by Government agencies that continuously evolve and whose directives are subject to interpretation and inconsistent application***

The Group is regulated by the NTC, an attached agency of the DICT, for its telecommunications business, and by the SEC for other aspects of its business. In addition, the Philippine Competition Commission (the "**PCC**") has oversight of the Group's potential 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.

The Group business is regulated by Government agencies that continuously evolve and whose directives, while dynamic, are ultimately clarified through the Supreme Court of the Philippines—the final arbiter of differences in interpretation—ensuring certainty and consistency in regulatory application.

Last August 2025, the Konektadong Pinoy Act ("**KPA**") lapsed into law. The KPA introduces significant changes to the regulatory landscape for telecommunications and data transmission, including lowering the barriers for new entrants to data transmission business, which may intensify competition in the telecommunications sector and create regulatory uncertainty, particularly during the transition period as agencies finalize implementing rules. As of the date of this Prospectus, the KPA's implementing rules and regulations is awaiting publication in the Official Gazette or a newspaper of general circulation. It will take effect 15 days from publication. A detailed discussion on the Konektadong Pinoy Law can be found in the section on *Regulatory and Environmental Matters - Telecommunications Laws* in this Prospectus.

Changes in regulations or Government policies or differing interpretations of such regulations or policies have affected, and will continue to affect the Group's business, financial condition and results of operation. While the Group closely monitors such changes and legal developments, no assurance can be given that the regulatory environment in the Philippines will remain consistent or open. Current or future policies may affect the business and operations of the Group.See "*Business—Strengths—Market leader and preferred telecommunications provider in the Philippines*", "*Business—Strengths—Track record of resilient and profitable growth*", "*Business—Strengths—Offers innovative service offerings to cater to the emerging needs of customers and drive further growth*", "*Business—Strengths—Experienced management team with strong execution track record and backed by reputable shareholders*", and "*Business—Strengths—Commitment to Environment, Sustainability and Governance ("**ESG**") Initiatives*" for details of the Group's track record of growth and profitability.

***The Group may be unable to attract new talents and retain skilled personnel in a competitive job market, which may negatively affect the Group's business.***

The Group is exposed to risks related to staffing its critical functions with competent management and technical expertise. The Group believes its greatest asset is its people and its success is largely dependent on its ability to attract highly skilled personnel and to retain and motivate its best employees. Any loss of key personnel or any inability of the Group to attract and retain qualified and experienced personnel may adversely impact the Group's ability to provide products and services to its customers. Losses of trained personnel could also result in additional expenses associated with hiring and training replacement personnel, and newly hired personnel may require time to attain the same level of expertise and productivity as those they replace. Any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group has relied and will continue to rely on the continued individual and collective contributions of its senior management team. If any of the Group's key personnel are unable or unwilling to continue in their present positions, or if they join a competitor or form a competing business, the Group may not be able to replace them easily, which could lead to operational disruptions and adversely affect the Group's business, financial condition, results of operations, and prospects.

The Group also faces intensifying competition for specialized talent that is in short supply, heightened risk of talent poaching from competition and other industries seeking telecommunications expertise, and increasing incentives for professionals to pursue overseas opportunities or alternative working arrangements offering higher compensation and greater flexibility (e.g., full work from home, rise of digital nomads, etc.). Furthermore, the limited availability of ready-now talents for key leadership roles, and any inability to sustain an environment that supports employee engagement, development , and progression represent key risks to the Group's ability to retain and develop its talent base.
To manage these risks, the Group continues to invest in building an agile organization with a deep understanding of, and responsiveness to, customers' needs. The Group aims to foster a high-performance organization with a purpose-driven workforce and a culture of empowerment, collaboration and innovation.

See "*Business—Strategies—Continue to recruit talents and build an agile workforce*".

***Inability to adapt to technology shifts and address changing consumer demand may negatively impact the Group's competitiveness and customer experience.***

The telecommunications industry is subject to rapid and significant changes in technology and requires the introduction of new products and services. In order to remain competitive, the Group must anticipate and adapt, in a timely manner, to constant technological changes, changes in customer preferences in the industry, as well as economic, political and social circumstances. Like other operators, Globe cannot predict the effect of technological changes on its business. New services and technological advances may offer additional opportunities for competitors to compete against the Group on the basis of cost, quality and/or functionality.

Mobile data applications and the rising popularity of smartphones and mobile and connected devices are key contributors to the exponential growth of data traffic in recent years. This phenomenon may strain the Group's network capacity as well as the supporting back-end systems, negatively impacting customer experience. Although Globe launched its 5G service in June 2019, there is no assurance that future technological innovations will not create further requirements for infrastructure upgrade in communications technologies.

In addition, the GCash app operated by a subsidiary of Mynt, an affiliate of the Group, offers mobile payment and remittance services. The emergence of website- and application-based fintech companies providing similar services has significantly increased competition in this respect.

Any inability on the part of the Group to recognize and quickly respond to changes in customer preferences by upgrading its existing infrastructure and systems may impact its competitiveness in the marketplace. Further, if the Group chooses technology or equipment that is not as effective or attractive to consumers as that employed by its competitors, if it fails to employ technologies desired by consumers before its competitors do, or if it fails to execute its technology initiatives effectively, its businesses and results of operations could be adversely affected.

To manage these risks, the Group intends to optimize its network rollout, increase household penetration and improve customer experience, and develop new information and communications technology capabilities. See "*Business—Strategies*" for more details on these strategies. The Group likewise has placed effort into developing new adjacent areas through its corporate incubator, 917Ventures, Inc. to ensure the Group remains at the forefront in terms of customer needs. See also "*Business—Strengths—Continuous investment in network enhancements to solidify market leading position", "Business—Strengths—Offers innovative service offerings to cater to the emerging needs of customers and drive further growth*", and "*Business—Strengths—Offers innovative service offerings to cater to the emerging needs of customers and drive further growth*" for details of the Group's principal competitive strengths in respect of improving its technological capabilities and infrastructure.

***The Group operates in a capital intensive business and may not be able to obtain future financing to fund its capital expenditure on favorable terms, or at all.*** The telecommunications industry is inherently capital intensive. Rapid technological developments require operators to undertake significant and recurring investments to upgrade network infrastructure, expand capacity, and maintain service quality, all of which require substantial and sustained funding to support these upgrades and expansions. In addition, a considerable portion of the Group's liabilities are denominated in U.S. dollars, movements in the exchange rate may increase the peso equivalent of these expenditures, resulting in higher cash flow pressures and elevated funding needs. The Group has made, and continues to make, substantial capital investments to develop, launch and enhance its service offerings. For the years ended December 31, 2022, 2023, and 2024 the Group incurred cash capital expenditures of ₱101,366.9 million, ₱70,627.7 million and ₱56,194.0 million respectively. Additionally, the Group incurred liabilities related to the acquisition of property and equipment amounting to ₱35,105.7 million ₱41,354.1 million, and ₱31,188.6 million, for the years ended December 31, 2022, 2023 and 2024, respectively. For the year ending December 31, 2025, Globe anticipates that it will incur approximately US$1.0 billion of capital expenditures.

The Group has historically funded its capital requirements through a combination of cash flow from operations, debt, asset monetizations and equity financings. The Group's continued access to debt, asset monetization and equity financing as a source of funding its capital expenditure is subject to several factors, including: (i) Philippine regulations limiting bank exposure (such as single borrower limits) to a single borrower or related group of borrowers; (ii) the Group's compliance with existing debt covenants; (iii) the ability of the Group to service new debt; (iv) the macroeconomic fundamentals driving credit ratings of the Philippines; and (v) perceptions in the capital markets regarding Globe, the telecommunications industry and broader market conditions. Such Factors - many of which are outside of the Group's control, including general conditions in the debt and equity capital markets, political instability, economic downturns, social unrest, changes in the regulatory environment, or financial distress of an unrelated company operating in the telecommunications industry. Any of these factors may increase the Group's borrowing costs or restrict its ability to obtain debt or equity financing needed to support capital expenditure requirements on favorable terms, or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants and increase the Group's leverage, which could limit its financial flexibility and affect the Group's ability to meet its obligations. If the Group is unable to obtain required financing on favorable terms, or at all, it may be unable to pursue its planned strategies, which could have a material adverse impact on the Group's results of operations. There is no assurance that future financial market conditions will not adversely affect or impair the Group's ability to raise capital to finance its operations, particularly during periods of heightened sector-wide funding needs.

As a mitigating measure, Globe has successfully executed a large-scale tower sale and leaseback program, which has proven to be a significant and recurring source of funding. Since the program's inception in August 2022, Globe has signed and completed transactions across four tower portfolios—Frontier Tower Associates, MIESCOR Infrastructure Development Corporation ("**MIDC**"), PhilTower Consortium, and Unity Digital Infrastructure—covering more than 7,000 towers. The program has generated around ₱89.3 billion in gross proceeds from 2022 to July 2025, with approximately 6,957 towers already transferred and the remaining 550 targeted for completion within the year. This initiative has provided Globe with meaningful balance sheet flexibility and liquidity headroom to fund its capital expenditure requirements while optimizing its asset base and ensuring continued access to critical infrastructure under long-term leaseback arrangements.

To manage these risks, the Group intends to maintain its strong financial position through prudent fiscal management, including disciplined oversight of operating expenses, capital expenditures, debt levels, investments, and currency exposures. See "*Business—Strengths—Strong balance sheet with prudent capital management*". See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosure About Market Risk"* for details on how the Group manages interest risk, foreign exchange risk, credit risk and liquidity risk.

***The Group's digital transformation initiatives may not achieve their expected results.***

The Group is in the process of transforming its businesses through changes in its network, IT systems and supporting processes. The Group is pursuing changes in its network infrastructure to improve network quality, anticipate the surge in data traffic, decrease total cost of ownership, reduce $CO_2$ emissions, noise pollution and enhance network resilience to meet future needs. IT transformation programs are intended to reengineer IT systems and key processes to enhance the Group's ability to deliver superior customer experience and understand customers' needs, while preserving capacity to roll out products to the market in a more efficient, effective and sustainable manner. See "*Business—Strengths—Continuous investment in network enhancements to solidify market leading position*", "*Business—Strategies—Accelerate network rollout to provide best-in-class internet connectivity*", "*Business—Strategies—Increase Household Penetration*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Expenditures*", "*Business—Property and Infrastructure*", and *"Use of Proceeds"* for more details on past and future changes in the Group's network, IT systems and supporting processes. Further, there is no assurance that the Group's network infrastructure expenditures and complex transformation programs will yield expected returns and outcome. Ultimately, the Group may lose market share and experience liquidity concerns should this risk materialize.

See "*Business—Strengths—Market leader and preferred telecommunications provider in the Philippines*", "*Business—Strengths—Track record of resilient and profitable growth*", "*Business—Strengths—Offers innovative service offerings to cater to the emerging needs of customers and drive further growth*", "*Business—Strengths—Experienced management team with strong execution track record and backed by reputable shareholders*" and "*Business—Strengths—Commitment to Environment, Sustainability and Governance ("ESG") Initiatives*" for details of the Group's track record of growth and profitability. See also "*Business—Strategies—Develop new information and communications technology capabilities*", and "*Business—Strategies—Create new high growth and profitable revenue streams, and create value in digital technology, lifestyle and entertainment*" for more details on the strategies of the Group with respect to its digital transformation initiatives.

***Inability to manage subscriber churn may generally decrease the Group's profitability.***

Subscriber churn arises as a result of personal economic factors, and to a lesser extent, changes in consumers' media consumption preference and competitive influences. In addition, churn tends to be cyclical as certain quarters of a year have a higher rate of subscriber disconnections. The Group's ability to manage churn in the future will likely be dependent on its ability to execute targeted retention programs, procure and create relevant content or provide differentiated customer service. Trends with respect to increase in subscriber churn have corresponded to increase in subscriber acquisitions costs. The intense competition may also make it more difficult for the Group to gain new or win back past subscribers. Any increase in subscriber churn may lead to an increase in costs in retaining or acquiring subscribers, and a reduction in revenue, which could have a material and adverse effect on the Group's results of operations and financial position.

To manage these risks, the Group aims to capitalize on the increasing demand for data and connectivity and rapid digitalization and to create and enhance business and shareholder value, through, among others, targeted acquisition, stronger channel partnership, hyper-personalization, and high-impact retention programs. See "*Business—Strategies*" for more details on the Group's strategies.

***The Group may be unable to fulfill the terms and conditions of licenses, permits and other authorizations.***

The Group is required to obtain and maintain licenses, permits and other authorizations, including local business permits, and permits necessary for the roll out of telecommunications infrastructure from several government agencies such as the NTC, DICT, Department of Interior and Local Government ("**DILG**"), Department of Trade and Industry ("**DTI**"), Department of Public Works and Highways ("**DPWH**"), Department of Human Settlements and Urban Development ("**DHUSD**"), and the Civil Aviation Authority of the Philippines ("**CAAP**"). The Group's licenses, permits and other authorizations contain various requirements that must be complied with to keep such licenses, permits and other authorizations valid. If the Group fails to meet the terms and conditions of any of the Group's licenses, permits or other authorizations necessary for its operations, these may be suspended or terminated, leading to suspension of activities or other adverse consequences. In addition, as a public telecommunications entity, the Company may not operate without a legislative franchise, which can only be granted through the passage of law duly passed by the Philippine Congress and approved by the Philippine President. The Group currently has three valid and subsisting legislative franchises: (i) Globe's franchise under R.A. 7229, (ii) Innove Communications, Inc.'s franchise under R.A. 11151, and (iii) Bayantel's (previously named International Communications Corporation) franchise under R.A. 11503 which will expire in 2030, 2045 and 2046, respectively, unless renewed by Congress.

Further, in a report released in early July 2020, Fitch Solutions warned of heightened investment risks in the Philippine media and telecommunications industries, citing the "politicization" of such industries amid the Government's orders to shut down Sky Direct and ABS-CBN Corporation and the non-renewal of the legislative franchise of ABS-CBN Corporation. Fitch Solutions cited the NTC's apparent ability to be influenced by the Government as a key impediment to foreign investor sentiment, and has also made the telecommunications landscape difficult for both new entrants and existing players. On July 10, 2020, an overwhelming majority of a committee of the House of Representatives voted to deny the renewal of the legislative franchise of ABS-CBN Corporation. While several bills in support of the renewal of the legislative franchise of ABS-CBN Corporation have been filed in both houses of Congress, its franchise has yet to be renewed.

While the Group endeavors to comply with the terms and conditions of its licenses, permits and authorizations, and devotes resources to closely monitor such compliance, there can be no assurance that the Group will continue to be able to secure or renew, as the case may be, its franchise or the necessary licenses, permits and other authorizations for the Group's operations as necessary or that such licenses, permits and other authorizations will not be revoked. If the Group is unable to obtain or renew them or are only able to do so on unfavorable terms, the Group may lose its spectrum and authority to offer services, which would materially and adversely affect the Group's business, financial condition and results of operations.

See "*Business—Strengths—Track record of resilient and profitable growth*", "*Business—Strengths—Continuous investment in network enhancements to solidify market leading position*" and *Business—Strengths—Experienced management team with strong execution track record and backed by reputable shareholders*" for more details on the Group's track record of network expansion and experience in execution. See also "*Regulatory and Environmental Matters*" for further details.

***A part of the Group's debt, revenues and operating expenditures are in U.S. dollars which may pose some foreign exchange risk.***

The Group's revenues are predominantly denominated in Philippine Pesos, while some investment initiatives and certain expenses, including debt obligations, are denominated in other currencies (principally U.S. dollars). These foreign currency exposures require the Group to actively manage volatility arising from movements in exchange rates.

Foreign exchange risks are managed by the Group such that U.S. dollar flows from operations (transaction exposures) are balanced or offset by the net U.S. dollar liability position of the Group (translation exposures).

Transactional exposures are comprised of foreign currency linked revenues and expenses. Consolidated foreign currency-linked revenues amounted to 4% and 5% of total gross service revenues for the nine (9) month periods ended September 30, 2025 and 2024, respectively. In contrast, the Group's foreign currency-linked expenses were at 17% and 16% of total operating expenses for the six month periods ended September 30, 2025 and 2024, respectively. The Group's translation exposures primarily arise from fluctuations in the Philippine Peso against the U.S. dollar with respect to U.S. dollar-denominated financial liabilities and certain U.S. dollar-denominated revenues.

In addition, as of September 30, 2025, 19.25% of the Group's total debt (excluding the effect of any swap or hedges) are denominated in U.S. dollars. Although the Group enters into currency swaps and hedges to limit its exposure to currency fluctuations, there can be no assurance that declines in the value of the Philippine Peso will not occur in the future, that the availability of foreign exchange will not be limited, or that the cost of entering into or maintaining such hedging instruments will not increase. The occurrence of these conditions may adversely affect the Group's financial condition and results of operations.

To manage these risks, the Group intends to maintain its strong financial position through prudent fiscal practices including disciplined oversight of operating expenses and capital expenditures, debt levels, investments, and currency exposures. See "***Business—Strengths—Strong balance sheet with prudent capital management***". **See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosure About Market Risk*"** for details on how the Group manages interest risk, foreign exchange risk, credit risk and liquidity risk.

***The Group is exposed to financial risks related to fluctuations in interest rates.***

The Group is exposed to financial risk related to fluctuations in interest rates and variations in purchasing power. Interest rates are highly sensitive to many factors beyond the Group's control, including monetary policies and domestic and international economic and political conditions. An increase in interest rates may increase the Group's financial expenses. The Group 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.

Where appropriate, the Group also seeks to minimize its interest rate risk exposure by entering into interest rate swap contracts to exchange the floating interest rate to a fixed interest rate over the duration of its borrowings. There can be no assurance that any of the strategies implemented by the Group to manage its debt profile will be successful and any failure by the Group to manage interest rate risk could have a material adverse effect on its results of operations and financial condition.

The Group also intends to maintain its strong financial position through prudent fiscal practices including disciplined oversight of operating expenses and capital expenditures, debt levels, investments, and currency and interest rate exposures. See "***Business—Strengths—Strong balance sheet with prudent capital management***". **See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosure About Market Risk*"** for details on how the Group manages interest risk, foreign exchange risk, credit risk and liquidity risk.

***Inability to manage increasing credit exposures from the Group's subscribers.***

The Group is exposed to credit risks particular to its subscribers and the environment within which it operates. Globe analyzes its subscriber receivables and contract assets based on an internal credit risk rating. The Group implements stringent standard credit evaluation and verification processes upon account application. The Group continuously reviews credit policies and processes and implements various credit actions to minimize credit exposure. The Group monitors its accounts on a regular basis and applies credit treatments at various stages of delinquency. The Group does not have any customer that accounts for at least 5% of its revenues, which reduces concentration risk but does not eliminate exposure to broader credit trends within its subscriber base. There can be no assurance that these mitigation strategies implemented by the Group to manage its credit risks will be successful. Any failure by the Group to manage its credit risk could have a material adverse effect on its cash flows and financial health.

See also "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosure About Market Risk***" for details on how the Group manages interest risk, foreign exchange risk, credit risk and liquidity risk.

***Cybersecurity threats or other breaches of network or IT security may have an adverse effect on the Group's business if not identified immediately.***

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. New technologies and systems being installed in the name of advanced capabilities and processing efficiencies may introduce new risks which could potentially challenge the Group's ability to properly identify, assess and address such risks if not assessed effectively. Furthermore, new business models that rely heavily on global digitization, use of cloud, big data, mobile and social media may expose the Group to even more cyber-attacks.

These new technologies and systems increase the Group's exposure to various forms of cybersecurity threats, which could result in disruption of business operations, damage to reputation, legal and regulatory fines and customer claims. Cybersecurity threats may include gaining unauthorized access to the Group's systems or inserting computer viruses or malicious software in its systems to misappropriate consumer data and other sensitive information, corrupt the Group's data or disrupt its operations. Unauthorized access may also occur through traditional means such as the theft of laptop computers, data devices and mobile phones and intelligence gathering on employees with access. Further, the Group's employees or other persons may have unauthorized or authorized access to the Group's systems and/or take actions that affect the Group's networks in a manner which is inconsistent with its policies or otherwise adversely affects the Group's ability to adequately process internal information.

As of the date of this Prospectus, the Group has not been the subject of any cybersecurity breaches or threats that have resulted in major losses, business disruption or damage to the Group's reputation. However, any significant cyber-attack or data leakage from either known or unknown threat vectors that could not be mitigated by existing tools and capabilities may result in a material adverse effect on the Group's results of operations, reputation and financial condition. Although the Group telecommunication's business has insurance policies that may cover these types of incidents, there can be no assurance that these policies will be sufficient to cover all possible monetary losses in the event of any material and unaddressed cybersecurity breach or threat.

To manage these risks, the Group intends to continuously adopt new technologies to improve customer experience, including implementing proactive care programs that anticipate potential gaps in the Group's ability to provide a wonderful end-to-end customer experience for consumer and business customers. The Group also intends to develop new information and communications technology capabilities, including in the areas of cyber security with added focus on deploying advanced machine learning and artificial intelligence capabilities to detect, predict, and rapidly respond to increasingly sophisticated and automated cyber threats while strengthening security automations and shift-left controls to embed compliance, prevention and detection. See "*Business—Strategies—Relentlessly Improve Customer Experience*" and "*Business—Strategies—"Develop new information and communications technology capabilities*".

***The Group may be exposed to data privacy breaches.***

In the course of regular business, the Group acquires the personal information of its customers and retains the same either electronically or via hard copies. In addition, the Group's networks carry and store large volumes of confidential, personal, and business data, through both voice and data traffic. Existing laws require that such information 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. The Group may be found liable for any loss, transfer, or inappropriate modification of the customer data or general public data stored on its servers or transmitted through its networks, any of which could have an adverse impact on the Group's reputation, or lead to legal claims and liabilities that are difficult to measure in advance. As of the date of this Prospectus, the Group has not experienced any data privacy breaches that have resulted in major losses, business disruption, or damage to the Group's reputation. However, if any such breaches occur, the Group may be subject to fines and penalties under the Data Privacy Law Act, which could result in a material adverse effect on the Group's results of operations and financial condition.

The Group intends to continue to develop new information and communications technology capabilities, including in the areas of cyber security. See "***Business—Strategies—Relentlessly Improve Customer Experience*" and "*Business—Strategies—"Develop new information and communications technology capabilities***".

***The Group may be exposed to business disruptions arising from natural and man-made disasters, including severe weather conditions, or due to terrorist or rebel activities.***

The quality and continued delivery of the Group's services are highly dependent on the quality, stability, resilience and robustness of the network and IT infrastructure, which are vulnerable to damage caused by extreme weather disturbances, natural calamities, fire, acts of terrorism, intentional damage, malicious acts and other similar events, which could negatively impact the Group's revenue targets and reputation. Power and technology disruptions and severe weather events, such as typhoons and flooding, have impacted the Group's services, products and properties from time to time in the past and will continue to have an impact in the future. For example, due to the significant property and infrastructure damage in the southern and central parts of the Philippines caused by typhoon Rai, locally known as typhoon Odette, in December 2021, several telecommunications service providers in the Philippines, including Globe, experienced a disruption of services in heavily affected areas. Accordingly, in the fourth quarter of 2021, Globe's revenue was negatively impacted by the rebates given to affected customers in the Visayas and Mindanao regions and lower customer spending on telecommunications products in these areas. In 2021, Globe recognized an impairment loss of ₱1,014.2 million on telecommunications equipment damaged by typhoon Odette. In April 2022, Globe completed its network restoration efforts, which included deploying over 220 teams since December 17, 2021 to repair and restore over 80 cell sites and primary and secondary backup lines that were compromised by typhoon Odette. Since Typhoon Odette (Rai), there have been 68 typhoons (with an annual average of 20) that have passed through the country, the most recent being Typhoon Kalmaegi (local, Tino) and Super Typhoon Fung-wong (local, Uwan), with Globe's network restoration efforts remaining fully responsive within hours and days of impact.

Certain Globe cell sites, towers and other telecommunication equipment are also located in areas where clashes or skirmishes between the Philippine military or police on the one hand, and terrorist or rebel groups, on the other hand, have occurred, or in areas generally known for the presence of such terrorist or rebel groups. Any damage to Globe's cell sites, towers or other telecommunication equipment as a result of such skirmishes, clashes or other terrorist or rebel activities may cause disruptions in Globe's network, result in additional impairment losses for Globe, and require Globe to incur additional expenditure to repair and restore such cell sites, towers or other telecommunications equipment.

The occurrence of these events and other natural catastrophes or man-made events may cause damage to the terminals and result in a material disruption of service, a reduction in the Group's customer base and in large expenditures to repair or replace the damaged properties, products, services, networks or information systems to protect them from similar events in the future. Sustained or significant disruption to the Group's services may also significantly impact its reputation with its customers. Any such events could materially disrupt and adversely affect the business, operations, and financial condition of the Group or lead to litigation and disaster recovery plans put in place and/or insurance policies taken out by the Group with respect to some or all of these risks may not be sufficient to mitigate the potential losses and damages.

To manage these risks, the Group continues to invest in strengthening the resilience and redundancy of its network infrastructure, and intends to continuously increase the number of cell sites to keep pace with demand and expand its wired footprint to address serviceability. The Group also has leveraged the tower sharing industry to expand its network and increase the rate at which it rolls out its network. Moreover, the Group also intends to develop new information and communications technology capabilities and continues to maintain comprehensive insurance coverage, which typically includes property damage, business interruption, and other relevant policies designed to mitigate financial losses arising from natural catastrophes, network outages, and damage to network assets. While insurance cannot fully eliminate operational risks or guarantee full recovery of losses, it serves as an important financial safeguard that helps reduce the impact of severe weather events and other unforeseen disruptions. See "***Business—Strategies***" for more details. See also "*Business—Strengths—Continuous investment in network enhancements to solidify market leading position*" and "*Business—Strengths—Commitment to Environment, Sustainability and Governance ("ESG") Initiatives*" for more details on the Group's network enhancements and its commitment to ESG initiatives.

***The Group's complex IT systems and network infrastructure could lead to revenue leakage.***

The telecommunications industry is inherently vulnerable to revenue leakage, with the dynamic changes in networks and IT systems and the multitude of service/bundle/plan offerings. Given the pace at which new offers are launched in the market and the speed of technological innovations being adopted by the Group to support such offers, the need to identify and plug revenue leakages has become an even more important capability in maximizing revenues and returns. Any inability to identify and plug revenue leakages may adversely impact the Group's results of operations and financial condition.

To manage these risks, the Group intends to 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 revenue assurance tools that are expected to increase efficiency in its operations through automated execution of controls. See "*Business—Strategies—Increase Household Penetration*" and "*Business—Strategies—Relentlessly Improve Customer Experience*".

***The Group is vulnerable to fraudulent schemes due to the popularity of its products and services.***

The Group is at 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 to defraud the Group'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 may also arise. Employees may also execute irregular transactions or activities for personal gain. Failure to detect or prevent fraud may result in losses or have an adverse effect on the Group's reputation.

To manage these risks, the Group has institutionalized processes and built capabilities, which are subject to continuous enhancement and improvement, to ensure the early detection, investigation, resolution and enforcement of sanctions and legal options, close monitoring and timely reporting of various instances of fraudulent activities, and increase organizational awareness of fraud policies and its consequences through the regular communication channels of the Group. The Company promotes a positive work environment through fostering a culture of integrity and strong ethics, clear organizational structure, written policies and fair employment practices, which are designed to effectively prevent employee fraud and theft, strengthen internal controls on processes with high vulnerability on fraud risks, and implement various programs to equip its customers with the appropriate information so that they do not fall victim to perpetrators of fraud, and closely coordinates with law enforcement agencies to help protect its customers from activities intended to defraud them. See "*Business—Strategies—Relentlessly Improve Customer Experience*" and "*Business—Strategies—Develop new information and communications technology capabilities*".

***The Group depends on its suppliers in the provision of its services, and any failure of a key supplier to provide services to the Group could have an adverse effect on its business.***

The Group relies on third party suppliers with respect to many aspects of its business, such as network infrastructure, fiber, switch and network equipment, smartphones, cable communications licenses, wireless devices information systems or handsets. Accordingly, the Group's operations and reputation could be affected by such third party suppliers or their supply chain failing to perform their obligations, or failing to operate in line with increased expectations of key stakeholders such as the regulators and/or customers on a broadening set of environmental, social and governance issues. These suppliers may, among other things, extend delivery times, raise prices and limit supply due to their own stock shortfalls and business requirements. If these suppliers fail to deliver products and services to the Group on a timely basis, it could jeopardize the Group's network deployment and expansion plans, which in some cases could adversely affect the Group's ability to satisfy its license terms and requirements.

Some countries, including the U.S., and telecommunications service providers have banned or limited the use of information and communications technologies of Huawei Technologies, Co ("**HTC**") and 152 of its affiliates for different reasons. While HTC affiliates, Huawei International Pte. Ltd. and Huawei Technologies Phils. Inc, are major suppliers and technology partners of the Group, management has assessed, considering various scenarios, the impact of the U.S. ban on the Group's business and operations is manageable. In response to this risk, the Group has also implemented contingency plans and is closely monitoring the developments relating to HTC.

There can be no assurance that the Group will be able to continue to obtain the necessary equipment from one or more of its suppliers. Any discontinuation or interruption in the availability of equipment from its suppliers for any reason or any inability of the Group to obtain the equipment needed for its networks in a timely manner or at all may have an adverse effect on its business, financial condition, results of operations and cash flows.

To further manage these risks, the Group is not dependent on any one supplier, and the Group works with both local and foreign suppliers and contractors. As of December 31, 2024, the Group had 1061 local and 256 international active accredited suppliers.

***Damage to reputation or brand erosion arising from internal or external factors may negatively affect the Group's business.***

The Group is exposed to various reputational risks, from those which may result directly from the Group's actions or those of its competitors, indirectly from actions of the Group's employees or consequently through actions of outsourced partners, suppliers or joint venture partners. Damage to the Group's reputation and erosion of brand equity may also be triggered by any inability to swiftly and adequately address negative social media sentiments on the Group's products and services, which may in turn be triggered by various factors such as unfavorable customer experience, among others. Any inability to preserve brand equity and reputation may adversely impact the Group's results of operations and financial condition.

To manage these risks, the Group aims to conduct frequent reviews of existing processes influenced by customers to identify and address existing gaps, minimizing exposure from risk areas, training front line staff to enhance customer handling and dispute resolution, implement comprehensive programs that process customer feedback effectively and analyze customer feedback to create customer centric strategies, and closely monitor customer online sentiment to address customer issues before such issues may escalate to mainstream online platforms. See "*Business—Strategies—Relentlessly Improve Customer Experience*" and "*Business—Strategies—Develop new information and communications technology capabilities*".

***Transactions conducted by the Group may be subject to review under the Philippine Competition Act***

Republic Act ("**R.A.**") No. 10667, the Philippine Competition Act (the "**PCA**") became effective on August 8, 2015. The PCA prohibits and penalizes anti-competitive agreements and abuse of dominance. Under the PCA, there is a rebuttable presumption of dominance when an entity has a market share of 50% or more. To the extent the Group possesses a market share of 50% or more, it is proscribed under the PCA from committing any of the acts listed as abuse of dominance. The Group's mobile business contributed ₱86,173.1 million for the nine (9) months ended September 30, 2025, which, based on internal estimates using available market data, accounted for more than 50% of aggregate mobile revenues in the Philippines, making Globe the Philippine market leader in this segment. The Group has evaluated its contracts and practices in light of the PCA and believes that it is compliant with the provisions of the PCA. There can be no assurance that the Group's existing or future businesses or strategies will not be subject to PCA scrutiny, and the result of any such scrutiny, whether in terms of review, penalties or any conditions imposed on the Group, may have a material adverse effect on its business and strategies. Criminal penalties for entities that enter into anti-competitive agreements, as defined, include: (a) a fine of not less than ₱110 million but not more than ₱275 million; and (b) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱110 million to ₱275 million may be imposed on entities found violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities. See "*—The Group may be subject to adverse rulings by the Competition Commission*" and "*Business— Legal Proceedings — Acquisition by Globe and PLDT of the Entire Issued and Outstanding Shares of VTI*".

In addition, the PCA authorizes the Philippine Competition Commission ("**PCC**") to review mergers and acquisitions to ensure compliance with the PCA. The PCA, its Implementing Rules and Regulations ("**IRR**"), as amended, and the Rules on Merger Procedure (collectively "**Merger Rules**") provides for mandatory notification to the PCC of any merger or acquisition within 30 days of signing any definitive agreement relating to the transaction, where the value of such transaction exceeds ₱3.5 billion, where the size of the ultimate parent entity of either party exceeds ₱8.5 billion and other prescribed thresholds are met. The parties may not consummate the transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is considered void, and will subject the parties to a fine equivalent to 5.00% of 1.00% of the value of the transaction for the first thirty (30) days of delay or fraction thereof. The fine shall be increased by 1% of 1% of the value of the transaction for every additional thirty (30) days of delay or fraction thereof, provided that the total amount of fine to be imposed shall not exceed ₱2.2 million. See "*Business— Legal Proceedings — Acquisition by Globe and PLDT of the Entire Issued and Outstanding Shares of VTI*". As the Group continues its strategy of acquisitions and joint ventures and given the usual volume of the Group's transactions, mergers or acquisitions undertaken by the Group would likely meet the notification threshold under the PCA and its IRR.

To manage these risks, the Group adheres to corporate best practices as it continually evaluates and explores opportunities to create and enhance business and shareholder value, including considering both potential investment as well as divestment opportunities. See "*Management—Corporate Governance—Executive Committee*" and "*Management—Corporate Governance—Board Risk Oversight Committee*". See also "*Business—Strategies—Continue to explore and pursue targeted investment, acquisition and divestment opportunities*". The Group has a track record of prudent investments into digital platforms. See "*Business—Strengths—Offers innovative service offerings to cater to the emerging needs of customers and drive further growth*" and "*Business—Strengths—Experienced management team with strong execution track record and backed by reputable shareholders*".

***The Group may be subject to adverse rulings by regulatory agencies, including the PCC or be subject to legal proceedings.***

Under the PCA, the PCC has original and primary jurisdiction over the enforcement and implementation of the provisions of the PCA and its implementing rules and regulations. The PCC has the following powers and functions, among others:

- conduct inquiry, investigate, and hear and decide on cases involving any violation of the PCA and other existing competition laws or upon receipt of a verified complaint from an interested party or upon referral by the concerned regulatory agency, and institute the appropriate civil or criminal proceedings;

- review proposed mergers and acquisitions, determine thresholds for notification, determine the requirements and procedures for notification, and upon exercise of its powers to review, prohibit mergers and acquisitions that will substantially prevent, restrict, or lessen competition in the relevant market;

- monitor and undertake consultation with stakeholders and affected agencies for the purpose of understanding market behavior;

- upon finding, based on substantial evidence, that an entity has entered into an anticompetitive agreement or has abused its dominant position after due notice and hearing, stop or redress the same, by applying remedies, such as, but not limited to, issuance of injunctions, requirement of divestment, and disgorgement of excess profits under such reasonable parameters that shall be prescribed by the rules and regulations implementing the PCA;

- conduct administrative proceedings, impose sanctions, fines or penalties for any noncompliance with or breach of the PCA and its implementing rules and regulations and punish for contempt;

- issue subpoena to require the production of books, records, or other documents or data which relate to any matter relevant to the investigation and personal appearance before the PCC, summon witnesses, administer oaths, and issue interim orders such as show cause orders and cease and desist orders after due notice and hearing in accordance with the rules and regulations implementing the PCA;

- upon order of the court, undertake inspections of business premises and other offices, land and vehicles, as used by the entity, where it reasonably suspects that relevant books, tax records, or other documents which relate to any matter relevant to the investigation are kept, in order to prevent the removal, concealment, tampering with, or destruction of the books, records, or other documents; and

- issue adjustment or divestiture orders including orders for corporate reorganization or divestment in the manner and under such terms and conditions as may be prescribed in the rules and regulations implementing the PCA.

In May 2016, the Group, along with PLDT, acquired Vega Telecom, Inc. ("**VTI**") and all of its frequencies, licenses and assets from San Miguel Corporation. The acquisition was notified to the PCC under Memorandum Circular No. 16-002 ("**MC 16-002**"), which provides that transactions notified as prescribed in the MC 16-002 are "deemed approved" and may not be challenged, except on the basis of fraud or false material information. The PCC sought the issuance of a Temporary Restraining Order and/or preliminary injunction from the Court of Appeals to enjoin the Group and PLDT from consummating the acquisition. The Court of Appeals denied the PCC's prayer for a Temporary Restraining Order and/or preliminary injunction, however, it has yet to decide on the "deemed approved" status of the acquisition. Consequently, the Group has not been prohibited from making use of the frequencies of the acquired companies. The PCC has appealed the decision of the Court of Appeals to the Supreme Court, which has yet to issue a decision. Pursuant to MC 16-002, the acquisition would be "deemed approved" upon notification. The Group believes that the PCC's own rule precludes further review of the acquisition and that the notification was validly submitted, as it contained no false or fraudulent information. The dispute as to whether the PCC can validly review the transaction is now before the courts of the Philippines at various stages.

In the event that legal proceedings currently pending before various courts in the Philippines are finally resolved against the Group, the effect of such judgments may grant PCC the ability to review the acquisition and determine its effect on competition. Although it is unclear what such judgments may include, the Group may, in such a case be subject to fines ranging between 1% to 5% of the transaction value; changes imposed by the PCC to the acquisition's terms; relinquishment or curtailment of the use of certain frequencies; or a declaration that the acquisition be considered void. In a scenario where the acquisition is declared null and void, the Group may be required to cease and desist from implementing its 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 for the illegal consummation of said acquisition. No assurance can be provided either as regards how the courts may rule or specific steps the PCC may take. However, if the acquisition is deemed void, the Group should be entitled to the return of the purchase price from the seller. Furthermore, the PCC's decision would be subject to appeal by further court proceedings by any of the parties. See "*Business — Legal Proceedings*".

Dito filed with the NTC a petition for Globe to provide sufficient interconnection capacity as provided in their Interconnection Agreement. Globe filed its Answer arguing that the petition is unjustified as Article 10 of their Interconnection Agreement states that the interconnect facilities shall not be used for By-pass/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 on the grounds that Dito had failed to: (i) take positive steps to stop all illegal bypass voice traffic emanating from its network; and (ii) compensate Globe for such fraudulent activities. Dito's bypass liability amounted to ₱622 million already as of July 31, 2022. 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 have executed a Compromise Agreement to fully settle bypass provision and International Simple Resale (ISR) penalties, affecting the Interconnection Agreement. Through the Compromise, the parties decided to: (i) extend their mutual cooperation to one another 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 parties shall fully cooperate to transition their CMTS voice interconnection to the Session Initiation Protocol (SIP) within three (3) months of the Settlement Amount's full payment, subject to completing relevant implementation works and required testing activities. 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. NTC has yet to issue orders or resolutions regarding the Compromise Agreement.

To manage these risks, the Group adheres to corporate best practices as it continually evaluates and explores opportunities to create and enhance business and shareholder value, including considering both potential investment as well as divestment opportunities. See "*Management—Corporate Governance—Executive Committee*" and "*Management—Corporate Governance—Board Risk Oversight Committee*". See also "*Business—Strategies—Continue to explore and pursue targeted investment, acquisition and divestment opportunities*". The Group has a track record of prudent investments into digital platforms. See "*Business—Strengths—Offers innovative service offerings to cater to the emerging needs of customers and drive further growth*" and "*Business—Strengths—Experienced management team with strong execution track record and backed by reputable shareholders*".

***The Group is subject to risks related to litigation and administrative proceedings that could adversely affect its business and financial performance in the event of an unfavorable ruling.***

The nature of the Group's business exposes it to litigation relating to product liability claims, labor, health and safety matters, regulatory, tax and administrative proceedings, governmental investigations, tort claims and contract disputes. Litigation is inherently costly and unpredictable, making it difficult to accurately estimate the outcome among other matters. Currently, as in the past, the Group is subject to proceedings or investigations of actual or potential litigation. Although the Group establishes provisions as it deems necessary, the amounts that the Group reserves could vary significantly from any amounts the Group actually pays due to the inherent uncertainties in the estimation process. There can be no assurance that these or other legal proceedings will not materially affect the Group's business or otherwise affect its reputation. See "*Business— Legal Proceedings*".

To further manage these risks, the Group adheres to corporate best practices including appropriate risk management in its operations. See "*Management—Corporate Governance—Executive Committee*" and "*Management—Corporate Governance—Board Risk Oversight Committee*".

***The Group's Principal Shareholders, whose interests may not be the same as those of other shareholders.***

The Ayala Group, through Asiacom Philippines, Inc. ("**Asiacom**") and AC, is a significant shareholder in Globe, along with Singtel, a subsidiary of Singapore Telecommunications Limited (together with the Ayala Group, the "**Principal Shareholders**"). As of September 30, 2025, the Principal Shareholders in aggregate held 52.32% of the outstanding voting shares of Globe through preferred shares held via Asiacom, and 36.85% of the outstanding voting shares of Globe through respective holdings of Common Shares of Globe. Accordingly, as of September 30, 2025 and in accordance with Globe's By-Laws, the Principal Shareholders are effectively able to elect members of the Board of Directors of Globe (the "**Board**") and pass shareholder resolutions at shareholders' meetings provided that over one-half of the stock is present or represented for such meeting to be constituted (except in cases where the applicable law requires a greater number) and, for the election of directors, a majority of the outstanding capital stock is required to be present or represented. If the interests of the Principal Shareholders conflict with the interests of other shareholders of Globe, there can be no assurance that the Principal Shareholders would not cause Globe to take action in a manner which might differ from the interests of other shareholders. To ensure equitable treatment of shareholders, including minority shareholders, Globe adopts principles of good corporate governance through its Manual of Corporate Governance, Code of Conduct alongside other Company policies, which are suppletory to the Company's Articles of Incorporation and By-Laws.

***Members of the Group enter into numerous transactions with related parties.***

In the ordinary course of business, the Group transacts with its related parties, such as its subsidiaries and affiliates, and members of the Group enter into transactions with each other. These transactions have principally consisted of consultancy, advisory and management services, roaming service contracts, loans and sharing of value-added services. Although the Group has instituted internal policies with respect to related party transactions, including establishing an Audit and Related Party Transactions Committee to oversee such matters, and believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms, these transactions may involve conflicts of interest, which, although not contrary to law, may negatively impact the Group.

For further information on the Group's related party transactions, see "*Related Party Transactions*".

***The Group may not be able to obtain appropriate insurance coverage on reasonable commercial terms for certain assets.***

The Group obtains insurance policies to insure its properties, assets and projects in accordance with industry practices. Certain assets (such as T&D assets or subsea cables/infra) and some types of losses are addressed through a combination of traditional insurance and alternative risk solutions. While traditional Property Damage and Business Interruption (PDBI) programs cover natural disasters and traditional political violence policies address wars and terrorism, other exposures that are uninsurable or not economically practical to insure conventionally are supported through alternative risk solutions like parametric insurance. Failure to obtain insurance could reduce the Group's ability to access funding from banks and other financing for future construction projects and other commercial activities and may cause the Group to potentially incur significant financial loss upon the occurrence of a major uninsurable event. The inability of the Group to obtain or renew insurance coverage at a reasonable cost, or at all, may cause the Group's operating costs to increase significantly and may have an adverse effect on its financial condition and results of operations.

See "*Business—Strengths—Strong balance sheet with prudent capital management*" for details on the Group's financial position, liquidity and monitoring of operating expenses and capital expenditures. See also "*Business—Strengths—Experienced management team with strong execution track record and backed by reputable shareholders*" for the track record of the Group's management team on execution and operations.

***The Group depends on its trademarks and proprietary rights and any failure to protect such intellectual property rights could have a material adverse effect on the Group's ability to market its services and its results of operations.***

The Group owns, or has pending applications for the registration of, intellectual property rights for various trademarks associated with its products and corporate names and logos to operate its business. Protection of these intellectual property rights is important to maintaining the Group's distinctive corporate and market identities. If third parties use counterfeit versions or otherwise look confusingly similar to the Group's brands, consumers may mistake its products with those that they consider to be inferior. This could negatively affect the brand image, operations and profitability of the Group. In addition, the Company has been granted numerous trademark registrations covering its brands and products, and has filed, and expects to continue to file, trademark applications seeking to protect newly developed brands and products.

There is no assurance that third parties will not challenge, invalidate or circumvent any existing or future trademarks issued to, or licensed by, the Company and its subsidiaries. There is no assurance that it will be able to successfully protect its proprietary rights and any failure to protect such proprietary rights could harm its competitive position, which could materially and adversely affect the business, financial condition, results of operations, prospects and reputation of the Company.

The Group has registered several trademarks and brand names in the Philippines, and other countries, including, but not limited to, Australia, Taiwan, Japan, Singapore, Macau, Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Korea, Canada, China, Saudi Arabia, United Arab Emirates, Bahrain and Qatar. Globe has also filed an application for a patent in the Philippines. See "*Business—Intellectual Property Rights*" and "*Regulatory and Environmental Matters—Intellectual Property*".

***The Group may be adversely affected by the imposition and enforcement of more stringent environmental regulations.***

The Group is subject to environmental laws, regulations and ordinances in the Philippines. See "***Regulatory and Environmental Matters***". There can be no assurance that environmental laws, regulations and ordinances will not change in the future in a manner that could materially and adversely affect the Group. Environmental laws, regulations and ordinances may impose upon the Group obligations to investigate and remedy or pay for the investigation and remediation of environmental conditions, and to compensate public and private parties for related damages. Any such liability in connection with facilities or properties currently owned or operated by the Group could materially and adversely affect the Group. It is also possible that existing environmental laws, regulations and ordinances could become more stringent in the future. Non-compliance with or changes in these environmental laws, regulations and ordinances could adversely affect the Group and may have a material adverse effect on the Group's results or operations.

The Group has a strong commitment to ESG initiatives, in line with The Globe Purpose, *"Uplift Filipino Lives Everyday."* By aligning with global sustainability frameworks, standards, and principles such as the United Nations' Sustainable Development Goals (UN SDGs) and UN Global Compact and industry sustainability ambitions, the company is able to collaborate with its stakeholders to deliver positive societal and environmental impact. See "*Business—Strengths—Commitment to Environment, Sustainability and Governance ("ESG") Initiatives*".

***Any failure by the Group to pay rental amounts due in respect of towers or cell sites may result in eviction from such sites.***

The Group entered into lease arrangements for most of its network sites which 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. Although the Group endeavors to pay its leases on time, in the event of any delayed rental payment or dispute with the lessors, the Group faces the risk of eviction and may be forced to incur additional costs to find suitable replacement sites. In the event that the Group is forced to cease operating a particular cell site, or is evicted by the lessor, or is unable to find suitable replacement land or sites on time (or at all), the Group's business, quality of service and reputation will be materially and adversely affected.

See "*Business—Strengths—Experienced management team with strong execution track record and backed by reputable shareholders*" for more details on the track record of the Group's management on execution and operations.

***Labor disputes, including failure to maintain satisfactory labor relations, or changes in employment laws may disrupt the Company's operations and could adversely affect its business, prospects, financial condition and results of operations.***

As of September 30, 2025, approximately 2% of the regular employees of the Group were covered under a collective bargaining agreement. See "*Business – Employees and Labor Relations*". The Group generally considers its labor relations to be good and harmonious. However, there can be no assurance that it will not experience future disruptions to its operations due to labor disputes or other issues with employees, which could materially and adversely affect its business, financial condition and results of operations.

Various labor laws govern the Group's relationship with its employees and affect operating costs. These laws include minimum wage requirements, mandatory health benefits, overtime compensation, and other terms and conditions of employment. These and significant changes in labor regulations, for example, in respect of outsourcing services to independent third-party contractors, could materially affect the Group's business, financial condition, operating results or cash flow. Engagement of third party service providers carries with it certain inherent risks including potential actions from employees of its third-party service providers who may claim an employee-employer relationship with it and the risk that third party contracting arrangements in place may be found by the DOLE to be "labor-only contracting", which could have a significant impact on its labor costs. In addition, a labor dispute involving a substantial number or all of the Company's employees may harm its reputation, disrupt its operations and reduce its revenues, and resolution of disputes may increase its costs. See "***Regulation and Environmental Matters***".

The Group is also exposed to litigation risk from employees of its various third-party contractors, who may implead it as party to their labor cases and labor disputes against these third-party contractors.

Globe has a long-standing, healthy, and constructive relationship with the Globe Telecom Employees' Union-Federation of Free Workers 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. See "***Business – Employees and Labor Relations***".

***The Group is exposed to perceived risks associated with electromagnetic energy.***

Concerns have been expressed relating to possible adverse health consequences associated with the operation of mobile communications devices or mobile transmission equipment due to exposure to electromagnetic energy. While the Group is not aware of any substantiated evidence of public health risks from exposure to the levels of electromagnetic energy typically emitted from mobile communications devices or exposures from mobile base station equipment, there is a risk that an actual or perceived health risk could result in litigation against the Group, restrictions on the ability of the Group to deploy its mobile communications networks as a result of, or increased costs to comply with, government environmental controls which exist or may be introduced to address these perceived risks, which could, in turn, have a material adverse effect on the Group's financial performance and results of operations.

The Group has a strong commitment to ESG initiatives, in line with The Globe Purpose, *"Uplift Filipino Lives Everyday."* By aligning with global sustainability frameworks, standards, and principles such as the United Nations' Sustainable Development Goals (UN SDGs) and UN Global Compact and industry sustainability ambitions, the company is able to collaborate with its stakeholders to deliver positive societal and environmental impact. See "***Business—Strengths—Commitment to Environment, Sustainability and Governance ("ESG") Initiatives***".

**Risks Relating to the Philippines**

***Substantially all of the Group's business activities are conducted in the Philippines and a significant portion of its infrastructure assets are located in the Philippines, which exposes the Group to risks associated with the Philippines, including the performance of the Philippine economy.***

Historically, the Group has derived substantially all of its revenues and operating profits from the Philippines and its business is dependent on the state of the Philippine economy. Demand for the Group's services are directly related to the strength of the Philippine economy (including overall growth and income levels) and the overall levels of business activity in the Philippines.

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of its currency and the imposition of exchange controls.

Other factors that may adversely affect the Philippine economy include:

- reduced business, industrial, manufacturing or financial activity in the Philippines or elsewhere in Southeast Asia;
- scarcity of credit or other financing available to the Government, corporations or individuals in the Philippines;
- fluctuations in currency exchange rates and interest rates or prolonged periods of inflation or deflation;
- levels of employment, consumer confidence and income;
- Government budget deficits;
- public health epidemics or outbreaks of diseases, such as COVID-19, in the Philippines or in other countries in Southeast Asia;
- significant changes to the Government's economic, social or tax policies; natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
- geopolitical tensions between the Philippines and other claimant countries concerning disputed territories in the West Philippine Sea;
- political instability, terrorism or military conflict in the Philippines, in other countries in the region or globally;
- a downgrade in the long-term foreign and local currency sovereign credit ratings of the Philippines or the related outlook for such ratings; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

Any deterioration in economic conditions in the Philippines as a result of these or other factors could materially and adversely affect the Group or its consumers, customers and contractual counterparties. This, in turn, could materially and adversely affect the Group's business, financial condition and results of operations and its ability to implement its business strategy. There is no assurance that the Company will be able to manage such systemic risk.

***Public health epidemics, such as the COVID-19 pandemic, and outbreaks of diseases along with measures intended to prevent their spread could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

In April 2009, an outbreak of the H1N1 virus, commonly referred to as "swine flu", occurred in Mexico and spread to other countries, including the Philippines. In August 2014, the World Health Organization ("**WHO**") declared the Ebola outbreak that originated in West Africa as an international health emergency in view of the rising death toll due to the disease. That month, a Filipino seaman in Togo was quarantined for exhibiting symptoms of Ebola virus infection but was later released after testing negative for the disease. While still Ebola-free, the Philippines, however, remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of overseas Filipino workers in the Ebola-hit West African countries; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In March 2016, the Director-General of WHO terminated the Public Health Emergency of International Concern on the Ebola Virus Disease outbreak.

In February 2015, a Filipina nurse who arrived from Saudi Arabia tested positive for the MERS-CoV (i.e., the Middle East Respiratory Syndrome-Corona virus). She was quarantined, received medical treatment, and later discharged and cleared of the disease by the Department of Health. All known contacts of the said nurse, including some passengers in the same flight that arrived from Saudi Arabia, were also cleared of the infection, putting the country once again free of an active case of the disease.

In March 2016, an American woman who stayed in the Philippines for four weeks in January 2016, tested positive for the Zika virus upon returning home, indicating the local transmission of the disease through the Aedes aegypti mosquito. In May 2016, a South Korean national was reported to have acquired the infection while visiting the Philippines, following earlier reports of two other confirmed cases of the viral infection in the country. All of the patients have recovered, indicating that the Zika viral infection acquired in the country was self-limiting.

In August 2017, an outbreak of bird flu from a poultry farm in Central Luzon was confirmed, and the avian influenza strain was later found to be transmissible to humans. In response to the outbreak, restrictions on the transport and sale of birds and poultry products outside a seven-kilometer radius control area surrounding the affected site were imposed. The Philippines has since been cleared of any human infection of the avian influenza virus.

In late 2019, COVID-19, an infectious disease that was first reported to have been transmitted to humans in 2019 has spread globally over the course of 2020, and in March 2020, it was declared as a pandemic by the WHO. While the WHO has declared the COVID-19 pandemic to be over in May 2023, there are still active and recurring cases globally, including in the Philippines. In July 2023, the President of the Philippines issued Presidential Proclamation No. 297 effectively lifting the State of Public Health Emergency throughout the Philippines brought about by the COVID-19 pandemic.

The extent of the impact of COVID-19 on the Philippine economy and the speed and certainty of any economic recovery cannot be predicted for certain, and any new surge in infections may result in stricter quarantine or lockdown measures across provinces, cities and municipalities and may lead to further contraction of the Philippine economy, closure of businesses, and rise in unemployment rates.

Since early May 2022, cases of monkeypox have been reported from countries where the disease is not endemic, and continue to be reported in several endemic countries. In July 2022, WHO Director-General Tedros Adhanom Ghebreyesus declared the ongoing monkeypox outbreak a Public Health Emergency of International Concern.

In 2023, an outbreak of the Nipah virus was reported in India. According to the WHO, patients who contracted the Nipah virus have a 40% to 75% mortality rate depending on the public health response to the virus. In September 2023, the DOH confirmed that there are no cases of Nipah virus in the Philippines.

Since 2024, the Philippines has been managing the outbreak of the African Swine Fever ("**ASF**") in the country. As of December 27, 2024, the National ASF Prevention and Control Program under the country's Department of Agriculture reported that there were 11 regions, 21 provinces, 67 municipalities, and 225 barangays that had active ASF cases. According to the Philippine Department of Agriculture, there was a significant reduction in active cases to 39 barangays in 27 municipalities and 7 regions as of March 14, 2025.

If the outbreak of the Ebola virus, MERS-CoV, Zika virus, bird flu, polio, COVID-19, monkeypox, Nipah virus, ASF or any public health epidemic becomes widespread in the Philippines or increases in severity, it could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect our business, financial condition and results of operations.

***Political instability in the Philippines could destabilize the country and may have a negative effect on the Group.***

The growth and profitability of the Group may be influenced by the overall political and economic situation of the Philippines. The Philippines has, from time to time, experienced political and military instability, including acts of political violence. In the last decade, there has been political instability in the Philippines, including extra-judicial killings, alleged electoral fraud, impeachment proceedings against two former presidents and a chief justice of the Supreme Court of the Philippines, the removal of another chief justice of the Supreme Court of the Philippines, and public and military protests arising from alleged misconduct by previous administrations. In addition, a number of officials of the Philippine government are currently under investigation or have been indicted on corruption charges stemming from allegations of misuse of public funds, extortion, bribery, or usurpation of authority. There can be no assurance that acts of political violence will not occur in the future and any such events could negatively impact the Philippine economy. For instance, in response to several complaints filed against Vice President Sara Duterte, the Philippine House of Representatives voted to impeach her. The Philippine House of Representatives transmitted the complaint to the Philippine Senate, which was to sit as an impeachment court. However, in a decision promulgated on July 25, 2025, the Supreme Court of the Philippines, declared the Articles of Impeachment against Vice President Sara Z. Duterte unconstitutional, for being barred by the one-year rule under the Philippine Constitution, and for violating the vice president's right to due process. As a result, the decision prevented the Philippine Senate from acquiring jurisdiction over the impeachment proceedings. Based on the decision, any subsequent impeachment complaint may only be filed beginning February 6, 2026.

On March 11, 2025, incumbent Vice President Sara Duterte's father and former President Rodrigo Duterte was arrested by local law enforcers and flown to the Netherlands to face charges for crimes against humanity at the International Criminal Court. Responding to the International Criminal Police Organization's request, the PNP arrested and detained the former chief executive promptly after his arrival at the Manila international airport, resulting in polarized reactions from his supporters and the general public. On March 13, 2025, former President Rodrigo Duterte and his entourage arrived at The Hague, where he will face charges over the deadly anti-drug crackdowns he oversaw while in office. These complaints and developments may increase political tensions in the Philippines. These or other developments could increase the friction between the Dutertes and the current administration.

In July 2025, Philippine news and social media outlets erupted with news on the alleged misappropriation by public officials, favored government contractors, and their families, of hundreds of billions worth of government funds allocated for nationwide flood control projects, spanning decades of misuse over multiple administrations. Since then, the government has named 15 contractors who bagged ₱100 Billion worth of flood control projects since 2022. The DPWH Secretary Manuel Bonoan, who has since been replaced by Transportation Secretary Vince Dizon, admitted that there are "ghost" projects. In response to mounting public outrage and the scale of the anomaly, President Ferdinand Marcos Jr. issued Executive Order No. 94 creating the Independent Commission for Infrastructure ("**ICI**"), a fact-finding body tasked to investigate anomalous flood control and other infrastructure projects, recommend prosecutions, and coordinate with agencies such as the Ombudsman, DOJ, and AMLC for asset recovery and legal action. The ICI's mandate covers a 10-year review of projects, focusing on cost overruns, collusion, and systemic corruption within the DPWH. While the ICI has begun submitting reports and recommending charges against officials and contractors, its constitutionality and scope of authority have been challenged before the Supreme Court.

Several protest rallies have been held in various parts of the Philippines to denounce the mismanagement of flood control funds. The investigations and protest rallies may create political instability, a slowdown in private and government investment and diminished consumer sentiment that may affect GDP growth.

An unstable political or social environment in the Philippines could negatively affect the general economic conditions and business environment in the Philippines which, in turn, could have a material and adverse impact on our business, prospects, financial position and financial performance. No assurance can be given that any changes in such regulations or policies imposed by the Government from time to time or the future political environment in the Philippines will be stable or that current or future administrations will adopt economic policies conducive to sustaining economic growth. Political instability in the future could reduce consumer demand for retail and consumer goods to our disadvantage or result in inconsistent or sudden changes in regulations and policies that affect our business operations, which could have a material adverse impact on our results of operations and financial condition.

***Acts of terrorism could destabilize the country and could have a material adverse effect on our business, financial position and results of operations.***

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine army has been in conflict with the Abu Sayyaf organization which has been identified as being responsible for kidnapping and terrorist activities in the Philippines, and is also alleged to have ties to the Al-Qaeda terrorist network and, along with certain other organizations, has been identified as being responsible for certain kidnapping incidents and other terrorist activities particularly in the southern part of the Philippines. Furthermore, the Government and the Armed Forces of the Philippines ("**AFP**") have been in conflict with members of several separatist groups seeking greater autonomy, including the Moro Islamic Liberation Front, the Moro National Liberation Front and the New People's Army. There have been numerous bombing incidents in Mindanao and elsewhere in the Philippines, which have resulted in death and injury to the civilian population as well as military and security personnel.

Our assets could be particularly vulnerable due to their significant impact on local and national economic activity. A terrorist attack on one of our assets could severely impact our business. There is no assurance that the Philippines will not face further terrorist or criminal activities in the future. Such violent acts, which may lead to instability and unrest, could materially and adversely affect our financial condition, results of operations, and prospects.

Further, an increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilization could cause interruption to our business and materially and adversely affect our business, financial condition, and results of operations.

These continued conflicts between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the AFP, which could destabilize parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on our business, financial condition, and results of operations.

***Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.***

The Philippines, China and several Southeast Asian nations have been engaged in a series of longstanding territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea ("**UNCLOS**"). Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. Actions taken by both sides have threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, a temporary suspension of tours to the Philippines by Chinese travel agencies and the rejection by China of the Philippines' request for arbitral proceedings administered in accordance with the UNCLOS to resolve the disputes.

In 2016, the Permanent Court of Arbitration ruled in favor of the Philippines against China over territorial disputes in the West Philippine Sea. The arbitral tribunal unanimously ruled, among others, that (a) China has "no historical rights" to the resources within the sea areas falling within the "nine-dash line;" (b) Chinese reclamation activity in the West Philippine Sea has caused irreparable damage to the environment, obligating the Chinese government to stop further activities in the West Philippine Sea; and (c) China has violated the Philippines' sovereign rights in its exclusive economic zone by interfering with Philippine fishing and petroleum exploration, constructing artificial islands, and failing to prevent Chinese fishermen from fishing in the zone. However, China has said it will not recognize the ruling. With no formal enforcement mechanism in place, the territorial dispute in the West Philippine Sea remains contentious and unresolved.

The Government, under the Duterte administration, has taken action to de-escalate tensions concerning the territorial dispute with China. On June 9, 2019, a fishing boat manned by Filipino fishermen was rammed by a Chinese vessel at Recto Bank, an underwater reef formation being claimed by both the Philippines and China in the portion of the South China Sea that the Philippines calls the West Philippine Sea. The Filipino fishermen were abandoned in open sea and were eventually rescued by a Vietnamese vessel. This incident increased tensions between China and the Philippines. The owners of the Chinese vessel have since apologized to the Filipino fishermen and remuneration is being arranged for the fishermen.

Recent years have seen increased frequency of incidents as well as heightened intensity of confrontations between Chinese Coast Guard and Philippine personnel in the West Philippine Sea. These have resulted in public accusations and diplomatic protests from both countries. In early August 2023, a Chinese Coast Guard ship used a water cannon against Philippine supply boats to prevent them from approaching the contested Second Thomas Shoal (Ayungin Shoal to the Philippines and Ren' ai Reef to China) in the Spratly Islands, where Filipino military personnel are stationed. The move, which was caught on video, outraged President Marcos, Jr. and prompted the Department of Foreign Affairs in Manila to summon the Chinese ambassador to convey a strongly worded protest. In September 2023, the Philippine Coast Guard removed a barrier that was deployed by China at a disputed reef that was deployed by China to block Filipinos from the traditional fishing ground within the exclusive economic zone of the Philippines. In November 2023, a Chinese ship fired water cannons at M/L Kalayaan while the latter was on a resupply mission to troops stationed at BRP Sierra Madre in the Second Thomas Shoal, a former U.S. Navy ship that has been grounded in the Second Thomas Shoal since 1999. The Philippines also claimed that ships belonging to a Chinese maritime militia were involved in the harassment and that inflatable boats belonging to the Chinese Coast Guard were similarly involved. The Philippine Embassy in Beijing has protested the latest incidents to the Chinese Foreign Ministry. In several instances, Chinese Coast Guard ships used water cannons against Philippine-registered vessels, including a smaller military-contracted vessel during a resupply mission to the Ayungin Shoal, and Philippine-government vessels distributing fuel and food to the fisherfolk in the Scarborough Shoal. Subsequently, the Chinese coast guard boarded a Philippine vessel.

In July 2024, the Philippines and China held their first formal dialogue since the incident, convening the 9th Meeting of their Bilateral Consultation Mechanism on the South China Sea in Manila. Discussions focused on their respective positions on Ayungin Shoal and affirmed their commitment to de-escalating tensions. While the Philippines was able to complete a resupply mission to its troops without incident under a new provisional agreement with China aimed at mitigating tensions, another incident occurred in August 2024 whereby the Philippine military reported that the Chinese Air Force executed "dangerous and provocative actions" over the South China Sea. Two People's Liberation Army aircraft dropped flares and performed hazardous maneuvers while a Philippine Air Force patrol was over Scarborough Shoal. No Philippine crew was harmed. Tensions further escalated when the Philippines and China accused each other of ramming vessels and performing dangerous maneuvers in the West Philippine Sea shortly after the incident in August 2024.

In October 2025, a Chinese coast guard vessel rammed and fired water cannons at the Philippine Bureau of Fisheries and Aquatic Resources ("BFAR") ship, BRP Datu Pagbuaya, in the territorial waters off Pag-asa Island. The incident occurred while BFAR vessels were delivering aid to Filipino fishermen. One of three BFAR vessels sustained structural damage. The Philippine government has several diplomatic protest against China, and is engaging in discussions with the U.S. regarding escalating tensions in the West Philippine Sea.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighboring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted, and our business and financial standing may be adversely affected. Any such impact from these disputes could adversely affect the Philippine economy, and materially and adversely affect our business, financial condition, and results of operations.

***The credit ratings of the Philippines may restrict the access to capital of Philippine companies, including the Company.***

The sovereign credit ratings of the Philippines directly affect companies' resident and domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. In 2013, the Philippines earned investment grade status from all three major credit ratings agencies — Fitch Ratings ("**Fitch**") (BBB-), by S&P Global ("**S&P**") (BBB-) and Moody's Investors Service ("**Moody's**") (Baa3). Moody's subsequently upgraded their ratings to "Baa2" and recently reaffirmed their rating in August 2024. Meanwhile, Fitch upgraded the Philippines' credit rating to "BBB" and affirmed the same in June 2024 and April 2025 with a stable outlook. S&P also further upgraded the country's rating to "BBB+", which was reaffirmed in November 2024. All ratings are above investment grade and the highest that the Philippines has received so far from any credit ratings agency.

The Government's credit ratings directly affect companies domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. No assurance can be given that Fitch, Moody's, S&P, or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, Philippine companies. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including us, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

While we endeavor to manage our balance sheet prudently by maintaining conservative leverage and debt service coverage ratios within the limits of our financing agreements, and by securing long-dated tenors with fixed interest rates to reduce exposure to interest rate risk, there is no assurance that these strategies will fully mitigate systemic risks. Changes in market conditions or unforeseen economic events could still adversely affect our financial stability.

***Natural catastrophes, including severe weather conditions, may affect the Group's business, operations and financial condition.***

The Philippines, which is located along the Pacific Ring of Fire and a typhoon belt, has experienced a number of major natural catastrophes over the past years, including typhoons, volcanic eruptions, earthquakes, tsunamis, mudslides, fires, droughts and floods related to El Niño and La Niña weather events.

In January 2020, the Taal Volcano entered into a period of intense unrest beginning with phreatic or steam-driven activity in several points inside the Main Crater that quickly progressed into a magmatic eruption. The Philippine Institute of Volcanology and Seismology ("**PHIVOLCS**") raised the alert level to Alert Level 4 on January 12, 2020. This means that hazardous explosive eruption is possible within hours to days. Pursuant to such events, PHIVOLCS ordered the total evacuation of the Volcano Island and high-risk areas within a 14-kilometre radius from the Taal Main Crater. Although PHIVOLCS has since lowered the Alert Level covering Taal to Level 1, there can be no assurance that the Taal Volcano will not increase seismic activity or erupt in the future. In the second half of 2020, the country was hit by three major typhoons Quinta, Rolly and Ulysses, causing damage to properties and major flooding, in part due to rising sea levels. In December 2021, PHIVOLCS recorded a phreatic eruption at Mt Pinatubo. A phreatic eruption occurs when water is heated by magma, lava, hot rocks, or new volcanic deposits, the intense heat may cause it to boil and generate an explosion of steam, water, ash, blocks, and bombs. Although the volcanic activity at Mt Pinatubo is relatively weak, there can be no assurance that Mt Pinatubo will not increase seismic activity or erupt in the future.

In November 2020, two typhoons, Super Typhoon Rolly/Goni and Typhoon Ulysses/Vamco, and in December 2021 and September 2022, Super Typhoon Odette/Rai and Super Typhoon Karding/Noru, respectively, brought strong winds and rain to the Philippines. In October 2022, Tropical Storm Paeng brought strong winds and heavy rains in Mindanao which caused flooding and landslides. In November 2024, Typhoon Pepito/Man-yi caused widespread destruction, severe flooding and landslides and displaced thousands of people, prompting several provinces in Luzon to declare a state of calamity.

The Philippines also faced a series of devastating natural disasters in 2025. On September 30, a magnitude 6.9 earthquake struck Bogo City in Cebu, becoming the deadliest quake in over a decade. The shallow depth of the quake intensified its impact, collapsing buildings, damaging bridges, and resulting in loss of life. On October 10, 2025, a powerful magnitude 7.4 earthquake struck off the coast of Manay, Davao Oriental, triggering a tsunami alert and widespread evacuations across coastal provinces including Surigao del Sur, Surigao del Norte, and Davao Oriental. A second earthquake of magnitude 6.8 struck the same area a few hours later. The authorities described these two earthquakes as a "doublet," due to their similar epicenter and strength. Also in October 2025, the Philippines was battered by multiple tropical cyclones, including Typhoon Matmo/Paolo and Tropical Storm Fengshen/Ramil, which caused widespread flooding, landslides, and power outages across Luzon and the Visayas. Matmo/Paolo made landfall in Isabela province before weakening into a storm, while Fengshen/Ramil struck Sorsogon and Quezon, leading to casualties and significant property damage.

In early November, Typhoon Kalmaegi (local name Tino) devastated the central Philippines, particularly Cebu, unleashing severe flooding and destroying homes and infrastructure. Shortly after, Super Typhoon Fung-Wong (local name Uwan) slammed into northern Luzon as a category 5-equivalent storm, bringing torrential rains, destructive winds, and widespread damage to roads, bridges, and power lines. These storms triggered landslides, flash floods, and prolonged power outages across multiple regions, with reports of fatalities and extensive economic losses.

On November 3, 2025 a magnitude 5.8 earthquake struck Negros Island, followed by a magnitude 5.5 quake near Bacolod City, adding to the strain on disaster response systems already overwhelmed by typhoons and earlier major quakes.

Natural catastrophes, such as any renewed eruption of the Taal Volcano or the further occurrence of major typhoons, may cause damage to the terminals or telecommunications infrastructure of the Group and materially disrupt and adversely affect the business, operations, and financial condition of the Group. While the Company has obtained insurance over its properties, there is no assurance that the insurance coverage the Group maintains for these risks will adequately compensate it for all damages and economic losses resulting from natural catastrophes. Any material uninsured loss could materially and adversely affect the Group's business, financial condition and results of operations.

***Developments outside of the Philippines, including U.S. policies related to global trade and tariffs could adversely affect our business, financial condition and results of operations.***

The current international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, has resulted in uncertainty surrounding the future state of the global economy. Since 2018, the U.S. began to increase or impose tariffs on many products, particularly from China, including, but not limited to, steel and aluminum products, consumer electronics, and industrial chemicals. In response, the European Union, China and other affected jurisdictions have introduced tariffs on U.S. goods. In April 2025, U.S. President Donald J. Trump implemented the "Liberation Day" trade policy aimed at addressing trade imbalances between the U.S. and several other countries. As of July 2025, this policy includes imposing a 19% reciprocal tariff on Philippine exports to the United States, as well as tariffs at different rates on exports from over 180 other countries. An escalating trade war may have material adverse effects on our industries and our business may be impacted by these tariffs. Any further expansion in the types or levels of tariffs implemented has the potential to negatively impact our business, financial condition and results of operations. Additionally, there is a risk that the U.S. tariffs on imports are met with tariffs on U.S. produced exports and that a broader trade conflict could ensue, which has the potential to significantly impact global trade and economic conditions. Potential costs and any attendant impact on pricing arising from these tariffs and any further expansion in the types or levels of tariffs implemented could adversely affect our business, financial condition and results of operations.

Economic disruption in other countries, even in countries in which we do not currently conduct business or have operations, could also adversely affect our businesses and results. Adverse market and economic conditions continue to create a challenging operating environment for financial services companies. In particular, the impact of interest and currency exchange rates, the risk of geopolitical events, fluctuations in commodity prices and concerns about European stagnation as well as diverging monetary policies among the major economies have affected financial markets and the economy.

In addition to the macroeconomic factors discussed above, other events beyond our control, including terrorist attacks, cyber-attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on our businesses and results.

There can be no assurance that the uncertainties affecting global markets will not negatively impact credit markets in Asia, including in the Philippines. These developments may adversely affect trade volumes with potentially negative effects on the Philippines.

***Any economic slowdown or deterioration in economic conditions in the Philippines may adversely affect our business and operations in the Philippines.***

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and electricity shortages and blackouts. The Philippine Statistics Authority ("**PSA**") has reported that the headline inflation rate rose to 1.5% in August 2025, an increase from 0.9% in July 2025, 1.4% in June 2025 and 1.3% in May 2025.

Our results of operations are significantly influenced by the performance of the Philippine economy. Any severe deterioration in economic conditions may adversely affect the purchasing power of consumers and businesses, potentially impacting our collection efficiency. There is no assurance that current or future governments will implement economic policies conducive to sustaining economic growth. Consequently, our results of operations may fluctuate from period to period in line with changes in the Philippine economy, which is affected by various factors, including political, economic, and international developments.

While we continually monitor key economic indicators to develop strategies to address potential adverse developments, there is no assurance that these efforts will adequately mitigate systemic risks.

**Risks Relating to the Offer Shares and the Offer**

***The Offer Shares may not be suitable investment for all investors***

Each potential investor in the Offer Shares must determine the suitability of that investment in light of its own circumstances and risk tolerance. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Offer Shares, the merits and risks of investing in the Offer Shares and the information contained in this Prospectus;
(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Offer Shares and the impact the Offer Shares will have on its overall investment portfolio;
(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Offer Shares, including where the currency for principal or dividend payments is different from the potential investor's currency;
(d) understand thoroughly the terms of the Offer Shares and be familiar with the behavior of any relevant financial markets; and
(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, foreign exchange rate and other factors that may affect its investment and its ability to bear the applicable risks.

No assurance can be given on adequate mitigation of such risk.

***The price of the Company's Offer Shares will fluctuate*.**

The Offer Price will be determined through a bookbuilding process in relation to each Tranche or Series, which could differ significantly from the price at which the Offer Shares will trade subsequent to completion of the relevant Offer. The Offer Price is not an indication of the future price (or direction of the price) of the Company's Non-Voting Preferred Shares. The price of securities can and does fluctuate, and any individual security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of the Offer Shares. There is no assurance that the Company will be able to manage such risk.

***There can be no guarantee that the Offer Shares will be listed on the PSE.***

Purchasers of the Offer Shares will be required to pay for such Offer Shares on or before the relevant issue date of each Tranche. There can be no assurance that each Offer can be successfully concluded or that before such issue date, no material adverse event occurs which justifies the termination of the underwriting agreement.

***There can be no assurance that the Company will be able to pay dividends or maintain any given level of dividends.***

Under the terms and conditions governing the Offer Shares, the Group may pay no dividends on a Dividend Payment Date. Holders of the Offer Shares will not receive dividends on a Dividend Payment Date or for any period during which the Issuer does not have retained earnings out of which to pay dividends.

If the unrestricted retained earnings available to distribute as dividends are, in the Board's opinion, not sufficient to enable the Issuer to pay in full on the same date both dividends on the Offer Shares and the dividends on other shares that have an equal right to dividends as the Offer Shares, the Issuer is required first, to pay in full, or to set aside an amount equal to, all dividends scheduled to be paid on or before that Dividend Payment Date on any shares with a right to dividends ranking in priority to that of the Offer Shares; and second, to pay dividends on the Offer Shares and any other shares ranking equally with the Offer Shares as to participation in profits pro rata to the amount of the cash dividends scheduled to be paid to them. The amount scheduled to be paid will include the amount of any dividend payable on that date and any arrear on past cumulative dividends on any shares ranking equal in the right to dividends with the Offer Shares.

***Non-payment of dividends may affect the trading price of the Offer Shares***

If dividends on the Offer Shares are not paid, the Offer Shares may trade at a lower price than they might otherwise have traded if dividends had been paid. The sale of the Offer Shares during such a period by a holder of the Offer Shares may result in such holder receiving lower returns on the investment than a holder who continues to hold the Offer Shares until dividend payments resume. In addition, because of the dividend limitations, the market price for the Offer Shares may be more volatile than that of other securities that do not have these limitations. While Globe has consistently declared and paid dividends on its outstanding common and voting preferred shares, no assurance can be given that it will continue to do so in the future, or that it will be able to adequately mitigate such risk.

***Globe's obligations in respect of the Offer Shares are subordinated to all of the Company's indebtedness***

Globe's obligations in respect of the Offer Shares are subordinated to all of the Company's indebtedness, and it will not make any payments under the Offer Shares unless it can satisfy in full all of its other obligations that rank senior to the Offer Shares.

Globe's obligations under the Offer Shares are unsecured and will, in the event of the winding-up of the Company, rank junior in right of payment to all indebtedness of the Company and junior in right of payment to securities of, or claims against, the Company which rank or are expressed to rank senior to the Offer Shares. Accordingly, Globe's obligations under the Offer Shares will not be satisfied unless Globe can satisfy in full all of its other obligations ranking senior to the Offer Shares.

There are no terms in the Offer Shares that limit Globe's ability to incur additional indebtedness, including indebtedness that ranks senior to or *pari passu* with the Offer Shares.

Notwithstanding the foregoing, Globe's continuing track record of prudent financial management has allowed it to have a net debt-to-equity ratio of 1.29x as of September 30, 2025 on a consolidated basis. Thus, in the event that Globe is dissolved, Globe anticipates that there will be sufficient assets for disposition that will meet all its debt obligations, whether secured or unsecured.

***There may be insufficient distributions upon liquidation***

Upon any voluntary or involuntary dissolution, liquidation or winding up of Globe, holders of Offer Shares will be entitled only to the available assets of the Company remaining after the Company's indebtedness is satisfied. If any such assets are insufficient to pay the full amount due to the holders of the Offer Shares, then holders of Offer Shares shall share ratably in any such distribution of assets in proportion to the full distributions to which they would otherwise be respectively entitled.

Notwithstanding the foregoing, Globe's continuing track record of prudent financial management has allowed it to have a net debt-to-equity ratio of 1.29x as of September 30, 2025 on a consolidated basis. Thus, in the event that Globe is dissolved, Globe anticipates that there will be sufficient assets for disposition that will meet all its debt obligations, whether secured or unsecured.

***Globe's ability to make payments under the Offer Shares is limited by terms of Globe's other indebtedness***

Globe has and will continue to have a certain amount of outstanding indebtedness. The current terms of Globe's financing agreements contain provisions that could limit the ability of the Company to make payments on the Offer Shares.

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 coverage[1] exceeding 1.3 times; and
- Secured debt ratio[2] 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 September 30, 2025, Globe is well within the ratios prescribed under its loan agreements.
If Globe were non-compliant with such covenants and such non-compliance remains uncured for a period of 30 days, or if it were in default in its payment obligations to one or more of its lenders, the Company may be considered in default resulting to acceleration of loan payments, and prohibited from making cash payments in respect of the Offer Shares. Also, Globe may in the future, directly or indirectly through its subsidiaries, enter into other financing agreements which may restrict or prohibit the ability of the Company to make payments on the Offer Shares. There can be no assurance that existing or future financing arrangements will not adversely affect Globe's ability to make payments on the Offer Shares.

To manage this risk, the Company (i) closely monitors its compliance with such financial covenants and (ii) plans and implements interventions to ensure liquidity through recycling of capital. Further, Globe intends to continue its strategy of compliance with its debt obligations by adopting the necessary internal controls in financial management and adopting good corporate governance policies that will ensure that transactions do not violate its debt covenants.

***The relative volatility and illiquidity of the Philippine securities market may substantially limit investors' ability to sell the Offer Shares at a suitable price or at a time they desire.***

The Philippine securities markets are substantially smaller, less liquid, and more volatile relative to major securities markets in the United States and other jurisdictions, and are not as highly regulated or supervised as some of these other markets are. The Offer Price could differ significantly from the price at which the Common Shares will trade subsequent to completion of the Offer. There can be no assurance that even after the Offer Shares have been approved for listing on the PSE, any active trading market for the Common Shares will develop or be sustained after the Offer, or that the Offer Price will correspond to the price at which the Common Shares will trade in the Philippine public market subsequent to the Offer. There is no assurance that investors may sell the Offer Shares at prices or at times deemed appropriate.

Factors that could affect the price of the Company's Offer Shares include the following:

- fluctuations in the Company's results of operations and cash flows or those of other companies in the Company's industry;
- the public's reaction to the Company's press releases, announcements and filings with the SEC and the PSE;
- additions or departures of key personnel;
- changes in financial estimates or recommendations by research analysts;
- changes in the amount of indebtedness the Company has outstanding;
- changes in general conditions in the Philippines and international economy, financial markets or the industries in which the Company operates, including changes in regulatory requirements and changes in political conditions in the Philippines;
- significant contracts, acquisitions, dispositions, financings, joint marketing relationships, joint ventures or capital commitments by the Company or its competitors;
- asset impairments or other charges;
- developments related to significant claims or proceedings against the Company;
- the Company's dividend policy; and
- future sales of the Company's equity or equity-linked securities.

In recent years, stock markets, including the PSE, have experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. These broad market fluctuations may adversely affect the market price of the Company's Non-Voting Preferred Shares. There is no assurance that the Company will be able to manage such risk.

***The Offer Shares have no stated maturity date and Globe has the sole right to redemption***

The Offer Shares have no fixed maturity date, and the Offer Shares are not repayable in cash unless the Issuer, at its sole discretion, redeems them for cash. Furthermore, holders of the Offer Shares have no right to require the Issuer to redeem the Offer Shares. The Offer Shares are only redeemable at the option of the Issuer on the Optional Redemption Date, or at any time in the event that dividend payments become subject to additional withholding tax as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to Globe. Accordingly, if a holder of the Offer Shares wishes to obtain the cash value of the investment, the holder will have to sell the Offer Shares in the secondary market. No assurance can be given on adequate mitigation of such risk.

***There may be a lack of public market for the Offer Shares***

The Philippine securities markets are substantially less liquid and more volatile than major securities markets in other jurisdictions and are not as highly regulated or supervised as some of these other markets. The Company cannot guarantee that the market for the Offer Shares will always be active or liquid upon commencement of their trading on the PSE. The nationality restriction on ownership of the Offer Shares may also restrict the trading and liquidity of the Offer Shares. No assurance can be given on adequate mitigation of such risk.

***The Offer Shares may have limited liquidity***

The Joint Underwriters and Joint Bookrunners are not obligated to create a trading market for the Offer Shares and any such market making will be subject to the limits imposed by applicable law and may be interrupted or discontinued at any time without notice. Accordingly, the Company cannot predict whether an active or liquid trading market for the Offer Shares will develop or if such a market develops, if it can be sustained. Consequently, a holder may be required to hold his Offer Shares for an indefinite period of time or sell them for an amount less than the Offer Price. No assurance can be given on adequate mitigation of such risk.

***Fluctuations in the exchange rate between the Peso and the U.S. dollar may have an adverse effect on the value of the Non-Voting Preferred Shares.***

The Non-Voting Preferred Shares are listed on the PSE, where securities are quoted and traded in Philippine Pesos. If there are any cash dividends on such Non-Voting Preferred Shares, these dividends will be paid in Philippine Pesos. Fluctuations in the exchange rate between the Philippine Peso and the U.S. dollar may affect, among other things, the U.S. dollar value of the proceeds that a holder receives upon a sale of such shares or in respect of any cash dividends paid on such shares. There is no assurance that the Company will be able to manage such risk.

***Holders of Offer Shares may be unable to reinvest at a similar return on investment***

On the Dividend Rate Step-Up Date, or any Dividend Payment Date thereafter, or at any time redemption occurs, Globe may redeem the Offer Shares for cash at the redemption price, as described in "*Description of the Securities*" in this Prospectus and "*Summary of the Offer*" in the Offer Supplement. At the time of redemption, interest rates may be lower than at the time of the issuance of the Offer Shares and, consequently, the holders of the Offer Shares may not be able to reinvest the proceeds at a comparable rate of return or purchase securities otherwise comparable to the Offer Shares. No assurance can be given on adequate mitigation of such risk.

***The Offer Shares have no voting rights***

Holders of the Offer Shares will have no voting rights, except with respect to certain fundamental matters set forth in the Company's Amended Articles of Incorporation and as required by Philippine law (see the sections on "**Description of the Securities**" in this Prospectus and "**Summary of the Offer**" in the Offer Supplement). Further, holders of the Offer Shares will not be entitled to elect the Directors of the Company.

***Developments in other markets and countries may adversely affect the Philippine economy and, therefore, the market price of the Non-Voting Preferred Shares.***

In the past, the Philippine economy and the securities of Philippine companies have been, to varying degrees, influenced by economic and market conditions in other countries, especially other countries in Southeast Asia, as well as investors' responses to those conditions. Although economic conditions are different in each country, investors' reactions to adverse developments in one country may affect the market price of securities of companies in other countries, including the Philippines. Accordingly, adverse developments in the global economy could lead to a reduction in the demand for, and market price of, the Offer Shares. There is no assurance that the Company will be able to manage such risk.

***The Non-Voting Preferred Shares are subject to Philippine foreign ownership limitations.***

The Non-voting Preferred Shares are subject to Philippine foreign ownership limitations.

The Philippine Constitution and related statutes set restrictions on foreign ownership in companies that own land. Ownership of private lands in the Philippines is a nationalized activity reserved to Filipino citizens and corporations and associations at least 60% of whose capital is owned by Filipino citizens.

Additionally, R.A. No. 11659, which took effect on April 9, 2022, classified telecommunications as "critical infrastructure." As critical infrastructure, foreign nationals, whether natural or juridical, may own more than 50% of the capital stock of Globe provided that the country of such foreign national accords reciprocity to Philippine nationals as may be provided by foreign law, treaty, or international agreement. In the absence of reciprocity, foreign nationals of such country are only allowed to hold up to fifty percent (50%) of the capital of critical infrastructure. Further, foreign state-owned enterprises may not make any new or additional investments in the capital of critical infrastructure.

Thus, as a critical infrastructure and an owner of several parcels of land, Globe cannot allow the issuance or the transfer of the Non-Voting Preferred Shares to persons other than Philippine Nationals and cannot record transfers in our books if such issuance or transfer would result in our Company ceasing to be a Philippine National or breaching the limit under R.A. No. 11659 for purposes of complying with the restrictions on foreign ownership.

As of September 30, 2025, Filipino shareholders owned 74.53% of our outstanding capital stock, while foreign shareholders owned 25.47%. Globe is compliant with all conditions for foreign shareholder ownership under the prevailing provisions of applicable laws as of the date of this Prospectus and expect to remain compliant immediately following completion of the Offer. See *"Principal Shareholders*", "*Regulatory and Environmental Matters – Nationality Restrictions*", and *"Registration of Foreign Investments and Exchange Controls".*

***The Company's management has broad discretion to determine how to use the proceeds received from this Offer, and may use them in ways that may not enhance the Company's operating results or the price of the Company's Non-Voting Preferred Shares.***

The Company plans to use the net proceeds of this offering as described under "*Use of Proceeds*" section the Offer Supplement. The Company's management will have broad discretion over the use and investment of the net proceeds of the Offer, and accordingly investors will need to rely upon the judgment of the Company's management with respect to the use of proceeds with only limited information concerning management's specific intentions. Any material deviation for the use of proceeds as disclosed under "*Use of Proceeds*" section of the Offer Supplement will be disclosed in accordance with the relevant rules of the SEC and/or PSE.

## RISKS RELATING TO CERTAIN INFORMATION IN THIS PROSPECTUS

***Certain information contained herein is derived from unofficial publications.***

Certain information in this Prospectus relating to the Philippines, the industries in which the Group competes, and the markets in which the Group operates, including statistics relating to market size, is derived from various Government and private publications. This Prospectus also contains industry information prepared from available public sources. While such publications generally state that the information they contain has been obtained from sources believed to be reliable, the information contained in those sections might not be consistent with other information regarding the Philippine telecommunication industry. Similarly, industry forecasts and other market research data, including those contained or extracted herein, have not been independently verified by the

Company, the Underwriters or any of their respective affiliates or advisers, and might not be accurate, complete, up-to-date or consistent with other information compiled within or outside the Philippines. In particular, the section entitled "*The Philippine Telecommunications Industry*" in this Prospectus does not present the opinions of the Company, the Underwriters or any of their respective affiliates. Prospective investors are cautioned accordingly.

# USE OF PROCEEDS

The use of proceeds for each Tranche of the Non-Voting Preferred Shares Program shall be set out in the relevant Offer Supplement.

**Adjustments in the Use of Proceeds**

In the event of any material deviation, adjustment or reallocation in the planned use of proceeds, the Company will secure the approval of its Board of Directors for such deviation, adjustment or reallocation and promptly make the appropriate disclosures to the SEC and the PSE.

The Company will disclose via the PSE's Electronic Disclosure Generation Technology ("**EDGe**") the following disclosures to ensure transparency in the use of proceeds:

- any disbursements made in connection with the planned use of proceeds from the Offer;

- quarterly progress reports on the application of the proceeds from the Offer on or before the first fifteen (15) days of the following quarter. The quarterly progress reports should be certified by the Company's Chief Finance Officer, Treasurer and Chief Risk Officer and external auditor;

- annual summary of the application of the proceeds on or before January 31 of the following year. The annual summary report should be certified by the Company's Chief Finance Officer, Treasurer, and Chief Risk Officer and external auditor; and

- approval by the Company's Board of Directors of any reallocation on the planned use of proceeds, or of any change in the work program. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least thirty (30) days prior to the said actual disbursement or implementation.

In respect of the quarterly and annual reports, the Company will include a detailed explanation for any material variations, if any, between the actual disbursements and the planned use of proceeds set out in this Prospectus. The detailed explanation will include the approval of the Company's Board of Directors as specified above. In the event of any material deviation, reallocation or adjustment in the planned use of proceeds, the Company shall inform the SEC and issue all appropriate disclosures within thirty (30) days prior to its implementation. Any material or substantial adjustment to the use of proceeds, as indicated above, shall be approved by the Board and shall be publicly disclosed through the SEC and PSE.

# PLAN OF DISTRIBUTION

*The detailed plan of distribution and underwriting arrangement for each Tranche shall be set out in the relevant Offer Supplement.*

## THE OFFER AND SECURITIES PROGRAM SHELF REGISTRATION

On [•], Globe filed a Registration Statement with the SEC in connection with the Non-Voting Preferred Shares Program.

## SHELF REGISTRATION OF SECURITIES NOT COVERED BY THE OFFER

Within five (5) years following the effectivity date of the Registration Statement filed for the Non-Voting Preferred Shares Program, Globe may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Offer Shares covered by such registration statement, in one or more Series and in subsequent Tranches under Rule 8.1.2 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code, as amended. Such a shelf registration provides Globe with the ability to conduct such an offering within a comparatively short period of time. Globe believes that this provides it with the increased ability to take advantage of opportunities in a volatile equity capital market, as these occur. Any subsequent offering under such rule requires the submission by Globe of the relevant updates and amendments to the registration statement and the issuance of the corresponding SEC Permit to Sell by the SEC. As a listed company, Globe regularly disseminates such updates and information in its disclosures to the SEC and the PSE.

At any time, which may include periods shortly following the completion of the Offer, Globe may initiate subsequent offers of other Non-Voting Preferred Shares in various Series and Tranches from the balance of the aggregate principal amount of Non-Voting Preferred Shares that will remain unissued from the Non-Voting Preferred Shares Program. Such subsequent offers may be conducted on different terms and tenors involving different issue managers, underwriters or other transaction parties. Globe regularly considers prevailing market conditions and opportunities in relation to such offers that are permitted within the five (5) year effectivity of the Non-Voting Preferred Shares Program.

However, there can be no assurance in respect of: (i) whether Globe will issue any such Offer Shares at all; (ii) the size or timing of any individual issuance or the total issuance of such Offer Shares; or (iii) the dividend rate or other specific terms and conditions of any such issuance. Any decision by Globe to offer such Offer Shares will depend on a number of factors at the relevant time, many of which are not within Globe's control, including but not limited to: prevailing interest rates, the financing requirements of Globe's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

## THE UNDERWRITERS

The Offer Shares will be offered through the Underwriters that may be engaged by the Company for each Tranche and selling agents. The Underwriters for each Tranche will be disclosed in the relevant Offer Supplement.

## OFFER PERIOD

The Offer Period for each Tranche shall be set out in the relevant Offer Supplement.

## APPLICATION TO PURCHASE

The requirements to purchase the Offer Shares being offered in a Series or Tranche shall be set out in the Offer Supplement for such Series or Tranche.

## MINIMUM PURCHASE

The terms of payment of the Offer Shares being offered in a Series or Tranche shall be set out in the relevant Offer Supplement for such Series or Tranche.

## ALLOTMENT OF THE OFFER SHARES

If the Offer Shares in a Tranche are insufficient to satisfy all Applications to Purchase, the available Offer Shares shall be allotted at the discretion of the Underwriters, in consultation with the Issuer and subject to the Issuer's right of rejection.

**REFUNDS**

If any application is rejected or accepted in part only, the corresponding payment or the appropriate portion thereof shall be returned without interest to such applicant through the Underwriters or the Receiving Agent from whom such application to purchase the Offer Shares was made.

**SELLING RESTRICTIONS**

The distribution of this Prospectus or any offering material and the offer, sale or delivery of the Offer Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Prospectus or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or invitation in any circumstance in which such offer or invitation is not authorized.

No securities, except of a class exempt under Section 9 of the SRC or unless sold in any transaction exempt under Section 10 thereof, shall be sold or distributed by any person within the Philippines, unless such securities shall have been registered with the SEC on Form 12-1 and the registration statement has been declared effective by the SEC.

# DIVIDEND POLICY

*This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. Prospective investors should read the entire Prospectus carefully, including the section entitled "Risk Factors" and the audited financial statements and the related notes to those statements included in this Prospectus.*

## Overview

Under Philippine law, dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. "**Unrestricted Retained Earnings**" refer to the undistributed earnings of a corporation which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose.

The Revised Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without their consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies.

## Dividend Policy

Dividends declared by the Company on its stocks are payable in cash or in additional shares of stock. As a policy and as much as practicable, the Company observes a 30-day period for the payment of dividends to shareholders from the declaration date of such dividends.

Pursuant to the Company'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 Company's 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, which was applied starting the 2024 dividend declaration. The amended policy will provide the Company 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 the Company's dividend payout competitiveness compared to its regional peers.

## Cash Dividends

The dividend policy of the Company 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, taking into account the Company's operating results, cash flows, debt covenants, capital expenditure levels and liquidity.

Pursuant to existing SEC rules, cash dividends declared by the Company must have a record date that is neither less than 10 nor more than 30 days from the date the cash dividends are declared, provided, however that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of cash dividend. In case no record date is specified, the same is deemed to be fixed at 15 days from such declaration. However, companies that are obliged to pay dividends may have a single declaration for several cash dividends within a year, subject to the condition that their record and payment dates are also explicitly provided.

With respect to stock dividends, the record date is to be neither less than 10 nor more than 30 days from the date of shareholders' approval, provided, however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

Subject as described herein, the Company has historically paid and intends to continue to pay (subject as described below) dividends on its Common Shares and Voting Preferred Shares.

The payment of dividends in the future will depend on the Company's earnings, cash flow, financial condition and other factors. Dividends may be declared only from unrestricted retained earnings. Circumstances which could restrict the payment of cash dividends include, but are not limited to, when the Company undertakes major projects and developments requiring substantial cash expenditures. The Board of Directors may, at any time, modify the Company's dividend payout ratio depending on the results of operations and future projects and plans of the Company.

Cash dividends declared by the Company for the two most recent fiscal years and the nine months ended September 30, 2025, are as follows:

**Common Shares**

| Declaration date | Dividend per Common Share (₱) | Total dividend amount[1] (₱ in thousands) | Outstanding Shares | Record date | Payment date |
|---|---|---|---|---|---|
| August 5, 2025 | 25.00 | 3,611,713 | 144,468,524 | August 19, 2025 | September 4, 2025 |
| May 9, 2025 | 25.00 | 3,611,713 | 144,468,524 | May 26, 2025 | June 5, 2025 |
| February 6, 2025 | 25.00 | 3,609,508 | 144,380,334 | February 20. 2025 | March 7 ,2025 |
| November 7, 2024 | 25.00 | 3,609,508 | 144,380,334 | November 21, 2024 | December 6, 2024 |
| August 6, 2024 | 25.00 | 3,609,508 | 144,380,334 | August 20, 2024 | September 5, 2024 |
| May 14, 2024 | 25.00 | 3,609,508 | 144,380,334 | May 28, 2024 | June 13, 2024 |
| February 6, 2024 | 25.00 | 3,605,716 | 144,228,604 | February 21, 2024 | March 7, 2024 |
| November 3, 2023 | 25.00 | 3,605,715 | 144,228,604 | November 17, 2023 | December 1, 2023 |
| August 11, 2023 | 25.00 | 3,605,715 | 144,228,604 | August 29, 2023 | September 8, 2023 |
| May 4, 2023 | 25.00 | 3,605,714 | 144,228,604 | May 18, 2023 | June 2, 2023 |
| February 6, 2023 | 25.00 | 3,601,514 | 144,060,544 | February 20,2023 | March 8, 2023 |

*Note*:

*(1) Cash dividends are computed based on the outstanding Common Shares as of a designated record date.*

**Voting Preferred Shares**

| Declaration date | Dividend per Voting Preferred Share (₱) | Total dividend amount[1] (₱ in thousands) | Outstanding Shares | Record date | Payment date |
|---|---|---|---|---|---|
| November 7, 2024 | 0.32 | 61,297 | 158,515,021 | November 21, 2024 | December 6, 2024 |
| November 3, 2023 | 0.32 | 50,027 | 158,515,021 | November 17, 2023 | December 1, 2023 |

*Note*:

*(1) Cash dividends are computed based on the outstanding Voting Preferred Shares as of a designated record date.*

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP. See "*Philippine Taxation — Tax on Dividends*".

## DETERMINATION OF OFFER PRICE

The determination of the Offer Price for each Series and/or Tranche being offered shall be set out in the relevant Offer Supplement under the "*Determination of the Offer Price*" section thereof.

## DILUTION

The re-issuance of the Offer Shares will not have any effect on the amount and percentage of present holdings of common holders, or any dilutive effect on the earnings per common share ("**EPS**") of the Company, since the Offer Shares are not convertible to common shares and the Offer Shares do not participate in dividends of the common shares or vice versa. Therefore, the outstanding number of common shares that will be used in computing the EPS will not change.

The Offer Shares may be owned or purchased by any person, partnership, association or corporation regardless of nationality, provided that at any time, at least 60% of the outstanding capital stock of Globe shall be owned by citizens of the Philippines or by partnerships, associations or corporations at least 60% of whose outstanding capital stock and whose voting stock or voting power is owned and controlled by citizens of the Philippines. Accordingly, Globe may reject an Application to Purchase for the Offer Shares or reduce the number of Offer Shares applied for purchase by a foreign investor to maintain the 60% Philippine ownership requirement.

## SELECTED FINANCIAL INFORMATION AND OTHER DATA

*The selected historical consolidated statements of financial position as of December 31, 2022, 2023 and 2024 and selected historical consolidated statements of comprehensive income and selected historical consolidated statements of cash flows for the years ended December 31, 2022, 2023 and 2024, have been derived from, and should be read in conjunction with, the relevant Audited Consolidated Financial Statements and, including the notes thereto, included elsewhere in this Prospectus. Isla Lipana & Co., a Philippine member of the PwC network, has audited the relevant Audited Consolidated Financial Statements in accordance with Philippine Standards on Auditing.*

*The selected historical unaudited interim condensed consolidated statements of financial position as of September 30, 2025 and selected historical unaudited interim condensed consolidated statements of comprehensive income and selected historical consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024, have been derived from, and should be read in conjunction with, the Unaudited Interim Condensed Consolidated Financial Statements, which Isla Lipana & Co., a Philippine member of the PwC network, has reviewed in accordance with the Philippine Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".*

*The following information should be read together with the more detailed information contained in the Audited Consolidated Financial Statements and related notes and the Unaudited Interim Condensed Consolidated Financial Statements and related notes included elsewhere in this Prospectus as well as "Management's Discussion and Analysis of Financial Position and Results of Operations", "Summary of Consolidated Financial Information" and "Business". The following data is qualified in its entirety by reference to all of that information.*

### CONSOLIDATED STATEMENTS OF INCOME

| | For the years ended December 31, | | | For the nine (9)months ended September 30 | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | *(in millions, except earnings per share figures)* | | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| **REVENUES** | | | | | |
| Service revenues | 157,979.3 | 162,333.5 | 165,016.3 | 124,009.4 | 121,676.5 |
| Nonservice revenues | 17,061.4 | 17,831.0 | 15,569.8 | 10,734.8 | 9,914.0 |
| | 175,040.7 | 180,164.5 | 180,586.1 | 134,744.2 | 131,590.4 |
| **INCOME (LOSSES)** | | | | | |
| Equity share in net income (losses) of associates and joint ventures | 1,083.2 | 2,214.8 | 3,897.0 | 3,663.8 | 5,382.4 |
| Interest income | 340.1 | 677.6 | 918.3 | 625.7 | 542.4 |
| Gain on disposal of property and equipment – net | 321.4 | 371.7 | 206.5 | 241.3 | 130.7 |
| Gain on sale and leaseback of telecom towers – net | 8,260.9 | 7,258.4 | 3,482.1 | 3,627.8 | 380.7 |
| Gain on sale of controlling interest on data center business | 10,511.9 | - | - | - | - |
| Other income – net | 2,474.8 | 959.9 | 1,734.9 | 1,225.7 | 3,215.8 |
| | 22,992.4 | 11,482.3 | 10,238.9 | 9,384.4 | 9,652.0 |
| **COSTS AND EXPENSES** | | | | | |
| General, selling and administrative expenses | 74,227.3 | 74,681.1 | 72,836.8 | 55,255.6 | 53,392.6 |
| Depreciation and amortization | 45,653.3 | 47,356.0 | 50,473.0 | 37,301.4 | 39,981.8 |

| | For the years ended December 31, | | | For the nine (9)months ended September 30 | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| | **(Audited)** | **(Audited)** | **(Audited)** | **(Unaudited)** | **(Unaudited)** |
| | *(in millions, except earnings per share figures)* | | | | |
| | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** |
| Costs of inventories sold | 17,691.7 | 18,217.0 | 16,428.7 | 11,509.1 | 10,092.1 |
| Interconnect costs | 1,362.3 | 1,367.1 | 1,619.8 | 1,186.8 | 1,373.2 |
| Financing costs | 10,091.3 | 12,145.9 | 14,444.3 | 10,511.0 | 12,105.4 |
| Impairment and other losses | 4,906.7 | 5,464.0 | 4,691.3 | 2,965.0 | 3,137.6 |
| | 153,932.6 | 159,231.0 | 160,493.9 | 118,728.9 | 120,082.7 |
| **INCOME BEFORE INCOME TAX** | **44,100.5** | **32,415.7** | **30,331.1** | **25,399.6** | **21,159.7** |
| **PROVISIONS FOR INCOME TAX** | | | | | |
| Current | 9,696.5 | 7,853.7 | 6,919.7 | 4,896.3 | 2,705.1 |
| Deferred | (200.1) | (16.0) | (874.4) | (53.1) | 763.8 |
| | 9,496.4 | 7,837.7 | 6,045.3 | 4,843.2 | 3,468.8 |
| **NET INCOME** | **34,604.0** | **24,578.0** | **24,285.8** | **20,556.3** | **17,690.8** |
| Net Income attributable to: | | | | | |
| Equity holders of Globe | 34,563.0 | 24,512.8 | 24,304.4 | 20,575.5 | 17,692.8 |
| Non-controlling interest | 41.0 | 65.3 | (18.6) | (19.1) | (2.0) |
| | 34,604.0 | 24,578.0 | 24,285.8 | 20,556.3 | 17,690.8 |
| **EARNINGS PER SHARE**[(1)] | | | | | |
| Basic | ₱245.44 | ₱160.45 | ₱158.48 | ₱135.25 | ₱115.29 |
| Diluted | ₱244.25 | ₱159.74 | ₱157.83 | ₱134.59 | ₱114.72 |

*Notes:*

(1) Rounded to the nearest ₱1.00.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | For the years ended December 31, | | | For the nine (9) months ended September 30 |
|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** |
| | **(Audited)** | **(Audited)** | **(Audited)** | **(Unaudited)** |
| | *(in millions)* | | | |
| | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** |
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash and cash equivalents | 18,033.8 | 16,645.1 | 21,353.7 | 27,728.4 |
| Trade receivables – net | 23,563.4 | 18,097.9 | 19,660.5 | 17,549.0 |
| Contract assets – net | 6,891.5 | 6,223.6 | 5,443.0 | 4,648.7 |
| Inventories and supplies – net | 3,881.7 | 3,388.4 | 2,964.8 | 1,873.0 |
| Derivative assets – current | 502.3 | 516.7 | 177.2 | 385.6 |
| Prepayments and other current assets | 19,706.1 | 19,328.1 | 19,970.1 | 23,817.2 |
| Assets classified as held-for-sale | 27,948.9 | 22,724.3 | 7,648.8 | 5,985.1 |
| Total Current Assets | 100,527.7 | 86,924.1 | 77,218.0 | 81,986.9 |
| **Noncurrent Assets** | | | | |
| Property and equipment – net | 281,899.1 | 334,408.6 | 352,115.1 | 359,923.0 |
| Intangible assets and goodwill-net | 25,082.6 | 23,373.1 | 20,130.9 | 18,303.2 |
| Right of use assets – net | 37,108.1 | 69,538.8 | 90,464.5 | 96,442.4 |
| Investments in joint ventures | 52,138.0 | 55,335.7 | 59,368.9 | 66,669.9 |
| Deferred income tax assets – net | 2,228.0 | 2,280.0 | 1,971.5 | 1,869.8 |
| Derivative assets – net of current portion | 4,627.0 | 4,200.2 | 5,042.0 | 5,573.0 |
| Other noncurrent assets | 52,066.9 | 35,567.6 | 27,325.3 | 25,985.4 |
| Total Noncurrent Asset | 455,149.7 | 524,704.0 | 556,418.2 | 574,766.7 |
| **Total Assets** | **555,677.4** | **611,628.2** | **633,636.1** | **656,753.7** |
| **LIABILITIES AND EQUITY** | | | | |
| **Current Liabilities** | | | | |
| Trade payables and accrued expenses | 88,380.8 | 87,664.3 | 78,107.3 | 77,605.8 |
| Contract liabilities and deferred revenues – current | 7,576.1 | 7, 154.7 | 6,049.8 | 6,154.1 |
| Loans payable – current | 46,172.0 | 36,793.0 | 26,349.8 | 22,202.5 |
| Derivative liabilities – current | 609.3 | 482.2 | 573.0 | 432.7 |
| Lease liabilities – current | 4,522.4 | 5,899.4 | 8,175.6 | 8,575.8 |
| Provisions | 2,583.5 | 2,961.0 | 3,394.0 | 4,104.5 |
| Income tax payable | 3,621.7 | 1,605.0 | 902.3 | 812.1 |
| Liabilities classified as held-for-sale | - | - | - | 552.0 |
| Total Current Liabilities | 153,465.8 | 142,559.5 | 123,551.8 | 120,439.5 |
| **Noncurrent Liabilities** | | | | |
| Loans payable – net of current portion | 187,032.6 | 213,162.6 | 223,110.1 | 231,289.0 |
| Contract liabilities and deferred revenues – net of current portion | - | 764.9 | 644.9 | 447.2 |
| Deferred income tax liabilities – net | 6,446.3 | 5,984.0 | 4,363.2 | 5,056.6 |
| Lease liabilities – non-current | 49,709.2 | 82,825.0 | 107,932.2 | 118,448.2 |
| Pension liabilities | 1,963.5 | 2,718.3 | 2,826.8 | 3,656.6 |
| Other long-term liabilities | 4,527.2 | 3,687.1 | 3,427.8 | 3,022.1 |
| Total Noncurrent Liabilities | 249,678.7 | 309,141.9 | 342,305.1 | 361,919.7 |
| **Total Liabilities** | **403,144.6** | **451,701.4** | **465,856.9** | **482,359.2** |
| **Equity** | | | | |
| Capital stock | 8,995.6 | 9,004.0 | 9,011.6 | 9,016.0 |
| Additional paid in capital | 53,944.9 | 54,268.5 | 54,568.6 | 54,862.6 |
| Cost of share based payments | 848.8 | 802.7 | 871.7 | 877.1 |
| Capital securities | 29,977.6 | 29,977.6 | 29,977.6 | 29,977.6 |
| Other reserves | (116.3) | (1,333.3) | (2,268.6) | (2,171.7) |
| Treasury shares | (10,000.0) | (10,000.0) | (10,000.0) | (10,000.0) |
| Retained earnings | 68,539.7 | 77,149.3 | 85,588.5 | 91,783.9 |
| Equity attributable to equity holders of the Company | 152,190.3 | 159,868.9 | 167,748.4 | 174,345.5 |
| Non-controlling interests | 342.5 | 57.8 | 30.9 | 49.0 |
| Total Equity | **152,532.9** | **159,926.7** | **167,779.2** | **174,394.5** |

| | For the years ended December 31, | | | For the nine (9) months ended September 30 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) |
| | *(in millions)* | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| **Total Liabilities and Equity** | **555,677.4** | **611,628.2** | **633,636.1** | **656,753.7** |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | For the years ended December 31, | | | For the nine (9) months ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | *(in millions)* | | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| Net cash flows from (used in) operating activities | 65,155.0 | 80,446.9 | 84,781.8 | 65,563.5 | 60,711.3 |
| Net cash flows from (used in) investing activities | (73,851.3) | (54,478.6) | (30,745.4) | (14,516.1) | (24,903.9) |
| Net cash flows from (used in) financing activities | 2,203.3 | (27,558.8) | (49,461.6) | (45,299.2) | (29,130.8) |
| Net increase (decrease) in cash and cash equivalents | (6,493.0) | (1,590.5) | 4,574.8 | 5,748.2 | 6,676.6 |
| Cash and cash equivalents reclassified to assets held for sale | - | - | - | - | (349.1) |
| Net foreign exchange difference on cash and cash equivalents | 287.6 | 201.8 | 133.8 | (137.2) | 47.2 |
| Cash and cash equivalents at beginning of period | 24,239.2 | 18,033.8 | 16,645.1 | 16,645.1 | 21,353.7 |
| Cash and cash equivalents at end of period | 18,033.8 | 16,645.1 | 21,353.7 | 22,256.0 | 27,728.4 |

## OTHER FINANCIAL DATA

| | For the years ended December 31, | | | For the nine (9) months ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | *(in millions, except ARPU figures)* | | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| Average Revenue Per Subscriber ("**ARPU**")[(1)] | | | | | |
| Globe Postpaid | 839 | 855 | 914 | 901 | 903 |
| Prepaid | | | | | |
| Globe Prepaid | 98 | 121 | 148 | 150 | -8% |
| TM | 63 | 84 | 113 | 114 | -5% |
| Adjusted EBITDA | 79,092.0 | 81,426.7 | 86,813.7 | 64,864.7 | 64,185.5 |
| Core Net Income after Tax | 19,168.7 | 18,915.8 | 21,498.0. | 17,614.2 | 15,452.9 |

*Notes:*

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

**ADJUSTED EBITDA RECONCILIATION**

| | For the years ended December 31, | | | For the nine (9) months ended September 30 | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| | **(Audited)** | **(Audited)** | **(Audited)** | **(Unaudited)** | **(Unaudited)** |
| | | | *(in millions)* | | |
| | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** |
| **ADJUSTED EBITDA** | **79,092.0** | **81,426.7** | **86,813.7** | **64,864.7** | **64,185.5** |
| Depreciation and amortization | (45,653.3) | (47,356.0) | (50,473.0) | (37,301.4) | (39,981.8) |
| Financing costs | (10,091.3) | (12,145.9) | (14,444.3) | (10,511) | (12,105.4) |
| Equity in net losses of associates and joint ventures | 1,083.2 | 2,214.8 | 3,897.0 | 3,663.8 | 5,382.4 |
| Gain on deemed sale of investment in Mynt | — | — | — | — | 2,560.4 |
| Foreign exchange gain/(loss) - net | (5,343.0) | 1,042.0 | (2,431.9) | (460.1) | 52.5 |
| Gain/(loss) on derivative instruments | 5,797.8 | (740.7) | 2,957.4 | 712.1 | 19.5 |
| Interest income | 340.1 | 677.6 | 918.3 | 625.7 | 542.4 |
| Gain on disposal of property and equipment - net | 321.4 | 371.7 | 206.5 | 241.3 | 130.7 |
| Gain on sale of data center business | 10,511.9 | — | — | — | - |
| Gain on sale and leaseback of telecom towers - net | 8,260.9 | 7,258.4 | 3,482.1 | 3,627.8 | 380.7 |
| Gain on sale of investments | 101.6 | 76.7 | — | — | 21.1 |
| Impairment of property and equipment | — | (92.4) | (410.6) | 16 | - |
| Other items | (321.0) | (317.1) | (184.2) | (79.1) | (49.3) |
| **INCOME BEFORE INCOME TAX** | **44,100.5** | **32,415.7** | **30,331.1** | **25,399.6** | **21,159.7** |

**RECONCILIATION OF CORE NET INCOME AFTER TAX**

| | For the years ended December 31, | | | For the nine (9) months ended September 30, | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| | **(Audited)** | **(Audited)** | **(Audited)** | **(Unaudited)** | **(Unaudited)** |
| | | | *(in millions)* | | |
| | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** |
| **Core Net Income after Tax** | **19,168.7** | **18,915.8** | **21,498.0** | **17,614.2** | **15,452.9** |
| Gain/(loss) on derivative instruments | 4,348.4 | (555.5) | 2,218.1 | 534.1 | 14.6 |
| Gain on deemed sale of investment in Mynt | — | — | - | — | 2,176.3 |
| Foreign exchange gain/(loss) - net | (4,007.3) | 781.5 | (1,823.9) | (345.1) | 39.4 |
| Gain on sale of data center business | 8,680.8 | — | — | — | - |
| Gain on sale and leaseback of telecom towers – net | 6,195.7 | 5,443.8 | 2,611.6 | 2,720.9 | 285.5 |
| Gain on deemed sale of investment in Konsulta | 22.4 | — | — | — | - |
| Others | 195.4 | (7.6) | (217.9) | 32.3 | (277.9) |
| **NET INCOME** | **34,604.0** | **24,578.0** | **24,285.8** | **20,556.3** | **17,690.8** |

## Selected Financial Information

| | For the years ended December 31, | | | For the nine (9) months ended September 30 | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | | | *(in millions, except percentages)* | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| **Operating Revenues** | **107,520.0** | **180,164.0** | **180,586.1** | **134,744.2** | **131,590** |
| Service Revenues | **157,979.3** | **162,333.5** | **165,016.3** | **124,009.4** | 121,676.5 |
| Mobile | 107,520.0 | 112,376.0 | 116,713.3 | 87,706.1 | 86,173 |
| Voice | 16,905.7 | 15,101.6 | 12,652.8 | 9,642.4 | 8,283 |
| SMS | 8,845.4 | 7,975.3 | 6,691.7 | 5,204.6 | 3,893 |
| Data | 100,956.1 | 109,213.9 | 97,368.8 | 72,859.1 | 73,997 |
| Fixed Line and Home Broadband | 46,280.8 | 45,026.6 | 45,665.1 | 34,496.9 | 33,778 |
| Home Broadband | 27,093.5 | 25,111.7 | 23,785.4 | 17,886.9 | 17,840 |
| Corporate Data | 17,198.1 | 18,319.2 | 20,379.5 | 15,480.1 | 14,995 |
| Fixed Line Voice | 1,989.2 | 1,595.7 | 1,500.2 | 1,130.0 | 943 |
| Others | - | - | 2,637.8 | 1,806.4 | 1,725] |
| Non-Service Revenue | **17,061.4** | **17,831.0** | **15,569.8** | **10,734.8** | **9,914** |
| | | | | | |
| **Costs and Expenses** | **95,948.0** | **98,738.0** | **93,772.4** | **69,879.5** | **67,405.5** |
| Cost of Sales | 18,749.0 | 18,217.0 | 16,428.7 | 11,509.1 | 10,092 |
| Operating Expenses (inclusive of interconnection payout) | 78,256.0 | 80,521.0 | 77,343.7 | (54,218.6) | (1,284.2) |
| **Adjusted EBITDA**(1) | **79,092.0** | **81,426.7** | 86,813.7 | **64,864.7** | **64,185** |
| **Adjusted EBITDA Margin** | **50%** | **50%** | **53%** | **52%** | **52.8%** |
| **Depreciation and amortization** | **(45,653.3)** | **(47,356.0)** | **(50,473.0)** | **(37,301.4)** | **(39,981.8)** |
| **EBIT**(2) | **33,439.0** | **34,071.0** | **36,340.6** | **27,563.2** | **24,203.6** |
| **EBIT Margin**(3) | **21%** | **21%** | **22%** | **22.2%** | **19.9%** |
| **Non-Operating Charges**(4) | **10,662** | **(1,655)** | **6,009.6** | **(2,163.6)** | **(3,044)** |
| **Net Income After Tax ("NIAT")** | **34,604.0** | **24,578.0** | **24,285.8** | **20,556.3** | **17,691** |
| **Core Net Income after Tax**(5) | **19,169** | **18,916.0** | **21,498.0** | **17,614.2** | **15,453** |

*Notes:*

(1) Earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**") is calculated as service revenues less subsidy, operating expenses, and other income and expenses. EBIT is Adjusted EBITDA less depreciation and amortization. Core Net Income After Tax, EBIT, Adjusted EBITDA, EBIT Margin and Adjusted EBITDA Margin are non-PFRS Accounting Standards financial measures which the Group believes are supplemental measures of the Group's performance, but are however not required by, or presented in accordance with, and should not be considered as an alternative to net profit, revenues, or any other financial performance measure derived in accordance with PFRS Accounting Standards or as an alternative to cash flow from operations or as a measure of the Group's liquidity. Non-PFRS Accounting Standards financial measures have limitations as analytical tools, and such measures should not be considered in isolation from, or as a substitute for, independent analysis of the Group's financial condition or results of operations, as reported under PFRS Accounting Standards. These non-PFRS Accounting Standards financial measures are not standardized terms and other companies may calculate measures bearing the same titles differently, hence a direct comparison between companies using such terms may not be possible, which limits the usefulness of these non-PFRS Accounting Standards financial measures.

(2) EBIT" refers to earnings before interest, property and equipment-related gains and losses, income taxes, other non-operating charges such gains and losses related to investments in joint ventures and associates, foreign exchange differences and derivative gains and losses. The Group calculates EBIT by deducting depreciation and amortization from Adjusted EBITDA. The Group's method of calculating EBIT may differ from other companies and, hence, may not be comparable to similar measures presented by other companies.

(3) Calculated as EBIT divided by total service revenues.

(4) Calculated as financing income – net plus other non-operating income (charges).

(5) Core net income after tax is measured as the Group's net income, excluding mark-to-market gains or losses such as gains or losses on derivative instruments, foreign exchange gains or losses – net, and the impact of non-recurring charges or one-time gains or losses such as remeasurement loss on investment in associate, gain on sale of investment in associate, impairment of goodwill, and gain on value of retained interest.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of the Group's financial condition and results of operations should be read in conjunction with the Company's Audited Consolidated Financial Statements, together with the related notes thereto, and the Company's Unaudited Interim Condensed Consolidated Financial Statements, together with the related notes thereto, which are included elsewhere in this Prospectus and the sections entitled "Summary of Consolidated Financial Information", Selected Financial Information and Other Data", and "Business". Certain information and footnote disclosure normally included in the audited consolidated financial statements and unaudited interim condensed consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.*

*The selected historical consolidated statements of financial position as of December 31, 2024, 2023 and 2022 and selected historical consolidated statements of comprehensive income and selected historical consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022, have been derived from, and should be read in conjunction with, the Audited Consolidated Financial Statements and, including the notes thereto, included elsewhere in this Prospectus. Isla Lipana & Co., a Philippine member of the PwC network, has audited the relevant Audited Consolidated Financial Statements in accordance with Philippine Standards on Auditing.*

*The selected historical unaudited interim condensed consolidated statements of financial position as of September 30, 2025 and the selected historical unaudited interim condensed consolidated statements of comprehensive income and selected historical unaudited interim condensed consolidated statements of cash flows for the nine (9) months ended September 30, 2025 and 2024, have been derived from and should be read in conjunction with, the Unaudited Interim Condensed Consolidated Financial Statements, which Isla Lipana & Co., a Philippine member of the PwC network, has reviewed in accordance with the Philippine Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".*

*This discussion contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in "Risk Factors" and "Forward Looking Statements".*

### OVERVIEW

Globe is a leading digital platform in the Philippines, with major interests in telecommunications, fintech, data center services, venture building, shared services, and digital marketing. The Company delivers a full suite of mobile, fixed, broadband, data connectivity, internet, and managed services to meet the needs of consumers and businesses.

Globe is guided by its vision of *"leading a Philippines where families' dreams come true, businesses flourish, and the nation is admired",* and hopes to fulfill this through its mission of *"creating wonderful experiences, helping its customers overcome challenges, and discovering new ways to enjoy life*".

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. As of September 30, 2025, Globe is supported by over 6,662 employees and over 397 thousand AMAX retailers, distributors, and business partners nationwide. As of September 30, 2025, the Group had approximately 63.1 million mobile subscribers (including fully mobile broadband), approximately 2.1 million home broadband customers and over 631 thousand landline subscribers.

The Company's principal shareholding groups are AC and Singtel, acknowledged industry leaders in the Philippines and across Asia. 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.

Globe Fintech Innovations, 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 data.ai, as of September 30, 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.

In addition, Mynt has gone beyond the nation's borders. As of September 30, 2025, it now offers payments in over 200 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. As of September 30, 2025, Mynt also empowers overseas Filipinos in 145 countries to manage their finances through GCash Overseas. They can now use the GCash app with their international mobile numbers, giving them access to services such as Send Money, Pay Bills, and Buy Load.

Beyond Payments, the GCash application 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 as of September 30, 2025. These milestones were achieved through innovative lending products covering credit lines (GCredit), cash loans (GLoan), buy-now-pay-later (via GGives), and micro-credit starter loans (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 September 30, 2025, more than 4.2 million trees have been planted, enabling GCash users to build a greener tomorrow.

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 quarter, 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.

Globe's Sustainability practice is anchored on the Globe Purpose to "Uplift Filipino Lives Everyday". By aligning with global sustainability frameworks, standards, and principles such as the United Nations' Sustainable Development Goals ("**UN SDGs**") and UN Global Compact and industry sustainability ambitions, the Company is able to collaborate with its stakeholders to deliver positive societal and environmental impact. Globe is focused on addressing its material topics by scaling the integration of its sustainability practices within its business units and across the value chain.

Progress towards sustainability ambitions are disclosed in the Globe Sustainability website (https://www.globe.com.ph/about-us/sustainability.html) and in the annual Integrated Report (https://www.globe.com.ph/about-us/sustainability/integrated-report.html#gref).

The recently published 2024 Integrated Report ("**IR**") is guided by the principles of the following frameworks:

- Reference to the Global Reporting Initiative ("**GRI**") standards
- International Integrated Reporting Council ("**IIRC**") Framework
- Sustainability Accounting Standards Board ("**SASB**")
- Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations
- United Nations Global Compact ("**UNGC**") Principles
- United Nations Sustainable Development Goals ("**UN SDGs**")
- Securities and Exchange Commission ("**SEC**") recommendations
    - Integrated Annual Corporate Governance Report ("**i-ACGR**")
    - Sustainability Reporting Guidelines
- GSMA ESG Metrics for Mobile

The annual integrated report is in compliance with the recommendations made in the Philippines SEC Memorandum Circular No. 4, series of 2019 on Sustainability Reporting for Publicly-Listed Companies ("**PLCs**") and has undergone third-party External Assurance conducted by DNV AS Philippines Branch, covering:

(1) select sustainability metrics
(2) GHG accounting

Globe achieved and maintains an MSCI ESG Rating upgrade to AA since 2023, signaling strong management of industry-specific risks. The company has also been a constituent of the prestigious FTSE4Good Index Series for 10 consecutive years and maintains Sustainalytics' Medium ESG Risk Rating. Furthermore, Globe holds the distinction of being the only telco in the Philippines with a Science Based Targets initiative (SBTi) validated net-zero ambition. This climate leadership is supported by its CDP Supplier Engagement Leader status (an A score)—the highest rating in this assessment—and a consistent CDP Climate B Score. Globe's sustainability strategy and programs were also affirmed by the 2025 International Finance Award for Best Practices, recognition by 2025 Standard Insights Consumer Choice Awards, and the only telco in the Philippines to be part of the TIME and Statista's Most Sustainable Companies in 2025.

Globe has been consistently recognized both locally and internationally for its corporate governance practices. Most notably, the Company has received Five Golden Arrow recognition from the Institute of Corporate Directors ("**ICD**") for the fourth consecutive year in October 2025, which is the highest distinction under the ASEAN Corporate Governance Scorecard ("**ACGS**") assessment. Globe was also honored as one of the Top 50 ASEAN Publicly Listed Companies, the Top 5 Publicly Listed Companies per Country (Philippines), and as an ASEAN Asset Class Publicly Listed Company at the ASEAN Corporate Governance Conference and Awards in July 2025, based on the 2024 ACGS assessment. It has been listed on the Philippine Stock Exchange for 50 years since 1975 under the ticker symbol GLO. As of September 30, 2025 Globe had a market capitalization of approximately US$3.7 billion.

The Group recorded total service revenues of ₱165,016.29 million, ₱162,333.48 million, and ₱157,979.34 million for the years ended December 31, 2024, 2023 and 2022, respectively. The Group recorded net income attributable to equity holders of Globe of ₱24,304.43 million, ₱24,512.76 million and ₱34,563.01 million for the years ended December 31, 2024, 2023 and 2022 respectively. For the nine months ended September 30, 2025 and 2024, the Group recorded total service revenues ₱121,676.45 million and ₱124,009.42 million, respectively, and net income attributable to equity holders of Globe of ₱17,692.84 million and ₱20,575.48 million, respectively.

## MATERIAL ACCOUNTING POLICIES

The preparation of the Group's 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 Group's 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.

Material accounting policies are those that are both (i) relevant to the presentation of the Group's financial condition and results of operations and (ii) require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

For a more detailed discussion of the Group's material accounting policies, see Note 2 of the Group's audited consolidated financial statements, included elsewhere in this Prospectus.

## SELECTED CONSOLIDATED FINANCIAL DATA

### Consolidated Statements of Income

| | For the years ended December 31, | | | For the nine (9) months ended September 30 | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | *(in millions, except earnings per share figures)* | | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| **REVENUES** | | | | | |
| Service revenues | 157,979.3 | 162,333.5 | 165,016.3 | 124,009.4 | 121,676.5 |
| Nonservice revenues | 17,061.4 | 17,831.0 | 15,569.8 | 10,734.8 | 9,914.0 |
| | 175,040.7 | 180,164.5 | 180,586.1 | 134,744.2 | 131,590.4 |
| **INCOME (LOSSES)** | | | | | |
| Equity share in net income (losses) of associates and joint ventures | 1,083.2 | 2,214.8 | 3,897.0 | 3,663.8 | 5,382.4 |
| Interest income | 340.1 | 677.6 | 918.3 | 625.7 | 542.4 |
| Gain on disposal of property and equipment – net | 321.4 | 371.7 | 206.5 | 241.3 | 130.7 |
| Gain on sale and leaseback of telecom towers - net | 8,260.9 | 7,258.4 | 3,482.1 | 3,627.8 | 380.7 |
| Gain on sale of controlling interest on data center business | 10,511.9 | - | - | - | - |
| Other income – net | 2,474.8 | 959.9 | 1,734.9 | 1,225.7 | 3,215.8 |
| | 22,992.4 | 11,482.3 | 10,238.9 | 9,384.4 | 9,652.0 |
| **COSTS AND EXPENSES** | | | | | |
| General, selling and administrative expenses | 74,227.3 | 74,681.1 | 72,836.8 | 55,255.6 | 53,392.6 |
| Depreciation and amortization | 45,653.3 | 47,356.0 | 50,473.0 | 37,301.4 | 39,981.8 |
| Costs of inventories sold | 17,691.7 | 18,217.0 | 16,428.7 | 11,509.1 | 10,092.1 |
| Interconnect costs | 1,362.3 | 1,367.1 | 1,619.8 | 1,186.8 | 1,373.2 |
| Financing costs | 10,091.3 | 12,145.9 | 14,444.3 | 10,511.0 | 12,105.4 |
| Impairment and other losses | 4,906.7 | 5,464.0 | 4,691.3 | 2,965.0 | 3,137.6 |
| | 153,932.6 | 159,231.0 | 160,493.9 | 118,728.9 | 120,082.7 |
| **INCOME BEFORE INCOME TAX** | **44,100.5** | **32,415.7** | **30,331.1** | **25,399.6** | **21,159.7** |
| **PROVISIONS FOR INCOME TAX** | | | | | |
| Current | 9,696.5 | 7,853.7 | 6,919.7 | 4,896.3 | 2,705.1 |
| Deferred | (200.1) | (16.0) | (874.4) | (53.1) | 763.8 |
| | 9,496.4 | 7,837.7 | 6,045.3 | 4,843.2 | 3,468.8 |
| **NET INCOME** | **34,604.0** | **24,578.0** | **24,285.8** | **20,556.3** | **17,690.8** |
| Net Income attributable to: | | | | | |
| Equity holders of Globe | 34,563.0 | 24,512.8 | 24,304.4 | 20,575.5 | 17,692.8 |
| Non-controlling interest | 41.0 | 65.3 | (18.6) | (19.1) | (2.0) |

| | For the years ended December 31, | | | For the nine (9) months ended September 30 | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | *(in millions, except earnings per share figures)* | | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| | 34,604.0 | 24,578.0 | 24,285.8 | 20,556.3 | 17,690.8 |
| **EARNINGS PER SHARE[(1)]** | | | | | |
| Basic | ₱245.44 | ₱160.45 | ₱158.48 | ₱135.25 | ₱115.29 |
| Diluted | ₱244.25 | ₱159.74 | ₱157.83 | ₱134.59 | ₱114.72 |

*Notes:*

(1) Rounded to the nearest ₱1.00.

## Selected Financial Information

| | For the year ended December 31, | | | For the nine months ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | *(in millions, except percentages)* | | | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| **Operating Revenues** | **107,520.0** | **180,164.0** | **180,586.1** | **134,744.2** | **131,590.4** |
| Service Revenues | **157,979.3** | **162,333.5** | **165,016.3** | **124,009.4** | 121,676.5 |
| Mobile | 107,520.0 | 112,376.0 | 116,713.3 | 87,706.1 | 86,173.0 |
| Voice | 16,905.7 | 15,101.6 | 12,652.8 | 9,642.4 | 8,283.3 |
| SMS | 8,845.4 | 7,975.3 | 6,691.7 | 5,204.6 | 3,892.9 |
| Data | 100,956.1 | 109,213.9 | 97,368.8 | 72,859.1 | 73,996.8 |
| Fixed Line and Home Broadband | 46,280.8 | 45,026.6 | 45,665.1 | 34,496.9 | 33,778.2 |
| Home Broadband | 27,093.5 | 25,111.7 | 23,785.4 | 17,886.9 | 17,840.2 |
| Corporate Data | 17,198.1 | 18,319.2 | 20,379.5 | 15,480.1 | 14,995.1 |
| Fixed Line Voice | 1,989.2 | 1,595.7 | 1,500.2 | 1,130.0 | 942.9 |
| Others | - | - | 2,637.8 | 1,806.4 | 1,725.2 |
| Non-Service Revenue | **17,061.4** | **17,831.0** | **15,569.8** | **10,734.8** | **9,914.0** |
| | | | | | |
| **Costs and Expenses** | **95,948.0** | **98,738.0** | **93,772.4** | **69,879.5** | **67,405.0** |
| Cost of Sales | 18,749.0 | 18,217.0 | 16,428.7 | 11,509.1 | 10,092.1 |
| Operating Expenses (inclusive of interconnection payout) | 78,256.0 | 80,521.0 | 77,343.7 | (54,218.6) | (52,802.0) |
| **Adjusted EBITDA[(1)]** | **79,092.0** | **81,426.7** | **86,813.7** | **64,864.7** | **64,185.5** |
| **Adjusted EBITDA Margin** | **50%** | **50%** | **53%** | **52%** | **52.8%** |
| **Depreciation and amortization** | **(45,653.3)** | **(47,356.0)** | **(50,473.0)** | **(37,301.4)** | **(39,981.8)** |
| **EBIT[(2)]** | **33,439.0** | **34,071.0** | **36,340.6** | **27,563.2** | **24,203.6** |
| **EBIT Margin[(3)]** | **21%** | **21%** | **22%** | **22.2%** | **19.9%** |
| **Non-Operating Charges[(4)]** | **10,662** | **(1,655)** | **6,009.6** | **(2,163.6)** | **(3,043.9)** |
| **Net Income After Tax ("NIAT")** | **34,604.0** | **24,578.0** | **24,285.8** | **20,556.3** | **17,690.8** |
| **Core Net Income after Tax[(5)]** | **19,169** | **18,916.0** | **21,498.0** | **17,614.2** | **15,452.9** |

*Notes:*

(1) Earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**") is calculated as service revenues less subsidy, operating expenses, and other income and expenses. EBIT is Adjusted EBITDA less depreciation and amortization. Core Net Income After Tax, EBIT, Adjusted EBITDA, EBIT Margin and Adjusted EBITDA Margin are non-PFRS Accounting Standards financial measures which the Group believes are supplemental measures of the Group's performance, but are however not required by, or presented in accordance with, and should not be considered as an alternative to net profit, revenues, or any other financial performance measure derived in accordance with PFRS Accounting Standards or as an alternative to cash flow from operations or as a measure of the Group's liquidity. Non-PFRS Accounting Standards financial measures have limitations as analytical tools, and such measures should not be considered in isolation from, or as a substitute for, independent analysis of the Group's financial condition or results of operations, as reported under PFRS Accounting Standards. These non-PFRS Accounting Standards financial measures are not standardized terms and other companies may calculate measures bearing the same titles differently, hence a direct comparison between companies using such terms may not be possible, which limits the usefulness of these non-PFRS Accounting Standards financial measures.

(2) EBIT" refers to earnings before interest, property and equipment-related gains and losses, income taxes, other non-operating charges such gains and losses related to investments in joint ventures and associates, foreign exchange differences and derivative gains and losses. The Group calculates EBIT by deducting depreciation and amortization from Adjusted EBITDA. The Group's method of calculating EBIT may differ from other companies and, hence, may not be comparable to similar measures presented by other companies.

(3) Calculated as EBIT divided by total service revenues.

(4) Calculated as financing income – net plus other non-operating income (charges).

(5) Core net income after tax is measured as the Group's net income, excluding mark-to-market gains or losses such as gains or losses on derivative instruments, foreign exchange gains or losses – net, and the impact of non-recurring charges or one-time gains or losses such as remeasurement loss on investment in associate, gain on sale of investment in associate, impairment of goodwill, and gain on value of retained interest.

## DESCRIPTION OF CERTAIN REVENUES AND COST ITEMS

**Revenues**

The Group recognizes revenues from the following sources:

***Service revenues***

*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, Prime Video, Beetzee Play, Spotify, TikTok, Viber, Grab, Shoppee, Lazada are accessible to Globe subscribers.

*Mobile Voice*

Mobile voice includes 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.

*Mobile SMS*

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

Fixed Line 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. Additionally, postpaid fixed line voice consumers enjoy free unlimited dial-up internet from their Globelines subscriptions. Low-MSF (monthly service fee) fixed line voice services bundled with internet plans are available nationwide and can be customized with value-added services including multi-calling, call waiting and forwarding, special numbers and voicemail. For corporate and enterprise customers, Globe offers voice solutions that include regular and premium conferencing, enhanced voice mail, IP-PBX solutions and domestic or international toll-free services. With the Company's cutting-edge Next Generation Network (NGN), Globe Business Voice solutions offer enterprises a bevy of fully-managed traditional and IP-based voice packages that can be customized to their needs.

*Corporate Data*

Corporate data services include end-to-end data solutions customized according to the needs of businesses. Globe’s product offerings include international and domestic leased line services, wholesale and corporate internet access, data center services and other connectivity solutions tailored to the needs of specific industries. Among the products and solutions are mobility, voice, connectivity, cloud computing, data center, cybersecurity, business continuity, business applications, and virtualized solutions, among others.

*Home Broadband*

Globe offers wired and fixed wireless broadband services, across various technologies and connectivity speeds for its residential and enterprise customers. Globe AT HOME Broadband consists of wired postpaid and prepaid Fiber broadband packages, and wireless Home Prepaid WiFi, backed by Globe’s 4G and 5G network.

***Non-service Revenues***

This account primarily comprises sale of devices bundled with postpaid mobile communication and home broadband services and sale of prepaid devices and accessories.

*Equity share in net income (losses) of joint ventures*

This account comprises the Group's share in net losses and income from its investments in its joint ventures, which as of the date of this Prospectus comprise Mynt, TechGlobal, VTI, BMPL, TCI, and STT GDC, among others.

*Interest income*

Interest income comprises interest earned from the Group's short-term placements, loans receivable and cash in bank.

*Gain on disposal of property and equipment*

When an item of property and equipment is disposed of, the difference between the sales proceeds, if any, and the carrying amount of the asset is recognized as gain (loss) on disposal of property and equipment.

*Other income*

This account comprises various items such as foreign exchange gains, management fees, gains on sales of investments in joint ventures and associates, gains on derivative instruments, and other gains and income.

*General, selling and administrative expenses*

This account comprises staff costs; professional and other contracted services; repairs and maintenance; selling, advertising and promotions; utilities, supplies and other administrative expenses; lease; taxes and licenses; insurance and security services; courier and delivery; and others.

*Depreciation and amortization*

This account comprises depreciation and amortization on property and equipment; intangible assets; right of use assets; and investment properties.

*Costs of inventories*

When inventories are sold, the carrying amount of such inventories are recognized as an expense under this account. Cost of inventories comprises costs of mobile and broadband devices, modems and accessories, SIM cards and SIM packs.

*Interconnect costs*

This account pertains to the fees charged by other telecommunications providers for the outbound traffic that originates from Globe's network and terminates at their network.

**Financing costs**

This account comprises financing costs related to loans payable (net of amount comprising capitalized borrowing costs); swap costs; lease liabilities; asset retirement obligation accretion expense; pensions cost; and others.

**Impairment and other losses**

This account comprises (i) impairment losses on: trade receivables; property and equipment; contract assets; non-trade receivables; other assets; and goodwill; and (ii) provisions for inventory obsolescence and other probable losses.

**RESULTS OF OPERATIONS FOR THE NINE (9) MONTHS ENDED SEPTEMBER 30, 2025 AS COMPARED TO THE NINE (9) MONTHS ENDED SEPTEMBER 30, 2024**

| | For the month ended September 30, | | |
|---|---|---|---|
| | 2025 | 2024 | YoY |
| | (Audited) | (Audited) | Change (%) |
| | | *(in millions, except percentages)* | |
| **Results of Operations** | **(in ₱)** | **(in ₱)** | |
| Operating Revenues | **131,590** | **134,744** | **-2%** |
| Service Revenues | 121,676 | 124,009 | -2% |
| *Mobile** | 86,173 | 87,706 | -2% |
| *Home Broadband*** | 17,840 | 17,887 | - |
| *Corporate Data* | 14,995 | 15,480 | -3% |
| *Fixed line Voice* | 943 | 1,130 | -17% |
| *Others**** | 1,725 | 1,806 | -4% |
| Non-Service Revenues | 9,914 | 10,735 | -8% |
| **Costs and Expenses** | **67,405** | **69,879** | -4% |
| Cost of Sales | 10,092 | 11,509 | -12% |
| Operating Expenses | 57,313 | 58,370 | -2% |
| **EBITDA** | **64,185** | **64,865** | **-1%** |
| **EBITDA Margin** | 52.8% | 52.3% | |
| **Depreciation** | **39,982** | **37,301** | **7%** |
| **EBIT** | **24,204** | **27,563** | **-12%** |
| **EBIT Margin** | **19.9%** | **22.2%** | |
| **Non-Operating Income (Charges)** | **(3,044)** | **(2,165)** | **41%** |
| **Net Income After Tax (NIAT)** | **17,691** | **20,556** | **-14%** |
| **Core Net Income** | **15,453** | **17,614** | **-12%** |
| **Normalized Net Income After Tax** | **15,229** | **17,835** | **-15%** |

** Mobile business includes Mobile and fully Mobile Broadband*
***Home Broadband includes fixed wireless and wired Broadband*
****Others includes non-telco revenues from subsidiaries*

Globe delivered ₱121.7 billion in consolidated gross service revenues for the first nine months of 2025, slightly lower than the ₱124.0 billion reported in the same period last year. While inflation has eased and household spending capacity has generally improved, the operating environment remains challenging. Persistent industry competition and the localized economic impact of the typhoons that struck during the period added further pressure. Against this backdrop, Globe sustained the rebound that began in the second quarter, posting ₱41.5 billion in consolidated gross service revenues in the third quarter, a 3% sequential increase underscoring operational resilience and improved market momentum. The revenue uptrend continues, posting the fastest sequential growth in 13 quarters.

Globe's expanding digital portfolio drove growth, demonstrating its vital role in an increasingly connected economy. Mobile and corporate data services accounted for 83% of total consolidated service revenues in the first nine months of 2025. Meanwhile, data-centric products spanning mobile internet, home broadband, and enterprise solutions, rose to 88% of total consolidated service revenues from 86% a year ago.

**Mobile Business**

Globe's mobile business remained the main driver of topline performance, generating ₱86.2 billion in service revenues as of end-September 2025, down 2% from the ₱87.7 billion posted a year earlier. Mobile service revenues in the third quarter reached ₱29.1 billion, up 1% quarter-on-quarter from ₱28.8 billion in Q2, marking a second consecutive quarter of sequential improvement. This robust trajectory reflects stronger consumer activity and demand for mobile services. Performance was further supported by Globe's consistent investments in its network, which enhanced service quality and reinforced its market position. By end-September 2025, Globe's mobile subscriber base stood at 63.1 million, 5% higher than the 60.2 million a year ago.

**Fixed line, corporate data, and home broadband**

Globe's home broadband business generated ₱17.8 billion in revenues for the nine months ending September 2025, holding steady versus the same period last year. The muted year-on-year growth reflects lower contributions from the fixed wireless segment, which were largely offset by continued migration to fiber. Compared to the previous quarter, Home Broadband revenues increased by 4% to ₱6.1 billion, indicating stabilization as fiber adoption continued to expand across the subscriber base.

Meanwhile, corporate data revenues reached ₱15.0 billion for the nine-month period ended September 2025, down 3% year-on-year due to softer core data demand, partly offset by growth in ICT services. On a sequential basis, third quarter revenues rose 13% to ₱5.4 billion, reflecting renewed enterprise demand for digital solutions.

Fixed line voice revenues declined by 17% year-on-year but rose 4% quarter-on-quarter, reflecting the continued structural shift away from legacy voice services toward digital and data-driven communication platforms.

**Non-telco revenues**

Globe's non-telco revenues totaled ₱1.7 billion for the nine-month period ended September 2025, down 4% year-on-year, as lower contributions from AdSpark were partially offset by improved performance from Yondu and Asticom..

**Costs and Expenses**

Globe's cost management initiatives delivered meaningful efficiencies, with total operating expenses and subsidy amounting to ₱57.5 billion for the first three quarters of 2025, down 3% year-on-year. The decline was led by a 29% reduction in marketing and subsidy expenses, a 7% decrease in staff costs, and a 4% drop in services and others. Utilities and administrative expenses remained broadly flat, rising just 1%. These efficiencies helped offset increases in interconnect costs (+16%), leases (+8%), and provisions (+6%).

Total depreciation expenses reached ₱40.0 billion as of end-September 2025, up 7% year-on-year driven by Globe's continued capital investments.

Total operating costs and expenses, including subsidy and depreciation, amounted to ₱97.5 billion as of end-September 2025, up 1% year-on-year from ₱96.4 billion.

**EBITDA**

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) over the same period reached ₱64.2 billion, a 1% decrease from the prior year. Even with this marginal dip, Globe posted a healthy EBITDA margin of 52.8%, exceeding its full-year guidance through prudent cost management.

**Net Income**

Mynt, the parent company of GCash, delivered another strong performance in the first nine months of 2025, reinforcing its standing as the Philippines' leading digital financial ecosystem. GCash continued to scale its user base and profitability, extending inclusive financial services to millions of Filipinos through constant innovation. For the nine-month period ended September 2025, Globe's equity share in Mynt rose to ₱5.3 billion, a 52% increase from ₱3.5 billion in the same period last year. This contribution now accounts for 25% of Globe's net income before tax, marking a sharp rise from its 14% share in 2024. Mynt's growth complements Globe's sustained investments in digital infrastructure and connectivity.

For the nine months ended September 2025, Globe recorded a net income of ₱17.7 billion, down 14% from ₱20.6 billion in the same period last year. This figure includes non-recurring items, such as gains from the deemed disposal of Mynt shares (related to MUFG's equity investment in the first quarter) and higher equity earnings from affiliates. These helped partly offset increased depreciation, interest expense, and other non-operating charges. Excluding one-off items, normalized net income reached ₱15.2 billion, down 15% year-on-year.

Core net income, which strips out non-recurring items including gains from asset disposals, forex movements, and mark-to-market adjustments, amounted to ₱15.5 billion, compared to ₱17.6 billion in the same period last year.

**CAPEX**

In the first nine months of 2025, Globe invested approximately ₱31.4 billion in capital expenditures (capex), a 23% decrease from ₱41.0 billion in the same period last year. This reduction reflects the company's sharper focus on strategic capital management while continuing to channel resources toward essential network improvements, in line with its full-year capex guidance of below US$1 billion. Notably, this level of spending is equivalent to 26% of the topline, further strengthening Globe's positive free cash flow position and underscoring the company's disciplined approach to capital efficiency. Globe remains steadfast in its goal of fortifying its financial position by further enhancing free cash flow generation.

Consequently, the cash capex-to-revenue ratio improved to 26% from 33%, while the capex-to-EBITDA ratio narrowed to 49% from 63%. These results demonstrate Globe's increased investment flexibility, paving the way for targeted network initiatives over the rest of the year. As in prior periods, about 89% of capex was directed toward data-related projects, reaffirming Globe's commitment to advancing digital capacity and expanding connectivity nationwide. By pursuing focused investments and innovation shaped around customer demand, Globe continues to empower more Filipinos to thrive in a digitally connected economy.

**Operating Revenues By Business**

| Operating Revenues By Business (₱ Mn) | Year on Year | | |
|---|---|---|---|
| | 30-Sep 2025 | 30-Sep 2024 | YoY Change (%) |
| **Mobile*** | **95,992** | **98,163** | **-2%** |
| Service Revenues | 86,173 | 87,706 | -2% |
| Non-Service Revenues | 9,819 | 10,457 | -6% |
| **Fixed Line and Home Broadband**** | **33,806** | **34,693** | **-3%** |
| Service Revenues | 33,778 | 34,497 | -2% |
| Non-Service Revenues | 28 | 196 | -86% |
| **Others***** | **1,792** | **1,888** | **-5%** |
| Service Revenues | 1,725 | 1,806 | -4% |
| Non-Service Revenues | 67 | 82 | -18% |
| **Total Operating Revenues** | **131,590** | **134,744** | **-2%** |

* *Mobile business includes Mobile and fully Mobile Broadband.*
** *Home Broadband includes fixed wireless and wired Broadband; Fixed line includes corporate data and fixed line voice.*
*** *Others includes non-telco revenues from subsidiaries.*

Globe closed the first nine months of 2025 with total operating revenues of ₱131.6 billion, down 2% from ₱134.7 billion in the same period last year.

*Mobile Service*

Mobile service revenues reached ₱86.2 billion as of end-September 2025, accounting for 71% of Globe's consolidated service revenues. This was down 2% year-on-year as growth in data (+2%) was offset by declines in voice (-14%) and SMS (-25%). On a sequential basis, revenues rose 1% to ₱29.1 billion.

*Fixed Line and Home Broadband*

Fixed Line and Home Broadband, which accounted for 28% of consolidated service revenues, posted ₱33.8 billion as of end-September 2025, down 2% year-on-year from ₱34.5 billion. On a sequential basis, the segment grew 8% to ₱11.8 billion in the third quarter, driven by stronger contributions from home broadband, corporate data, and fixed line voice.

Other service revenues contributed ₱1.7 billion, down 4% year-on-year and 3% lower quarter-on-quarter.

*Non-service revenues*

Non-service revenues across all segments declined on a yearly basis. Mobile non-service revenues fell 6% year-on-year and 8% quarter-on-quarter. Fixed Line and Home Broadband non-service revenues dropped 86% year-on-year but showed a 71% increase quarter-on-quarter. Non-service revenues from non-telco services declined 18% year-on-year and 5% quarter-on-quarter.

**Mobile Business**

| **Mobile Service Revenue (₱ Mn)** | **Year on Year** | | |
|---|---|---|---|
| | **30-Sep 2025** | **30-Sep 2024** | **YoY Change (%)** |
| Service | | | |
| Mobile Voice [1] | 8,283 | 9,642 | -14% |
| Mobile SMS [2] | 3,893 | 5,205 | -25% |
| Mobile Data [3] | 73,997 | 72,859 | 2% |
| **Mobile Service Revenues** | **86,173** | **87,706** | **-2%** |

[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 an all-time high of ₱25.2 billion in the third quarter of 2025, bringing total mobile data revenues to a record ₱74.0 billion for the first nine months of the year. This represents a 2% increase year-on-year from the previous record of ₱72.9 billion reported in the same period of 2024, as Filipinos continued to expand their use of apps for messaging, entertainment, and cashless transactions. This was achieved even as total mobile data traffic held steady at 4,846 petabytes versus 4,843 petabytes in the same period last year, reinforcing Globe's ability to drive higher value per gigabyte of data consumed. Following a muted first quarter in terms of traffic, usage showed an upward trend, rising by 8% from 1,537 petabytes in the first quarter to 1,659 petabytes by the third quarter. The average volume of use per subscriber remained stable at around 15 GB per month, supported by consistent engagement and rising 5G traffic and its growing adoption across Globe's customer base.

As of end-September 2025, Globe had 37.8 million mobile data users, up 2% year-on-year, highlighting the segment's strength and resilience as consumer activity improved alongside easing inflation. Mobile data now accounts for 86% of total mobile service revenues, up from 83% a year earlier, showcasing Globe's expanding digital scale and effective monetization as connectivity becomes even more essential to everyday life.

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 for more details. App-Exclusive promos are likewise available on GlobeOne 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 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).

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 also 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 PawerSURF, launched in April 2025, offers an all-in, low-cashout option, starting at ₱20:

- *PawerSURF20* - 1GB data + 250 mins calls & 250 texts to all networks, ₱20 valid for 1 day. Available in all channels;
- *PawerSURF30* - 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* - 9GB data + 7GB (1GB/day) Apps + unli texts to all networks, ₱99 for 7 days
- *ALLSURF110* - 10GB data + 7GB (1GB/day) Apps + unli texts to all networks, ₱110 for 7 days
- *ALLSURF149* - 12GB data + 7GB (1GB/day) 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 10% of total mobile service revenues, declined by 14% year-on-year to ₱8.3 billion as of end-September 2025. The decline underscores the structural shift away from traditional voice services, with consumers increasingly turning to over-the-top (OTT) 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***

As of end-September 2025, mobile SMS revenues continued their downward trajectory, totaling ₱3.9 billion, a 25% decline year-on-year. This decrease aligns with global industry trends, as more consumers adopt OTT communication platforms in place of traditional SMS.

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.

*Key Mobile Drivers*

| | For the Year Ended | | |
|---|---|---|---|
| | 30-Sep 2025 | 30-Sep 2024 | YoY Change (%) |
| **Cumulative Subscribers (or SIMs) Net (End of period)……...** | **63,147,990** | **60,166,779** | **5%** |
| *Globe Postpaid* ………………………………………………………. | 2,416,067 | 2,452,186 | -1% |
| | | | |
| Prepaid ……………………………………………………………….. | **60,731,923** | **57,714,593** | **5%** |
| *Globe Prepaid* ………………………………………………....…… | 33,295,741 | 31,640,837 | 5% |
| *TM* ……………………………………………………………….…... | 27,436,182 | 26,073,756 | 5% |
| | | | |
| **Net Subscriber (or SIM) Additions……………………………..** | **2,241,494** | **3,119,542** | **-28%** |
| *Globe Postpaid* ……………………………………………………… | (13,749) | (93,276) | 85% |
| | | | |
| Prepaid ……………………………………………………………….. | **2,255,243** | **3,212,818** | **-30%** |
| *Globe Prepaid* ………………………………………………....……… | 1,216,814 | 1,756,537 | -31% |
| *TM* ………………………………………………………………....……… | 1,038,429 | 1,456,281 | -29% |
| | | | |
| **Average Revenue Per Subscriber (ARPU)** | | | |
| **ARPU[1]** | | | |
| *Globe Postpaid* ……………………………………………………… | 903 | 901 | - |
| | | | |
| Prepaid | | | |
| *Globe Prepaid*…………………………………………....………….. | 137 | 150 | -8% |
| *TM*………………………………………………………………………….. | 108 | 114 | -5% |
| | | | |
| **Average Monthly Churn Rate (%)** | | | |
| *Globe Postpaid*……………………………………………………….. | 1.3% | 1.6% | |
| | | | |
| *Prepaid* | | | |
| *Globe Prepaid*…………………………....………………………….. | 1.8% | 1.9% | |
| *TM*………………………………………………………………………….. | 2.2% | 2.2% | |

[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 the first nine months of 2025 with a total mobile subscriber base of 63.1 million, up 5% from 60.2 million in the same period last year. This growth was underpinned by stable customer retention, with the overall monthly churn rate improving slightly to 1.9% from 2.0% a year ago. Total gross subscriber acquisitions stood at 13.0 million, 5% lower year-on-year, with prepaid brands (Globe Prepaid, including GOMO and TM) making up 98% of new SIMs during the period.

Globe recorded 2.2 million net subscriber additions as of end-September 2025, compared to 3.1 million in the same period last year. Net additions in the third quarter totaled 652,805, 28% below the previous quarter's level.

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

***Globe Postpaid***

As of the end of September 2025, *Globe Postpaid* posted a cumulative subscriber base of 2.4 million, representing a 1% decrease compared to the previous year. Gross acquisitions slipped by 4% year-on-year, with 262,957 new subscribers recorded in the first nine months of 2025 versus 273,750 in the same period last year. The softer acquisition trend, despite improved churn, resulted in a net reduction of 13,749 postpaid subscribers, still a substantial recovery from the 93,276 net decline recorded in the same period of 2024.

*Globe Postpaid's* Average Revenue Per User (ARPU) stood at ₱903 in the first nine months of 2025, showing a slight improvement from ₱901 in the same period last year. On a sequential basis, ARPU remained stable at ₱908 compared to ₱907 in the previous quarter, reflecting steady spending levels among postpaid customers despite the softer acquisition trend.

***Prepaid***

Globe's prepaid segment, which includes the *Globe Prepaid*[3] (including GOMO) and TM brands, accounted for 96% of its total cumulative mobile subscriber base as of end-September 2025. Cumulative prepaid subscribers reached 60.7 million, up 5% from 57.7 million in the same period of 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, 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.

Meanwhile, 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 (including GOMO)*

As of end-September 2025, *Globe Prepaid*'s subscriber base stood at 33.3 million, reflecting a 5% year-on-year increase. Gross acquisitions totaled 6.5 million in the first nine months of the year, down 7% from nearly 7.0 million in the same period last year. An improvement in churn rate to 1.8% from 1.9% a year ago helped drive the 1.2 million net subscriber additions this period, though this was lower than the 1.8 million net adds recorded a year ago.

*Globe Prepaid*'s Average Revenue Per User (ARPU) dropped to ₱137, an 8% decline year-on-year from ₱150 in the first nine months of 2024, despite a 2% uplift during the third quarter.

*b. TM*

As of end-September 2025, TM's cumulative subscriber base reached 27.4 million, reflecting a 5% year-on-year increase. However, gross acquisitions declined by 3% to 6.3 million in the first nine months of 2025, compared to 6.4 million in the same period last year. This drop, combined with higher churn, brought net subscriber additions down to 1.0 million, a 29% decrease from 1.5 million in the comparable 2024 period.

[3] 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*

TM's Average Revenue Per User (ARPU) TM's ARPU registered at ₱108, a 5% year-on-year decline from ₱114. Likewise, on a quarter-on-quarter basis, TM saw a 2% drop from ₱110 in the previous quarter.

***Fixed Line And Home Broadband Business***

| | Year on Year | | |
|---|---|---|---|
| **Service Revenues (₱ Mn)** | **30-Sep 2025** | **30-Sep 2024** | **YoY Change (%)** |
| Service | | | |
| Home Broadband[1] | 17,840 | 17,887 | - |
| Corporate Data[2] | 14,995 | 15,480 | -3% |
| Fixed line Voice[3] | 943 | 1,130 | -17% |
| **Fixed Line & Home Broadband Service Revenues** | **33,778** | **34,497** | **-2%** |

[1] Home Broadband service revenues consist of the following:

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

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

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

[3] Fixed line voice service revenues consist of the following:

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

***Home Broadband***

| | Year on Year | | |
|---|---|---|---|
| | **30-Sep 2025** | **30-Sep 2024** | **YoY Change (%)** |
| **Cumulative Home Broadband Subscribers** | | | |
| Fixed Wireless | 365,886 | 494,733 | -26% |
| Wired | 1,688,713 | 1,202,019 | 40% |
| **Total (end of period)** | **2,054,599** | **1,696,752** | **21%** |

For the first nine months of 2025, Globe's Fixed Line and Home Broadband revenues totaled ₱33.8 billion, down 2% year-on-year. The decline was stemmed from weaker results in corporate data (-3%) and fixed-line voice services (-17%). Sequentially, fixed line and home broadband revenues rose 8% quarter-on-quarter to ₱11.8 billion in the third quarter, driven by Globe's continued push toward higher-value, data-centric offerings to support long-term growth.

Globe's home broadband business contributed ₱17.8 billion in revenues for the nine-month period ended September 2025, broadly flat year-on-year, as the ongoing tapering of the fixed wireless business was partly offset by the migration of subscribers to fiber. Home broadband revenues rose 4% quarter-on-quarter to ₱6.1 billion in the third quarter, signaling stabilization as fiber adoption deepened across the base.

GFiber Prepaid (GFP) continued to gain remarkable traction in the third quarter, solidifying its standing as the country's fastest-growing prepaid fiber service. GFP subscribers hit 700K by end-September, up 28% quarter-on-quarter and over 3.7x from a year ago. The brand continues to resonate with households through its affordable and flexible fiber offers, driving wider adoption across segments. At the same time, higher-value reload activity pushed ARPU upward, with average daily top-ups surging more than 4.2x in 3Q25 versus the 2024 average. The outperformance of GFiber Prepaid highlights Globe's successful execution in democratizing fiber access for more Filipino homes.

Fiber now makes up 91% of total home broadband revenues, compared to 86% a year earlier, underscoring the growing demand for GFiber Prepaid alongside postpaid plans. Total fiber revenues rose 5% year-on-year, while the fiber subscriber base expanded by 44%, bringing Globe's total broadband subscribers to 2.1 million as of September 2025, from 1.7 million in the prior year.

To meet rising demand for flexible, high-speed connectivity suited to modern digital lifestyles, Globe expanded its product portfolio with the launch of a breakthrough offering: the Globe At Home 5G Loop. Since its launch in September, the Globe At Home 5G Loop has seen encouraging early take-up, signaling growing interest in flexible, high-speed connectivity. Available exclusively in select Globe stores, the 5G Loop offers fiber-like speeds, unlimited internet both at home and on the go, and an easy, plug-and-play setup perfect for today's always-on digital lifestyles. A first in the world, the 5G Loop features a WiFi router with an Android touchscreen interface, high-quality speakers, and long-lasting batteries that keep users connected even on the beach or wherever they choose to call home. The team continues to gather insights and refine the experience to ensure a seamless and reliable connection for our customers.

***Corporate Data***

Corporate data business posted ₱15.0 billion in revenues for the nine-month period ended September 2025, a 3% year-on-year decline driven by a 13% drop in core data services amid more measured enterprise spending. However, this was partially offset by the 14% year-on-year increase in ICT-related services, fueled by sustained demand for Business Application Solutions, cybersecurity, data center solutions, Big Data, and IoT.

***Fixed Line Voice***

Fixed-line voice revenues totaled ₱943 million in the first nine months of 2025, down 17% from the same period last year, as demand for traditional voice services continued to decline in favor of digital alternatives.

***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 616[4] 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 mobile and fixed line businesses totaled ₱956 million for the nine-month period ended September 2025, down 16% from ₱1.14 billion in the same period last year. The decline was primarily due to reduced IDD usage, as customers continued shifting to internet-based alternatives such as video calls and messaging apps.
Meanwhile, Globe sustained its promotion on OFW SIM packs and the discounted call rate offers.

**OPERATING EXPENSES**

Globe's total costs and expenses, including depreciation and amortization, increased slightly by 1% year-on-year to ₱97.5 billion in the first nine months of 2025. This marginal rise was primarily driven by higher interconnect charges (+16%), depreciation and amortization (+7%), and modest upticks in lease and provisions. These were partially offset by significant declines in marketing and subsidy (-29%), staff costs (-7%), and services and others (-4%).

[4] *Inbound and Outbound global roaming partners*

On a quarter-on-quarter basis, Globe's total costs and expenses rose 3% in Q3 2025 versus Q2 2025, reaching ₱33.0 billion. This was mainly due to higher staff costs (+15%), interconnect costs (+28%), and slight increases in administrative and marketing expenses. These were tempered by reductions in provisions (-13%) and repairs and maintenance (-11%).

| (₱ Mn) | Year on Year | | |
|---|---|---|---|
| | 30-Sep 2025 | 30-Sep 2024 | YoY Change (%) |
| Interconnect | 1,373 | 1,187 | 16% |
| Marketing and Subsidy | 2,365 | 3,342 | -29% |
| Staff Costs | 13,127 | 14,060 | -7% |
| Utilities, Supplies, & Other Administrative Expenses | 8,687 | 8,620 | 1% |
| Rent | 2,529 | 2,336 | 8% |
| Repairs & Maintenance | 10,501 | 10,281 | 2% |
| Provisions | 3,138 | 2,949 | 6% |
| Services and Others | 15,771 | 16,369 | -4% |
| **Operating Expenses & Subsidy** | **57,491** | **59,144** | **-3%** |
| **Depreciation and Amortization** | **39,982** | **37,301** | **7%** |
| **Cost and Expenses** | **97,473** | **96,445** | **1%** |

**Interconnect**

As of the end of September 2025, Globe's interconnect charges increased by 16% year-on-year, reaching ₱1.4 billion, up from ₱1.2 billion in the same period last year. This increase was primarily attributed to higher data roaming and Application-to-Person (A2P) domestic SMS payouts.

**Marketing & Subsidy**

Marketing and subsidy expenses decreased by 29% year-on-year, from ₱3.3 billion last year to ₱2.4 billion this period. This decline was primarily due to lower subsidy and commissions, despite higher spending for media ads and placements.

**Staff Costs**

Staff costs fell by 7% year-on-year to ₱13.1 billion, from ₱14.1 billion.

**Utilities, Supplies and Other Administrative Expenses**

Globe's utilities, supplies, and other administrative expenses increased 1% year-on-year to ₱8.7 billion from ₱8.6 billion, mainly on higher electricity charges, tempered by lower travel & transportation, and supplies expenses.

**Lease**

Lease expenses were higher year-on-year, rising by 8% to ₱2.5 billion from ₱2.3 billion, due to increased costs from co-location and IP port leases.

**Repairs & Maintenance**

Repairs and maintenance costs increased 2% year-on-year to ₱10.5 billion this period from ₱10.3 billion in the first nine months of 2024, largely due to higher expenses related to hardware and software licenses, as well as tower maintenance activities.

**Provisions**

This account includes provisions associated with trade, non-trade, traffic receivables, inventory obsolescence and provision for taxes. Globe's provisions amounted to ₱3.1 billion as of end-September 2025, up 6% year-on-year, driven by lower trade provisions, partially offset by higher inventory provisions.

**Services and Others**

Globe's services and other expenses, which account for 27% of total operating expenses and subsidy, decreased by 4% year-on-year to ₱16.0 billion from ₱16.4 billion. The reduction was primarily driven by lower managed services and cloud costs, as well as decreased insurance, meetings, and taxes.

**Depreciation and Amortization**

Depreciation and amortization saw a 7% year-on-year increase, reaching ₱40.0 billion from ₱37.3 billion, mainly due to ongoing network expansion.

**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:

| (₱ Mn) | Year on Year | | |
|---|---|---|---|
| | **30-Sep 2025** | **30-Sep 2024** | **YoY Change (%)** |
| **Financing Costs** | | | |
| Interest Expense | (11,781) | (10,292) | 14% |
| Swap costs and other financing costs | (324) | (219) | 48% |
| Foreign Exchange Gain (Loss) - net | 53 | (460) | -111% |
| | **(12,053)** | **(10,971)** | **10%** |
| **Other Income** | | | |
| Gain (Loss) on derivative instruments | 19 | 712 | -97% |
| Interest Income | 542 | 626 | -13% |
| Others | 8,447 | 7,468 | 13% |
| *Equity share from Affiliates (net)* | *5,664* | *3,945* | *44%* |
| *Frequency Amortization* | *(282)* | *(282)* | - |
| *Others – net* | *3,065* | *3,805* | *-19%* |
| **Total Income (Other Expenses)** | **(3,044)** | **(2,165)** | **41%** |

As of end-September 2025, Globe reported total non-operating charges of ₱3.0 billion, higher than the ₱2.2 billion recorded in the same period last year. This was primarily driven by lower gains from the tower sale and leaseback deal and higher net interest expenses, as partly offset by the recognition of one-time gain on the dilution of share in Mynt and stronger equity earnings from affiliates.

**LIQUIDITY AND CAPITAL RESOURCES**

| | **30-Sep 2025** | **31 Dec 2024** | **YoY Change (%)** |
|---|---|---|---|
| **Balance Sheet Data (₱ Mn)** | | | |
| Total Assets | 656,754 | 633,636 | 4% |
| Total Debt | 253,491 | 249,460 | 2% |
| Total Stockholders' Equity | 174,395 | 167,779 | 4% |
| **Financial Ratios (x)** | | | |
| Total Debt to EBITDA (gross) | 2.69 | 2.66 | |
| Total Debt to EBITDA (net) | 2.40 | 2.43 | |
| Debt Service Coverage | 3.74 | 3.42 | |
| Interest Coverage (Gross) | 4.40 | 4.55 | |
| Total Debt to Total Capitalization (Book) | 0.59 | 0.60 | |

| | | | |
|---|---|---|---|
| Total Debt to Total Capitalization (Market) | 0.54 | 0.44 | |

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

As of September 30, 2025, the Globe's consolidated assets stood at ₱656.8 billion, 4% higher from the ₱633.6 billion reported on December 31, 2024. Furthermore, the consolidated cash and cash equivalents reached ₱27.7 billion by the end of September 2025, compared to ₱21.4 billion reported at the end of December 2024. Globe's cash equivalents consist of short-term, highly liquid time deposit placements.

Globe's current ratio improved to 0.68:1 as of September 30, 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 coverage[1] exceeding 1.3 times; and
- Secured debt ratio[2] 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 September 30, 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 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 the nine-month period ended September 30, 2025 and 2024 amounted to ₱664.48 million and ₱681.55 million, respectively.

**CONSOLIDATED NET CASH FLOWS**

| **(₱ Mn)** | **30-Sep 2025** | **30-Sep 2024** | **YoY change (%)** |
|---|---|---|---|
| Net Cash from Operating Activities…………………………… | 60,711 | 65,564 | -7% |
| Net Cash from Investing Activities……………………………. | (24,904) | (14,516) | 72% |
| Net Cash from Financing Activities……………………………… | (29,131) | (45,299) | -36% |

Net cash flows provided by operating activities for the first nine months of the year was ₱60.7 billion, lower by 7% from the same period last year.

Meanwhile, net cash used in investing activities amounting to ₱24.9 billion, was 72% higher from a year ago. Similarly, consolidated cash capital expenditures as of end-September 2025 amounted to ₱31.4 billion, or down by 23% compared to the year earlier.

| | **Globe Group** | | |
|---|---|---|---|
| **(₱ Mn)** | **30-Sep 2025** | **30-Sep 2024** | **YoY change (%)** |
| **Cash Capital Expenditures[1]** | 31,440 | 41,014 | -23% |
| Total Additions to Property and equipment and Intangible assets [2] | 38,704 | 44,035 | -12% |



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| Cash Capital Expenditures[1] / Service Revenues (%) | 26% | 33% | |
|---|---|---|---|

[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 in financing activities decreased by 36% year-on-year to ₱29.1 billion as of September 30, 2025, from ₱45.3 billion in the same period last year. The improvement was primarily driven by lower net loan and interest payments, partially offset by slightly higher dividend payouts. Consolidated total debt increased by 2% from ₱249.5 billion at the end of December 2024 to ₱253.5 billion this period.

Below is the schedule of debt maturities for Globe for the years stated below based on total outstanding debt as of September 30, 2025:

| **Year Due** | **Principal* (US$ Mn)** |
|---|---|
| 2025 .................................................................... | 88.96 |
| 2026 .................................................................... | 382.46 |
| 2027 .................................................................... | 402.55 |
| 2028 through 2040 ............................................... | 3,507.05 |
| **Total** | **4,381.02** |

** Principal amount before debt issuance costs.*

Globe has available uncommitted short-term credit facilities of USD 114 million and ₱84,151 million as of September 30, 2025 and USD 114 million and ₱85,788 million as of December 31, 2024.

Globe also has USD 50 million and ₱3,000 million committed short-term credit facilities as of September 30, 2025 and December 31, 2024. There are no outstanding long term committed credit facilities as of September 30, 2025 and December 31, 2024, respectively.

There are nil and ₱7.3 billion outstanding short-term loans as of September 30, 2025 and December 31, 2024, respectively.

## RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2024 AS COMPARED TO THE YEAR ENDED DECEMBER 31, 2023

| | **For the year ended December 31,** | | |
|---|---|---|---|
| | **2024** | **2023** | **YoY** |
| | **(Audited)** | **(Audited)** | **Change (%)** |
| | | *(in millions, except percentages)* | |
| **Results of Operations** | **(in ₱)** | **(in ₱)** | |
| Operating Revenues | **180,586** | 180,164 | - |
| Service Revenues | **165,016** | 162,333 | 2% |
| *Mobile* | 116,713 | 112,376 | 4% |
| *Home Broadband* | 23,785 | 25,112 | -5% |
| *Corporate Data* | 20,380 | 18,319 | 11% |
| *Fixed line Voice* | 1,500 | 1,595 | -6% |
| *Others* | 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 Income (Charges)** | **(6,010)** | **(1,655)** | **263%** |
| **Net Income After Tax (NIAT)** | **24,286** | **24,578** | **-1%** |
| **Normalized Net Income After Tax** | **21,674** | **19,134** | **13%** |
| **Core Net Income** | **21,498** | **18,916** | **14%** |
| **Normalized Core Net Income** | **21,498** | **19,070** | **13%** |

The Group 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[5] 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 the Group's books in the full year of 2023, consolidated gross service revenues would have grown by 3% on a comparable basis.

**Mobile Business**

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. the Group's mobile customer base also expanded, ending 2024 with 60.9 million subscribers, compared to 57.0 million a year ago.

**Fixed line, corporate data, and home broadband**

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 the Group's guidance.

Corporate Data revenues posted an all-time high ₱20.4 billion, or up by 11% from a year ago notwithstanding a 14% decline in the fourth quarter. This strong performance was mostly from information and communication technology (ICT) and core data revenues. Higher ICT revenues this period was largely contributed by business application, and cybersecurity services.

The annual decline of 6% in fixed line voice revenues was mainly due to lower outbound usage.

**Non-telco revenues**

The 47% drop in non-telco revenues from the ₱4.9 billion recorded at the end of 2023 was impacted by the deconsolidation of ECPay, 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%.

**Costs and Expenses**

The Group 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 the Group's continued network investments.

Overall, the Group's total costs and expenses for the year 2024 remained stable at ₱128.7 billion due to cost-saving measures implemented throughout the year.

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

**EBITDA**

The Group’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%.

The Group’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.

**Net Income**

The Group 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.

The Group '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 the Group's books for the full year of 2023, core net income for the year would have posted a 16% increase.

**CAPEX**

The Group's full-year cash capital expenditures (capex) for 2024 reached approximately ₱56.2 billion, a 20% decrease compared to 2023. This strategic reduction aims to optimize capital utilization and achieve positive free cash flows by 2025. The cash capex to revenue ratio decreased from 44% in 2023 to 34% in 2024. Similarly, the cash capex to EBITDA ratio showed significant improvement, falling from 87% to 65% over the same period. Notably, 90% of the capex was invested in data requirements, ensuring uninterrupted access to digital solutions and connectivity services for the Group 's customers

**Operating Revenues By Business**

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

The Group'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*

Mobile service revenues represented 71% of the Group'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.

*Fixed Line and Home Broadband*

The Group 's Fixed Line and Home Broadband revenues constituted 28% of the Group '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*

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

Throughout the years, the Group 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.

The Group launched its GlobeOne app, a digital tool designed to assist customers in managing their various Globe accounts. Through the GlobeOne app, the Group 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.

The Group Prepaid customers can choose from The Group 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, The Group 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 The GroupOne 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, the Group "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).

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.

The Group 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 five (5) days (₱104 per person per day); Roam Surf4All 5499 with 10 GB for fifteen (15) days (₱73 per person per day) and Roam Surf4All 7499 with 12 GB for thirty (30) days. The Group Prepaid customers can also register to Roam Surf4All via GCash app.

Aside from these, the Group 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. the Group'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, the Group has launched the advance booking capability via GlobeOne where customers can pre-book their data roaming packs up to one (1) year in advance. The Group's 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 the Group's 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, the Group continues to offer its per-second charging for international voice calls for both Globe Postpaid and Globe Prepaid subscribers. The Group 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.

The Group 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 one (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 two (2) days and *All-NetSurf30* for Unlimited calls & texts to all networks + 750MB open-access + 300MB (450MB/Day) FunALIW apps, ₱30 valid for three (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.

The Group 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.

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

While VoLTE roaming is still under development, the Group 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%** |
| *Globe Postpaid* ……………………………………………………. | 2,429,816 | 2,545,462 | -5% |
| Prepaid …………………………………………………………….. | **58,476,680** | **54,501,775** | **7%** |
| *Globe Prepaid* ………………………………………………… | 32,078,927 | 29,884,300 | 7% |
| *TM* ……………………………………………………………...... | 26,397,753 | 24,617,475 | 7% |
| **Net Subscriber (or SIM) Additions……………………………..** | **3,859,259** | **(29,699,435)** | **-113%** |
| *Globe Postpaid* . ………………………………………………… | (115,646) | 15,768 | -833% |
| Prepaid …………………………………………………………….. | **3,974,905** | **(29,715,203)** | **-113%** |
| *Globe Prepaid* ………………………………………………… | 2,194,627 | (14,652,676) | -115% |
| *TM* ……………………………………………………………… | 1,780,278 | (15,062,527) | -112% |
| **Average Revenue Per Subscriber (ARPU)** | | | |
| **ARPU**[1] | | | |
| *Globe Postpaid* ………………………………………………… | 914 | 855 | 7% |
| Prepaid | | | |
| *Globe Prepaid*………………………………………………….. | 148 | 121 | 22% |
| *TM*…………………………………………………………………. | 113 | 84 | 35% |
| **Average Monthly Churn Rate (%)** | | | |
| *Globe Postpaid*……………………………………………….... | 1.6% | 1.5% | |
| *Prepaid* | | | |
| *Globe Prepaid*………………………………………………….. | 1.9% | 5.8% | |
| *TM*…………………………………………………………………. | 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.*

The Group 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, the Group 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***

The Group 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***

The Group's prepaid segment, which includes the Globe Prepaid[6] 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, the Group implemented a one-year expiration period for prepaid loads worth 300 pesos and above on January 6, 2018. Later, on July 5, 2018, the Group extended the implementation to all the Group prepaid loads, including denominations below 300 pesos.

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

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

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

*a. Globe Prepaid*

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

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[6] The Group *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*

*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 Home Broadband Business***

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

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

[2] Corporate data (previously called Fixed line data) service revenues consist of the following:
a) Monthly service fees from international and domestic leased lines;
b) Other wholesale transport services;
c) Revenues from value-added services and ICT;
d) Connection charges associated with the establishment of service.

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

The Group'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.

The Group 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 the Group'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***

The Group's total *Fixed Line Voice* revenues however, declined year-on-year by 6%.

***OTHER REVENUES***

***International Long Distance (ILD) Services***

Both the Group and Innove offer ILD voice services which cover international call services between the Philippines to 238 destinations with 615[7] 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.

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

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

***Non-telco products and services***

Beyond its core telco business, the Group 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 ECPay from the Group's books following the sale of its 77% stake to Mynt. However, if this deconsolidation had been factored into the Group's records during the full year 2023, the overall non-telco revenues would have been lower by only 12%.

<u>917Ventures</u>

[7] *Inbound and Outbound global roaming partners*

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

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

**OPERATING EXPENSES**

The Group'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.

| (₱ Millions) | Year on Year | | |
|---|---|---|---|
| | **31-Dec 2024** | **31-Dec 2023** | **YoY Change (%)** |
| Interconnect | 1,620 | 1,367 | 19% |
| 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% |
| Rent | 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**
The Group's interconnect charges grew 19%, 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**
The Group '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. The Group's provisions decreased by 19% year-on-year primarily attributable to lower trade and inventory provisions.

**Services and Others**
The Group'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**
The Group'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:

| (₱ Millions) | Year on Year | | |
|---|---|---|---|
| | 31-Dec 2024 | 31-Dec 2023 | YoY Change (%) |
| **Financing Costs** | | | |
| Interest Expense | (14,126) | (11,656) | 21% |
| Swap costs and other financing costs | (318) | (490) | -35% |
| Foreign Exchange Gain (Loss) - net | (2,432) | 1,042 | -333% |
| | **(16,876)** | **(11,404)** | **48%** |
| **Other Income** | | | |
| Gain (Loss) on derivative instruments | 2,957 | (741) | -499% |
| Interest Income | 918 | 678 | 35% |
| Others | 6,991 | 9,512 | -27% |
| *Equity share from Affiliates (net)* | 4,273 | *2,590* | *65%* |
| *Frequency Amortization* | (376) | *(376)* | - |
| *Others – net* | 3,094 | *7,298* | *-58%* |
| **Total Income (Other Expenses)** | **(6,010)** | **(1,655)** | **263%** |

The Group’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.

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

## LIQUIDITY AND CAPITAL RESOURCES

| | 31-Dec 2024 | 31-Dec 2023 | YoY Change (%) |
|---|---|---|---|
| **Balance Sheet Data (₱ Millions)** | | | |
| 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 | |
| Current Ratio | 0.62:1 | 0.61:1 | |

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

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

As of December 31, 2024, the Group'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.

The Group's current ratio stood at 0.62:1 as of December 31, 2024, and 0.61:1 as of December 31, 2023. While the Group's average current ratio was below the SEC's minimum of 1:1, the Group 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 coverage[1] exceeding 1.3 times; and
- Secured debt ratio[2] not exceeding 0.2 times.

**Composed of loans payable and net derivative liabilities*
***No longer part of loan covenants following the redemption of ₱3,000 million retail bonds in July 2023.*

As of December 31, 2024, the Group 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

| (₱ Millions) | 31-Dec 2024 | 31-Dec 2023 | YoY change (%) |
|---|---|---|---|
| Net Cash from Operating Activities…………………………… | 84,782 | 80,447 | 5% |
| Net Cash from Investing Activities……………………………. | (30,745) | (54,479) | -44% |
| Net Cash from Financing Activities……………………………… | (49,462) | (27,559) | 79% |

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

Meanwhile, net cash used in investing activities amounting to ₱30.7 billion, was 44% lower from the year earlier. Consolidated cash capital expenditures as of end-December 2024 amounted to ₱56.2 billion, or a 20% drop from ₱79.6 billion last year.

| (₱ Millions) | Globe Group | | |
|---|---|---|---|
| | 31-Dec 2024 | 31-Dec 2023 | YoY change (%) |
| **Cash Capital Expenditures[1]** | 56,194 | 70,628 | -20% |
| Total Additions to Property and equipment and Intangible assets [2] | 57,249 | 97,261 | -41% |
| **Cash Capital Expenditures[1] / 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 Philippine Peso 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.*

The Group 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.

The Group 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.

## RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023 AS COMPARED TO THE YEAR ENDED DECEMBER 31, 2022

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | YoY |
| | (Audited) | (Audited) | Change (%) |
| | | | *(in millions, except percentages)* |
| **Results of Operations** | **(in ₱)** | **(in ₱)** | |
| Operating Revenues | 180,164 | 175,040 | 3% |
| Service Revenues | 162,333 | 157,979 | 3% |
| *Mobile* | 112,376 | 107,520 | 5% |
| *Home Broadband* | 25,112 | 27,094 | -7% |
| *Corporate Data* | 18,319 | 17,198 | 7% |
| *Fixed line Voice* | 1,595 | 1,989 | -20% |
| *Others* | *4,931* | 4,178 | *18%* |
| Non-Service Revenues | 17,831 | 17,061 | 5% |
| **Costs and Expenses** | **98,738** | **95,948** | **3%** |
| Cost of Sales | 18,217 | 17,692 | 3% |
| Operating Expenses | 80,521 | 78,256 | **3%** |
| **EBITDA** | **81,427** | **79,092** | **3%** |
| **EBITDA Margin** | **50%** | **50%** | |
| **Depreciation** | **47,356** | **45,653** | **4%** |
| **EBIT** | **34,071** | **33,439** | **2%** |
| **EBIT Margin** | **21%** | **21%** | |
| **Non-Operating Income (Charges)** | **(1,655)** | **10,662** | **-116%** |
| **Net Income After Tax (NIAT)** | **24,578** | **34,604** | **-29%** |
| **Normalized Net Income After Tax** | **19,134** | **19,973** | **-4%** |
| **Core Net Income** | **18,916** | **19,169** | **-1%** |

Full-year consolidated service revenues grew 3% to a new record high of ₱162.3 billion from the previous record of ₱158.0 billion reported in 2022, due to the outstanding performance of the mobile and corporate data businesses as complemented by the robust growth from its non-telco services. The significant increase in data revenues, which accounts for 83% of total service revenues mainly drove this year's performance. This result was achieved notwithstanding the deconsolidation of ECPay from Group's books (with the sale of its 77% stake in ECPay to Mynt last September 2023). On a comparable basis, if we adjust the prior period assuming the deconsolidation of ECPay, Group's total gross service revenues still would have grown by 3% year-on-year.

### Mobile Business

Mobile business revenues registered a 5% increase from 2022 at ₱112.4 billion from last year's revenues of ₱107.5 billion mostly coming from the prepaid brands.

### Fixed line, corporate data, and home broadband

Home Broadband service revenues stood at ₱25.1 billion or down 7% from 2022. This was mainly due to the expected lower performance of Globe At Home Prepaid WiFi, offsetting the growth in Home Broadband Postpaid, particularly on fiber. Postpaid fiber subscriber and revenues posted a yearly growth of 1% and 14%, respectively. Meanwhile, the fixed wireless access revenues and operating metrics continued to normalize. Consistent with the Group's guidance, the decline in the fixed wireless subscribers is decelerating and the downward pressure from this business is expected to ease in 2024.

Corporate Data revenues also improved in the fourth quarter leading its full-year revenues to an all-time high ₱18.3 billion, or up by 7% from a year ago largely from information and communication technology (ICT) revenues. Higher ICT revenues this period was mainly contributed by business application, cloud, and cybersecurity services.

Fixed line voice revenues likewise declined year-on-year by 20%, coming from lower outbound usages and monthly service fees (MSF).

### Non-telco products and services

Non-telco products and services generated a total of ₱4.9 billion revenues as of end-December 2023, or up by 18% from last year due to expansion in subsidiaries revenues.

**Costs and Expenses**

The Group's total operating expenses and subsidy as of end-December 2023 amounted to ₱80.9 billion from ₱78.9 billion in 2022, or up by 3% due mainly to the increases across almost all expense line items except for marketing and subsidy and staff costs.

The Group's total depreciation and amortization expenses for the year rose to ₱47.4 billion from ₱45.7 billion reported in 2022, given the Group's continued network investments.

Overall, the Group ended 2023 with total costs and expenses of ₱128.3 billion or 3% higher from ₱124.5 billion a year ago. Higher expenses for the year were mainly to support management strategies and various initiatives.

**EBITDA**

The Group's consolidated EBITDA, which totaled ₱81.4 billion, was up 3% from last year's level of ₱79.1 billion due to the healthy topline improvement this period. EBITDA margin as of end-December 2023 stood at 50%, still aligned with the Group's full year guidance.

Non-operating charges as of end-December 2023 stood at ₱1.7 billion versus last year's operating income of ₱10.7 billion, or down by 116% year-on-year, owing to the one-time net gain of ₱8.5 billion (post-tax) on the partial sale of the Group's data center business reported in the first quarter of 2022.

**Net Income**

The Group ended 2023 with ₱24.6 billion consolidated net income, down by 29% from the reported net income in 2022. This was primarily due to the 4% higher depreciation expenses coupled by this year's non-operating charges (versus last year's non-operating income), which fully offset the 3% EBITDA growth. Last year's non-operating income was due to the one-time net gain on the partial sale of the Group's data center business booked in the first quarter of 2022. Excluding the impact of the one-time gains, normalized net income would have been ₱19.1 billion, down by 4% from 2022.

The Group's core net income, which excludes the impact of non-recurring charges, one-time gain, foreign exchange gains and mark-to-market charges, stood at ₱18.9 billion, slightly decreased by 1% year-on-year. Similarly, normalized core net income was 1% lower than last year.

**CAPEX**

Total cash capex as of end-December 2023 amounted to ₱70.6 billion, lower by 30% from last year's level of ₱101.4 billion. About 91% of the total capex for the period was spent on the data network with the Group's continued focus on network excellence.

Likewise, the Group streamlined its purchase order (PO) issuances beginning 2023. Purchase order issuances for 2023 amounted to US$600 million or less than half of the actual cash capex, and is also equivalent to around 36% of the average annual PO issuances in the past 5 years. These PO issuances are leading indicators for future capex payment levels. The significantly low PO issuance in 2023 will enable the reduction of capex over the next few years and will allow the Company to get back to positive free cash flow territory as planned.

**Operating Revenues by Business**

| | For the year ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **YoY** |
| | **(Audited)** | **(Audited)** | **Change (%)** |
| | | | *(in millions, except percentages)* |
| **Operating Revenues** | | | |
| **By Business** | **(in ₱)** | **(in ₱)** | |
| **Mobile[1]** | **129,833** | **124,085** | **5%** |
| Service Revenues | 112,376 | 107,520 | 5% |

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 (Audited) | 2022 (Audited) | YoY Change (%) |
| | | *(in millions, except percentages)* | |
| **Operating Revenues** | | | |
| **By Business** | **(in ₱)** | **(in ₱)** | |
| Non-Service Revenues | 17,457 | 16,565 | 5% |
| | | | |
| **Fixed Line and Broadband(2)** | **45,289** | **46,671** | **-3%** |
| Service Revenues | 45,026 | 46,281 | -3% |
| Non-Service Revenues | 263 | 390 | -33% |
| | | | |
| **Others(2)** | **5,042** | **4,284** | 18% |
| Service Revenues | 4,931 | 4,178 | 18% |
| Non-Service Revenues | 111 | 106 | 5% |
| | | | |
| **Total Operating Revenues** | **180,164** | **175,040** | **3%** |

*Notes:*

(1) Mobile business includes Mobile and fully Mobile Broadband
(2) Home Broadband includes fixed wireless and wired Broadband; Fixed line and Home Broadband includes corporate data, fixed line voice, and Home Broadband
(3) Others includes non-telco revenues from subsidiaries

The Group ended the year with total operating revenues of ₱180.2 billion, up by 3% from the ₱175.0 billion recorded last year. This was driven by the 3% year-on-year improvement in the topline to reach ₱162.3 billion in 2023 from ₱158.0 billion in 2022. Corporate data and mobile services, complemented by the continuous growth from non-telco services, mainly fueled this year's topline expansion.

*Mobile service*

Mobile service revenues accounted for 69% of the Group's consolidated service revenues for the year just ended. The mobile business continued to perform strongly, ending the year with a historic high of ₱112.4 billion compared to the previous record level of ₱107.5 billion reported in 2022. The notable 5% year-on-year improvement was largely contributed by prepaid with the pent-up demand for affordable mobile devices, alongside the increasing time spent on high-bandwidth online video services and social media content over smartphones.

*Fixed line and Home Broadband*

Fixed line and Home Broadband full year 2023 revenues stood at ₱45.0 billion, or 3% lower than a year ago, due mainly to the revenue declines from Fixed line voice and Home Broadband business, which fully offset the solid contributions of Corporate Data.

*Mobile non-service revenues*

Mobile non-service revenues increased year-on-year by 5%. Fixed Line and Home Broadband non-service revenues, however, declined significantly by 33% compared to the previous year. Meanwhile, non-service revenues from non-telco products and services improved from ₱106 million in 2022 vs. ₱111 million in 2023.

**Mobile Business**

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 (Audited) | 2022 (Audited) | YoY Change (%) |
| | | *(in millions, except percentages)* | |
| **Mobile Service Revenue** | **(in ₱)** | **(in ₱)** | |
| Service | | | |
| Mobile Voice [1] | 13,506 | 14,917 | -9% |
| Mobile SMS [2] | 7,975 | 8,845 | -10% |
| Mobile Data [3] | 90,895 | 83,758 | 9% |

*Notes:*

(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.

Over the years, the Group has pioneered efforts in introducing products and services that cater to the customer's digital preferences, enabling the Group to be the preferred brand for Filipinos' digital lifestyle choices. This was done through collaborative partnerships with global giants in the world of content. The Group partnered with internet giant Google to provide free access to Google Mobile services and to provide its subscribers the ability to charge purchases of applications to their postpaid bill or prepaid load, bypassing the need for credit cards and enhancing the convenience for Globe and TM customers. Likewise, the Group was able to tailor-make lifestyle packages for all its subscribers to meet their social networking needs and crowd-sourced content (via Facebook and Wattpad), chatting and digital communication (Viber), music (Spotify), sports (NBA) and media. Moreover, the Group's array of content partners including premium online streaming platforms like Netflix, iflix, Prime, HBO GO, VIU; social media networks such as YouTube; online shopping sites; and mobile games usher in a whole new entertainment experience.

The GlobeOne app is the digital companion to help customers to manage their accounts. With the GlobeOne app, Globe customers can monitor their Globe Postpaid, Globe Prepaid/TM, Home Prepaid WiFi, and Rewards. The GlobeOne is available via App Store and Google Play Store.

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

Mobile data, the biggest contributor to the mobile business, accounted for 81% of total mobile service revenues (vs. 78% in 2022). As of end-December 2023 mobile data revenues posted a record ₱90.9 billion, or 9% above than the ₱83.8 billion reported last year. The sustained growth momentum in mobile data revenues was driven by the increasing data consumption with consumers' heightened need to stay connected for work, school and entertainment.

Globe Prepaid customers can 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, the Group further gave 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 for more details. App-Exclusive promos are likewise available on GlobeOne and GCash which include the following:

Available on GlobeOne only:

- Super Xclusive Go+99 - same as Go+99 but with free +2GB or +1 day validity
- 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

Available on GCash and GlobeOne:

- Go59 for Students - 5GB, 1GB for GoLEARN&WORK apps, unli allnet texts, 3 days
- GoEXTRA99 - 8GB for all sites, unli allnet calls and texts, valid for 7 days
- GoEXTRA199 - 8GB for all sites, unli allnet calls and texts, valid for 15 days
- Go+179 - 8GB for all sites, 8GB for choice of apps, unli allnet texts, valid for 15 days, plus a free discount voucher

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, & Tiktok, valid for 3 days and EasySurf50 which gives customers 6GB of total data (3GB open-access + 3GB 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 8GB total data: 2GB open-access + 6GB (2GB/day) FunPinoy pack + unlimited texts to all networks, for ₱50 valid for 3 days; EasySurf75 gives customers 8GB (2GB data + 6GB freebie) with unlimited AllNet calls and text valid for 3 days. 7-days validity offers are likewise available: EasySurf99 which give its customers 16GB (2GB data + 14GB freebie) with unlimited AllNet texts and EasySurf140 which give its customers 18GB (4GB data + 14GB freebie) with unlimited AllNet calls and texts. EasySurf99 also has a GlobeOne/GCash-exclusive version with 17GB total data: 3GB open-access + 16GB (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 EasyPlan150 for Unlimited calls & texts to all networks, 1GB open-access + 15GB (1GB/day) for FB, ML, Tiktok, YouTube, Instagram, ₱150 valid for 15 days; EasyPlan150 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; EasyPlan300 - Unlimited calls & texts to all networks, 2GB open-access + 30GB (1GB/day) for FB, ML, Tiktok, YouTube, Instagram, ₱300 valid for 30 days; EasyPlan300 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 15 days, exclusive in GlobeOne & GCash. TM customers can also register to Surf4all99 (9 GB for all apps & sites, shareable up to four friends or four devices), and Surf4all249 (20 GB for all apps & sites, shareable up to four friends or four devices) valid for 7 days.

Likewise, the Company continued to offer Roam Surf Data and App packs to its prepaid and postpaid customers. Prepaid subscribers can choose from all-access data roaming packs for as low as ₱150 or their favorite apps (Facebook, Instagram, viber, WhatsApp, WeChat) for as low as ₱100. This offer allows prepaid customers to access the internet abroad, making their data connectivity experience more seamless and worry-free (roam-surf-data-app-packs-prepaid for more details). Meanwhile, Globe Postpaid customers can enjoy all-day or 24 hours all-access data roaming packs for as low as ₱149 or their favorite apps Facebook or viber with Roam Facebook 299 and Roam Viber 199 (roam-surf-data-app-packs-postpaid for more details). Globe also introduced the discounted data roaming called Roam Surf Longer Stay. Subscribers can enjoy more gigabytes for more days while spending less - choose from 3, 5, 7, 15 or 30-day offers which come with 3GB up to 20GB data, and get up to 50% off (vs. the daily Roam Surf rate). In addition, Globe Postpaid and Prepaid subscribers can now experience 5G roaming. For Postpaid subscribers, simply turn on your mobile data and set your data roaming settings to 5G. For Prepaid subscribers, get your favorite Roam Surf promo via the GlobeOne app, GCash, or dial *143# and select MyAccount > Roaming & Intl.

The 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. 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 15 GB for 30 days

Aside from these, the Group 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. The Group's GoRoam is now available in Singapore and the United

States, 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
- 20 GB of data valid for 30 days in the USA for ₱3,000
- 3 GB of data valid for five days in Hong Kong for ₱600
- 2.4 GB of data valid for 10 days in Taiwan for ₱600
- 15 GB of data valid for eight days in Thailand for ₱800
- 5 GB of data valid for 10 days in Malaysia for ₱800
- 8 GB of data valid for 28 days in the UAE for ₱2,000

GoRoam promos are available via the GlobeOne app. 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.

*Mobile Voice*

Mobile voice revenues, which accounted for 12% of total mobile service revenues, ended the year at ₱13.5 billion, down by 9% from ₱14.9 billion in 2022. Consistent with global trends, voice revenues declined given the continued migration of voice traffic to alternative internet-based applications.

The Group 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. Meanwhile, *TM* subscribers may choose from various combo offers for as low as ₱10 for call and text promos. 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, the Group 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.

Roam Unli Call & Text is likewise available for Globe Postpaid customers for them to enjoy all-day calls and texts while roaming.

*Mobile SMS*

Mobile SMS revenues, which accounted for 7% of total mobile service revenues, closed the year at ₱8.0 billion or 10% lower against the ₱8.8 billion reported in 2022. Similar to voice, mobile SMS declined, with traffic moving to over-the-top (OTT) messaging apps.

The Group continues to showcase a comprehensive line up of mobile SMS value offers ranging from unlimited and bucket text services.

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.

*GoWiFi*[8]

In support of national development by providing access to user-friendly and cost-effective internet connectivity to more Filipinos. GoWiFi continues its expansion plans nationwide, particularly in high-traffic areas like malls, hospitals, and schools to make high-quality internet connection accessible and affordable to more Filipinos. GoWiFi is currently accessible in over 3,700 locations nationwide, enabling users to get connected with up to 100MBps of high-speed internet within the coverage of a GoWiFi site, regardless of network provider.

GoWiFi services are available in 2 modes: regular (free) GoWiFi and premium (paid) GoWiFi Auto. Both are open to all users with WiFi-enabled devices, regardless of network service provider (local or while roaming in the Philippines). To connect to free GoWiFi, just open the Wi-Fi-enabled device's WiFi settings and connect to the "@FreeGoWiFi" hotspot, register, choose from the different WiFi package and start surfing. To connect to premium wifi, connect to "@<site>_FreeGoWiFi SSID, register, then select a WiFi offer.

*VoLTE and VoWiFi*

VoLTE stands for voice over LTE. It's a technology that lets you make voice calls over the LTE network, rather than the 2G and 3G networks which we normally use. VoWiFi, or voice over Wi-Fi, stands for Wi-Fi Calling which is a complementary technology to VoLTE and lets you make voice calls over a Wi-Fi network. VoLTE or VoWiFi can be used even if the called party doesn't have a VoLTE-capable device. Calls between VoLTE/VoWiFi - VoLTE/VoWiFi will have a long-beep ringtone, similar to IDD calls. For calls between VoLTE or VoWiFi and 3G/2G, the call will have the normal ringtone.

The Group's efforts to provide a better mobile experience to its customers have made it possible to have Voice Over LTE (VoLTE) service available to postpaid customers. The Group has also fully activated VoLTE in all cities in Metro Manila and nearby provinces. This development has made it possible for more postpaid customers to access the service, improving voice call experience. Postpaid customers are encouraged to check if their mobile phone is VoLTE-capable.

VoLTE and VoWiFi are being implemented in phases and are now available in key areas starting December 18, 2020. The Group is likewise offering VoLTE to eligible prepaid customers starting November 7, 2022.

On its way to providing VoLTE Roaming capability, Globe's technical team performed successful VoLTE Outbound Roaming and VoLTE Inbound Roaming calls with Airtel. This demonstrates the readiness of its mobile network to support outbound and inbound VoLTE Roaming. While VoLTE roaming is still being built, Globe customers in countries that no longer have any 2G or 3G access may opt to subscribe to data roaming offers that allow them to make and receive calls and messages through Over-the-top (OTT) apps such as Viber, WhatsApp, and Messenger. Customers may easily register and track their data usage via the GlobeOne app.

### Key Mobile Drivers

| | **For the year ended December 31,** | | |
|---|---|---|---|
| | **2023** | **2022** | **YoY** |
| | **(Audited)** | **(Audited)** | **Change (%)** |
| | | | *(in millions, except percentages)* |
| | **(in ₱)** | **(in ₱)** | |
| **Cumulative Subscribers (or SIMs) Net (End of period)** | **57,047,237** | **86,746,672** | **-34%** |
| *Globe Postpaid* | 2,545,462 | 2,529,694 | 1% |
| Prepaid | 54,501,775 | 84,216,978 | -35% |
| *Globe Prepaid* | 29,884,300 | 44,536,976 | -33% |
| *TM* | 24,617,475 | 39,680,002 | -38% |
| **Net Subscriber (or SIM) Additions** | **(29,699,435)** | **(37,990)** | **78077%** |
| *Globe Postpaid* | 15,768 | 32,827 | -52% |
| Prepaid | (29,715,203) | (70,817) | 41861% |
| *Globe Prepaid* | (14,652,676) | 2,011,309 | -829% |
| *TM* | (15,062,527) | (2,082,126) | 623% |

[8] *GoWiF* the Grou'p's *premium public WiFi service*

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | YoY |
| | (Audited) | (Audited) | Change (%) |
| | | *(in millions, except percentages)* | |
| | (in ₱) | (in ₱) | |
| **Average Revenue Per Subscriber (ARPU)** | | | |
| **ARPU[1]** | | | |
| *Globe Postpaid* | 855 | 839 | 2% |
| Prepaid | | | |
| *Globe Prepaid* | 121 | 98 | 23% |
| *TM* | 84 | 63 | 33% |
| **Average Monthly Churn Rate (%)** | | | |
| *Globe Postpaid* | 1.5% | 1.6% | |
| *Prepaid* | | | |
| *Globe Prepaid.* | 5.8% | 2.8% | |
| *TM* | 6.4% | 4.0% | |

Notes:

(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.

The Group closed 2023 with a total mobile subscriber base (post SIM card registration) of 57 million, 34% lower from 2022 as a result of the SIM card registration ("**SCR**") exercise. Combined, Globe Prepaid (including GOMO) and TM gross acquisitions comprised 98% of total acquired SIMs during the period. With the drop in gross acquisitions coupled with the overall churn rate increase for the year 2023 of 5.9% from 3.3% a year ago, net reduction in subscribers totaled to 29.7 million this period versus 38 thousand subscribers reported last year. The Group deactivated about 30 million SIMs, most of which are inactive users as a result of the SCR.

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

*Globe Postpaid*

*Globe Postpaid* had a total of over 2.5 million cumulative subscribers as of the end of December 2023, up by 1% from 2022. Globe Postpaid's gross acquisitions for the year stood at 460,681 or 11% lower than last year. With this year's lower acquisition, offsetting the slight improvement in churn, total net addition in postpaid subscribers stood at 15.8 thousand versus last year's net incremental of 32.8 thousand.

Full-year 2023 *Globe Postpaid* ARPU registered at ₱855, which was higher versus 2022 by 2%.

*Prepaid*

The Group's prepaid segment, which includes the Globe Prepaid, GOMO and TM brands, accounts for 96% of its total cumulative mobile subscriber base. As of end-December 2023, cumulative prepaid subscribers stood at about 54.5 million, or lower than last year's 84.2 million mostly due to the SIM registration (SCR) exercise.

Based on the National Telecommunications Commission ("**NTC**") Memorandum Circular 03-07-2009, the first expiry periods ranging from 3 days for P10 or below to 120 days for reloads amounting to P300 and above. The second expiry remains at 120 days from the date of the new first expiry periods. The first expiry is reset based on the longest expiry period among current and previous reloads. Under this policy, subscribers are included in the subscriber count until churned. Under the new pronouncement based on the National Telecommunications Commission ("**NTC**"), Department of Information and Communications Technology ("**DICT**"), and Department of Trade and Industry ("**DTI**") Joint Memorandum Circular No. 05-12-2017 all prepaid load will now carry a one-year expiration period regardless of amount. In compliance with this regulation, effective January 6, 2018, Globe implemented a one-year expiration period for prepaid loads worth 300 pesos and above. Then on July 5, 2018, Globe expanded the implementation to all Globe prepaid loads, including those with denominations below 300 pesos.

Republic Act No. 11934, or the SIM Card Registration Act, was signed into law on October 10, 2022. The Philippines' SIM Registration Act is envisioned to address escalating cybercrime in the country, including the proliferation of smishing and other forms of scam and spam messaging aided by the anonymity afforded by prepaid SIMs. Registration via the GlobeOne app started last January 2023, while on-site assisted registration started last February 2023 for Globe customers facing challenges using digital or online platforms, using feature or basic phones, or having no internet access. New Globe SIM users have up to 72 hours to get their SIMs registered to activate call, text and data services. For existing Globe Postpaid customers, all their data and information are deemed included in the platform and Globe shall get in touch with each postpaid customer to confirm and complete their registration details to align it with the requirements of the law. The SIM Card Registration ended last July 25, 2023 (with the 90-days extension from the original deadline of April 26).

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

a. Globe Prepaid

Globe Prepaid gross acquisitions (including GOMO) ended at 11.1 million in 2023 or 34% down year-on-year. Total net reduction in Globe Prepaid subscribers as of end-December 2023 stood at 14.7 million versus last year's net incremental of 2.0 million resulting from the SCR. Total cumulative Globe Prepaid subscribers closed the year at 29.9 million, or a 33% drop from the 44.5 million as of end-December of 2022.

Globe Prepaid ARPU posted at ₱121, or 23% increase from ₱98 from a year ago. The higher ARPU is more reflective of the company's quality subscriber base post SIM card registration (SCR) exercise.

b. TM

TM's gross acquisitions declined year-on-year by 46% to only 9.5 million subscribers in 2023 from 17.5 million reported in 2022. TM churn rate for the period increased to 6.4% from last year's 4.0% bringing total net reduction in TM subscribers in the year just ended to 15.1 million versus 2.1 million in 2022. Total cumulative TM subscribers stood at 24.6 million as of end-December of 2023, or 38% lower from the 39.7 million reported in 2022 due to the same reason cited above.

Likewise, TM ARPU was 33% better than last year's ₱63, ending the year at ₱84, which is now more reflective of the company's quality subscriber base post SIM card registration (SCR) exercise.

**Fixed Line and Broadbank Business**

| | For the year ended December 31, | | |
|---|---|---|---|
| | **2023 (Audited)** | **2022 (Audited)** | **YoY Change (%)** |
| | | *(in millions, except percentages)* | |
| **Service Revenues** | **(in ₱)** | **(in ₱)** | |
| Service | | | |
| Home Broadband[1] | 25,112 | 27,094 | -7% |
| Corporate Data[2] | 18,319 | 17,198 | 7% |
| Fixed line Voice[3] | 1,595 | 1,989 | -20% |
| **Fixed Line & Home Broadband Service Revenues** | **45,026** | **46,281** | **-3%** |

*Notes:*

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

(2) Corporate data (previously called Fixed line data) service revenues consist of the following:
   a) Monthly service fees from international and domestic leased lines;
   b) Other wholesale transport services;
   c) Revenues from value-added services and ICT;

d) Connection charges associated with the establishment of service.

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

### Home Broadband

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 (Audited) | 2022 (Audited) | YoY Change (%) |
| | | | *(in millions, except percentages)* |
| | (in ₱) | (in ₱) | |
| **Cumulative Home Broadband Subscribers** | | | |
| Fixed Wireless | 618,972 | 1,427,868 | -57% |
| Wired | 1,131,525 | 1,134,669 | - |
| **Total (end of period)** | **1,750,497** | **2,562,537** | **-32%** |

The Group's *Fixed line and Home Broadband* full-year 2023 revenues stood at ₱45.0 billion, 3% lower than the ₱46.3 billion reported in 2022, due mainly to the 20% drop in fixed line voice and 7% decline in Home Broadband business, which fully offset the solid contributions of Corporate Data.

*Globe Home Broadband* revenues fell by 7% year-on-year and 1% quarter-on-quarter with the continued decline in Home Prepaid WiFi as partly offset by higher Home Broadband Postpaid, particularly on Fiber. Postpaid fiber subscribers and revenues posted a year-on-year increase of 1% and 14%, respectively.

Meanwhile, the fixed wireless access revenues and operating metrics continued to normalize. Consistent with the Group's guidance, the decline in the fixed wireless subscribers is decelerating and the downward pressure from this business is expected to ease in 2024.

Total home broadband subscriber base now stands at 1.8 million, a 32% dip from the year earlier with the 57% decline from fixed wireless. As of end-December of 2023, Home Prepaid Wi-Fi (HPW) data traffic further slipped to only 289 petabytes from 450 petabytes in 2022.

### Corporate Data

*Corporate Data* also improved in the fourth quarter, leading its full-year revenues to an all-time high ₱18.3 billion, or up by 7% from a year ago largely from information and communication technology (ICT) revenues. Higher ICT revenues was mostly from business application, cloud, and cybersecurity services.

### Fixed Line Voice

Globe's total *Fixed Line Voice* revenues however, declined year-on-year by 20%.

### Other Globe Group Revenues

*International Long Distance (ILD) Services*

Both Globe and Innove offer ILD voice services which cover international call services between the Philippines to 237 destinations with 790 roaming partners. This service generates revenues from both inbound and outbound international call traffic, with pricing based on agreed international termination rates for inbound traffic revenues and NTC-approved ILD rates for outbound traffic revenues.

The Group's ILD voice revenues from the mobile and fixed line businesses declined year-on-year by 17% (from ₱1.9 billion in 2022 to only ₱1.6 billion in 2023). This is attributed to the continued migration of international traffic through other internet-based applications.

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

*Non-telco products and services*

As the group continues to expand its beyond telco initiatives with a growing portfolio of digital companies in spaces such as fintech, healthtech, adtech, and entertainment, its non-telco revenues jumped to ₱4.9 billion in 2023 from ₱4.2 billion last year due to the expansion in subsidiaries' revenues.

- Kickstart – the Group's corporate venture capital arm, Kickstart Ventures, is one of the most active venture capital firms in the Philippines. Kickstart manages two funds for Globe and advises the Ayala Corporation Technology Innovation Venture (ACTIVE) Fund, the largest fund to come out of the Philippines. From these three funds, Kickstart now has 64 investments in 9 countries, backing 135 founders.
- Asticom - Asticom is a tech-enabled shared services and outsourcing company under the Group. It employs over 5,000 headstrong workforce nationwide, serving more than 200 clients from all over the country.
- 917Ventures - 917Ventures includes the largest healthtech play in the Philippines, KonsultaMD. 917Ventures also has adtech company AdSpark; loyalty, and e-commerce solutions provider RUSH; a cloud based multi-channel communications platform M360; iNQUiRO which offers suite of data-driven products and solutions designed to create value for enterprises and their customers; DeepSea which is an adtech company focused on enabling programmatic advertising capabilities that power agencies, advertisers, and publishers; and KodeGo which is a tech school offering bootcamps on different IT courses to equip beginners and career shifters with critical and highly sought-after skills.
- *KonsultaMD* - the largest healthtech play in the Philippines, provides accessible healthcare to Filipinos through a one-stop health SuperApp. With its consolidation with *HealthNow* and *AIDE*, the *KonsultaMD* SuperApp brings together *KonsultaMD's* expertise in on-demand doctor consultations, *HealthNow's* strength in medicine delivery, and AIDE's mastery of providing health services at home. The new *KonsultaMD* SuperApp offers the full healthcare experience from 24/7 doctor consultations, pharmacy, to diagnostics at-home. With over 1,000 healthcare providers, 50+ specializations, and more than 2,000 pharmacy offers, *KonsultaMD* continues to serve Filipinos nationwide in 16+ dialects. With a vision to uplift the healthcare journey of every Filipino, *KonsultaMD* is a one-stop-shop superapp for health.
- *Brave Connective Holdings, Inc. (BCHI)*
- *AdSpar* - the award-winning and largest locally ad-based data powered digital media and creative agency which has launched more than 3,000 digital campaigns.
- *M360* - largest A2P multi-channel messaging platform, capable of sending messages to over 700 partner network operators in 190 countries via SMS or chat apps. Generates over 1.1 billion average monthly traffic with access to over 150 million mobile SMS users and over 45 million OTT users in the Philippines.
- *DeepSea* - enables programmatic advertising by leveraging first party data, millions of audiences and wide variety & unique audience segments to advertisers
- iNQUiRO, suite of data-driven products and solutions designed to create value for enterprises and their customers.
- *Rush* - the loyalty and ecommerce arm of Globe's 917Ventures.
- *KodeGo* - tech bootcamp offering online IT programs and company matching support.
- Yondu - Yondu is a top-notch IT solutions company providing cloud services and software development, among other innovative technology solutions, for Philippine businesses.

The Group's 917Ventures, Ayala Corporation, and *Gogoro Inc*. made history with the launch of Gogoro Smartscooters® and battery-swapping in the Philippines. The companies are introducing a new era in sustainable transportation that brings together smart, convenient and accessible electric two-wheelers to customers.

**Group Operating Expenses**

The Group ended the year 2023 with total costs and expenses amounting to ₱128.3 billion or 3% higher from ₱124.5 billion a year ago, due to increases on almost all cost line items except for marketing & subsidy as well as staff cost. Higher expenses for the period were mainly to support various management initiatives.

| | For the year ended December 31, | | |
|---|---|---|---|
| | **2023 (Audited)** | **2022 (Audited)** | **YoY Change (%)** |
| | | | *(in millions, except percentages)* |
| | **(in ₱)** | **(in ₱)** | |
| Interconnect | 1,367 | 1,362 | - |
| Marketing and Subsidy | 5,162 | 7,016 | -26% |
| Staff Costs | 18,959 | 19,136 | -1% |
| Utilities, Supplies, & Other Administrative Expenses | 11,426 | 10,309 | 11% |
| Rent | 2,828 | 2,794 | 1% |
| Repairs & Maintenance | 13,345 | 11,657 | 14% |
| Provisions | 5,217 | 4,907 | 6% |
| Services and Others | 22,603 | 21,706 | 4% |
| **Operating Expenses & Subsidy** | **80,907** | **78,887** | **3%** |
| **Depreciation and Amortization** | **47,356** | **45,653** | **4%** |
| **Cost and Expenses** | **128,263** | **124,540** | **3%** |

*Interconnect*

The Group's interconnect charges were flat year-on-year at ₱1.4 billion as of end December 2023.

*Marketing & Subsidy*

Marketing and Subsidy expenses declined by 26% year-on-year to only ₱5.2 billion from ₱7.0 billion reported a year ago due to this year's lower merchandising materials, online placements and TV airtime, coupled with lower subsidy and commissions.

*Staff Costs*

Staff costs slightly dropped by 1% at close to ₱19.0 billion in 2023 from ₱19.1 billion in 2022 mainly on lower head count.

*Utilities, Supplies and Other Administrative Expenses*

Utilities, supplies, and other administrative expenses, which contribute 14% of total operating expenses and subsidy, rose by 11%, totaling to ₱11.4 billion from ₱10.3 billion reported in 2022. The year's increase was largely from higher electricity rate/KwH and usage than last year.

*Lease*

Lease expenses, accounts for 3% of operating expenses and subsidy. Lease expenses slightly grew by 1% in 2023 from ₱2.8 billion in 2022.

*Repairs and Maintenance*

Repairs and maintenance costs for the year stood at ₱13.3 billion, up by 14% from the ₱11.7 billion reported last year. This was mostly from higher business application services (BAS) payout, increase on tower maintenance cost, preventive maintenance on communication equipment.

*Provisions*

This account includes provisions related to trade, non-trade and traffic receivables and inventory obsolescence. The Group's provisions increased year-on-year by 6% due mainly to higher inventory provisions and other probable losses.

*Services and Others*

Accounting for 28% of total operating expenses and subsidy, services and other expenses grew by 4% from ₱21.7 billion reported in 2022. This was largely from higher contracted services, platform fees, shipment and freight.

*Depreciation and Amortization*

Total depreciation and amortization expenses for the year rose to ₱47.4 billion from ₱45.7 billion reported in 2022. Bulk of the increase in depreciation charges was attributed to the sustained capex investments.

**Other Income Statement Items**

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

| | For the year ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **YoY** |
| | **(Audited)** | **(Audited)** | **Change (%)** |
| | | | *(in millions, except percentages)* |
| | **(in ₱)** | **(in ₱)** | |
| **Financing Costs** | | | |
| Interest Expense | (11,656) | (8,951) | 30% |
| Swap costs and other financing costs | (490) | (1,140) | -57% |
| Foreign Exchange Loss (net) | 1,042 | (5,343) | -120% |
| | **(11,404)** | **(15,434)** | **-26%** |
| **Other Income** | | | |
| Gain (Loss) on derivative instruments | (741) | 5,798 | -113% |
| Interest Income | 678 | 340 | 99% |
| Others | 9,512 | 19,958 | -52% |
| *Equity share from Affiliates (net)* | *2,590* | *1,395* | *86%* |
| *Frequency Amortization* | *(376)* | *(312)* | *21%* |
| *Others – net* | *7,298* | *18,875* | *-61%* |
| **Total Income (Other Expenses)** | **(1,655)** | **10,662** | **-116%** |

The Group's full year 2023 non-operating charges stood at ₱1.7 billion versus last year's reported non-operating income of ₱10.7 billion. Last year's non-operating income was mainly attributed to the one-time net gain of ₱8.4 billion (post-tax) on the partial sale of the Group's data center business reported in the first quarter of 2022.

**Liquidity and Capital Resources**

| | For the year ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **YoY** |
| | **(Audited)** | **(Audited)** | **Change (%)** |
| | | | *(in millions, except percentages)* |
| | **(in ₱)** | **(in ₱)** | |
| **Balance Sheet Data (₱ Millions)** | | | |
| Total Assets | 611,628 | 555,677 | 10% |
| Total Debt | 249,956 | 233,205 | 7% |
| Total Stockholders' Equity | 159,927 | 152,533 | 5% |
| | | | |
| **Financial Ratios (x)** | | | |
| Total Debt to EBITDA (gross) | 2.75 | 2.35 | |
| Total Debt to EBITDA (net) | 2.57 | 2.20 | |
| Debt Service Coverage | 2.18 | 3.82 | |
| Interest Coverage (Gross) | 4.95 | 7.81 | |
| Debt to Equity (Gross)** | 1.56 | 1.53 | |

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | YoY |
| | (Audited) | (Audited) | Change (%) |
| | | *(in millions, except percentages)* | |
| | (in ₱) | (in ₱) | |
| Debt to Equity (Net) ** | 1.46 | 1.43 | |
| Total Debt to Total Capitalization (Book) | 0.61 | 0.60 | |
| Total Debt to Total Capitalization (Market) | 0.50 | 0.43 | |

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

The Group's balance sheet and cash flows remain strong with ample liquidity and gearing ratios comfortably within bank covenants.

The Group's consolidated assets as of December 31, 2023 amounted to ₱611.6 billion compared to ₱555.7 billion as of December 31, 2022. Consolidated cash and cash equivalents was at ₱16.6 billion as of end-December of 2023 compared to ₱18.0 billion as of end-December of 2022. The Group's cash equivalents consist of short-term, highly liquid time deposit placements.

Included in the Group's cash and cash equivalents are bank deposits maintained by ECPay amounting to nil and ₱2.3 billion as of December 31, 2023 and 2022, respectively, which are restricted for specific purposes to meet obligations with merchants and partners. Total cash and cash equivalents of the Globe Group net of the portion restricted for specific purposes, amounted to ₱16.6 billion and ₱15.7 billion as of December 31, 2023 and 2022, respectively.

The Group's current ratio stood at 0.61:1 as of December 31, 2023 and 0.66:1 as of December 31, 2022 which are at par with industry standards. While Globe's average current ratio was below the SEC's minimum of 1:1, the Group believes it has sufficient liquidity sources to meet its debt maturities, currently and prospectively.

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

- Total debt* to equity not exceeding 3.0:1**;
- Total debt to EBITDA not exceeding 3.5:1;
- Total Debt service coverage[1] exceeding 1.3 times; and
- Secured debt ratio[2] not exceeding 0.2 times.

**Composed of loans payable and net derivative liabilities*
***No longer part of loan covenants following the redemption of ₱3,000 million retail bonds in July 2023.*

*Notes:*
(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, 2023, the Group is well within the ratios prescribed under its loan agreements.

On November 2, 2021, the Group 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 Group. The Group also has the right to defer payment of any or all of the distribution. On November 3, 2021, the capital securities were listed in Singapore Exchange Securities Trading Limited.

Distributions to holders of capital securities in full year 2023 and 2022 amounted to ₱1.33 billion and ₱1.31 billion, respectively.

**Consolidated Net Cash Flows**

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 (Audited) | 2022 (Audited) | YoY Change (%) |
| | *(in millions, except percentages)* | | |
| | (in ₱) | (in ₱) | |
| Net Cash from Operating Activities | 80,447 | 65,155 | 23% |
| Net Cash from Investing Activities | (54,479) | (73,851) | -26% |
| Net Cash from Financing Activities | (27,559) | 2,203 | -1351% |

Net cash flows provided by operating activities in 2023 was at ₱80.4 billion, or 23% higher versus the previous year.

Meanwhile, net cash used in investing activities amounting to ₱54.5 billion, was 26% lower from the year earlier. Consolidated cash capital expenditures as of end-December 2023 amounted to ₱70.6 billion, or a 30% drop from ₱101.4 billion last year.

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2023 (Audited) | 2022 (Audited) | YoY Change (%) |
| | *(in millions, except percentages)* | | |
| | (in ₱) | (in ₱) | |
| **Cash Capital Expenditures[1]** | 70,628 | 101,367 | -30% |
| Total Additions to Property and equipment and Intangible assets[2] | 97,261 | 90,084 | 8% |
| **Cash Capital Expenditures[1] / Service Revenues (%)** | 44% | 64% | |

*Notes:*

(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 ₱27.6 billion in 2023 versus last year's net cash provided by financing activities of ₱2.2 billion in 2022. Consolidated total debt, likewise increased by 7% from ₱233.2 billion at the end of December 2022 to ₱250.0 billion at the end of December of 2023.

100% of US$ consolidated loans have been effectively converted to Philippine Peso via US$930 million in currency hedges. After swaps, effectively none of the total debt is denominated in US$.

Below is the schedule of debt maturities for the Group for the years stated below based on total outstanding debt as of December 31, 2023:

| Year Due | Principal* (US$ Mn) |
|---|---|
| 2024 .................................................................. | 665.06 |
| 2025 .................................................................. | 344.35 |
| 2026 .................................................................. | 339.96 |
| 2027 through 2036 .............................................. | 3,123.73 |
| **Total** | **4,533.10** |

* *Principal amount before debt issuance costs.*

The Group has available uncommitted short-term credit facilities of ₱71,380 million and USD 114 million, ₱44,188 million and USD 94 million as of December 31, 2023 and December 31, 2022, respectively.

The Group also has available ₱3,000 million committed short-term credit facilities as of December 31, 2023 and December 31, 2022. There are ₱2,000 million and nil long term committed credit facilities as of December 31, 2023 and December 31, 2022, respectively.

There are ₱18,525 million and ₱26,180 million outstanding short-term loans as of December 31, 2023 and December 31, 2022, respectively.

**FINANCIAL POSITION**

**As of September 30, 2025 compared with as of December 31, 2024**

*Assets*

The following table sets out selected components of the Group's assets as of the dates indicated:

| | As of December 31, 2024 | As of September 30, 2025 | Percentage change |
|---|---|---|---|
| | (Audited) | (Unaudited) | |
| | (₱ millions) | | (%) |
| **Current Assets:** | | | |
| Cash and cash equivalents................................................ | 21,353.7 | 27,728.4 | 30% |
| Trade receivables – net.................................................... | 19,660.5 | 17,549.0 | -11% |
| Contract assets – net............. | 5,443.0 | 4,648.7 | -15% |
| Inventories and supplies – net......................................... | 2,964.8 | 1,873.0 | -37% |
| Derivative assets – current.............................................. | 177.2 | 385.6 | 118% |
| Prepayments and other current assets............................. | 19,970.1 | 23,817.2 | 19% |
| Assets classified as held-for-sale.................................... | 7,648.8 | 5,985.1 | -22% |
| | 77,218.0 | 81,986.9 | 6% |
| **Non-current Assets:** | | | |
| Property and equipment – net.......................................... | 352,115.1 | 359,923.0 | 2% |
| Intangible assets and goodwill – net................................ | 20,130.9 | 18,303.2 | -9% |
| Right of use assets – net.................................................. | 90,464.5 | 96,442.4 | 7% |
| Investments in joint ventures.......................................... | 59,368.9 | 66,669.9 | 12% |
| Deferred income tax assets – net........... ........................ | 1,971.5 | 1,869.8 | -5% |
| Derivative assets – net of current portion........................ | 5,042.0 | 5,573.0 | 11% |
| Other noncurrent assets................................................... | 27,325.3 | 25,985.40 | -5% |
| | 556,418.2 | 574,766.7 | 3% |
| **Total Assets** | **633,636.1** | **656,753.7** | **4%** |

*Liabilities*

The following table sets out the selected components of the Group's liabilities as of the dates indicated:

| | As of December 31, 2024 | As of September 30, 2025 | Percentage change |
|---|---|---|---|
| | (Audited) | (Unaudited) | |
| | (₱ millions) | | (%) |
| **Current Liabilities:** | | | |
| Trade payables and accrued expenses | 78,107.3 | 77,605.8 | -1% |
| Contract liabilities and deferred revenues – current | 6,049.8 | 6,154.1 | 2% |
| Loans payable – current | 26,349.8 | 22,202.5 | -16% |
| Derivative liabilities – current | 573.0 | 432.7 | -24% |
| Lease liabilities - current | 8,175.6 | 8,575.8 | 5% |
| Provisions | 3,394.0 | 4,104.5 | 21% |

| | As of December 31, 2024 | As of September 30, 2025 | Percentage change |
|---|---|---|---|
| | (Audited) | (Unaudited) | |
| | (₱ millions) | | (%) |
| Income tax payable | 902.3 | 812.1 | -10% |
| Liabilities classified as held-for-sale | - | 552.0 | 100% |
| | 123,551.8 | 120,439.50 | -3% |
| **Non-current Liabilities:** | | | |
| Loans payable – net of current portion | 223,110.1 | 231,289.0 | 4% |
| Deferred Revenues – net of current portion | 644.9 | 447.2 | -31% |
| Deferred income tax liabilities – net | 4,363.2 | 5,056.6 | 16% |
| Lease liabilities – noncurrent | 107,932.2 | 118,448.2 | 10% |
| Pension liabilities | 2,826.8 | 3,656.6 | 29% |
| Other long-term liabilities | 3,427.8 | 3,022.1 | -12% |
| | 342,305.1 | 361,919.7 | 6% |
| **Total Liabilities** | **465,856.9** | **482,359.2** | **4%** |

**As of December 31, 2024 compared with as of December 31, 2023**

*Assets*

The following table sets out selected components of the Group's assets as of the dates indicated:

| | As of December 31, 2023 | As of December 31, 2024 | Percentage change |
|---|---|---|---|
| | (Audited) | (Audited) | |
| | (₱ millions) | | (%) |
| **Current Assets:** | | | |
| Cash and cash equivalents.................................................... | 16,645.1 | 21,353.7 | 28% |
| Trade receivables – net........................................................ | 18,097.9 | 19,660.5 | 9% |
| Contract assets – net.................... | 6,223.6 | 5,443.0 | -13% |
| Inventories and supplies – net.............................................. | 3,388.4 | 2,964.8 | -13% |
| Derivative assets – current.................................................... | 516.7 | 177.2 | -66% |
| Prepayments and other current assets.................................... | 19,328.1 | 19,970.1 | 3% |
| Assets classified as held-for-sale.......................................... | 22,724.3 | 7,648.8 | -66% |
| | **86,924.1** | **77,218.0** | **-11%** |
| **Non-current Assets:** | | | |
| Property and equipment – net.............................................. | 334,408.7 | 352,115.1 | 5% |
| Intangible assets and goodwill – net..................................... | 23,373.1 | 20,130.9 | -14% |
| Right of use assets – net....................................................... | 69,538.8 | 90,464.5 | 30% |
| Investments in joint ventures.......................... | 55,335.7 | 59,368.9 | 7% |
| Deferred income tax assets – net........................................... | 2,280.0 | 1,971.5 | -14% |
| Derivative assets – net of current portion............................... | 4,200.2 | 5,042.0 | 20% |
| Other noncurrent assets....................................................... | 35,567.6 | 27,325.3 | -23% |
| | 524,704.0 | 556,418.2 | 6% |
| **Total Assets** | **611,628.2** | **633,636.1** | **4%** |

*Cash and cash equivalents* – there was an increase in cash and cash equivalents of ₱4.7 billion primarily due to the net effect of ₱84.8 billion net cash generated from operating activities, (₱30.7 billion) net cash flows used in investing activities and (₱49.5 billion) net cash flows from financing activities.

*Trade receivables – net* there was an increase of ₱1.6 billion mainly attributable to increase in non-telco receivables partially offset by improvements in collection efficiency.

*Contract assets* – there was a decrease of ₱781 million mainly due to the net effect of (₱6.0 billion) reduction in contract assets representing the amounts that were billed to the subscribers and (₱0.7 billion) impairment loss during the year, partly offset by ₱5.9 billion new contract assets arising from the sales of mobile devices bundled with wireless postpaid plans.

*Inventories and supplies – net* there was a decrease of ₱423 million mainly due to lower inventory volume at period end as a result of high inventory issuances.

*Assets classified as held-for-sale* there was a decrease of ₱15.1 billion due to turnover of ownership of 2,205 telecom towers in relation to the sale and leaseback transaction.

*Net derivative assets* – there was an increase of ₱411 million due to fair value changes on currency and forwards swaps.

*Property and equipment – net* there was an increase of ₱17.7 billion due to the net effect of ₱57.0 billion additions during the year on continuous network expansion; (₱35.0 billion) depreciation expense; (₱2.8 billion) net transfers to intangible and ROU assets; and net disposals amounting to (₱2.2 billion).

*Intangible assets and goodwill – net* there was a decrease of ₱3.2 billion due to regular annual amortization which were offset by additions to application software licenses.

*Right of use assets – net* there was an increase ₱20.9 billion due to the net effect of the ₱27.2 billion additional long-term leases during the year, including the tower sale and leaseback transaction, reduced by (₱9.0 billion) amortization expenses.

*Investments in joint ventures* there was an increase of ₱4.0 billion primarily from the share in net income of joint ventures during the year coupled with capital infusions.

*Prepayments and other current assets* there was a decrease of ₱7.6 billion decrease mostly from the lower advance payments to contractors and suppliers that remained outstanding at the end of the year.

**Liabilities**

The following table sets out the selected components of the Group's liabilities as of the dates indicated:

| | As of December 31, 2023 (Audited) | As of December 31, 2024 (Audited) | Percentage change |
|---|---|---|---|
| | (₱ millions) | | (%) |
| **Current Liabilities:** | | | |
| Trade payables and accrued expenses | 87,664.3 | 78,107.3 | -11% |
| Deferred revenues – current | 7,154.7 | 6,049.8 | -15% |
| Loans payable – current | 36,793.0 | 26,349.8 | -28% |
| Derivative liabilities – current | 482.2 | 573.0 | 19% |
| Lease liabilities - current | 5,899.4 | 8,175.6 | 39% |
| Provisions | 2,961.0 | 3,394.0 | 15% |
| Income tax payable | 1,605.0 | 902.3 | -22% |
| | 142,559.5 | 123,551.8 | -13% |
| **Non-current Liabilities:** | | | |
| Loans payable – net of current portion | 213,162.6 | 223,110.1 | 5% |
| Deferred revenues – net of current portion | 764.9 | 644.9 | -16% |
| Deferred income tax liabilities – net | 5,984.0 | 4,363.2 | -27% |
| Lease liabilities – noncurrent | 82,825.1 | 107,932.2 | 30% |
| Pension liabilities | 2,718.3 | 2,826.8 | 4% |
| Other long-term liabilities | 3,687.1 | 3,427.8 | -7% |
| | **309,141.9** | **342,305.1** | **11%** |
| **Total Liabilities** | **451,701.4** | **465,856.9** | **3%** |

*Trade payables and accrued expenses* there was a ₱9.6 billion decrease mainly attributable to lower balance of accrued project costs at the end of the year.

*Deferred revenues* there was a ₱1.2 billion decrease mainly attributable to lower balance of deferred revenues from prepaid wireless subscribers and advance monthly service fees

*Income tax payable* there was a decrease of ₱703 million due to lower taxable income during the year.

*Loans payable* there was a decrease of ₱495 million coming from higher settlements during the year versus the loan availments.

*Provisions* – there was an increase of ₱433 million due to additional provisions recognized during the year.

*Lease liabilities* – there was an increase of ₱27.4 billion primarily due to additions during the year, bulk from network site leases, partially offset by lease payments during the year.

*Pension liabilities* – there was an increase of ₱109 million due to the net effect of pension, interest and remeasurement costs recognized during the year, reduced by benefit payments and contributions to the retirement fund.

*Other long-term liabilities* – there was a decrease of ₱260 million mainly attributable to lower ARO.

**As of December 31, 2023 compared with as of December 31, 2022**

***Assets***

The following table sets out selected components of the Group's assets as of the dates indicated:

| | As of December 31, 2023 | As of December 31, 2022 | Percentage change |
|---|---|---|---|
| | (audited) | (audited) | (unaudited) |
| | (₱ millions) | | (%) |
| **Current Assets:** | | | |
| Cash and cash equivalents | 16,645.1 | 18,033.8 | -8% |
| Trade receivables – net | 18,097.9 | 23,563.4 | -23% |
| Contract assets – net | 6,223.6 | 6,891.5 | -10% |
| Inventories and supplies – net | 3,388.4 | 3,881.7 | -13% |
| Derivative assets – current | 516.7 | 502.3 | 3% |
| Prepayments and other current assets | 19,328.1 | 19,706.1 | -2%% |
| Assets classified as held-for-sale | 22,724.3 | 27,948.9 | -19%% |
| | 86,924.1 | 100,527.7 | -14%% |
| **Non-current Assets:** | | | |
| Property and equipment – net | 334,408.7 | 281,899.1 | 19%% |
| Intangible assets and goodwill – net | 23,373.1 | 25,082.6 | -7% |
| Right of use assets – net | 69,538.8 | 37,108.1 | 87%% |
| Investments in joint ventures | 55,335.7 | 52,138.0 | 6% |
| Deferred income tax assets – net | 2,280.0 | 2,228.0 | 2% |
| Derivative assets – net of current portion | 4,200.2 | 4,627.0 | -9% |
| Other noncurrent assets | 35,567.6 | 52,066.9 | -32% |
| | 524,704.0 | 455,149.7 | 15% |
| **Total Assets** | 611,628.2 | 555,677.4 | 10% |

*Cash and cash equivalents* - Decrease in cash and cash equivalents of ₱1.4 billion was primarily due to the net effect of (₱54.5 billion) net cash flows used in investing activities, (₱27.6 billion) net cash flows from financing activities and ₱80.4 billion net cash generated from operating activities.

*Trade receivables* – decrease of ₱5.5 billion was mainly attributable to deconsolidation of a subsidiary coupled with improvements in collection efficiency.

*Contract assets* - Decrease of ₱668 million was mainly due to the net effect of (₱6.6 billion) reduction in contract assets representing the amounts that were billed to the subscribers during the year, (₱0.9 billion) impairment loss on contract assets that were recognized during the year, and ₱6.9 billion new contract assets recognized during the year arising from the sales of mobile devices bundled with wireless postpaid plans.

*Inventories and supplies* – decrease of ₱493 million mainly due to lower inventory volume at period end as a result of high inventory issuances.

*Assets classified as held-for-sale* – decrease of ₱7.5 billion due to turnover of ownership of 2,057 telecom towers in relation to the sale and leaseback of telecom towers.

*Net derivative assets* – decrease of ₱285 billion is due to changes in fair values of currency and forwards swaps.

*Property and equipment* – increase of ₱52.5 billion due to the net effect of ₱97.2 billion additions during the year due to the continuous network expansion; (₱33.5 billion) depreciation recognized during the year; (₱6.8 billion) assets under construction that were completed during the year and reclassified as intangible assets; (₱3.4 billion) assets reclassified as assets held for sale as a result of the tower sale and leaseback transaction; and net disposals amounting to (₱1.1 billion).

*Intangible assets and goodwill* – Decrease of ₱1.7 billion due to deconsolidation of a subsidiary, (₱1.2 billion pertains to goodwill) coupled with regular annual amortization which were offset by additions to application software licenses.

*Right of use assets* – increase of ₱32.4 billion is due to the net effect of the ₱40.7 billion additional long-term leases of network sites acquired during the year and new tower leases as a result of the tower sale and leaseback transaction, and (₱6.9 billion) amortization during the year.

*Investments in joint ventures* - increase of ₱3.2 billion was primarily due to share in net income of joint ventures recognized during the year coupled with additional capital infusions.

*Prepayments and other assets* - the ₱14.6 billion decrease is mostly due to the lower amount of advance payments made to contractors and suppliers that remained outstanding at the end of the year which were offset by increase in outstanding non-trade receivables arising from the deconsolidation of subsidiary.

***Liabilities***

The following table sets out the selected components of the Group's liabilities as of the dates indicated:

| | As of December 31, 2023 | As of December 31, 2022 | Percentage change |
|---|---|---|---|
| | (audited) | (audited) | (unaudited) |
| | (₱ millions) | | (%) |
| **Current Liabilities:** | | | |
| Trade payables and accrued expenses | 87,664.3 | 88,380.8 | -1% |
| Contract liabilities and deferred revenues – current | 7,154.7 | 7,576.1 | -6% |
| Loans payable – current | 36,793.0 | 46,172.0 | -20% |
| Derivative liabilities – current | 482.2 | 609.3 | -21% |
| Lease liabilities - current | 5,899.4 | 4,522.44 | 30% |
| Provisions | 2,961.0 | 2,583.5 | 15% |
| Income tax payable | 1,605.0 | 3,621.7 | -56% |
| | 142,559.50 | 153,465.8 | -7%% |
| **Non-current Liabilities:** | | | |
| Loans payable – net of current portion | 213,162.6 | 187,032.6 | 14% |
| Deferred revenues – net of current portion…………………….... | 764.9 | - | 100% |
| Deferred income tax liabilities – net | 5,984.0 | 6,446.3 | -7% |
| Lease liabilities – noncurrent | 82,825.1 | 49,709.2 | 67% |
| Pension liabilities | 2,718.3 | 1,963.5 | 38% |

| | As of December 31, 2023 | As of December 31, 2022 | Percentage change |
|---|---|---|---|
| | (audited) | (audited) | (unaudited) |
| | (₱ millions) | | (%) |
| Other long-term liabilities | 3,687.1 | 4,527.2 | -19% |
| | 309,141.9 | 249,678.7 | 24% |
| **Total Liabilities** | 451,701.5 | 403,144.6 | 12% |

*Trade payables and accrued expenses* - trade payables and accrued expenses – ₱716.5 million decrease was mainly attributable to deconsolidation of a subsidiary offset by higher balance of accrued project costs and taxes payable.

*Contract liabilities and deferred revenues* - no material movements noted from previous year.

*Provisions* - increase of ₱377.5 million due to additional provisions recognized for new pending unresolved claims over Globe Group's businesses.

*Income tax payable* - decrease of ₱2.0 billion is primarily due to lower taxable income during the year.

*Loans payable* - increase of ₱16.8 billion is due to drawn term loans from various banks which were partially offset by settlements of other bank loans and retail bonds.

*Lease liabilities* - increase of ₱34.5 billion was primarily due to the additional long-term leases of network sites acquired during the year and new tower leases as a result of the tower sale and leaseback transaction which were partially offset by lease payments during the year.

*Pension liabilities* - increase of ₱754.8 million was mainly due to the net effect of ₱2.1 billion remeasurement loss charged to OCI as a result of change in actuarial assumptions, ₱807 million pension expense recognized in profit or loss during the year, and (₱2.3 billion) employer contributions during the year.

*Other long-term liabilities* - decrease of ₱840 million mainly attributable to lower ARO.

## LIQUIDITY

### Indebtedness

The Group's loan payables comprise a mix of term loans, retail bonds and short term credit facilities. As of September 30, 2025, the Group's loans payable amounted to ₱5.1 billion, ₱22.2 billion, ₱23.4 billion, ₱22.8 billion and ₱181.1 billion of which are maturing in 2025, 2026, 2027, 2028 and 2029 (and thereafter), respectively.

The Group's Philippine Peso term loans (₱205.7 billion (including current portion) as of September 30, 2025) have maturities ranging from 2025 to 2040, with interest rates ranging from 4.00% to 7.0022% in 2025 and the Group's U.S. dollar term loans (₱48.9 billion (including current portion) as of September 30, 2025) have maturities ranging from 2026 to 2027, with interest rates ranging from 5.18283% to 7.04155% in 2025. In 2020, the Group also issued two tranches of U.S. dollar international notes, comprising a tranche of U.S.$300 million 2.50% senior notes due 2030 and a tranche of U.S.$300 million 3.00% senior notes due 2035.

The Group's loan agreements also require the Group to comply with financial covenants such as total debt (loans payable and net derivative liabilities) to total equity not to exceed 3 to 1 (the "**Debt-to-Equity Ratio**"), total debt (loans payable and net derivative liabilities) to EBITDA not to exceed 3.5 to 1, debt service coverage ratio to exceeding 1.3 times, and secured debt ratio not to exceed 0.2 times. Since July 2023, Globe is no longer subjected to the Debt-to-Equity Ratio following the maturity of its Philippine Peso retail bonds.

| | **For the years ended December 31,** | | | **For the nine (9) months ended September 30,** |
|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** |
| | **(Audited)** | **(Audited)** | **(Audited)** | **(Uaudited)** |
| | | | *(in millions, except ratios)* | |
| | **(in ₱)** | **(in ₱)** | **(in ₱)** | **(in ₱)** |
| Cash and cash equivalents | 18,033.8 | 16,645.1 | 21,353.7 | 27,728,4 |
| Total debt[1] | 233,204.60 | 249,955.6 | 249,459.9 | 253,491.5 |
| Net debt[2] | 217,454.87 | 233,310.50 | 228,106.20 | 225,763.10 |
| Total equity | 152,532.9 | 159,926.7 | 167,779.2 | 174,394.5 |
| EBITDA[3] | 79,092.0 | 81,426.7 | 86,813.7 | 64,185.5 |
| Total debt to equity[4][7] | 1.53 | 1.56 | 1.49 | 1.45 |
| Net debt to equity[5][7] | 1.43 | 1.46 | 1.36 | 1.29 |
| Total debt to EBITDA | 2.35 | 2.75 | 2.66 | 2.69 |
| Net debt to EBITDA | 2.20 | 2.57 | 2.43 | 2.40 |
| Debt service coverage ratio[6] | 3.82 | 2.18 | 3.42 | 3.74 |

*Notes:*

(1) Total debt refers to net derivative liabilities, current and non-current loans payable.
(2) Net debt is calculated by subtracting cash and cash equivalents (net of the portion restricted for specific purposes) from total debt.
(3) EBITDA for purposes of Debt to EBITDA financial ratio covenant computation is calculated as consolidated earnings before finance cost, taxes, depreciation and amortization for the preceding twelve (12)-month period.
(4) Calculated by dividing total debt by total equity.
(5) Calculated by dividing net debt by total equity.
(6) Debt service coverage ratio is defined as the ratio of EBITDA to Required Debt Service on a consolidated basis, where "Required Debt Service" is computed as the aggregate amount during the preceding twelve (12) month period of all Debt Service (excluding, however, any Debt Service under (i) shareholder loans and (ii) principal repayment of loan wherein: (a) repayments have been made with the proceeds of new loans incurred for the sole purpose of refinancing such existing loans and (b) the refinancing loan has a longer or equivalent remaining tenor than the loans being refinanced on a consolidated basis, calculated using the average of the applicable exchange rate during such period. "Debt Service" is computed as the aggregate of (i) the amount of all repayments of principal in respect of all debt (where such debt is not in the form of short-term revolving working capital facilities), and (ii) the net amounts of principal repayments of short-term revolving working capital facilities, and (iii) the amount of all payments of interest and other amounts in respect of all debt. In this definition, short-term revolving working capital facilities are revolving working capital facilities with a maturity of 364 days or less.
(7) No longer required as part of loan covenants following the redemption of P3,000 million retail bonds in July 2023.

## Cash Flows

The following table sets out the Group's statement of cash flows for the periods indicated:

| | For the year ended December 31, | | | For the nine months ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | | | *(in millions)* | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| Net cash flows from (used in) operating activities | 65,155.0 | 80,446.9 | 84,781.8 | 65,563.5 | 60,711.3 |
| Net cash flows from (used in) investing activities | (73,851.3) | (54,478.6) | (30,745.4) | (14,516.1) | (24,903.9) |
| Net cash flows from (used in) financing activities | 2,203.3 | (27,558.8) | (49,461.6) | (45,299.2) | (29,130.8) |
| Net increase (decrease) in cash and cash equivalents | (6,493.0) | (1,590.5) | 4,574.8 | 5,748.2 | 6,676.6 |
| Cash and cash equivalents reclassified to assets held for sale | - | - | - | - | (349.1) |
| Net foreign exchange difference on cash and cash equivalents | 287.6 | 201.8 | 133.8 | (137.2) | 47.2 |
| Cash and cash equivalents at beginning of period | 24,239.2 | 18,033.8 | 16,645.1 | 16,645.1 | 21,353.7 |
| Cash and cash equivalents at end of period | 18,033.8 | 16,645.1 | 21,353.7 | 22,256.0 | 27,728.4 |

*Note:*

(1) Translations were made at the exchange rate of ₱58.042 per U.S.$1.00, being the BSP Rate as of September 30, 2025.

### *Cash flows from operating activities*

The Group generated a net cash inflow from operating activities of ₱65,155.0 million, ₱80,446.9 million, ₱84,781.8 million for the years ended December 31, 2022, 2023 and 2024, and ₱65,563.5 and ₱60,711.3 million for the nine months ended September 30, 2024 and 2025, respectively.

### *Cash flows from investing activities*

For the nine months ended September 30, 2025, the Group recorded a net cash outflow from investing activities of ₱24,903.9 million primarily due to the outflow of additions to property and equipment and intangible assets of ₱31,421.6 million, ₱18.5 million, respectively, offset by proceeds from sale and leaseback of telecom towers net of taxes of ₱2,869.5 million.

For the year ended December 31, 2024, the Group recorded a net cash outflow from investing activities of ₱30,745.4 million, primarily due to the outflow of additions to property and equipment, investment in joint ventures, and intangible assets of ₱55,960.1 million, ₱270.2 million, ₱233.6 million, respectively, offset by proceeds from sale and leaseback of telecom towers net of taxes of ₱23,092.7 million..

For the year ended December 31, 2023, the Group recorded a net cash outflow from investing activities of ₱54,478.6 million primarily due to the outflow of additions to property and equipment, investment in joint ventures, and intangible assets of ₱70,534.8 million, ₱749.4 million, ₱92.9 million respectively, offset by proceeds from sale and leaseback of telecom towers net of taxes of ₱18,584.2 million.

For the year ended December 31, 2022, the Group recorded a net cash outflow from investing activities of ₱73,851.30 million primarily due to the outflow of additions to property and equipment, investment in properties, investment in joint ventures, and intangible assets of ₱97,983.0 million, ₱5,622.8 million, ₱585.5 million, and ₱3,383.9 million, respectively offset by proceeds from sale and leaseback of telecom towers net of taxes of ₱27,729.1 million and proceeds from sale of data center business of 5,030.0 million

***Cash flows from financing activities***

For the nine months ended September 30, 2025, the Group recorded a net cash outflow of ₱29,130.8 million, primarily due to cash outflows, among others, from the repayments of long-term borrowings, repayments of short-term borrowings, and payments of dividends to common stockholders of ₱13,929.1 million, ₱7,479.5 million and ₱10,832.9 million, respectively. These outflows were partially offset by proceeds from long-term borrowings of ₱25,000.0 million.

For the year ended December 31, 2024, the Group recorded a net cash inflow of ₱49,461.6 million, primarily due to cash outflows, among others, from the repayments of long-term borrowings, repayments of short-term borrowings, and payments of dividends to common stockholders of ₱18,396.7 million, ₱34,572.5 million and ₱14,434.2 million, respectively. These outflows were partially offset by proceeds from long-term borrowings and short-term borrowings of ₱27,000.0 million and ₱23,310.0 million, respectively.

For the year ended December 31, 2023, the Group recorded a net cash outflow of ₱27,558.7 million, due to the cash outflows, among others, from the repayments of long-term borrowings, repayments of short-term borrowings, and payments of dividends to common stockholders of ₱20,214.7 million, ₱70,905.2 million and ₱14,418.7 million, respectively. These outflows were partially offset by proceeds from long-term borrowings and short-term borrowings of ₱45,000.0 million and ₱63,250.0 million, respectively.

For the year ended December 31, 2022, the Group recorded a net cash inflow of ₱2,203.3 million, due to the cash inflow from proceeds from long-term borrowings and proceeds from short-term borrowings of ₱8,000.0 million and ₱82,020.2 million, respectively. These inflows were partially offset by, among others, outflows from the repayments of long-term borrowings, repayments of short-term borrowings, and payments of dividends to common stockholders of ₱15,934.2 million, ₱56,175.0 million and ₱14,442.1 million, respectively.

## CONTINGENT FINANCIAL OBLIGATIONS

The Group 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. For further details, see Notes 33 and 34 to the audited consolidated financial statements for the years ended December 31, 2024 and 2023, Notes 34 and 35 to the audited consolidated financial statements for the year ended December 31, 2022 and Notes 20 and 21 to the Unaudited Interim Condensed Consolidated Financial Statements for the years ended September 30, 2025 and 2024.

## OFF-BALANCE SHEET TRANSACTIONS

The Group does not have any material off-balance sheet transactions that are not disclosed in the Audited Consolidated Financial Statements and Unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this Prospectus.

## SECURITIES OFFERINGS

The Company issues securities from time to time to finance the Group's capital expenditure requirements.

On June 1, 2012, the Company issued ₱10,000.0 million fixed rate bonds, which comprised of ₱4,500.0 million fixed rate bonds with an interest rate of 5.75% due in 2017 (the "**2017 Retail Bonds**") and ₱5,500.0 million fixed rate bonds with an interest rate of 6.00% due in 2019 (the "**2019 Retail Bonds**"). The net proceeds of the issue of the 2017 Retail Bonds and 2019 Retail Bonds were used to partially finance the Group's capital expenditure requirements in 2012. In 2017, the Company fully redeemed the 2017 Retail Bonds. In June 2019, the Company fully redeemed the 2019 Retail Bonds.

On July 17, 2013, the Company issued ₱7,000.0 million fixed rate bonds, which comprised of ₱4,000.0 million bonds with an interest rate of 4.8875% due in 2020 (the "**2020 Retail Bonds**") and ₱3,000.00 million bonds with an interest rate of 5.2792% due in 2023 (the "**2023 Retail Bonds**"). The net proceeds of the issue of the 2020 Retail Bonds and 2023 Retail Bonds were used to partially finance the Company's capital expenditure requirements in 2013. Globe fully redeemed its ₱4,000.00 million and ₱3,000.00 million retail bonds in July 2020 and July 2023, respectively.

On July 23, 2020, the Company issued U.S.$300 million senior notes with a coupon rate of 2.5% due in 2030 and U.S.$300 million senior notes with a coupon rate of 3.0% due in 2035 (together, the "**Senior Notes**"). On July 24, 2020, the Senior Notes were listed on the Singapore Exchange Securities Trading Limited. The net proceeds from the issue of the Senior Notes were used to finance the Company's capital expenditures, maturing and/or existing obligations, and for general corporate requirements.

On November 2, 2021, the Company issued U.S.$600 million senior perpetual capital securities (the "**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 of the issue date of the Capital Securities and shall be recalculated every five years thereafter. The Capital Securities are recorded as "equity" in the financial statements of the Company since there is no fixed redemption date and the redemption is at the option of the Company. The Company also has the right to defer payment of any or all of the distributions. On November 3, 2021, the Capital Securities were listed in Singapore Exchange Securities Trading Limited. The net proceeds from the issue of the Capital Securities are intended to be used to finance the Company's capital expenditures, maturing and/or existing obligations, and for general corporate requirements.

On October 28 2022, the Company listed 10,119,047 common shares of stock with a par value of ₱50.00 per share to shareholders who participated in the Stock Rights Offer. The said shares were sold at ₱1,680 per share, with a total gross proceeds of ₱17 billion.

For more details, see Notes 17 and 20 to the audited consolidated financial statements for the years ended December 31, 2024 and 2023, Notes 18 and 21 to the audited consolidated financial statements for the year ended December 31, 2022, and Notes 12 and 13 to the Unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this Prospectus.

## CAPITAL EXPENDITURES

For the years ended December 31, 2022, 2023 and 2024, the Group incurred cash capital expenditures of ₱101,366.9 million, ₱70,627.7 million and ₱56,193.7 million, respectively. Total additions to property and equipment and intangible assets for the years ended December 31, 2022, 2023 and 2024 were ₱90,083.6 million, ₱97,260.8 million and ₱57,248.9 million, respectively. These expenditures were incurred primarily to expand network coverage, strengthen data capacity, and advance Globe's digital initiatives.

For nine-month period 2025, the Group incurred approximately ₱31.4 billion of capital expenditures, a 23% decrease compared in 2024 which aims to optimize capital utilization and achieve free cash flows in 2025. For full year 2025, Globe anticipates that it will incur approximately below US$1 billion. About 89% of capex was allocated to data-related projects, reaffirming Globe's commitment to enhancing digital capacity and expanding connectivity across the country.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Group is mainly exposed to two types of market risk: interest rate and currency risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. The Group uses a combination of natural hedges and derivative hedging to manage its foreign exchange exposure as discussed in Note 8 to the Audited Consolidated Financial Statements. 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 U.S. dollar debt.

It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign exchange and interest rate risks. The Group 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.

### Interest Rate Risk

The Group is exposed to interest rate risk primarily relating to the Group's long-term debt obligations. The Group'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 Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount.

| | 2024 | 2023 |
|---|---|---|
| USD fixed rate loans | 88% | 88% |
| Philippine Peso fixed rate loans | 62% | 68% |

**Foreign Exchange Risk**

The Group's foreign exchange risk results primarily from movements of the Philippine Peso against the U.S. dollar with respect to U.S. dollar-denominated financial assets, U.S. dollar-denominated financial liabilities and certain U.S. dollar-denominated revenues. The majority of the Group's revenues are generated in Philippine Pesos, while substantially all of the Group's capital expenditures are in U.S. dollars. In addition, 19.68%, 20.52% and 23.67% of the Group's debt as of December 31, 2024, 2023 and 2022, respectively, are denominated in U.S. dollars before taking into account any swap and hedges. As of September 30, 2025, 19.25% of the Group's debt was denominated in U.S. dollars before taking into account any swap and hedges.

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

**Credit Risk**

The Group analyzes its subscribers' receivables and contract assets based on internal credit risk ratings, comprising the following: high quality, medium quality, low quality, and terminated accounts.

Credit exposures from subscribers are managed closely by the Credit, Billing and Risk Management Division of the Group. Applications for postpaid service are subjected to standard credit evaluation and verification procedures. The Credit, Billing and Risk Management Division of the Group 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 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 monitored and subjected to appropriate actions to manage credit risk. For traffic settlements and other trade receivables, the Group uses delinquency and past due information to analyze the credit risk. With respect to receivables from related parties, the exposure to credit risk is managed on a group basis. Credit risks covering related party balances are reviewed based on credit worthiness of concern related parties

For investments with banks and other counterparties, the Group has a risk management policy which allocates investment limits based on counterparty credit rating and credit risk profile. The Group 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 trade with recognized and creditworthy third parties. Non-telco customers who wish to trade on credit terms are subject to credit verification procedure.

For its derivative counterparties, the Group deals only with counterparty banks with investment grade ratings and major universal and commercial local banks. Credit ratings of derivative counterparties are reviewed quarterly.

**Liquidity Risk**

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its funding requirements, the Group intends to use internally generated funds and available long-term and short-term credit facilities.

# BUSINESS

## OVERVIEW

Globe Telecom, Inc. ("**Globe**" or the "**Company**") is a leading digital platform in the Philippines, with major interests in telecommunications, fintech, data center services, venture building, shared services, and digital marketing. The Company delivers a full suite of products and services including mobile, fixed, broadband, data connectivity, internet and managed services to meet the needs of consumers and businesses.

Globe is guided by its vision of *"leading a Philippines where families' dreams come true, businesses flourish, and the nation is admired",* and hopes to fulfill this through its mission of *"creating wonderful experiences, helping its customers overcome challenges, and discovering new ways to enjoy life*".

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. As of September 30, 2025, Globe is supported by approximately 6,662 employees and over 397 thousand AutoloadMax ("**AMAX**") retailers, distributors, and business partners nationwide. As of September 30, 2025, the Group had 63.1 million mobile subscribers (including fully mobile broadband), 2.1 million home broadband customers and over 631 thousand landline subscribers.

The Company's principal shareholding groups are AC and Singtel, acknowledged industry leaders in the Philippines and across Asia. 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.

Globe Fintech Innovations, 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 data.ai, as of September 30, 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.

In addition, Mynt has gone beyond the nation's borders. As of September 30, 2025, it now offers payments in over 200 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. As of September 30, 2025, Mynt also empowers overseas Filipinos in 145 countries to manage their finances through GCash Overseas. They can now use the GCash app with their international mobile numbers, giving them access to services such as Send Money, Pay Bills, and Buy Load.

Beyond Payments, the GCash application 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 as of September 30, 2025. These milestones were achieved through innovative lending products covering credit lines (GCredit), cash loans (GLoan), buy-now-pay-later (via GGives), and micro-credit starter loans (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 September 30, 2025, more than 4.2 million trees have been planted, enabling GCash users to build a greener tomorrow.

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 quarter, 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.

Globe's Sustainability practice is anchored on the Globe Purpose to "Uplift Filipino Lives Everyday". By aligning with global sustainability frameworks, standards, and principles such as the United Nations' Sustainable Development Goals ("**UN SDGs**") and UN Global Compact and industry sustainability ambitions, the Company is able to collaborate with its stakeholders to deliver positive societal and environmental impact. Globe is focused on addressing its material topics by scaling the integration of its sustainability practices within its business units and across the value chain.

Progress towards sustainability ambitions are disclosed in the Globe Sustainability website (https://www.globe.com.ph/about-us/sustainability.html) and in the annual Integrated Report (https://www.globe.com.ph/about-us/sustainability/integrated-report.html#gref).

The recently published 2024 Integrated Report ("**IR**") is guided by the principles of the following frameworks:

- Reference to the Global Reporting Initiative ("**GRI**") standards
- International Integrated Reporting Council ("**IIRC**") Framework
- Sustainability Accounting Standards Board ("**SASB**")
- Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations
- United Nations Global Compact ("**UNGC**") Principles
- United Nations Sustainable Development Goals ("**UN SDGs**")
- Securities and Exchange Commission ("**SEC**") recommendations
    - Integrated Annual Corporate Governance Report ("**i-ACGR**")
    - Sustainability Reporting Guidelines
- GSMA ESG Metrics for Mobile

The annual integrated report is in compliance with the recommendations made in the Philippines SEC Memorandum Circular No. 4, series of 2019 on Sustainability Reporting for Publicly-Listed Companies ("**PLCs**") and has undergone third-party External Assurance conducted by DNV AS Philippines Branch, covering:
(1) select sustainability metrics
(2) GHG accounting

Globe achieved and maintains an MSCI ESG Rating upgrade to AA since 2023, signaling strong management of industry-specific risks. The company has also been a constituent of the prestigious FTSE4Good Index Series for 10 consecutive years and maintains Sustainalytics' Medium ESG Risk Rating. Furthermore, Globe holds the distinction of being the only telco in the Philippines with a Science Based Targets initiative (SBTi) validated net-zero ambition. This climate leadership is supported by its CDP Supplier Engagement Leader status (an A score)—the highest rating in this assessment—and a consistent CDP Climate B Score. Globe's sustainability strategy and programs were also affirmed by the 2025 International Finance Award for Best Practices, recognition by 2025 Standard Insights Consumer Choice Awards, and the only telco in the Philippines to be part of the TIME and Statista's Most Sustainable Companies in 2025.
Globe has been consistently recognized both locally and internationally for its corporate governance practices. Most notably, the company has received Five Golden Arrow recognition from the Institute of Corporate Directors

(ICD) for the fourth consecutive year in October 2025, which is the highest distinction under the ASEAN Corporate Governance Scorecard (ACGS) assessment. Globe was also honored as one of the Top 50 ASEAN Publicly Listed Companies, the Top 5 Publicly Listed Companies per Country (Philippines), and as an ASEAN Asset Class Publicly Listed Company at the ASEAN Corporate Governance Conference and Awards in July 2025. It has been listed on the Philippine Stock Exchange for 50 years, since 1975 under the ticker symbol GLO. As of September 30, 2025, Globe had a market capitalization of approximately US$3.7 billion.

The Group recorded total service revenues of ₱165,016.29, ₱162,333.48 million, and ₱157,979.34 million for the years ended December 31, 2024, 2023 and 2022, respectively. The Group recorded net income attributable to equity holders of Globe of ₱24,304.43 million, ₱24,512.76 million and ₱34,563.01 million for the years ended December 31, 2024, 2023, 2022, respectively. For the nine months ended September 30, 2025 and 2024, the Group recorded total service revenues of ₱121,676.45million and ₱124,009.42 million, respectively, and net income attributable to equity holders of Globe of ₱17,692.84 million and ₱20,575.48 million, respectively.

**STRENGTHS**

***Exposure to a large, attractive, and fast-growing market, driven by favorable industry and social-economic dynamics***

The Philippine telecommunications industry has seen a shift in recent years, with the advent of data and the adoption of a digital lifestyle changing customer behavior and the manner in which telecommunications firms operate. In the mobile segment, consumers are increasingly favoring data for their communication needs, causing a shift away from traditional voice and SMS services towards mobile data. This trend is illustrated by the growth in the Group's mobile data traffic, which increased to 4,846 petabytes for the nine (9) months ended September 30, 2025, from 4,843 petabytes for the nine (9) months ended September 30, 2024.

For the broadband market, home broadband penetration is currently estimated by analysts at 33%. Driven by the opportunity for home broadband connectivity among lower income households, the prepaid fiber broadband market provides the Group with an opportunity for medium-term growth.

In respect of corporate data and ICT, there is an opportunity to capitalize on the continued demand for connectivity and digitalizing operations by corporates (including both enterprise and small business clients).

In respect of data center services, the industry is expected to exhibit a significant increase in demand from hyperscalers and local enterprises given high data traffic and nascent in-country capacity. Currently, the local market sees opportunities requiring significant increases in rack capacity and power allocation. Drivers such as growth in cloud computing, increasing interest from hyperscalers, digital transformation efforts of local enterprises and supply-side factors are expected to accelerate co-location demand growth.

Finally, the strong long-term Philippine economic outlook is also expected to drive Globe's growth. The Philippines has a relatively young data-centric population, with those below 24 years of age, comprising 45.7% of the total population of the country according to Digital 2025: The Philippines, a report by DataReportal and Meltwater published in January 2025. This young demographic is projected to continue to grow over the next two decades. In addition, according to the report, there were approximately 97.5 million internet users in the Philippines, and , on average, internet users in the Philippines[9] spend up to 9 hours per day on the internet. Lastly, the e-Conomy SEA report by Google, Temasek, and Bain & Company said that the Philippines had the fastest-growing internet economy across Southeast Asia in 2024, with the digital economy projected to reach a gross merchandise value between $80 billion and $150 billion by the year 2030.

***Market leader and pioneer in digital connectivity in the Philippines***

Globe is one of two major telecommunications providers in the Philippines that offer both Mobile and Fixed Line services. The Group has steadily grown its market share in recent years – from having a market share of 32% of mobile subscribers in 2012 to a market leading position of 51% as of December 31, 2024.

In addition to being the subscriber share market leader, Globe is also a pioneer in digital connectivity in the Philippines. At the world's largest and most influential connectivity event—the Mobile World Congress (MWC) held in March 2025—Globe reaffirmed this position after being recognized for network consistency and AI

[9] Internet users between 16 and 64 years of age.

enablement. Globe received Ookla®'s Speedtest Verified™ claim for the Most Consistent Network in the Philippines from 2022 to 2024, reinforcing its commitment to delivering reliable connectivity to Filipinos. The recognition, based on real-world data from user-initiated Speedtest® results, highlights Globe's excellence in providing a seamless and dependable digital experience across the country. Globe also secured the Excellent All-Optical Network for AI Enablement award at the Green All-Optical Network Forum 2025 during MWC. This accolade recognizes the company's advancements in all-optical network infrastructure, enabling seamless AI applications and efficient access to computing resources.

The Group believes that its 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. The Group's partners include popular local, regional and global brands such as Disney+, Facebook, Prime Video, Beetzee Play, Spotify, TikTok, Viber, Grab, Shopee and Lazada.

Globe has consistently delivered a corporate culture built around the customer and innovation, enabled by highly engaged employees. The Group's focus on delivering superior, end-to-end customer experience is embedded in the Group's strong culture of service and care, sustaining the momentum of Globe's "Circle of Happiness" where "happy employees create happy customers". Globe has scored highly in sustainable engagement scores – registering 93% in 2020, being named the Best Company to Work for in Asia by HR Asia in 2019 and winning the Gold Stevie Award for Employer of the Year in 2020. Globe has continued to be recognized by the domestic and global awards communities, including, by *Finance Asia* ("Best Managed Companies") in 2015 and 2017, The Asset Corporate Awards ("The Asset Platinum Award for Excellence in Environmental, Social, and Corporate Governance (ESG)") in 2017 and 2018, London's Ethical Boardroom ("Best Corporate Governance Telecoms - Asia 2019" and "Best Corporate Governance Telecoms - Asia 2021"), Alpha Southeast Asia Magazine 10th Annual Poll Institutional Investor Corporate Awards ("Strongest Adherence to Corporate Governance-2nd Place") in 2020, Philippine Institute of Corporate Directors' Golden Arrow Awards on Excellence in Corporate Governance ("4 Golden Arrows 2019") and ASEAN Corporate Governance Scorecard Awards ("Top 20 ASEAN PLC 2019", "Top 3 Philippine PLC 2019", and "Asset Class PLC 2019"). The Group supports a low carbon future to address climate change and seeks to reduce the Company's impact on the environment, local communities surrounding the Group's operations, and the Group's stakeholders and has similarly received high ratings and recognition, including, by MSCI ("A" Rating, July 2021), FTSE4Good (member for six consecutive years, July 2021), Vigeo Eiris (part of Moody's ESG Solutions) (Top 100 Best Emerging Market Performers, August 2021), Sustainalytics (Medium Risk, September 2021) and CDP (formerly known as the Carbon Disclosure Project) ("B", December 2021). The Group has also received accolades for its technological developments and achievements, winning the "Excellent Consistent Quality Award", "Core Consistent Quality Award", and the "5G Video Experience Award" in Opensignal's April 2022 Mobile Network Experience Report for the Philippines, was recognized by Opensignal as a "Global Rising Star" for the third consecutive year in Opensignal's Global Mobile Network Experience Awards February 2022 report, placed first in 5G improvement over 4G for Games Experience, and second in 5G improvement over 4G for Video Experience at the Opensignal Awards – 5G Global Mobile Network Experience Awards 2021, and was awarded "Best Use of Data for Customer Experience Excellence" and "Best Use of Cloud to Increase Productivity" at the CIO Academy Asia's inaugural INSPIRE Tech Awards 2021 and the Wireless Broadband Alliance's Best Wi-Fi for Social Impact award in 2021 for helping bring high-speed internet connectivity in hard-to-reach areas, especially in communities where electricity is unreliable or non-existent.

***Offers innovative service offerings to cater to the emerging needs of customers and drive further growth***

The Group supports its market-leading position and future growth with prudent investments into digital platforms. As the Group continues to evolve from a traditional telecommunications services operator, it believes that investing early in adjacent digital spaces will drive further growth in customer engagement and provide the potential to realize value from these non-core services. The Group's current investments into digital companies include:

- **Financial Services** – 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. Globe's share in

Mynt's equity earnings for the first half of 2025 surged to ₱3.8 billion, a 78% jump from ₱2.1 billion in the same period last year. This now makes up 26% of Globe's pre-tax net income, more than doubling its 12% contribution from the previous year.

- **Mobile Advertising** – Adspark is 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 that connect brands with their audiences and drive measurable results.

- **E-Commerce and E-Commerce Solutions** – M360 is a leading, multi-awarded communications platform delivering innovative solutions that help businesses connect with customers effectively across multiple messaging channels. Through its advanced One API, it empowers enterprises with scalable, secure, and intelligent messaging capabilities—connecting to over 700 mobile operator partners worldwide, reaching more than 142 million subscribers across the Philippines, and serving over 70 million OTT users, solidifying its position as a trusted leader in customer communications and digital engagement. Inquiro is a cutting-edge data analytics company that transforms insights into actionable intelligence for businesses. With innovative solutions and a commitment to empowering smarter decisions, Inquiro helps brands unlock growth and drive success. Inquiro's revenue has grown 12x in the last 4 years, with a client base growing more than 30% year on year.

The Group believes that its brand positioning and roots in the Philippine digital economy give it an advantage against both existing competitors and new entrants, who would need to invest considerable resources and time in order to develop comparable brands targeted at similar segments of the market.

***Track record of resilient and profitable growth***

With a long-standing track record of success in the Philippines, Globe is one of the most recognized brands in the local market. The Group considers this strong brand recognition a critical advantage in securing and growing market share, and significantly enhances the Group's ability to cross-sell and market its other product and service offerings.

Globe believes that its superior execution and focus on a differentiated customer experience reinforce its resilient and profitable growth. The Group's operating revenue for the years ended December 31, 2024, 2023, and 2022, was ₱180,586.06 million, ₱180,164.46 million and ₱175,040.72 million, respectively. The Group's total operating revenues increased from 2022 to 2024 due primarily to the increase in data consumption among Filipinos for work, education, healthcare, daily commercial transactions, entertainment and essential social interactions, and this translates to total operating revenue growth at a CAGR of 1.6% since 20197 and 5.8% since 2014. Profitability has also continuously increased and the Group recorded an Adjusted EBITDA of ₱86,813.68 million, ₱81,426.75 million, and ₱79,092.02 million, for the years ended December 31, 2024, 2023, and 2022, respectively, reflecting a CAGR of 8.3% since 2014.

***Continuous investment in network enhancements while optimizing capital deployment to solidify market leading position***

Globe continued to reinforce its network leadership through sustained infrastructure expansion and focused capital deployment. Globe incurred ₱56.2 billion in capital expenditures for the year ended December 31, 2024, of which around 90% was allocated to data and network infrastructure. Globe was able to build 1,212 new cell sites and upgraded 4,613 existing mobile sites with LTE technology. Mobile data traffic grew to 6,351 petabytes in 2024, compared to 5,960 petabytes in 2023, reflecting sustained digital engagement across the customer base For the nine months ended September 30, 2025 the Group incurred total cash capital expenditures of ₱31.4 billion, an deccrease of 23% as compared with the same period in 2024, of which about 89% of capex was directed toward data-related projects to improve mobile and internet experiences for more Filipinos, 6% to business support, 3% to core and 2% to others. For the nine months ended September 30, 2024, the Group incurred capital expenditure of ₱41.0 billion, of which 91% was allocated to further improve data and network infrastructure, 7% to business support, 1% to core and 1% to others. For the nine months ended September 30, 2025, the Group recorded 4,846 petabytes in mobile data traffic compared to 4,843 petabytes for the nine months ended September 30, 2024.

The Group has continued to lead investments in its network, including accelerating the roll-out of LTE and 5G services across the Philippines using acquired spectrum frequencies, and maintaining continuous engagement with independent tower companies to support the buildout of critical telecommunications infrastructure nationwide.

*Strong balance sheet with prudent capital management*

The Group believes that its financial position remains strong with ample liquidity and gearing comfortably within lender covenants. As of September 30, 2025, the Group had total gross debt of ₱253.49 billion. As of September 30, 2025, the Group's leverage had comfortable headroom, with the Group's last twelve months' ("**LTM**") of gross debt to EBITDA measuring 2.69x, which was within the prescribed maximum debt to EBITDA of 3.50x. As of December 31, 2024, 2023 and 2022, the Group's gross debt to EBITDA ratio was 2.66x, 2.75x and 2.35x, respectively. The Group was also compliant with its debt service coverage ratio ("**DSCR**"), with its LTM DSCR as of September 30, 2025, of 3.74x, which was higher than the minimum DSCR of 1.30x required under the Group's loan covenants. As of December 31, 2024, 2023 and 2022, the Group's DSCR was 3.42x, 2.18x and 3.82x, respectively. The Group's DSCR is defined as the ratio of EBITDA to Required Debt Service[10].

Furthermore, the Group believes it had a well-managed and evenly spread debt maturity profile as of September 30, 2025:

| **Year** | **Principal[(1)] (in U.S.$ millions)[(2)]** |
|---|---|
| 2025 | 88.96 |
| 2026 | 382.46 |
| 2027 | 402.55 |
| 2028 | 391.27 |
| 2029 | 386.94 |
| 2030 | 407.14 |
| 2031 | 346.18 |
| 2032 | 263.46 |
| 2033 | 329.67 |
| 2034 | 410.50 |
| 2035 | 385.47 |
| 2036 | 113.50 |
| 2037 | 158.21 |
| 2038 | 3.44 |
| 2039 | 156.49 |
| 2040 | 154.78 |
| **Total** | 4,381.02 |

*Notes:*

(1) Principal amount prior to debt issuance costs.
(2) Translations were made at the exchange rate of ₱58.149 per U.S.$1.00, being the BAP Rate as of September 30, 2025.

The Group 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.

*Experienced management team with strong execution track record and backed by reputable shareholders*

The Group believes it has a strong management team, composed of industry professionals with significant experience in the mobile and fixed-line telecommunications markets in the Philippines and abroad, with the proven ability to execute on its business plan and achieve positive results. The Group believes that its top

[10] "**Required Debt Service**" is computed as the aggregate amount during the preceding twelve (12) month period of all Debt Service (excluding, however, any Debt Service under (i) shareholder loans and (ii) principal repayment of loan wherein: (a) repayments have been made with the proceeds of new loans incurred for the sole purpose of refinancing such existing loans and (b) the refinancing loan has a longer or equivalent remaining tenor than the loans being refinanced on a consolidated basis, calculated using the average of the applicable exchange rate during such period. "**Debt Service**" is computed as the aggregate of (i) the amount of all repayments of principal in respect of all debt (where such debt is not in the form of short-term revolving working capital facilities), and (ii) the net amounts of principal repayments of short-term revolving working capital facilities, and (iii) the amount of all payments of interest and other amounts in respect of all debt. In this definition, short-term revolving working capital facilities are revolving working capital facilities with a maturity of 364 days or less.

management team is a highly stable group with the majority of C-suite executives having been with the Group for at least a decade. With its continued expansion, the Group has been able to attract and retain senior managers from the telecommunications, consumer goods and finance industries with experience in managing large scale and complex operations. The Group believes that its executives are able to quickly adapt to changes in the market, including the continuing developments in the competitive landscape and technological evolution.

Globe's principal shareholders are AC and Singtel, both considered to be among industry leaders in the Philippines and across Asia. 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. Globe's principal shareholders are committed to their investment and have prepared a robust corporate governance framework in order to facilitate the implementation of the Group's business plan.

***Commitment to Environment, Social, and Governance ("ESG") Initiatives***

Sustainability in Globe is anchored on its Purpose, which is "Uplift Filipino Lives Everyday". By aligning with global sustainability frameworks, standards, and principles such as the United Nations' Sustainable Development Goals (UN SDGs) and UN Global Compact and industry sustainability ambitions, the company is able to collaborate with its stakeholders to deliver positive societal and environmental impact.

Globe achieved and maintains an MSCI ESG Rating upgrade to AA since 2023, signaling strong management of industry-specific risks. The company has also been a constituent of the prestigious FTSE4Good Index Series for 10 consecutive years and maintains Sustainalytics' Medium ESG Risk Rating. Furthermore, Globe holds the distinction of being the only telco in the Philippines with a Science Based Targets initiative (SBTi) validated net-zero ambition. This climate leadership is supported by its CDP Supplier Engagement Leader status (an A score)—the highest rating in this assessment—and a consistent CDP Climate B Score. Globe's sustainability strategy and programs were also affirmed by the 2025 International Finance Award for Best Practices, recognition by 2025 Standard Insights Consumer Choice Awards, and the only telco in the Philippines to be part of the TIME and Statista's Most Sustainable Companies in 2025.

Globe recognizes that a resilient, skilled, and highly engaged workforce is essential to sustaining operational excellence and long-term value creation. The company's people strategy is grounded in its "Alagang Globe" philosophy, which embeds employee well-being, hybrid work flexibility, and capability building into Globe's broader transformation agenda. Through initiatives such as Globe University, leadership development programs, and comprehensive wellness support, the company ensures its workforce remains future-ready and aligned with the business's evolving needs.

These efforts continue to receive strong validation from reputable international institutions. In 2025, Globe was named the Overall Grand Winner at the HR Excellence Awards, receiving distinctions across multiple categories in leadership, talent development, and workplace culture. Globe also earned Great Place to Work® Certification, marking a significant milestone in the company's employee experience journey.

Regionally, Globe has been recognized seven times as a Top Workplace at the ACES Awards, a recognition that has since been upgraded to the Best Workplace distinction in its latest cycle. In addition, Globe has been honored five times as an ACES Industry Champion, affirming the company's sustained leadership in organizational excellence. Globe likewise continues to be recognized seven consecutive times by HR Asia as one of the Best Companies to Work For in Asia.

At the global level, Globe has secured 14 wins at the Stevie Awards for Great Employers, reflecting strong performance in HR innovation, talent development, and comprehensive people practices.

These recognitions demonstrate Globe's robust organizational foundation—one that enables high workforce engagement, supports operational resilience, and strengthens the company's capacity to execute on its strategic priorities. Globe remains committed to sustaining these people investments to drive innovation, operational effectiveness, and long-term shareholder value.

Globe has been consistently recognized both locally and internationally for its corporate governance practices. Most notably, the company has received Five Golden Arrow recognition from the Institute of Corporate Directors (ICD) for the fourth consecutive year in October 2025, which is the highest distinction under the ASEAN Corporate Governance Scorecard (ACGS) assessment. Globe was also honored as one of the Top 50 ASEAN

Publicly Listed Companies, the Top 5 Publicly Listed Companies per Country (Philippines), and as an ASEAN Asset Class Publicly Listed Company at the ASEAN Corporate Governance Conference and Awards in July 2025.

**STRATEGIES**

For a highly penetrated mobile market such as the Philippines, the prevalence of affordable data plans and smart devices is further driving the demand for data. Other than entertainment, Filipinos have also used mobile data to avail of shopping applications, map applications, and banking applications, as well as transport network services, and online food delivery, navigation services among others. This sustained shift toward a digital lifestyle is mirrored in Globe's data traffic patterns – with its per capita data figures holding steady at around 15 GB per month, while total mobile data traffic remained stable at 4,846 petabytes for the first nine months of 2025 versus 4,843 petabytes in the same period last year. Despite the flat traffic, Globe delivered stronger monetization, reflecting its ability to drive higher value per gigabyte of data consumed.

The fixed line industry is also seeing an increase in demand for data. At home, smart televisions and gaming consoles enable the consumption of bandwidth intensive multimedia content such as high definition videos and network gaming. More customers are now taking advantage of free multimedia content and paid video streaming services which are encroaching on cable TV service. Beyond connectivity, corporate and enterprise clients are looking to service providers, including telecommunications operator partners, to provide solutions to help businesses grow, generate more revenue, and safeguard vital business information and corporate assets.

With the aim to capitalize on the increasing demand for data and connectivity and rapid digitalization and to create and enhance business and shareholder value, the Group intends to implement the following strategies in the near-term.

***Optimize network rollout to provide best-in-class internet connectivity***

The Group intends to optimize construction of its cell sites to keep pace with demand and increase its wired footprint in order to address serviceability. Further, the Group is committed to providing best-in-class internet connectivity, and targets to:

- maintain capital expenditures of up to U.S. $1.0 billion in 2025 from approximately U.S.$ 1.0 billion (₱56.2 billion[11]) in 2024 for its continued network expansion and improvement in its network and telecommunications equipment;

- provide seamless internet connectivity services, such as FTTH capacity, to more households and consistently deliver improved customer experience; launch relevant 5G offers for the home and central business districts; and,

- invest in future-ready ICT solutions to support enterprise digital transformation.

***Increase Household Penetration***

The Group intends to continue offering and improving its broadband services across various technologies and connectivity speeds for its residential customers. A key part of this strategy is the success of GFiber Prepaid, which saw its subscriber base surge 28% quarter-on-quarter and over 3.7x from a year ago.to around 700 thousand in 3Q25, establishing Globe as a leader in the mass-market fiber segment. GFiber Prepaid is designed to be an accessible, no-lock-in broadband option for low-income households, effectively bridging the digital divide, and boasts a reload rate that surged more than 4.2 times in the third quarter of 2025 compared to the 2024 average. Globe continues to invest in its fiber infrastructure, having laid down 60,193 new fiber-to-the-home (FTTH) lines as of the first nine months of 2025. The company is also committed to connecting Geographically Isolated and Disadvantaged Areas (GIDAs). To complement its fiber rollout and accelerate broadband access in underserved locations, Globe launched the Globe At Home 5G Loop, a plug-and-play fixed wireless solution that delivers fiber-like speeds without requiring cable installation, allowing more households to connect seamlessly to high-speed broadband. Globe also continues to analyze the market to determine the most appropriate product or channel applicable to its customer base and intends to selectively roll out its FTTH services and extend LTE coverage to the entire Philippines while strategically rolling out its 5G services. For the nine (9) months ended September 30, 2025, Globe has further expanded its network through building 1,375 new cell sites, and upgraded 8,699 existing

[11] Translation was made at the exchange rate of ₱48.842 per U.S.$1.00.

mobile sites. As of September 30, 2025, Globe rolled out 877 5G sites across strategic locations across the country, with outdoor coverage reaching 98.71% of Metro Manila and 98.31% of key cities in Visayas and Mindanao.

***Relentlessly Improve Customer Experience***

The Group aims to continue to improve its customer's experience by adopting new technologies and delivering content. The Group believes it is positioned to be a leader of the Filipino digital lifestyle by providing world-class technologies for entertainment, education, engagement and rewards designed to address customers' needs. In particular, the Group intends to:

- provide an encompassing ecosystem of digital services beyond connectivity that serves as new life essentials for customers to thrive at home and wherever they may be;
- deepen relationships with customers through highly personalized engagements that intently recognize and adapt to their evolving needs;
- implement more proactive care programs that anticipate potential gaps in the Group's ability to provide a wonderful end-to-end customer experience for consumer and business customers;
- drive more attentive, resolution-focused and consistent service support across the Group's channels, enabled by automated and fully digital means of customer handling and issue resolution;
- simplify processes and eliminate friction points that impede the seamlessness of a truly delightful journey for customers and employees; and
- leverage technology and process innovations underpinned by compassion and care for customers.

***Develop new information and communications technology capabilities***

Globe is actively establishing itself as a trusted digital transformation partner for enterprise customers, both large and small. It continues to offer and enhance a diverse range of information and communications technology services and solutions. These offerings span mobility, voice, connectivity, cloud, data center, cybersecurity, and various business applications, leveraging its extensive network technologies. Globe is also committed to providing specific and bespoke solutions to meet the evolving needs of its enterprise customers, particularly in response to increased connectivity demands, remote working requirements, and business continuity plans.

***Create new high growth and profitable revenue streams, and create value in digital technology, and lifestyle***

Globe continues to expand beyond its core telecommunications business by building high-growth and profitable digital ventures that create sustainable value across technology and lifestyle ecosystems. Anchored on innovation, partnerships, and customer-centricity, Globe's diversified portfolio now spans financial technology, enterprise ICT, and digital infrastructure—each contributing meaningfully to long-term profitability and shareholder value.

Globe's fintech affiliate Mynt (operator of GCash) remains the cornerstone of this growth strategy. As of end-September 2025, GCash has become a leader in driving financial inclusion, with eight in ten Filipinos having used the platform to access financial services. GCash continues to scale its comprehensive digital finance ecosystem encompassing payments, savings, loans, insurance, and investments. With strong profitability momentum and equity earnings reaching ₱5.3 billion in the first nine months of 2025—up 52% year-on-year—Mynt has become a key earnings driver and a platform for inclusive financial access. This is following successful strategic investments from MUFG and Ayala in 2024.

In parallel, Globe continues to strengthen its digital infrastructure backbone through ST Telemedia Global Data Centres (STT GDC) Philippines, its joint venture with ST Telemedia and Ayala Corporation. Following the successful launch of the 20-megawatt Sta. Rosa data center in 2024, the venture is advancing developments in its Fairview and Cavite campuses, which are expected to add an additional 15 megawatts of capacity by year-end. These expansions reinforce Globe's commitment to building resilient, energy-efficient, and hyperscale-ready infrastructure, positioning the company—and the Philippines—as a key enabler of the region's growing digital economy.

Complementing these initiatives, Globe's enterprise ICT and cloud services under Globe Business, delivering AI-enabled cloud solutions, cybersecurity, and managed services for Philippine enterprises and SMEs. These capabilities expand Globe's participation in higher-value digital services, translating innovation into recurring, scalable revenue streams.

Together, these businesses underscore Globe's transformation from a traditional telco into a digital platform group—creating profitable growth engines in fintech, data infrastructure, and digital technology that extend beyond connectivity and strengthen Globe's role in shaping the country's digital future

***Continue to recruit talents and build an agile workforce***

The Group aims to build an agile organization with a deep understanding of, and ability to be responsive to, its customers' needs. The Group intends to create a high-performance organization with a purpose-driven workforce and a culture of empowerment, collaboration and innovation. In particular, the Group aims to:

- pioneer the transformation of the service delivery engine to "*simple, digital, agile*" to shorten time to market, increase delivery efficiency, increase effectiveness of cost management measures, and improve collaboration;

- continue its organizational focus on customer-centricity through agile competency-building and work processes;

- empower leadership with a focus on clarity, collaboration and succession planning;

- continue to enrich lives of its employees, customers and shareholders through the Group's "*Circle of Happiness*", "*Globe of Good*" purpose and high overall organizational health; and

- value people and to continue to implement universal sustainability principles by promoting innovation and technology for greater social impact.

***Continue to explore and pursue targeted investment, acquisition and divestment opportunities***

The Group continuously evaluates and explores opportunities to create and enhance business and shareholder value, including assessing both potential investment and divestment opportunities. The Group actively identifies and reviews opportunities in existing and potential new business lines within its rapidly expanding and evolving industry backdrop. In parallel, the Group also considers potential joint ventures, divestitures and partnerships in areas and business units where additional technical capabilities, operational expertise or or strategic alignment may be required, or where it determines that shareholder value and returns may be optimized through partial or full divestitures. To this end, the Group regularly consults and engages various advisors, partners and industry market participants to determine the optimal market conditions and parameters for any potential acquisition, partnership or divestiture.

## RECENT DEVELOPMENTS

### Tower Sale and Leaseback

On August 11, 2022, Globe obtained Board approval to sell over 7,000 towers (the "**Tower Assets**") which are grouped into three unique, distinct portfolios. Globe received bid proposals for the Tower Assets from a number of tower companies, each backed by local and international groups. These tower companies have extensive experience and expertise in telecommunications tower infrastructure, including engineering and construction. Globe has signed two sale and leaseback agreements for ₱71 billion over two of these portfolios, collectively consisting of 5,709 telecom towers and related passive telecommunications infrastructure.

The first portfolio, consisting of 2,180 towers in Luzon, was awarded to MIESCOR Infrastructure Development Corporation (MIDC) for a total consideration of approximately ₱26 billion, to be leased back to Globe for an initial period of 15 years. The second portfolio, comprising 3,529 towers nationwide, was awarded to Frontier Tower Associates Philippines, Inc. (Frontier) for approximately ₱45 billion, also under a 15-year leaseback arrangement.

On September 23, 2022, Globe achieved its first closing with Frontier, transferring 800 towers for approximately ₱10 billion, followed by additional tranches with MIDC and Frontier. On the same date, Globe executed a sale and leaseback agreement with Phil-Tower Consortium, Inc. (PhilTower) for the third portfolio of 1,350 towers and related infrastructure for approximately ₱20 billion, likewise to be leased back for 15 years. By year-end 2022, Globe had completed the transfer of 2,410 towers across the Frontier, MIDC, and PhilTower portfolios.

On May 7, 2023, Globe entered into a sale and leaseback agreement with Unity Digital Infrastructure (Unity), a partnership between Aboitiz InfraCapital, Inc. and Partners Group, covering 447 towers (approximately 84 percent ground-based and 16 percent rooftop) with total expected proceeds of ₱5.4 billion. The transaction also includes a commitment to build over 200 additional towers across the Visayas and Mindanao regions.

The execution of the program accelerated in 2023, with Globe advancing site transfers across its existing Frontier, MIDC, and PhilTower portfolios, resulting in the completion of an additional 2,057 tower turnovers for the year. By 2024, Globe had achieved several major milestones, including the full completion of Frontier's portfolio (3,529 towers valued at ₱44.8 billion) and PhilTower's portfolio (1,350 towers valued at ₱18.4 billion), alongside substantial progress under MIDC (1,725 of 2,180 towers, ₱20.7 billion) and Unity (447 towers, ₱3.9 billion), representing 2,205 towers transferred during the year.

As of end-July 2025, Globe has completed the turnover of an additional 273 towers, generating approximately ₱3.5 billion in proceeds. The remaining balance of around 550 towers is targeted for completion within the year, as Globe continues to work closely with its tower company partners to complete the final tranches of the sale and leaseback program.

**Corporate Developments**

On March 31, 2022, Globe formed a joint venture partnership with ST Telemedia Global Data Centres, Pte. Ltd. ("**STT GDC**") and AC for the development, construction and operation of data center projects in the Philippines. STT GDC is one of the world's fastest-growing data center providers with a global platform of data centers in the world's major business markets of Singapore, the UK, India, China, Thailand, South Korea, Indonesia and Japan, offering a full suite of best-in-class, highly scalable and flexible data center solutions, connectivity and support services. STT GDC and AC subscribed for shares in GLOBE STT GDC, INC. ("**GSG**"), formerly known as KarmanEdge Inc., which was a wholly owned subsidiary of Globe, that houses Globe's carved-out data center business. Following the execution of the share subscription agreement by STT GDC and AC, Globe remains the largest shareholder with a 50% ownership in GSG, and STT GDC and AC holding 40% and 10%, respectively. Globe believes that this venture will accelerate Globe's efforts to scale up its capacity and capabilities in the data center space and address the significant and growing demand for data center services in the Philippines, from both local enterprises and global hyperscalers, including some of the biggest content providers in the world.

**Trends Anticipated for 2025**

The Group expects data traffic to remain stable Filipinos expand their use of apps for messaging, entertainment, and cashless transactions. Mobile data traffic in the nine months ended September 30, 2025 held steady at 4,846 petabytes from 4,843 petabytes in the nine months ended September 30, 2024.

The home broadband industry continued to grow in recent years with Globe's broadband subscribers increasing to 2,054,599 in September 30, 2025 from 1,696,752 in the previous year with wired subscription comprising 82% of total subscribers.

**HISTORY**

Globe's origin can be traced back to the Robert Dollar Company ("**RDC**"), a corporation organized and existing under the laws of the State of California which provided wireless long distance message services. In 1934, RDC's franchise was transferred to Globe Wireless Limited, which was incorporated in the Philippines in 1935. Globe Wireless Limited was renamed Globe-Mackay Cable and Radio Corporation, and in 1974, 60% of the company was sold to AC, the oldest and one of the largest conglomerates in the Philippines.

After subsequent mergers and renamings, in 1992 the Company was renamed Globe Telecom, Inc.

The subsequent major milestones in Globe's history are as follows:

- In 1993, AC and Singapore Telecom formalized their partnership as the principal shareholders of Globe. Since then, Globe has been recognized as the first company to offer short message service ("**SMS**") in the Philippines and as the first Philippine internet service provider in the Philippines.

- In 2001, Globe acquired Isla Communications Company, Inc. ("**Islacom**"), which became its wholly owned subsidiary effective June 27, 2001. In 2003, the 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 incorporated G-Xchange, Inc. ("**GXI**"), a wholly owned subsidiary, to handle the mobile payment and remittance service marketed under the GCash brand using Globe's network as transport channel.

- In November 2004, Globe and seven other leading Asia Pacific mobile operators ("**JV partners**") signed an agreement to form the "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.

- In 2008, Globe incorporated GTI Business Holdings, Inc. ("**GTI**") as a holding company for its offshore operations: namely, GTI Corporation ("**GTIC**") domiciled in the United States, Globetel Singapore Pte. Ltd. ("**GTSG**") domiciled in Singapore, Globe Telecom HK Limited domiciled in Hong Kong, and Globetel European Limited domiciled in the United Kingdom. As of September 30, 2025, only GTIC and GTSG remain operational.

- In 2012, Globe launched Kickstart Ventures, Inc. ("**Kickstart**") to help, support and develop the dynamic and growing community of technopreneurs in the Philippines. Kickstart is a business incubator that is focused on providing aspiring technopreneurs with the efficient environment and the necessary mechanisms to start their own business. *, Kickstart has made 71 investments in 9 countries, backing over 140 founders.*

- In 2013, Globe acquired a 38% interest in Bayan Telecommunications, Inc. ("**Bayantel**") following approval of its amended rehabilitation plan, and Globe subsequently increased its stake to 57%. In 2015, Globe increased its stake in Bayantel to 98.57%, and in November 2015, Bayantel successfully exited rehabilitation.

- In June 2014, Globe acquired 100% of Asticom Technology, Inc. ("**Asticom**"), an entity engaged primarily in providing business process and shared service support, as well as IT system integration and consultancy services.

- In 2015, Xurpas Inc. acquired a 51% stake in Yondu Inc., ("**Yondu**") from Globe. 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.

- In June 2015, Globe incorporated Globe Capital Venture Holdings, Inc. ("**GCVHI**") whose primary purpose was to engage in investing activities. In 2019, GCVHI was rebranded to "917 Ventures" to house Globe's non-telecommunications incubated products. In February 2020, GCVHI incorporated 917Ventures, Inc. ("**917VI**") as a holding company to house its incubator businesses.

- In 2015, GCVHI entered into a joint venture agreement with Salud Interactiva Inc., a Mexican company, for 50% ownership in Global Telehealth, Inc. ("**KonsultaMD**"). KonsultaMD operates telehealth and other telehealth-related businesses, including online teleconsultations.

- In July 2015, Globe Fintech Innovations, Inc. ("**Mynt**") was incorporated as a wholly owned subsidiary of GCVHI. In 2016, Mynt incorporated Fuse Lending, Inc. ("**Fuse**") as a direct lending entity. In February 2017, Mynt acquired 100% of GXI from Globe, effectively transferring the GCash operations to Mynt. In the same year, Globe, GCVHI and Mynt entered into a joint venture arrangement with Alipay Singapore Holdings Pte. Ltd. and Ayala Corporation (through AC Venture Holdings, Inc. or "**AC Ventures**") resulting in the dilution of GCVHI's ownership in Mynt from 100% to 45%. In 2019, Mynt increased its authorized share capital for the issuance of shares to Antfin Singapore Holdings Pte. Ltd. ("**Antfin**") and GCVHI, which resulted in GCVHI ownership increasing to 46.19% and Antfin owning 11.85% in Mynt. Alipay and AC Ventures then held 34.33% and 7.63%, respectively, in Mynt. In 2020, ASP Philippines LP ("**ASP**") invested in Mynt and acquired a 13.78% stake in the company, diluting GCVHI's ownership in Mynt from 46.19% to 40.16%, and the ownership of Alipay, Antfin and AC Ventures to 26.56%, 13.60% and 5.90%, respectively. In 2021, Mynt raised over U.S.$300 million in funding through an investment round led by Warburg Pincus LLC, Insight Venture Management LLC and ASP, which also included participation from Itai Tsiddon, Amplo Management LLC, AC Ventures and the Group. The investment round resulted in the dilution of GCVHI's ownership in Mynt to 35.53% and accordingly, the Group recorded a gain on deemed sale of investment in Mynt amounting to ₱4,344.04 million.

- In October 2015, GCVHI incorporated Adspark Holdings, Inc. ("**AHI**") as a wholly owned holding company. Subsequently, AHI incorporated Adspark Inc. ("**Adspark**"), a wholly owned subsidiary engaged in the business of general advertising, and other forms of promotions of products and events. In January 2016, Adspark acquired Socialytics, Inc. ("**Socialytics**") a social media marketing firm. As of September 30, 2025, Socialytics is a wholly owned subsidiary of Adspark.

- In 2016, Globe 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**");

    - 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 Telecoms Holdings, Inc. ("**LIB**"), a publicly listed company on 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., Express Telecom, Inc. and Spectrum, among others.

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

  In June 2016, Globe exercised its rights as holder of 50% equity interest in VTI to cause VTI to propose the conduct of a tender offer on the common shares of 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 amounted to 99.1%.

- In 2016, Globe acquired 66.95% of TaoDharma, Inc., an entity engaged in the buying, selling, distribution and marketing of telecommunication or internet-related services, as well as devices, gadgets and accessories, through the operation of retail stores.

- In September 2019, Globe reacquired a 51% ownership interest in Yondu from Xurpas Inc. which increased Globe's ownership interest from 49% to 100%. Yondu also owns 100% of Rocket Search, Inc., an entity engaged in providing IT products and services, as well as IT placement services.

- In October 2019, Globe signed and executed an agreement with third parties to acquire 77% ownership of ECPay, which 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.

- In January 2020, Globe, together with Smart Communications, Inc. and Dito Telecommunity, Inc., formed Telecommunications Connectivity, Inc. ("**TCI**") a joint venture created to address the requirements of R.A. 11202, or the Mobile Number Portability ("**MNP**") Act, which allows mobile phone subscribers to switch networks or change their subscription from prepaid to postpaid, and vice versa, without changing mobile numbers. On July 14, 2021, TCI successfully concluded the initial technical tests of its technical capabilities in respect of the MNP. On September 30, 2021, the MNP was commercially launched.

- In February 2020, Kickstart registered three Cayman Island exempted companies with limited liabilities, namely (1) Kickstart Capital Co. Ltd. ("**KCCL**"), a wholly owned subsidiary of Kickstart; (2) AG Active Associates 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 a third party venture capital investment fund, the AG Active Fund, to which Globe is a limited partner owning 11.88% as of September 30, 2025.

- In August 2020, GTI entered into a share purchase agreement for the acquisition of 67% of Third Pillar Business Applications, Inc. ("**TPBAI**"). TPBAI is in the business of systems integration, license reselling and data management services. As of September 30, 2025, TPBAI also owns 100% of Third Pillar Global Delivery Center Inc., the software implementation and maintenance services and the outsourcing arm of TPBAI. In January 2022, TPBAI incorporated Third Pillar Asia Pacific Pte. Ltd., a wholly owned subsidiary organized under the laws of Singapore, as part of TPBAI's expansion into the Asia Pacific region.

- In August 2020, Asticom incorporated ASTI Business Services, Inc. ("**ABSI**") as a wholly owned entity to engage in IT and BPO services and other shared services functions. In January 2021, Asticom incorporated Fiber Infrastructure and Network Services Inc. ("**FINSI**") to provide end-to-end services and industry-specific solutions to telecommunications, tower, infrastructure and technology companies, including construction, building, installation and maintenance services. In April 2021, Asticom also incorporated BRAD Warehouse and Logistics Services Inc. ("**BRAD**") as a third-party provider of transportation, shipping, receiving, storing and management of products and services using technology platforms. In November 2021, ABSI acquired 100% of HCX Technology Partners, Inc. ("**HCX**"), a full-fledged systems integration company offering human capital, customer relationship management and digital solutions to its clients. As of September 30, 2025, Asticom owns 100% of each of FINSI, BRAD and ABSI.

- In 2020, GTI incorporated CaelumPacific Corporation ("**CaelumPacific**") in the Philippines. CaelumPacific also incorporated Caelum US Holdings, Inc. in the United States and, which in turn, incorporated Caelum Northwest Corporation in the United States, all of which were previously wholly owned companies. In November 2020, GTI entered into an asset purchase agreement with Cascadeo, a group of companies in the Philippines and the U.S. which offers cloud-native consulting and managed services capabilities for enterprises and small and medium business customers. As of 2020, GTI owned 83.33% of CaelumPacific, with Cascadeo's holding company (Cirrus Mountain Investments LLC) owning 16.67%. In 2021, GTI infused U.S.$500,000 additional capital, effectively increasing GTI's ownership to 85% and diluting Cascadeo's ownership to 15%. In February 2022, GTI made an additional capital infusion amounting to U.S.$2.0 million, which will increase GTI's ownership to 88% once the transaction is completed.

- In December 2020, 917VI entered into a joint venture agreement with AC Health (through Vigos Ventures, Inc.) to incorporate HealthNow, Inc. ("**HealthNow**"), an entity that offers applications and facilities for telehealth, video-health consultation, and other telehealth-related businesses.

- 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 SEC approved the amendment of the articles of incorporation of Techgroowers, changing its corporate name to M360, Inc. ("**M360**") and its primary purpose to engaging in the business of application-to-person ("**A2P**") messaging.

- In September 2021, 917VI entered into a joint venture agreement with Puregold Price Club, Inc. ("**Puregold**") through its 100% subsidiary, Entenso Equities Inc., to establish and operate an online grocery and e-commerce platform branded as "PureGo".

- In September 2021, 917VI and Jerusalem Ventures Holdings Inc. ("**JVHI**") incorporated Inquiro Inc. ("**Inquiro**"), a joint venture company providing data management and other data-related services through the utilization of telecommunication facilities.

- In October 2021, GTI incorporated KarmanEdge, Inc. as a wholly owned subsidiary in the Philippines. Karman Edge, Inc. was subsequently renamed to GLOBE STT GDC, INC. ("**GSG**") on May 19, 2022. In March 2022, the Group formed a joint venture partnership with AC and STT GDC. Under the agreement, AC and STT GDC subscribed to new shares in GSG, which resulted in a dilution of GTI's ownership interest in GSG to 50%. GSG is engaged in installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities.

- In December 2021, 917VI and JVHI incorporated Rush Technologies, Inc. ("**Rush**"), a joint venture company engaged in the business of business-to-business ("**B2B**") and business-to-customer ("**B2C**") cloud-based platforms and software solutions, among others, necessary for loyalty and e-commerce management systems. As of September 30, 2025, 917V holds 49% ownership in Rush.

- In December 2021, 917VI 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. As of September 30, 2025, 917VI holds 50% ownership in PureGo.

- 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 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 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 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.

- 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 director of Caelum Northwest and Caelum US approved the dissolution of the Company. 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 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 articles 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. The deal pushed Mynt's valuation to $5 billion from the $2 billion valuation in the 2021 funding round. On February 12, 2025, MUFG and Mynt closed MUFG's acquisition of Mynt shares,. 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 13.8 of the unaudited interim condensed consolidated financial statements). 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 mWell's 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 14).

- On March 26, 2025, Globe 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 ₱1,737.81 million (including cash and cash equivalents of ₱349.06 million, see Note 3 of the unaudited interim condensed consolidated financial statements) and ₱552.05 million, were reclassified as assets held-for-sale and liabilities held-for-sale, respectively, in Globe's consolidated statements of financial position as of September 30, 2025. As of September 30, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

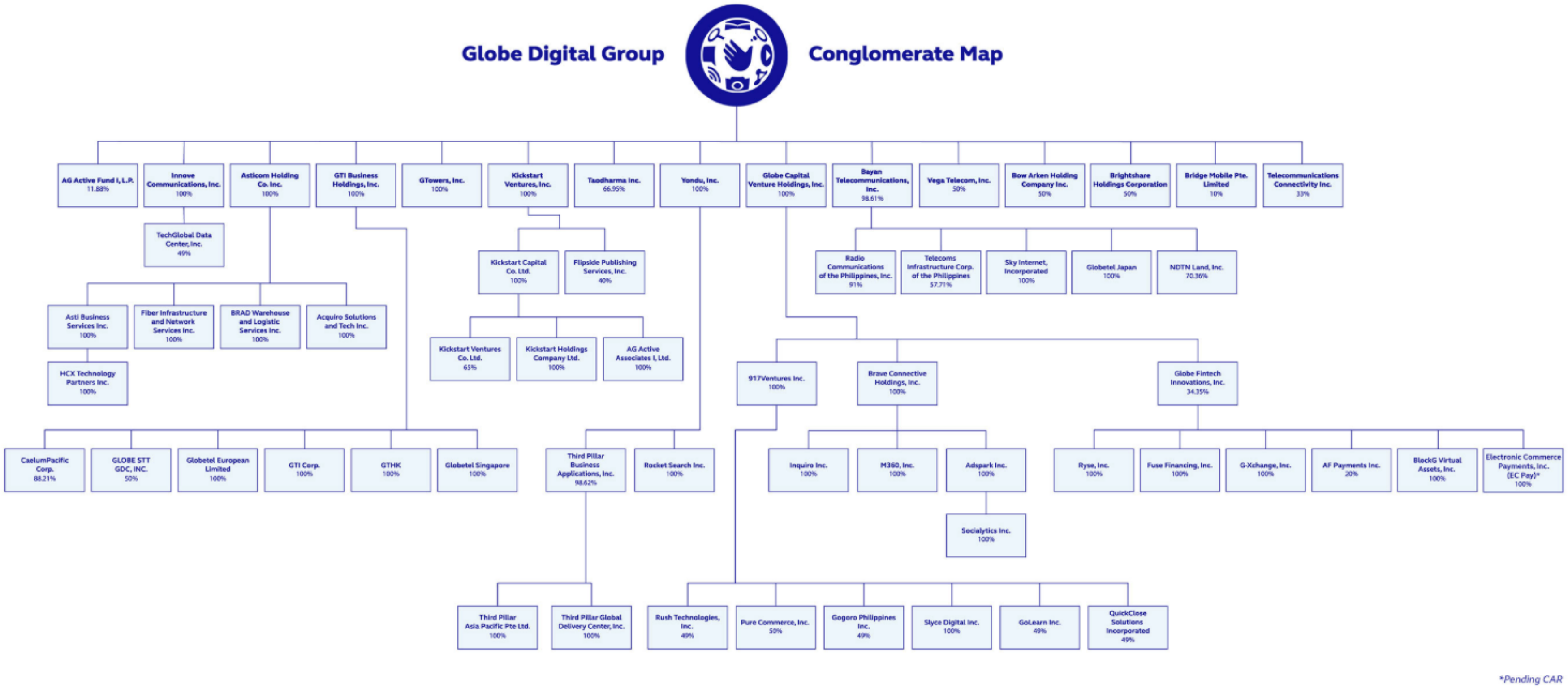
- In April 2025, Yondu and Third Pillar's minority shareholders signed a deed of assignment to transfer the latter's shares to Yondu for a total consideration of ₱6.80 million. The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱4.58 million (see Note 13.8). The acquisition increased Yondu's ownership in Third Pillar 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.

**CORPORATE STRUCTURE**

The diagram below shows the Group's corporate structure as of September 30, 2025:

x`x`



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## PRINCIPAL BUSINESS

Globe is a major provider of telecommunications services in the Philippines, supported as of September 30, 2025 by 6,662 employees of the Group and over 397 thousand AMAX retailers, distributors and business partners nationwide who provide electronic reloading services for the Group. It 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. As of September 30, 2025, Globe had approximately 63.1 million mobile subscribers, 2.1 million Home Broadband customers, and over 631 thousand landline subscribers. Globe believes it is the preferred mobile brand for Filipinos based on internal estimates using available market data.

The Group has two major business segments: (i) mobile, which includes mobile and fully mobile broadband, and (ii) fixed line and home broadband, with home broadband including both fixed wireless and wired broadband.

For the year ended December 31, 2024, approximately 70.7% of the Group's operating revenue was derived from its mobile business, and 27.7% from its fixed line and home broadband segment. The Group's mobile business contributed ₱116,713.4 million in 2024 Mobile voice service revenues amounted to ₱12,652.8million in 2024, contributing 7.7% of operating revenues. Mobile SMS service revenues contributed ₱6,691.7 million in 2024 or 4.1% of operating revenues. Mobile data contributed ₱97,368.8 million in 2024, 59.0% of operating revenues. Home broadband contributed revenues of ₱23,785.4 million, or 14.4% of operating revenues. Corporate data contributed 12.3%, at ₱20,380.0 million and fixed line voice contributed 0.91% at ₱1,500.2 million

For the nine (9) months ended September 30, 2025, approximately 70.8% of the Group's operating revenue was derived from its mobile business, and 27.82% from its fixed line and home broadband segment. The Group's mobile business contributed ₱86,173.1 million for the nine months ended September 30, 2025, which, based on internal estimates using available market data, accounted for more than 50.1% of aggregate mobile revenues in the Philippines, making Globe the Philippine market leader in this segment. Mobile voice service revenues amounted to ₱8,283.3 million for the period, contributing 6.8% of operating revenues. Mobile SMS service revenues contributed ₱3,892.9 million, or 3.2% of operating revenues for the period. Mobile data contributed ₱73,996.8 million, or 60.8% of operating revenues for the period. The Group's fixed line and home broadband business contributed revenues amounting to ₱33,778.2 million, or 29.2% of operating revenue for the period. Home broadband contributed revenues of ₱17,840.2 million, or 14.7% of operating revenues. Corporate data contributed 12.3% of operating revenue for the period, at ₱14,995.0 million, and fixed line voice contributed 0.8% at ₱942.9 million.

The following table sets out selected financial information relating to the Group's business segments, and key performance indicators of the Group as of and for the periods indicated:

| | For the years ended December 31, | | | For the nine (9) months ended September30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| | | | *(in millions, except percentages)* | | |
| | (in ₱) | (in ₱) | (in ₱) | (in ₱) | (in ₱) |
| **Operating Revenues** | **107,520.0** | **180,164.0** | **180,586.1** | **134,744.2** | **131,590.4** |
| Service Revenues | **157,979.3** | **162,333.5** | **165,016.3** | **124,009.4** | **121,676.5** |
| Mobile | 107,520.0 | 112,376.0 | 116,713.4 | 87,706.1 | 86,173.0 |
| Voice | 16,905.7 | 15,101.6 | 12,652.8 | 9,642.4 | 8,283.3 |
| SMS | 8,845.4 | 7,975.3 | 6,691.7 | 5,204.6 | 3,892.95 |
| Data | ₱100,956.1 | 109,213.9 | 97,368.8 | 72,859.1 | 73,996.9 |
| Fixed Line and Home Broadband | 46,280.8 | 45,026.6 | **445,665.1** | 34,496.9 | 33,778.28 |
| Home Broadband | 27,093.5 | 25,111.7 | 23,785.4 | 17,886.9 | 17,840.2 |
| Corporate Data | 17,198.1 | 18,319.2 | 20,379.5 | 15,480.0 | 14,995.1 |
| Fixed Line Voice | 1,989.2 | 1,595.7 | 1,500.2 | 1,130.0 | 942.9 |
| Others | - | - | 2,637.8 | 1,806.4 | 1,725.2 |
| Non-Service Revenue | **17,061.4** | **17,831.0** | **15,570.0** | **10,734.8** | **9,914.0** |
| **Costs and Expenses** | **95,948.0** | **98,738.0** | **93,772.4** | **69,879.5** | **67,405.0** |
| Cost of Sales | 18,749.0 | 18,217.0 | 16,428.7 | 11,509.1 | 10,092.1 |
| Operating Expenses (inclusive of interconnection payout) | 78,256.0 | 80,521.0 | 77,343.7 | 54,218.6 | 52,802.0 |
| **Adjusted EBITDA(1)** | **79,092.0** | **81,426.7** | **86,813.7** | **64,864.7** | **64,185.5** |
| **Adjusted EBITDA Margin** | **50%** | **50%** | **53%** | **52.3%** | **52.8%** |
| **Depreciation and amortization** | **(45,653.3)** | **(47,356.0)** | **(50,473.0)** | **(37,301,4)** | **(39,981.8)** |
| **EBIT(2)** | **33,439.0** | **34,071.0** | **36,340.6** | **27,563.2** | **24,203.6** |
| **EBIT Margin(3)** | **21%** | **21%** | **22%** | **19.9%** | **22.2%** |
| **Non-Operating Charges(4)** | **10,662** | **(1,655)** | **6,009.6** | **(2,163.6)** | **(3,043.9)** |
| **Net Income After Tax ("NIAT")** | **34,604.0** | **24,578.0** | **24,285.8** | **20,556.3** | **17,690.8** |
| **Core Net Income after Tax(5)** | **19,169** | **18,916.0** | **21,498.0** | **17,614.2** | **15,452.9** |

Notes:

(1) Earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**") is calculated as service revenues less subsidy, operating expenses, and other income and expenses. EBIT is Adjusted EBITDA less depreciation and amortization. Core Net Income After Tax, EBIT, Adjusted EBITDA, EBIT Margin and Adjusted EBITDA Margin are non-PFRS Accounting Standards financial measures which the Group believes are supplemental measures of the Group's performance, but are however not required by, or presented in accordance with, and should not be considered as an alternative to net profit, revenues, or any other financial performance measure derived in accordance with PFRS Accounting Standards or as an alternative to cash flow from operations or as a measure of the Group's liquidity. Non-PFRS Accounting Standards financial measures have limitations as analytical tools, and such measures should not be considered in isolation from, or as a substitute for, independent analysis of the Group's financial condition or results of operations, as reported under PFRS Accounting Standards. These non-PFRS Accounting Standards financial measures are not standardized terms and other companies may calculate measures bearing the same titles differently, hence a direct comparison between companies using such terms may not be possible, which limits the usefulness of these non-PFRS Accounting Standards financial measures.

(2) EBIT" refers to earnings before interest, property and equipment-related gains and losses, income taxes, other non-operating charges such gains and losses related to investments in joint ventures and associates, foreign exchange differences and derivative gains and losses. The Group calculates EBIT by deducting depreciation and amortization from Adjusted EBITDA. The Group's method of calculating EBIT may differ from other companies and, hence, may not be comparable to similar measures presented by other companies.

(3) Calculated as EBIT divided by total service revenues.

(4) Calculated as financing income – net plus other non-operating income (charges).

(5) Core net income after tax is measured as the Group's net income, excluding mark-to-market gains or losses such as gains or losses on derivative instruments, foreign exchange gains or losses – net, and the impact of non-recurring charges or one-time gains or losses such as remeasurement loss on investment in associate, gain on sale of investment in associate, impairment of goodwill, and gain on value of retained interest.

## Selected Key Performance Indicators

| | For the year ended December 31, | | | For the nine months ended September 30, | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| **Average Revenue Per Subscriber ("ARPU")[(1)] (₱)** | | | | | |
| Globe Postpaid | 839 | 855 | 914 | 901 | 903 |
| **Average Monthly Churn Rate ("AMCR")[(2)] (%)** | | | | | |
| Globe Postpaid | 1.6 | 1.5 | 1.6 | 1.6 | 1.3 |
| **Return on Equity[(3)] (%)** | 26% | 16% | 15% | 16% | 13% |

Notes:

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

(2) Average monthly churn rate is computed by dividing total disconnections (net of reconnections) for the segment by the average number of the segment's subscribers, further dividing by the number of months in the relevant period.

(3) Net income divided by average equity for the period.

## Mobile Business

The Group provides digital mobile communication and internet-on-the-go services nationwide using a fully digital network based on the Global System for Mobile Communication ("**GSM**"), 3G, HSPA+, 4G, Long-Term Evolution ("**LTE**") and 5G technologies. It provides voice, SMS, and data to its mobile subscribers through three major brands: *Globe Postpaid*, *Globe Prepaid* (including fully mobile, internet-on-the-go service and *GOMO*) and *TM*.

### *Postpaid*

*Globe Postpaid* is the leading brand in the Philippines 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.

The Group offers a portfolio of postpaid plans featuring its 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.

Through the GlobeOne app, users of All-New GPlan Plus 999 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, Vivamax, and Canva.

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.

Globe Platinum introduces the all-new Platinum GPlan and GPlan PLUS designed for simplicity, premium experiences, and worry-free connectivity. Platinum GPlan PLUS offers no lock-up, unlimited mobile data, and built-in benefits such as Cyber Insurance, DragonPass international lounge access, Gadget Xchange device protection, access to THEA digital concierge, and a dedicated Platinum Relationship Manager. Customers also enjoy Globe Priority Network access for optimal data performance. Globe Platinum continues to expand its lifestyle privileges, offering dining and retail perks, exclusive partnerships, and arts and culture events..

Globe introduced several customer experience innovations for its mobile postpaid users, including Gadget Xchange, OneNumber, and Globe Trade-In to Upgrade. Gadget Xchange is a device protection program that allows postpaid customers to switch or replace their devices without submitting documentation such as police reports or affidavits of loss. OneNumber enables users to share their mobile number with their smartwatch, allowing seamless connectivity even without their phone. Meanwhile, Globe Trade-In to Upgrade lets new and renewing customers trade in old devices for bill cashback credits, available at participating Globe stores nationwide.

***Prepaid***

*Globe Prepaid* (including *GOMO*) and *TM* are the prepaid brands of the Group. *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 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, and through internet banking.. Subscribers can also top-up via AutoLoadMax retailers nationwide, all at affordable denominations and increments..

***Loyalty and Rewards Program***

The Globe Rewards Program – “MyRewards MyGlobe”, is the Group’s way of granting special rewards and incentives to its active customers for their continued loyal use of the Group’s products and services. These rewards are exchanged for the points earned. All customers with active Globe or TM SIMs are automatically members of the program, with no registration required. The features of the rewards program include:

- 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; and
- Enjoy Perks through special discounts, exclusive treats, and more wonderful surprise.

***Mobile Voice***

The Group’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 as well as packages of voice, SMS and data, and in several denominations to suit different budgets.

The Group keeps Filipinos connected wherever they may be in the world, through its tie-up with 616 roaming partners in 240 calling destinations worldwide as of September 30, 2025. The Group 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 overseas Filipino workers ("**OFWs**") 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, and discounted rates for selected countries.

***Mobile SMS***

The Group'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.

***Mobile Data***

The Group'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, Prime Video, Beetzee Play, Spotify, TikTok, Viber, Grab, Shoppee, Lazada are accessible to Globe subscribers.

**Fixed Line and Home Broadband Business**

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

***Fixed Line Voice***

The Group'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, the Group offers voice solutions that include regular and premium conferencing, enhanced voice mail, IP-PBX solutions, and domestic or international toll-free services. With the Group's Next Generation Network ("**NGN**"), Globe Business voice solutions offer enterprises a variety of fully-managed traditional and IP-based voice packages that can be customized to their needs.

***Corporate Data***

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

Globe's international data services provide corporate and enterprise customers with the most diverse international connectivity solutions. Globe's extensive data network allows customers to manage their own virtual private networks, subscribe to wholesale internet access via managed international private leased lines, run various applications, and access other networks with integrated voice services over high-speed, redundant and reliable connections. In addition to bandwidth access from multiple international submarine cable operators, Globe also has 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. Allows customers to outsource data center hosting and management. The services offered include the following:

  o Co-location - managed space for customer's servers and IT equipment that run mission critical systems and applications;

  o Cross Connect - provides direct connection from customer racks to its service provider;

  o LAN-Based Internet - provides a redundant, stable, secure and high-speed connection to hosted environments within the Globe Data Center;

  o Media Storage - physical off-site data storage in a clean, controlled, safe and secure environment within the Data Center; and

  o Disaster Recovery ("DR") Seats - Provides a DR facility and workstations for customers in the event of a disaster or a business interruption.

- Cybersecurity - 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).

***Home Broadband***

The Group offers wired and fixed wireless broadband services, across various technologies and connectivity speeds for its residential and enterprise customers. Globe AT HOME Broadband consists of wired postpaid and prepaid Fiber broadband packages, and wireless Home Prepaid WiFi, backed by Globe's 4G and 5G network. Globe also offers *The Globe At Home AirFiber 5G* postpaid plans, a fixed wireless home broadband service making use of Globe's 5G network to provide fiber-like speeds.

Globe continues to enhance its broadband portfolio through its Globe At Home GFiber Plans, offering fast and unlimited connectivity ideal for productivity, streaming, and gaming. Plans range from ₱1,499 per month for speeds up to 300 Mbps to ₱7,499 for 1.5 Gbps, all equipped with a WiFi 6 modem and access to partner apps such as Disney+, Blast TV, and Home Squad.

To make fiber connectivity more accessible, GFiber Prepaid provides reloadable unlimited internet with speeds up to 100 Mbps and a fully digital experience via the GlobeOne app. Customers can apply, schedule installation, and manage their accounts online, with promos starting at ₱249 for seven days of 50 Mbps service. GFiber Prepaid also supports GCash payments and comes in recyclable, upcyclable packaging.

Globe further expanded its broadband innovations with Globe At Home 5G WiFi, offering plug-and-play wireless connectivity of up to 250GB for 30 days at ₱899, and the Globe At Home 5G Loop, the world's first portable 5G-powered broadband device featuring WiFi 6, a built-in speaker, camera, and touchscreen. Priced at ₱10,999 with 30 days of unlimited data, it enables high-speed, on-the-go connectivity for modern Filipino households.

For areas without fiber coverage, Globe At Home Prepaid WiFi remains a reliable and affordable alternative, offering FamSurf promos starting at ₱199 and shareable data across multiple devices. Through these innovations, Globe continues to broaden access to high-quality internet and redefine the digital experience for Filipino families.

**917Ventures**

917Ventures, the corporate venture builder of the Group, ideates, launches, accelerates, and scales new business ideas that have the potential to grow. 917Ventures functions as a startup factory and has established teams, frameworks, infrastructure, and strategies, which have been proven and tested, and are supported by Globe, AC, and other partner networks, to accelerate the growth of ventures. 917Ventures' portfolio of companies include Mynt, the Philippines' number one digital financial solutions provider and operator of the popular GCash payment services app and Brave Connective Holdings, Inc. (BCHI), which provides omnitech solutions through AI-driven insights, innovative programmatic tools, and multi-channel communication.

**GCash**

In 2004, Globe incorporated G-Xchange, Inc. ("**GXI**") to handle the mobile payment and remittance service marketed under the GCash brand using Globe's network as a transport channel. In July 2015, Globe Fintech Innovations, Inc. ("**Mynt**") was incorporated as a wholly-owned subsidiary of Globe Capital Venture Holdings, Inc. ("**GCVHI**"), a wholly-owned subsidiary of Globe, which was rebranded to "917 Ventures" in August 2019. In February 2017, Mynt acquired 100% of GXI from Globe, effectively transferring the GCash operations to Mynt. In February 2017, AC, through AC Ventures, and Ant Financial Services Group (currently known as Ant International) one of the world's leading digital financial services providers and the parent company of AliPay of the Alibaba Group, entered into a strategic partnership with Mynt, to accelerate financial inclusion and upgrade payment services in the Philippines.

As of September 30, 2025, GCVHI holds 34.35% ownership in Mynt. 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 data.ai, as of September 30, 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.

In addition, Mynt has gone beyond the nation's borders. As of September 30, 2025, it now offers payments in over 200 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. As of September 30, 2025, Mynt also empowers overseas Filipinos in 145 countries to manage their finances through GCash Overseas. They can now use the GCash app with their international mobile numbers, giving them access to services such as Send Money, Pay Bills, and Buy Load.

Beyond Payments, the GCash application 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 as of September 30, 2025. These milestones were achieved through innovative lending products covering credit lines (GCredit), cash loans (GLoan), buy-now-pay-later (via GGives), and micro-credit starter loans (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 September 30, 2025, more than 4.2 million trees have been planted, enabling GCash users to build a greener tomorrow.

**Distribution Methods of Products and Services**

***Independent Dealers***

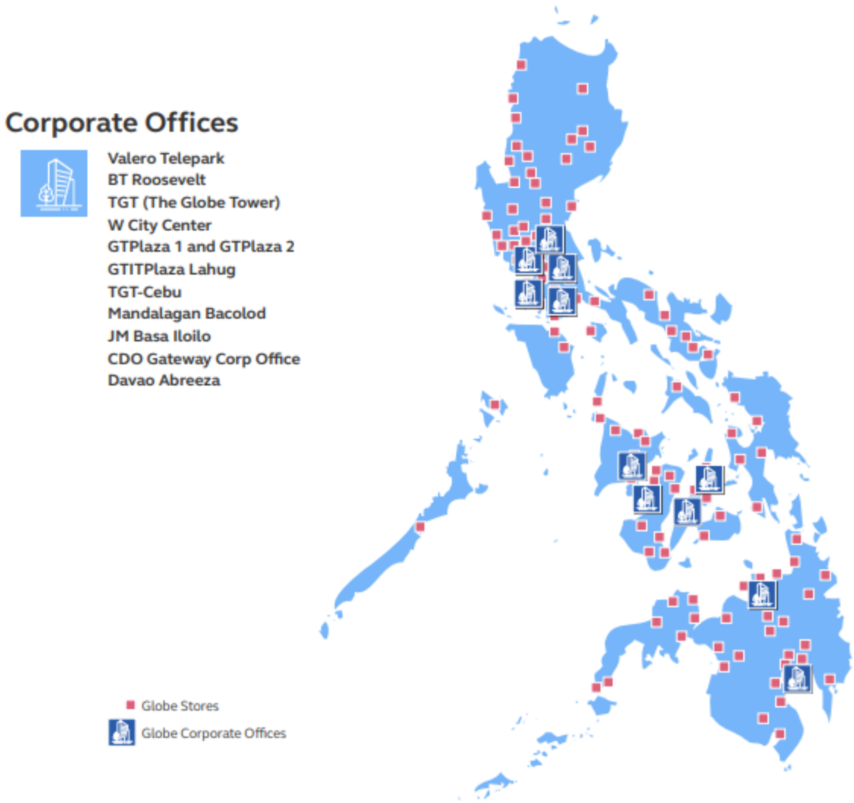
The Group utilizes a number of independent dealers throughout the Philippines to sell and distribute its prepaid wireless services. This includes major distributors of wireless phone handsets who usually have their own retail networks, direct sales force and sub-dealers. Additionally, the Group also relies on its distribution network of over 397 thousand AMAX retailers nationwide, as of September 30, 2025, who offer prepaid reloading services to Globe and TM subscribers.

***Globe Stores***

As of September 30, 2025, the Group has a total of 94 Globe Stores operating 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 BSP as remittance outlets.

In September 2021, Globe launched two digital stores (Globe Shop & Pay) in NCR, which offer a fast and safe way to shop for gadgets, pay bills, perform GCash transactions and book for online support.

The following map shows the location of the Group's Globe Stores and Globe Corporate Offices as of September 30, 2025:




***Customer Facing Units***

To better serve the various needs of its customers, the Group is organized along three 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 Group has a Consumer CFU with dedicated marketing and sales groups to address the needs of retail customers, a Business CFU focused on the needs of large and small businesses, and a Small Medium CFU (together with the Business CFU, "**Globe Business**") focused on the needs of small and medium businesses. Globe Business provides end-to-end mobile and fixed line solutions and is equipped with its own technical and customer relationship teams to serve the requirements of its client base. Globe Business also caters to the international voice and roaming needs of overseas Filipinos, whether transient or permanent. Moreover, it is tasked to grow the Group's international revenues by leveraging on the Group's product portfolio and developing and capitalizing on regional and global opportunities.

***Others***

The Group also distributes its prepaid products, including SIM packs, prepaid call cards and credits, through consumer distribution channels such as convenience stores, gas stations, drugstores, and bookstores. Lower denomination IDD prepaid loads are also available in public utility vehicles, street vendors, and selected restaurants and retailers nationwide via the IDD *Tingi* load, an international voice scratch card in affordable denominations.

**COMPETITION**

***Mobile Market***

The Philippine mobile market is a saturated industry with 116.5% mobile penetration as of December 2024. 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 be a promising market with fast-paced growth.

The mobile market's SIM base saw a 24% increase from 2018 to 2019 mostly due to the pronouncement of the NTC, the Department of Information and Communications Technology ("**DICT**"), and the Department of Trade and Industry ("**DTI**") under Joint Memorandum Circular No. 0512-2017, that all prepaid load should carry a one-year expiration period regardless of amount. Due to this, Globe ended 2019 with a higher SIM base of 94.2 million, with an estimated SIM share of approximately 56%, up from 55% in 2018. Globe ended 2020 with a lower SIM base of 76.6 million, with an estimated SIM share of approximately 51%, down from 56% in 2019. As of December 31, 2021, Globe had a SIM base of 86.8 million, with an estimated SIM share of approximately 53%, up from 51% in 2020. As of December 31, 2022, Globe had a SIM base of 86.7 million, with estimated SIM share of approximately 57%.

Following the implementation of the SIM Registration Act and the rationalization of inactive subscribers, the total SIM base declined by 21% to 122.0 million, with a penetration rate of 104.3% as of December 31, 2023. Globe ended 2023 with a lower SIM base of 57.0 million, with an estimated share of approximately 50%, down from 57% in 2022. The market subsequently rebounded by 12% to 132.9 million SIMs, representing an industry penetration rate of 116.5% as of December 31, 2024, reflecting the continued demand for mobile connectivity and data-driven services. As of December 31, 2024, Globe ended with a SIM base of 60.9 million, with an estimated SIM share of around 51%, up from 50% in 2022. As of end September 2025, Globe total mobile subscriber base stood at 63.1 million, up 5% from 60.2 million in the same period of 2024, with an estimated SIM share of around 52%.

The table below sets out mobile subscribers, penetration rates and growth rates for the indicated years:

| | Mobile Subscribers (Millions) | Penetration Rates (%) |
|---|---|---|
| 2016 | 126.5 | 120.4 |
| 2017 | 120.0 | 111.9 |
| 2018[(1)] | 134.6 | 124.3 |
| 2019 | 167.3 | 151.8 |
| 2020 | 149.6 | 133.3 |
| 2021 | 163.0 | 137.9 |
| 2022 | 153.0 | 132.2 |
| 2023[(2)] | 122.0 | 104.3 |
| 2024 | 132.9 | 116.5 |
| 2025* | 137.6 | 122.1 |

*Notes:*

* End-September 2025 figures.

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

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

*Sources: Company Annual Reports, National Telecommunications Commission,*

Despite periodic consolidation in the market, Globe believes that at present only the PLDT Group and the Company have built significant bases of mobile subscribers. The third player, Dito, has announced that it had acquired 15 million mobile subscribers as of July 2025.

***Fixed Line Market***

The number of lines in service in the fixed line voice market is estimated at 4.4 million lines as of December 31, 2024 with PLDT's subscriber market share at 64% and Globe's subscriber market share at 15.5%.

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. The Group's fixed line voice subscriber base stood at over 631 thousand as of September 30, 2025.

*Corporate Data*

The corporate 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 BPO companies, have also helped drive the growth of the corporate data business.

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

*Data Center*

Globe and ePLDT, Inc. ("**ePLDT**") are two of the leading players in the data center market in the Philippines. Other niche players such as Total Information Management Corporation (TIM) have a smaller presence in the market, and the Group believes such players have limited visibility on future capacity expansion. The Group believes that Globe and ePLDT have attained their market leading position mainly due to their wide network, strong customer relationship and scale of facilities. The Group also believes that Globe and ePLDT will continue to see greater demand due to the increasing penetration of hyperscale customers in the region as these customers typically diversify their capacity requirements across multiple customer segments.

*Home Broadband Market*

Industry home broadband subscribers totaled 8.2 million as of December 31, 2024. In a three-player market, the Group's subscriber market share stands at 21% as of December 31, 2024. The continuing transition and migration of wireless home broadband subscribers to fiber technology products was the main driver of the decline in the Group's market share. Operators used both wired and wireless technologies to serve the growing demand for internet connectivity.

While household penetration rates remain low, competition continues to intensify as telecommunications operators aim to capture the market by accelerating the rollout of wired broadband networks to provide subscribers with faster internet connection and introducing more affordable offerings. The Group's major competitors in this market are PLDT, Converge, and Sky Cable. Existing competitors, such as Converge, and new competitors, including potential satellite internet service providers such as Starlink, may also compete with the Company by offering broadband services in the Philippines through new technologies, such as near earth satellites (usually at distances of less than 1,000 kilometers from earth).

**Suppliers**

The Group works with both local and foreign suppliers and contractors. As of December 31, 2024, the Group had 622 local and 110 international active accredited suppliers. Equipment and technology required to render telecommunications services are mainly sourced from foreign countries. Globe's principal suppliers, among others, are as follows:

- [The Group's suppliers of mobile equipment include Huawei Technologies Co., Ltd. (China) and Nokia Corporation (Finland); and for transmission and IP equipment, the Group has partnered with Huawei Technologies Co., Ltd, (China), Nokia Corporation (Finland), NEC (Japan), ECI Telecom, Ltd. (Israel), Aviat Networks (USA), and Coriant (USA) (acquired by Infinera (USA) in 2018). For providing cell site backhaul via Very Small Aperture Terminal (VSAT), Globe has partnered with Gilat Satellite Networks, Inc. (Israel). For small cell access solutions for residential and enterprise, Globe has partnered with IP Access Inc. (United Kingdom).

- For fixed line and fixed broadband service, Globe's principal equipment suppliers include Huawei Technologies Co., Ltd. (China), FiberHome Telecom Tech (China), Nokia Corporation (Finland), Juniper Networks (USA), ZTE Corporation, and Tellabs (USA/Singapore).

- For WiFi service, Globe has partnered with Aruba Networks (USA) and Ruckus Networks (USA).

- For Network Management and Operational Support Systems, Globe's primary solutions providers include IBM (USA), Mycom OSI (United Kingdom), Incognito (Canada), Netcracker (USA), and Radcom (Israel), among others.

- For Globe's IT systems and infrastructure, Globe has also engaged Amdocs Limited for continuous enhancement of its services and operations. *Amdocs Intelligent Operations* will assist Globe in managing third-party systems and cloud management solutions. This includes modernizing and running IT operations for multiple lines of businesses, including prepaid and postpaid mobile services, fixed-line broadband, and enterprise services. Globe has also invested in a new digital infrastructure leveraging best-of-breed technologies from Cisco, Dell, EMC and Palo Alto. The new Globe cloud computing capabilities will host various platforms and systems in support of Globe's modernization program.]

**Customers**

As of September 30, 2025, the Group had approximately 63.1 million mobile subscribers (including fully mobile broadband), representing a year-on-year growth of 5%, comprising over 2.4 million *Globe Postpaid* and 60.7 million *Globe Prepaid* subscribers. Globe also has approximately 2.1 million home broadband customers and over 631 thousand fixed line voice subscribers.

The Group is not dependent on any single customer given the diversity of its customer base.

**Intellectual Property Rights**

The Group does not own any material intellectual property rights apart from its brand names and logos. The Group is not dependent on patents, intellectual property licenses or other intellectual property which are material to its business or results of operations, other than licenses to use the software that accompany most of the Group's equipment purchases and licenses for certain systems and solutions used internally and for business operations and licenses for content used in the value-added services of its wireless business.

The Group has registered several trademarks and brand names in the Philippines, and other countries, including, but not limited to, Australia, Taiwan, Japan, Singapore, Macau, Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Korea, Canada, China, Saudi Arabia, United Arab Emirates, Bahrain and Qatar. Globe has also filed an application for a patent in the Philippines.

**Permits and Licenses**

Globe and its subsidiaries are grantees of various authorizations and licenses from the NTC. See "*Regulatory and Environmental Matters*" for further details. The Group has the material permits and licenses necessary for the business of the Company, the pertinent details of which are provided in Annex [B] of this Prospectus.

The Group believe that it has all the material permits and licenses necessary for our business as currently conducted, which are valid and subsisting as of the date of this Prospectus, as confirmed by [·] in a legal opinion dated [·].

**Research and Development**

Globe incurred market research costs amounting to ₱112.49 million in 2024, ₱128.43 million in 2023, and ₱150.53 million in 2022.

**Property and Infrastructure**

***Properties***

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

The Group also owns several floors of condominium corporation Pioneer Highlands Towers 1 and 2, located at Pioneer Street in Mandaluyong City. In addition, the Group also owns host exchanges in the following areas: Bacoor, Batangas, Ermita, Iligan, Makati, Mandaluyong, Marikina, Cubao-Aurora, Roosevelt, and Fairview, among others. In addition, the Group also owns core network facilities nationwide, from Bacoor, Batangas, Carmona of South Luzon region; Tarlac, Cabanatuan, Talavera of North Luzon region; Lahug and Talisay of Visayas region; CDO, Iligan and Butuan of Mindanao region, and major sites in National Capital Region of Makati, San Juan, Cubao-Aurora, Canero. This is beside the nationwide presence of international cable stations of Nasugbu, Ballesteros and Davao.

Globe 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 throughout the Philippines.

Globe also owns a property located at 2279 Pasong Tamo Extension, Makati City, which it acquired on June 15, 2022 for approximately ₱5.5 billion. This property is envisioned to house future business expansions, in particular, its data center business.

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 Globe continues to expand its network, it 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 to the Audited Consolidated Financial Statements and Note 7 of the Unaudited Consolidated Financial Statements included in this Prospectus.

***Network Equipment***

As of end December 2024, Globe has a nationwide 2G, and 4G-LTE network providing nationwide voice, SMS and mobile broadband services. In addition, Globe has also launched 5G which provides fixed wireless broadband services and mobile broadband 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 Voice over Long-Term Evolution ("**VoLTE**") 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 Internet Protocol ("**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, the Group leverages a combination of copper (ADSL, VDSL 35B), fiber technologies (FTTx) as well as fixed wireless broadband technologies based on massive multiple-input and multiple-output ("**MIMO**") 4G-LTE and 5G.

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. NFV 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 NFV, Globe has deployed, in both its wireless and fixed broadband core network, virtualized network elements, including virtual unified service nodes (vUSN), virtual unified packet gateways (vUGW), virtual IP Multimedia Subsystem (vIMS), virtual DNS (vDNS), virtual Session Border Controller (vSBC)and virtual Home Subscriber Services (vHSS) nodes, which store and manage identities, authentication data, subscription information, and location information about 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 Networks" ("**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 three (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 are the Digital Microwave ("**MW**") Terrestrial networks 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.

***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 basis. Investments in cable systems include the cost of the Globe's ownership share in the capacity of certain cable systems under Construction and Maintenance Agreements (C&MA) or Indefeasible Right of Use ("**IRU**") Agreements.

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

- APCN2 – Asia Pacific Cable Network-2, a Trans-Asia cable system;
- C2C – City-to-City, a Trans-Asia cable system;
- SEA-ME-WE3 – Southeast Asia-Middle East-Western Europe 3;
- SJC – Southeast Asia Japan Cable System – connects Singapore, Brunei, Hong Kong, mainland China, Japan and the Philippines;
- TGN-IA – Tata Global Network–Intra Asia cable system - 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;
- SEA–US (Southeast Asia-United States) – Trans-Pacific cable that connects Philippines, Indonesia, Guam, Hawaii and the mainland United States; and
- AAG – Asia-America Gateway – connects Singapore, Malaysia, Thailand, Vietnam, Brunei, Hong Kong, and Philippines to Guam, Hawaii and California (investment through Globe's subsidiary Bayantel).
- Other Transpacific Cables to enhance diversity of routes to the U.S. – Unity, TGN-Pacific, FASTER, PC-1 (Pacific Crossing-1), TPE (Trans-Pacific Express) and Japan-U.S.

The Group opened its first international cable landing station located in Nasugbu, Batangas that directly accesses 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 has 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 Globe is not a consortium member or a private cable partner. These include capacities in East Asia Crossing (EAC) for Trans-Asia capacities as well as FASTER, UNITY and PC1 cable systems, to name a few, where Globe 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 Tran-Pacific.

On March 17, 2009, Globe formally opened its second international cable landing station in Ballesteros, Cagayan with Globe 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 September 30, 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 Globe'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 Corporation, 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 U.S.$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 the Globe cable landing station in barangay 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 to the United States.

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 around ~2,337kms of the 24 segments across the country from Luzon, Visayas and Mindanao, including key cities and tourism destinations. To date, 21 segments out of the 24 are currently serving Globe's domestic core backbone traffic from Luzon to VISMIN regions.

Meanwhile, in November 2022, Globe signed the C&MA and its Supply Agreement 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 Y2026, 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. 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 is already attracting the interest of hyperscalers, such as companies offering big data or cloud computing on a massive scale.

In addition, Globe signed a Memorandum of Understanding (MOU) with Hexa MYUS Sdn. Bhd., owner of the Malaysia-U.S. ("MYUS") cable system based in Malaysia, and designated Globe as MYUS cable system's Philippine landing partner to land the cable in Davao City. The MYUS cable system will be built with 16 fiber pairs along its backbone, and the infrastructure is scheduled to be finished by Y2028. MYUS Cable will provide the first direct fiber connectivity between Malaysia and the U.S., improving the speed of data transfer in Southeast Asia, including the Philippines. The MYUS cable system will begin from the Malaysian Peninsula near Sedili, crossing to Davao and the US territory of Guam as it travels onwards to the landing station in Florence, Oregon. In its path, the MYUS will also connect to Batam, Jakarta and Balikpapan in Indonesia.

**Employees and Labor Relations**

The Group had 6,662 active regular employees as of September 30, 2025, comprising 707 rank-and-file employees, 3,352 supervisory employees, 2,069 managerial employees, and 534 executives. Approximately 160 or 2.4% of the Group's regular employees are covered by a collective bargaining agreement ("**CBA**") through the Globe Telecom Employees' Union-Federation of Free Workers ("**GTEU**"). All employees are allowed to participate in the CBA, and through GTEU, all employees are informed of GTEU's mandate.

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 renewed their collective bargaining agreement for another five years, beginning March 2021.

**Legal Proceedings**

The Group 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. Also see "*Risk Factors – Risks Relating to the Group's Business – Globe has been and may be investigated under the PCA in the future*".

The following is a summary of certain legal proceedings involving Globe as of September 30, 2025:

*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 complied with as early as November 2011. On December 11, 2011, the NTC One Stop Public Assistance Center ("**OSPAC**") filed a complaint against Globe, 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 to:

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

On May 7, 2014, NTC denied the Motion for Reconsideration filed by Globe on December 5, 2012 in relation to the November 20, 2012 decision. On June 9, 2014, 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 NTC MC 02-10-2011. 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, which required telecommunications companies to cut their SMS rates and return the excess amount paid by subscribers. The Court of Appeals ruled that the NTC order was baseless as there is no showing that the reduction in the SMS rate is mandated under NTC MC No. 02-10-2011. Further, there is no showing, either that the present ₱1.00 per text rate is unreasonable and unjust, as this was not mandated under the memorandum. Moreover, under the NTC's own MC No. 02-05-2008, SMS is a value-added service 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 Supreme Court'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 ₱1.00 to ₱0.80 per text, and hence, should 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) which 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. While the decision is partially in Globe's favor, the decision provides 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 telecommunications carriers, filed their respective Motions for Partial Reconsideration on the pronouncement that "the Per Pulse Billing Scheme shall be the default". The petitioners and the NTC filed their respective Motions 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 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 rendering the case closed and terminated.

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

In a letter dated June 7, 2016 issued by the PCC to Globe, 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. 16-002 issued by the PCC. PCC MC No. 16-002 provides that before the implementing rules and regulations for R.A. 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 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 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 the 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 the alleged failure of PLDT and Globe 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 of 2015 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 of Appeals 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 of Appeals also reminded the other parties, PLDT and Globe, to likewise observe the sub judice rule. For this purpose, the Court of Appeals 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, the 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 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 Supreme Court 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 Supreme Court 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 Temporary Restraining Order.

On August 31, 2017, Globe received another Resolution of the SC en banc, requiring the PCC to file a Consolidated Reply to the Comments respectively filed by Globe and PLDT, within ten (10) days from notice.

On November 16, 2017, after several extensions of time were granted to the PCC, the Corporation through its external counsel, received a copy of the Consolidated Reply dated November 7, 2017 filed by the PCC.

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

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

See also "*Risk Factors - Risks relating to the Group's Business - Transactions conducted by the Group may be subject to review under the Philippine Competition Act*".

*Co-use of frequencies by PLDT/Smart and Globe 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., Bell Telecommunication Philippines, Inc., Globe, PLDT and Smart, which was docketed as G.R. No. 242352. The Petition sought to, among others, enjoin PLDT/Smart and Globe from co-using the frequencies assigned to Liberty Broadcasting Network, Inc. and Bell Telecommunication Philippines, Inc. in view of alleged irregularities in the 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 By-pass/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.

## SUBSIDIARIES AND JOINT VENTURES

The information below is a summary of select subsidiaries and joint ventures of the Group. For further details, please see the Audited Consolidated Financial Statements of the Group and "*—History*".

### ***Subsidiaries***

#### ***Innove***

Innove Communications Inc. ("**Innove**"), a wholly owned subsidiary of Globe, holds a license to provide digital wireless communication services in the Philippines. Innove also has a license that is valid until January 29, 2044 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.

#### ***Bayantel***

Bayan Telecommunications, Inc. ("**Bayantel**") is a provider of data and communications services such as dedicated domestic and international leased lines, frame relay services, internet access, and other managed data services like Digital Subscriber Lines ("**DSL**"). Globe owns 99% of Bayantel, a stock corporation organized under the laws of the Philippines and enfranchised under R.A. 11503 and its related laws to render domestic and international telecommunications services.

Bayantel'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 the "**Bayantel Group**").

R.A. 11503 extended the term of the franchise granted to Bayantel to establish radio stations for domestic telecommunications, radiophone, broadcasting and telecasting of Bayantel by twenty-five years from August 9, 2021.

#### ***GTI***

GTI Business Holdings, Inc. ("**GTI**") is a wholly owned subsidiary of Globe incorporated on November 25, 2008, primarily to acquire for investment and to sell properties, among others, provided that GTI shall not engage in the business of an investment company as defined under the Philippine Investment Company Act (Republic Act 2629).

##### *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.

##### *GTHK*

In December 2011, GTI incorporated a wholly owned subsidiary, Globe Telecom HK Limited ("**GTHK**"), a limited company organized under the Companies Ordinance of Hong Kong as a marketing and distribution company. GTHK is engaged in the marketing and selling of telecommunication products and services in the international market, except in the United States of America and the Philippines, under a distributor arrangement.

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 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.

*GTEU*

On May 10, 2013, GTI incorporated a wholly owned subsidiary, Globetel European Limited ("**GTEU**") as the holding company for the operating companies of the Group located in the United Kingdom, Spain, and Italy.

*GTSG*

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

*CaelumPacific Corporation ("**CaelumPacific**") and its subsidiaries (the "**Caelum Group**")*

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 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 engaging in 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 the U.S. 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 U.S.$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 U.S.$2.0 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 13.8 of the unaudited interim condensed consolidated financial statements). 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 and Subsidiaries***

Kickstart Ventures, Inc. ("**Kickstart**"), is a wholly owned subsidiary of Globe incorporated on March 28, 2012 to invest in individual, corporate, or start-up businesses, and to engage in research, technology development and commercialization 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 was included in the consolidation of the Group. 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 the date of this Prospectus.

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 Associates I, Ltd, 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 a third party venture capital investment fund, the AG Active Fund.

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

Kickstart Ventures, Globe's corporate venture capital arm, is one of the leading venture capital firms in the Philippines and Southeast Asia. As an innovation pathfinder, it has made investments in promising tech startups beyond the region including North America, Europe, and MENA. Kickstart manages two funds for Globe and advises the Ayala Corporation Technology Innovation Venture (ACTIVE) Fund, the largest fund to come out of the country. Across these three funds, Kickstart has made 71 investments in 9 countries, backing over 140 founders.

***Asticom and Subsidiaries***

Asticom Technology, Inc. ("**Asticom**") is a wholly owned subsidiary that is primarily engaged in the business of providing support and shared services of administrative functions to optimize the delivery of cost-effective and reliable services, and to provide information technology system integration and consultancy services and offshore development services and related services. Asticom was consolidated at the beginning of June 2014.

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. In March 2021, FINSI started commercial operations.

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.

***GCVHI and Subsidiaries***

Globe Capital Venture Holdings, lnc. ("**GCVHI**"), is a wholly owned subsidiary of Globe incorporated on June 29, 2015, 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 houses Globe Telecom's non-telecommunications 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's non-core business. AHI owns 100% of Adspark Inc. ("**Adspark**"), an advertising company. Adspark holds 100% of Socialytics Inc. ("**Socialytics**"), a social media marketing firm. In September 2021, AHI acquired 100% of Techgroowers Inc. ("**Techgroowers**"), an entity that will be used as a multi-channel communications platform that allows businesses to reach and engage their customers through SMS and OTT for promotional and transactional messaging purposes. On March 22, 2022, the SEC approved the amendment of the articles of incorporation of Techgroowers, changing its corporate name to M360, Inc. ("**M360**") and its primary purpose to engaging in the business of application-to-person ("**A2P**") messaging.

On February 4, 2020, GCVHI incorporated 917Ventures, Inc. ("**917VI**") 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.

***Tao***

TaoDharma, Inc. ("**Tao**"), is 67% owned by Globe. Tao was established to operate and maintain retail stores in strategic locations within the Philippines and is engaged in the buying, selling, distribution and marketing of telecommunications or internet-related services, as well as devices, gadgets and accessories, through the operation of retail stores.

***Yondu and Subsidiaries***

Yondu, Inc ("**Yondu**"), provides internet and mobile value-added services, electronic commerce related solutions, and information technology and technical services including software development and related services. It is registered with the DICT as content provider pursuant to Article II of Republic Act No. 27925, otherwise known as the Public Telecommunications Policy Act of the Philippines.

Yondu holds 100% of Rocket Search, Inc. (formerly Yondu Software Labs, Inc.), a company primarily engaged in providing IT products and services and engaged in IT placement services. On August 29, 2025, the SEC approved the shortening of Rocket Search's corporate term until December 31, 2026.

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, the ownership of CaelumPacific and Subsidiaries was transferred from Yondu, Inc. 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 ₱1,737.81 million (including cash and cash equivalents of ₱349.06 million, see Note 3 of the unaudited interim condensed consolidated financial statements) and ₱552.05 million, were reclassified as assets held-for-sale and liabilities held-for-sale, respectively, in Globe's consolidated statements of financial position as of September 30, 2025.

Yondu, while a distinct Cash Generating Unit, is not part of Globe's major lines 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 September 30, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

*TPBAI and Subsidiaries*

In August 2020, GTI entered into a share purchase agreement for the acquisition of 67% of Third Pillar Business Applications, Inc. ("**TPBAI**"). TPBAI is a business application consulting and systems integration company which focuses on delivering innovative enterprise solutions that help organizations boost sales, improve customer intimacy, ensure data integrity, and reduce annual spending. Third Pillar Global Delivery Center Inc. 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., a wholly owned subsidiary organized under the laws of Singapore, as part of TPBAI's expansion to the 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 13.8 of the unaudited interim condensed consolidated financial statements). The acquisition increased Yondu's ownership in Third Pillar to 100%.

***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 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.

***Joint Ventures***

***Investment in Vega***

On May 30, 2016, Globe Telecom's BOD, through its Executive Committee, approved the signing of a Sale and Purchase Agreement 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). 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 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.

**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 GXI and Fuse. GXI is registered with the Bangko Sentral ng Pilipinas (BSP) as a remittance agent and electric money issuer under the GCash brand. Fuse is the lending arm of Mynt with a financing license under the 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 14 of the unaudited interim condensed consolidated financial statements).

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.

Total revenues of Mynt amounted to ₱20.9 billion and ₱16.9 billion for the three-month period ended September 30, 2025 and 2024, and ₱60.8 billion and ₱43.6 billion for the nine-month period ended September 30, 2025 and 2024, respectively. Net Income of Mynt amounted to ₱4.3 billion and ₱3.7 billion for the three-month period ended and ₱15.2 billion and ₱9.7 billion for the nine-month period ended September 30, 2025 and 2024, respectively.

*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, amounting to ₱76.67 million was recognized in the consolidated 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. 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.

On August 5, 2025, the closing of the transaction and transfer of ownership were completed. Globe Telecom received cash amounting to ₱962.50 million.

Assets held-for-sale relating to Globe's interest in Mynt amounted to nil and ₱1,809.50 million, respectively, presented in the consolidated statements of financial position (See Note 1.17 of the unaudited interim condensed consolidated financial statements).

*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 September 30, 2025, Mynt has closed the three investment tranches and currently owns 24.5% of ABCSI.

***Investment in Globe STT GDC, Inc. (GSG, formerly known as KarmanEdge)***

Globe previously owned 100% interest in KarmanEdge and consolidated its net assets in the consolidated financial statements. KarmanEdge is engaged in installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities. Initial investment infused by Globe amounted to ₱100.00 million.

On May 19, 2022, the SEC approved the amendment of KarmanEdge's articles of incorporation which effectively changes its corporate name to Globe STT GDC, Inc.

*Sale of data center business*

On March 31, 2022, Globe formed a joint venture partnership with Ayala Corporation (AC), and ST Telemedia Global Data Centres (STT GDC). Under the agreement, both STT GDC and AC shall subscribe to new shares in KarmanEdge, Inc., a wholly owned subsidiary of Globe that houses its carved-out data center business. The capital infusion by the new partners resulted in a post-money valuation of ₱16,136.24 million. Subsequent to the execution of the share subscription agreement, Globe remained the largest shareholder with a 50% ownership, followed by STT GDC with 40% and AC taking up the balance. As part of the deal, Globe received cash proceeds amounting to ₱5,030.00 million.

The dilution of ownership interest resulted in a loss of control in KarmanEdge. Thereafter, the investment in KarmanEdge was accounted for as an investment in a joint venture since no single party controls the arrangement and approvals of all parties are required before a decision can be passed.

Globe accounted for this transaction as a sale of controlling interest of its data center business which resulted in a gain amounting to ₱10,511.95 million. The initial carrying amount of Globe's investment in KarmanEdge was measured at fair value amounting to ₱8,068.12 million, equivalent to 50% of the post-money valuation.

*Investment in TechGlobal*

On November 2, 2015, Innove and Techzone Philippines incorporated TechGlobal, a Joint Venture Company, formed to install, own, operate, maintain and manage all kinds of data centers and to provide information technology-enabled services and computer-enabled support services. Innove and Techzone hold ownership interest of 49% and 51%, respectively. TechGlobal started commercial operations in August 2017.

Dividends from TechGlobal amounted to ₱98.00 million in 2024.

*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.

*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.

*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.

*Others*

Globe has investments in non-telco businesses offering healthcare and digital solutions, among others, which are individually immaterial. Globe invested a total of ₱270.15 million, ₱515.26 million and ₱485.53 million of additional capital in 2024, 2023 and 2022, respectively.

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 14 of the unaudited interim condensed consolidated financial statements).

# REGULATORY AND ENVIRONMENTAL MATTERS

**Legislative Franchises and Licenses**

R.A. 7925 or the Public Telecommunications Policy Act of the Philippines provides that no person shall commence or conduct the business of being a public telecommunications entity, without first obtaining a franchise. In turn, a franchise can only be granted through a law duly passed by the Philippine Congress and approved by the Philippine President.

The Group currently has three valid and subsisting legislative franchises: R.A. 7229, R.A. 11151, and R.A. 11503 which will expire in 2030, 2045 and 2046, respectively, unless renewed by Congress. Globe's franchise is granted under R.A. 7229, while the franchise of Globe's subsidiary Innove Communications, Inc. is granted under R.A. 11151. Bayantel (previously named International Communications Corporation), a subsidiary of Globe, has a franchise under R.A. 11503.

R.A. 7229 approved the merger between Globe-Mackay Cable and Radio Corporation and Clavecilla Radio System and transferred to Globe the right to construct, maintain, and operate in the Philippines, stations for international telecommunications, excluding domestic telecommunications, and stations for broadcasting, including television. This franchise is to expire on December 24, 2030; however, it may be renewed by Congress through the passage of another law.

R.A. 11151 grants Innove Communications, Inc. the right, privilege, and authority to construct, establish, lease, install, co-use, purchase, operate and maintain all types of mobile and fixed wireless communications, including cellular, telephone system, broadband and internet services (such as, but not limited to, the transmission and reception of voice, data transmission, message service/messaging, electronic mail, data facsimile, audio and video, and all other improvements and innovations and convergence of services pertaining to or as may be applicable to mobile telecommunications technology) and use all the apparatus, conduits, appliances, satellites, antennas, transmissions, and equipment necessary for the transmission/reception of data, messages, videos, and signals, with the corresponding technological auxiliaries, facilities, distribution and relay stations, throughout the Philippines, as well as multi-channel microwave, fiber optic and satellite distribution systems that may be required for the purpose of linking together said mobile, fixed or convergent telecommunications network externally and internally to other mobile telecommunications networks and traditional wireline telephone systems, whether domestic or international, and generally, to provide by means of the telecommunications system a telephone service and such other telecommunications services as there may be demand for in the Philippines. R.A. 11151 is a renewal of R.A. 7372, the previous legislative franchise of Innove Communications, Inc. (then known as Isla Communications Co.), and renews the franchise for another 25 years from the date of the expiration of R.A. 7372. R.A. 7372 was enacted on April 10, 1992, and was set to expire 25 years after, or in the year 2017. Thus, R.A. 11151 is set to expire in the year 2042.

R.A. 11503 extended the term of the franchise to establish radio stations for domestic telecommunications, radiophone, broadcasting and telecasting of Bayantel by twenty-five years from August 9, 2021.

The Company is a grantee of various authorizations and licenses from NTC, including the following:

| Service | Type of License | Date Issued or Last Extended | Expiration Date |
|---|---|---|---|
| **Globe** | | | |
| Wireless | CPCN [1] | July 22, 2002 | December 24, 2030 |
| Local Exchange Carrier / Local Fixed Line | 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 6, 2021[4] |
| 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 |

| Service | Type of License | Date Issued or Last Extended | Expiration Date |
|---|---|---|---|
| International Cable Landing Station (Davao City, Davao del Sur) | CPCN | June 19, 2025 | June 14, 2030 |
| International Cable Landing Station (Luna, La Union) | CPCN | June 19, 2025 | June 18, 2030 ) |

| Innove | Type of License | Date Issued or Last Extended | Expiration Date |
|---|---|---|---|
| Wireless | CPCN (1) | December 14, 2018 | January 29, 2044 |
| Local Exchange Carrier / 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 |
| International Cable Landing Station (Claveria, Cagayan) | CPCN | June 19, 2025 | June 18, 2030 |

| Bayantel | Type of License | Date Issued or Last Extended | Expiration Date |
|---|---|---|---|
| Local Exchange Carrier / Local Fixed Line | | | |
| *(a) Quezon City, Malabon & Valenzuela, all in M.M., Albay, Camarines Norte, Camarines Sur, Catanduanes, Sorsogon & Masbate, all in Bicol Region* | CPCN (1) | July 19, 1999 | [August 9, 2046] |
| *(b) Manila, Caloocan, Navotas* | CPCN (1) | May 30, 2007 | August 9, 2046 |
| *(c) Tacloban City, Tanauan and Palo, Leyte & Sogod, Southern Leyte* | CPCN (1) | March 16, 1994 | August 9, 2046 |
| *(d) Leyte (Abuyog, Baybay, Burauen, Carigara, Dulag, Hilongos, Isabel, Palompon & Hilaga) Eastern Samar (Guiuan & Borongan) Western Samar (Catbalogan & Basey) Southern Leyte (Maasin)* | CPCN (1) | March 18, 2008 | August 9, 2046 |
| *(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(3) | November 18, 2004 | July 25, 2006 (2) |
| *(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* | PA(3) | November 18, 2004 | May 18, 2006 (2) |

| Bayantel | Type of License | Date Issued or Last Extended | Expiration Date |
| --- | --- | --- | --- |
| *de Oro City and Tagum City*<br>(g) *Butuan City, Agusan del Norte & Agusan del Sur* | PA [3] | June 27, 2002 | June 14, 2005[2] |
| 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] | April 10, 2008 | August 9, 2046 |

*Notes:*

(1) Certificate of Public Convenience and Necessity. The term of a CPCN is co-terminus with the franchise term.

(2) Motion for Extension of PA still pending with the NTC. No roll-out to justify the PA extension.

(3) Provisional Authority.

(4) Motion for Extension of the CPCN was filed on January 19, 2021. Unless NTC denies the motion, the CPCN is deemed extended.

(5) Motion for Extension of the CPCN was filed on April 13, 2021. Unless NTC denies the motion, the CPCN is deemed extended.

In July 2002, the NTC issued Certificates of Public Convenience and Necessity ("**CPCN**") to Globe and Innove (then named Islacom) which authorized such companies to operate telecommunications services co-terminus with their respective congressional franchises under R.A. 7229 (Globe) and R.A. 7372 (as amended by R.A. 11151; Innove). Globe and Innove were 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.

**Telecommunications Laws**

***Public Telecommunications Policy Act***

R.A. 7925, enacted in 1995, sets forth the functions, responsibilities and powers of the NTC and defines the parameters within which certain sectors of the communications industry could, over time, be deregulated.

The NTC was established in July 1979 as an independent regulatory body to oversee, administer and implement the policies and procedures governing the communications industry. The NTC is currently supervised by the DICT for policy and budgetary matters, but is largely independent in the performance of its quasi-judicial functions. The DICT is explicitly prohibited by law from interfering in the NTC's proceedings with respect to licensing, rate setting, dispute resolution and other matters requiring the adjudication of private rights. Decisions of the NTC may be appealed to the Court of Appeals. The NTC comprises three members with one commissioner and two deputy commissioners, all of whom are appointed by and serve at the pleasure of the President of the Philippines.

One of the NTC's most significant responsibilities is the granting of licenses to communications operators. The NTC thus has the authority to:

- establish and regulate communication services in the license areas;
- grant permits for the use of radio frequencies;
- sub-allocate series of frequencies of bandwidths to the specific services;
- establish and enforce the rules and standards related to the issued license; and
- make pronouncements that insure effective competition in the communications sector and encourage a larger and more effective use of communications.

Globe's primary regulator is the NTC under the provisions of the Public Service Act ("**CA 146**"), Executive Order ("**EO**") 59, EO 109, and R.A. 7925. Under these laws, Globe is required to do the following:

- 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 R.A. 7925.

- To observe the regulations of the NTC on interconnection of public telecommunications networks.

- To observe the provisions of EO 109 and R.A. 7925 which impose an obligation to roll out 700,000 fixed lines as a condition to the grant of its provisional authorities for the cellular and international gateway services.

The Company remains under the supervision of the NTC for other matters stated in CA 146 and R.A. 7925 and pays annual supervision fees and permit fees to the NTC.

R.A. 7925 also laid down the rights of communications users and set forth the principle that interconnection charges would, as far as possible, be negotiated through bilateral agreements of the parties involved.
R.A. 7925 applies to all public telecommunications entities in the Philippines, which it defines as any person, firm, partnership or corporation engaged in the provision of telecommunications services to the public for compensation.

The law also governs VAS providers, which it defines as an entity which, relying on the transmission, switching and local distribution facilities of the local exchange and inter-exchange operators, and overseas carriers, offers enhanced services beyond those ordinarily provided for by such carriers. The NTC is designated as the principal administrator of the law.

According to R.A. 7925, provided that it does not put up its own network, a VAS provider need not secure a franchise and shall be allowed to competitively offer its services and/or expertise, and lease or rent telecommunications equipment and facilities necessary to provide such specialized services, in the domestic and/or international market in accordance with network compatibility provided that prior approval of the NTC is secured to ensure that such VAS offerings are not cross-subsidized from the proceeds of their utility operations, other providers of VAS are not discriminated against in rates nor denied equitable access to their facilities and separate books of accounts are maintained for the VAS. However, a VAS provider is mandated to register with the NTC, which requires the submission of the following: application form and documents on system configuration, mode of operation, method of changing rates, and lease agreement with the PTE, among others. This law is relevant to Globe given that it is a VAS provider by reason of its broadband business.

Additionally, R.A. 7925 forwards the Constitutional mandate to democratize ownership of public utilities and requires all telecommunications entities with regulated types of services to make a bona fide public offering through the stock exchanges of at least thirty percent (30%) of its aggregate common stocks within a period of five (5) years from effectivity of the law or the entity's first start of commercial operations, whichever date is later.

***Department of Information and Communications Technology Act***

R.A. 10844, signed into law on May 23, 2016, recognizes the vital role of information and communication in nation-building. The DICT shall be the primary policy, planning, coordinating, implementing, and administrative entity of the Executive Branch of the government that will plan, develop, and promote the national Information and Communications Technology ("**ICT**") system development agenda. The law defines ICT as the totality of electronic means to access, create, collect, store, process, receive, transmit, present and disseminate information, while it defines the ICT sector as those engaged in providing goods and services primarily intended to fulfill or enable the function of information processing and communication by electronic means.

The DICT has the power, among others, to: (a) implement national policies that will promote the development and use of ICT with due consideration to the advantages of convergence and emerging technologies; (b) prescribe rules for the establishment, operation and maintenance of ICT infrastructures in unserved and underserved areas; and (c) to ensure and protect the rights and welfare of consumers and business users to privacy, security and confidentiality in matters relating to ICT, in coordination with agencies concerned, private sector and relevant international bodies.

The law abolishes the following agencies with their powers and functions, applicable funds and appropriation, records, equipment, property, and personnel transferred to the DICT: (a) Information and Communications Technology Office; (b) National Computer Center; (c) National Computer Institute; (d) Telecommunications Office; (e) National Telecommunications Training Institute; and (f) all operating units of the Department of Transportation dealing with communications.

The following agencies, on the other hand, are attached to the DICT and will continue to operate and function in accordance with the charters, laws or orders creating them insofar as not inconsistent with R.A. 10844: (a) NTC; (b) NPC; and (c) Cybercrime Investigation and Coordination Center.

The policy decisions and recommendations of the DICT may have an impact on Globe as a player in the ICT sector mainly due to its internet service provision, digitalization initiatives and telecommunications infrastructure.

DICT is also the government agency charged with the implementation of the common tower policy. The common tower policy allows multiple telecommunications networks to use the same telecommunications towers, resulting in faster rollouts and cheaper services for the public. The common tower policy is intended to deepen the wireless network capacity of the Philippines, in view of the growing number of mobile internet users and the constant rise of usage volume per mobile end user and mobile data traffic throughout the entire country. In line with the common tower policy, the DICT has issued the Rules on the Accredited Roll-Out of Common Towers in the Philippines, which provide for the use of DICT and other government-owned properties for the building of common towers. The Rules provide that a mobile network operator ("**MNO**") is encouraged to voluntarily share towers with other incumbent mobile network operators. The Rules allow independent common tower companies ("**ITCs**") to build common towers without a partnership with an MNO, on the condition that they secure a partnership with an MNO within six months from completion of its common tower. The MNO and ITC are to decide together which site provided by the DICT is suitable for the development of its common tower; the MNO would then communicate its intent to the DICT. ITCs which build common towers in DICT and other government-owned properties and which build facilities therein have access to the same for 15 years, extendible for another 15 years. MNOs may also voluntarily offer to convey existing tower resources to an allied company that will take charge of making possible the sharing of said tower resources with other MNOs and interested entities.

ITCs have various obligations under the Rules on the Accredited Roll-Out of Common Towers in the Philippines, including the obligations to (1) lease their telecommunications towers, including associated maintenance services, to access seekers for a specified lease term to be mutually agreed upon between the ITC and the telecommunications operator, without discriminating between and among access seekers; (2) comply with technical specifications required by the DICT; and (3) use model lease contracts that are uniform and available to all access seekers.

**Competition Law**

***Philippine Competition Act ("PCA")***

R.A. 10667 or the PCA authorizes the Philippine Competition Commission (the "**PCC**") to review mergers and acquisitions to ensure compliance with the PCA. The PCA, its Implementing Rules and Regulations, as amended, and the Rules on Merger Procedure (collectively, the "**Merger Rules**") provides for mandatory notification to the PCC of any merger or acquisition within 30 days of signing any definitive agreement relating to the transaction, where the transaction value exceeds ₱3.5 billion; and where the size of the ultimate parent entity of either party exceeds ₱8.5 billion. Parties may not consummate a notifiable transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules.

Parties may not consummate a notifiable transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is considered void and will subject the parties to a fine ranging from 1% to 5% of the value of the transaction. Anti-competitive agreements, as defined under the law, are subject to penalties that include: (a) a fine of not less than ₱50 million but not more than ₱250 million; and (b) imprisonment for two (2) to seven (7) years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱100 million to ₱250 million may be imposed on entities that engage in anti-competitive agreements, abuse their dominant position and conclude prohibited mergers and acquisitions. Treble damages may be imposed where the violation involves the trade or movement of basic necessities and prime commodities.

Any voluntary notification shall constitute a waiver to the exemption from review.

**Nationality Restrictions**

***Public Utilities***

Section 11, Article XII of the 1987 Philippine Constitution (the "**Philippine Constitution**") provides that a franchise, certificate, or any other form of authorization for the operation of a public utility must be granted only to corporations organized under the laws of the Philippines, at least 60% of the capital of which is owned by Filipino citizens. Furthermore, the participation of foreign investors in the governing body of the public utility enterprise is to be limited to their proportionate share in its capital, and all the executive and managing officers of the corporation must be Philippine citizens.

Under the Public Service Act or Commonwealth Act No.146 prior to its amendment, entities engaged in telecommunications were deemed operators of a public utility, as those engaged in public service include entities that own, operate, manage or control, in the Philippines, wired or wireless communications systems. Consequently, an entity engaged in telecommunications was required to comply with the nationality restrictions on foreign equity found in the Philippine Constitution.

In 2022, Republic Act No. 11659 ("**R.A. No. 11659**") was enacted to introduce amendments to the Public Service Act. Under the Public Services Act, as amended, foreign equity restrictions have been rationalized by providing a clear definition of "public utilities". The law defines a public utility as a public service that operates, manages or controls for public use any of the following:

(i) distribution of electricity;

(ii) transmission of electricity;

(iii) petroleum and petroleum products pipeline transmission systems;

(iv) water pipeline distribution systems and wastewater pipeline systems, including sewerage pipeline systems;

(v) seaports; and

(vi) public utility vehicles.

R.A. No. 11659, which took effect on April 9, 2022, classified telecommunications as "critical infrastructure" but not a public utility. As critical infrastructure, foreign nationals, whether natural or juridical, may own more than 50% of the capital stock of Globe provided that the country of such foreign national accords reciprocity to Philippine nationals as may be provided by foreign law, treaty, or international agreement. In the absence of reciprocity, foreign nationals of such country are only allowed to hold up to 50% of the capital of critical infrastructure. Under the Implementing Rules and Regulations of R.A. No. 11659, reciprocity shall be deemed satisfied if:

i. Philippine nationals are allowed to own more than 50% of capital stock in any activity related to agriculture, industry, and services in the home country of the foreign national; or
ii. If the home country of the foreign national allows Philippine nationals to invest the same value of capital in any economic activity related to agriculture, industry, and services.

Further, foreign state-owned enterprises may not make any new or additional investments in the capital of critical infrastructure.

**Land Ownership**

The ownership of land by foreign nationals is subject to restrictions provided under the Philippine Constitution and related statutes. Under Section 7, Article XII of the Philippine Constitution, in relation to Section 2, Article XII thereof, and Chapter 5 of Commonwealth Act No. 141, private land shall not be transferred or conveyed except to Filipino nationals or to corporations or associations organized under the law of the Philippines and whose capital is least 60% owned by Filipino nationals. A corporation with more than 40% foreign equity may be allowed to lease private land for a period of 25 years, renewable for another 25 years.

On September 3, 2025, R.A. 12252 or Investors' Lease Act took effect which allows foreign nationals investing in the Philippines to lease private lands with an aggregate period of lease contract not exceeding 99 years, provided the leased area shall be used soely for the approved and registered investment.

Globe acquires properties for purposes of its telecommunications infrastructure and must therefore comply with the above land ownership requirements under the law.

***Foreign Investments Act of 1991***

R.A. 7042 or the Foreign Investments Act of 1991 ("**FIA**") liberalized the entry of foreign investment into the Philippines. Under the FIA, foreigners can own as much as 100% equity in domestic market enterprises, except in areas specified in the Foreign Investment Negative List. This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. The FIA was amended by Republic Act No. 8179, which was signed into law on March 28, 1996, and was again amended by Republic Act No. 11647, which was signed into law on March 2, 2022 and took effect on March 17, 2022.

For the purpose of complying with nationality laws, the term "Philippine National" is defined under the FIA as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly owned by citizens of the Philippines;
- a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code of the Philippines, of which 100% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or
- a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

Restrictions under the Philippine Constitution require corporations engaged in the operation of public utilities to ensure at least 60% of its capital is owned by Filipinos. For as long as the percentage of Filipino ownership of the capital stock of the corporation is at least 60% of the total shares outstanding and voting, the corporation shall be considered as a Philippine national.

Pursuant to SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the FIA, and other existing laws, amendments thereto, and implementing rules and regulations of said laws, for purposes of determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

In the 2014 case of *Narra Nickel Mining and Development Corporation, et.al vs. Redmont Consolidated Mines Cor*p (G.R. No. 195580) and its corresponding motions for reconsideration (the "**Narra Nickel Case**"), the Supreme Court affirmed that the Grandfather Rule, wherein shares owned by corporate shareholders are attributed either as Filipino or foreign equity by determining the nationality not only of such corporate shareholders, but also such corporate shareholders' own shareholders, until the nationality of shareholder individuals is taken into consideration, is to be used jointly and cumulatively with the Control Test, which merely takes into account the nationality of the listed shareholders of the corporation. Such joint and cumulative application shall be observed as follows: (i) if the corporation's Filipino equity falls below 60.0%, such corporation is deemed foreign-owned, applying the Control Test; (ii) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (iii) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied. For as long as the percentage of Filipino ownership of the capital stock of the corporation is at least 60% of the total shares outstanding and voting, the corporation shall be considered as a wholly Filipino-owned corporation. Restrictions under the Philippine Constitution require corporations engaged in the operation of public utilities to ensure at least 60% of its capital is owned by Filipinos.

***Registration of Foreign Investments and Exchange Controls***

Under current BSP regulations, an investment in Philippine securities (such as the Offer Shares) must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and/or the remittance of dividends, profits and earnings derived from such shares is to be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance will be sourced outside the Philippine banking system, registration with the BSP is not required. BSP Circular No. 471 issued on January 24, 2005 subjects foreign exchange dealers and money changers to RA No. 9160 (the Anti-Money Laundering Act of 2001, as amended) and requires these non-bank sources of foreign exchange to require foreign exchange buyers to submit supporting documents in connection with their application to purchase foreign exchange for purposes of capital repatriation and remittance of dividends.

Registration of Philippine securities listed in the PSE may be done directly with a custodian bank duly designated by the foreign investor within two banking days of actual settlement or submission of proof of funding and actual investment. A custodian bank may be a universal or commercial bank or an offshore banking unit registered with the BSP to act as such and appointed by the investor to register the investment, hold shares for the investor, and represent the investor in all necessary actions in connection with his investments in the Philippines.

Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately and in full through the Philippine banking system, net of applicable tax, without need of BSP approval. On April 11, 2024, the Monetary Board approved amendments to the Manual of Regulations on Foreign Exchange Transactions ("**FX Manual**") to facilitate access to FX resources and streamline procedures. The amendments under BSP Circular No. 1192 includes, among others, allowing foreign investments registerable with registering authorized agent banks (e.g., non-resident investments in government securities, securities listed at the Philippine Stock Exchange) to be registered upon reporting by the registering authorised agent bank to the BSP, subject to compliance with the applicable guidelines under FX Manual, dispensing with the issuance of the *Bangko Sentral* Registration Document ("**BSRD**") for the aforesaid foreign investments registered with the BSP through the registering authorized agent banks; and streamlining the reporting forms/procedures pertaining to these foreign investments.

Pending reinvestment or repatriation, divestment proceeds, as well as dividends of registered investments, may be lodged temporarily in interest-bearing deposit accounts. Interest earned thereon, net of taxes, may also be remitted in full. Remittance of divestment proceeds or dividends of registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor's custodian bank.

The deadline on the report on outstanding balances for foreign investments registered with the BSP through authorized agent banks is quarterly, within 15 banking days after the end of the reference quarter. For the report on foreign direct investments registered with the BSP through authorized agent banks, the deadline is monthly, within five banking days after the end of the reference month.

The foregoing is subject to the power of the BSP, with the approval of the President of the Philippines, to suspend temporarily or restrict the availability of foreign exchange, require licensing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee during a foreign exchange crisis, when an exchange crisis is imminent, or in times of national emergency. Furthermore, there can be no assurance that the foreign exchange regulations issued by the BSP will not be made more restrictive in the future.

The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor.

**Data Privacy**

***Data Privacy Act***

R.A. 10173, otherwise known as the Data Privacy Act of 2012 ("**Data Privacy Act**"), governs the processing of all types of personal information (i.e., personal, sensitive, and privileged information) in the hands of the government or private natural or juridical persons through the use of ICT, which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. The law mandated the creation of a National Privacy Commission ("**NPC**"), which shall administer and implement the provisions of the Data Privacy Act and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The Data Privacy Act seeks to protect the confidentiality of "personal information", which is defined as "any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual". On the other hand, sensitive personal information refers to personal information:

(i) about an individual's race, ethnic origin, marital status, age, color, and religious, philosophical or political affiliations;

(ii) about an individual's health, education, genetic or sexual life or a person, or to any proceeding for any offense committed or alleged to have been committed by such person, the disposal of such proceedings, or the sentence of any court in such proceedings;

(iii) issued by government agencies peculiar to an individual which includes, but not limited to, social security numbers, previous or current health records, licenses or its denials, suspension or revocation, and tax returns; and

(iv) specifically established by an executive order or an act of Congress to be kept classified.

In general, the processing of sensitive personal information and privileged information is prohibited except where: (1) the data subject has given his or her consent, specific to the purpose prior to the processing, or in the case of privileged information, all parties to the exchange have given their consent prior to processing; (2) the processing is provided for by existing laws and regulations; (3) the processing is necessary to protect the life and health of the data subject or another person, and the data subject is not able to give consent; (4) the processing is carried out for limited non-commercial purposes by public organizations and their associations for their *bona fide* members; (5) the processing is necessary for purposes of medical treatment, is carried out by a medical practitioner or a medical treatment institution, and an adequate level of protection of personal information is ensured; or (6) the processing is necessary for court proceedings or legal claims, or is provided to the government or a public authority.

Under the Data Privacy Act's Implementing Rules and Regulations ("**DPA IRR**"), the appointment of a Data Protection Officer ("**DPO**") is a legal requirement for all personal information controllers ("**PICs**") and personal information processors ("**PIPs**"). The DPO is accountable for ensuring the company's compliance with all data privacy and security laws and regulations.

A PIC may be a natural or juridical person who exercises control over the processing of personal data, including one who furnishes instructions to another person or entity to process personal data on its behalf. A PIP, on the other hand, refers to a person or body to whom a PIC may outsource the processing of personal data of a data subject.

A PIC or PIP is required to register the personal data processing systems, in accordance with the DPA IRR and other issuances of the NPC.

The PIC or PIP that employs fewer than two hundred fifty (250) persons, or the processes sensitive personal information of less than one thousand (1,000) individuals is not required to register unless it falls under any of the sectors enumerated in Appendix 1 of NPC Circular No. 17-01, in relation to Sections 5(c) and (d) thereof.

The Data Privacy Act provides criminal penalties and monetary sanctions for violations thereof. If the offender is a corporation, the penalty shall be imposed upon the responsible officers who participated in, or by their gross negligence, allowed the commission of the crime.

As an entity which processes and collects personal data pursuant to its business operations, the regulations of the NPC as well as the provisions of the Data Privacy Act are significant to Globe.

***Capital Markets Efficiency Promotion Act***

R.A. 1224 or the Capital Markets Efficiency Promotion Act ("**CMEPA**") provides updated applicable taxes on transactions, including transactions relating to issuance of securities to develop and deepen capital marktes competitive ness of the Philippines. The CMEPA took effect on July 1 2025.

Under CMEPA, a final tax of 10% is imposed on cash/andor property dividend actually or constructively received by an individual from a domestic corporation or from a joint stock company, insurance or mutual fund company, or on the share of an individual in the distributable net income after tax of a partnership (except a general professional partnership), of which the individual is a partner, or on the share of an individual in the net income after tax of an association, a joint account, or a joint venture or consortium taxable as a corporation of which the individual is a member or co-venturer.

For sale or exchange of shares of stock listed and traded through a local Stock Exchange, other than the sale by a dealer in securities, in lieu of capital gain tax, a tax at the rate of 1/10 of 1% of the gross selling price or gross value in money of the shares of stock sold, exchanged, or otherwise disposed is imposed on the seller or transferor. The tax on said sale is required to be collected and remitted to the Bureau of Internal Revenue within 5 banking days from the date of collection thereof. Further, true and complete return which shall contain a declaration of all the transactions effected through the taxpayer during the preceding week and of taxes collected by the said taxpayer and turned over to the BIR is required to be submitted on Mondays of each week to the secretary of the stock exchange, of which the taxpayer is a member.

For return on sales of shares of stock of a domestic corporation listed and traded in both local and foreign stock exchanges, the collection and remittance of the tax shall be in accordance with the rules promulgated by the Secretary of Finance, upon the recommendation of the Commissioner of Internal Revenue, however, the remittance of the said tax shall be made within a period not exceeding 10 banking days.

Any gain realized from the sale, exchange, or disposition of listed shares of stock by a dealer in securities licensed by the appropriate govenrment regulatory agencies to buy and sell securities, for the individual's own account in the ordinary course of business, shall be considered ordinary income.

Under CMEPA, original issuance of shares a documentary stamp tax at a rate of 75% of 1% of the par value of such shares of stock shall be imposed. In the case of the original issue of shares of stock without par value, the amount of the documentary stamp tax herein prescribed shall be based upon the actual consideration for the issuance of such shares of stock.

**KONEKTADONG PINOY ACT**

R.A.12234 or Konektadong Pinoy Act ("**KPA**") governs data transmission infrastructure and removes the barriers to competition in data transmission services. KPA removed the franchise requirement for data transmission industry participants ("**DTIP**"), the entities engaged in the provision of data transmission services as a form of economic activity. KPA lapsed into law on August 23, 2025.

Under KPA, DTIP are required to register with National telecommunications Commission ("**NTC**"). DTIPs must meet the NTC criteria in registering an industry participants in order to construct, operate, lease, or own networks or facilities, including radio transmitting and/or receiving stations for the provision of data transmission services. All DTIPs intending to use spectrum resources shall secure authorization from the NTC and be assigned or allowed access to such spectrum.

Within 2 years from registration, DTIPs shall secure a cybersecurity certification from a third-party organization based on the prevailing International Organization for Standardization (ISO) standards on information security management or such other minimum security standards identified by the DICT.

Duly registered DTIPs may deploy satellite technology and use associated spectrums in any or all segments of their broadband network without the need for a lease or rent capacity from PTEs. Prior authorization from either the DICT, for broadband networks, or the NTC, for broadcast providers and for services that do not involve broadband networks, shall not be required for direct access to satellite systems under this provision: Provided, That the terms and conditions, which include levels of access to any international fixed or mobile satellite system, shall be submitted by the DTIPs to the DICT or NTC, as applicable, for record purposes.

KPA prohibits the following acts:

a) Refusal to Plug and Play. - No access provider shall refuse access to digital infrastructure in the access list, except in cases of failure to pay open market fees for the access to the service and exposure to security risks detrimental to its technical operations as confirmed by the DICT;

b) Refusal to Give Information. - No access provider shall refuse or fail to make available to suppliers of data transmission services, on a timely basis, the technical information about its digital infrastructure and services in the access list and commercially relevant information that are necessary for the efficient provision of these infrastructure and services;

c) False Information and Material Misrepresentation. - No DTIPs shall supply false or incorrect information or commit material misrepresentation in relation to its compliance with the KPA. This prohibition shall also cover false advertising by DTIPs as to the products and services offered; and

d) Anti-competitive Cross-subsidization. - The NTC shall require separate books of accounts between different data transmissions segments to allow identification of costs and revenues for each segment. Any violation of this provision shall result in a presumption of anti-competitive cross-subsidization, which shall then be referred to the PCC for proper determination. Nothing herein shall prevent interconnecting networks from charging the appropriate cost-based compensation for the use of interconnection facilities.

In case of non-compliance with KPA,after due notice and hearing, for failure to comply with such performance standards, the non-compliant DTIP shall be subject to the following penalties:

(a) Any DTIP who fails to comply with the minimum performance standards set by the NTC shall pay a fine of at least Five thousand pesos (₱5,000.00) but not exceeding Two million pesos (₱2,000,000.00) per day of such default or violation, until the participant fully complies: Provided, That if the DTIP has a gross annual income not exceeding Ten million pesos (₱10,000,000.00), the imposable penalty shall be equivalent to one percent (1%) to two percent (2%) of its gross annual income; and

(b) An entity who fails to substantially comply with the NTC's performance standards for three (3) consecutive years shall, subject to due process, be removed from the registry of DTIPs and prohibited from rendering data transmission services;

A DTIP who fails to secure a cybersecurity certification shall be issued a suspension order of its operation until the DTIP is able to secure the required cybersecurity certification: Provided, That if the DTIP fails to comply with the cybersecurity certification requirement within 6 months from the issuance of such order, it shall, subject to due process, be removed from the registry of DTIPs and prohibited from rendering data transmission services.

An entity who engages in the prohibited acts shall suffer a fine of at least ₱300,000.00 but not exceeding ₱5,000,000.00: Provided, That if the DTIP has a gross annual income not exceeding ₱10,000,000.00, the imposable penalty shall be equivalent to 1%- 2% of its gross annual income, In cases of anti-competitive cross-subsidization, the imposable penalties shall be those provided under Republic Act No. 10667.

Further, a DTIP who commits at least 3 violations shall forfeit all its certificates, licenses, authorizations, rights, and awards issued in relation to its participation in the data transmission industry; and lastly, a DTIP who commits any other violation of KPA shall be penalized with a fine of at least ₱50,000.00 but not exceeding ₱2,000,000.00.

**Sustainability And Corporate Social Responsibility**

***Environmental Laws***

Network and telecommunications infrastructure constructed by Globe generally must comply with Philippine environmental regulations.

The Environmental Impact Statement ("**EIS**") System was established by virtue of Presidential Decree No. 1586. Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to undergo Environmental Impact Assessment ("**EIA**") to obtain an Environmental Compliance Certificate ("**ECC**") prior to commencement.

The Department of Environment and Natural Resources ("**DENR**"), through its regional offices or through the Environmental Management Bureau (the "**EMB**"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requirement for the issuance of an ECC, an environmentally critical project must submit an Environmental Impact Statement ("**EIS**") to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("**IEE**") to the proper EMB regional office.

In determining the scope of the EIS System, two factors are considered, namely: (i) the nature of the project and its potential to cause significant negative environmental impacts, and (ii) the sensitivity or vulnerability of environmental resources in the project area.

Specifically, the criteria used to determine projects covered by the EIS System are as follows:

(a) Characteristics of the project or undertaking:
   - (i) size of the project;
   - (ii) cumulative nature of impacts compared to other projects;
   - (iii) use of natural resources;
   - (iv) generation of wastes and environment related nuisance; and
   - (v) environment related hazards and risk of accidents.

(b) Location of the project:
   - (i) vulnerability of the project area to disturbances due to its ecological importance endangered or protected status;
   - (ii) conformity of the proposed project to existing land use, based on approved zoning or on national laws and regulations; and
   - (iii) relative abundance, quality and regenerative capacity of natural resources in the area, including the impact absorptive capacity of the environment.

(c) Nature of the potential impact:
   - (i) geographic extent of the impact and size of affected population;
   - (ii) magnitude and complexity of the impact; and
   - (iii) likelihood, duration, frequency, and reversibility of the impact.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the scoping agreement identifying critical issues and concerns as validated by the EMB, environmental risk assessment if determined necessary by the EMB during the scoping, environmental management program, direct and indirect consequences to human welfare and the ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Philippine government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the project's abandonment phase.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund when an ECC is eventually issued. In any case, the establishment of an Environmental Monitoring Fund must not occur later than the initial construction phase of the project. The Environmental Monitoring Fund must be used to support the activities of a multi-partite monitoring team, which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

***Sustainability***

Environmental, social, and governance ("**ESG**") is part of Globe's corporate strategy.

Sustainability in Globe is anchored on its Purpose, which is "Uplift Filipino Lives Everyday." By aligning with global sustainability frameworks, standards, and principles such as the United Nations' Sustainable Development Goals (UN SDGs) and UN Global Compact and industry sustainability ambitions, the company is able to collaborate with its stakeholders to deliver positive societal and environmental impact.

**Governance**

The Board, through its Executive Committee, Audit and Related Party Transactions Committee, Nomination and Governance Committee and Board Risk Oversight and Sustainability Committee (BROSC), provide oversight on sustainability-related matters, including climate-related risks, risk, governance and compliance. Annual presentations on ESG risks, opportunities, and impacts, coupled with progress reviews, ensure accountability. This top-down approach, where the Board establishes the strategic direction and approves ESG strategies, targets, and programs, reinforces the company's commitment to sustainable practices.

Globe's top management drives strategic goal-setting under the leadership of the President and CEO. The Chief Sustainability Officer champions the integration of sustainability principles across organization – aligning ESG commitments, policies, strategies, operations, targets, programs, and disclosures with global sustainability frameworks and sector-specific priorities. Key Officers lead the development and implementation of targeted ESG strategies and programs.

The Line Management, representing the business units, is responsible for executing the company's ESG strategy. Embracing a bottom-up approach, the company empowers employees to contribute to sustainability initiatives, while recognizing the importance of collaboration, business units work collectively to achieve ESG goals. Line Management also closely monitors emerging and material ESG issues.

**Strategy and Risk Management**

Globe proactively integrates sustainability into its strategic risk management framework through an annual enterprise-level risk assessment. This exercise, engaging top management and management committees across all business units, ensures that sustainability-linked risks are identified and addressed. Complementing this, the regular stakeholder engagement and biennial materiality studies provide valuable insights into evolving ESG risks and opportunities, and further strengthening our proactive approach. The results of the annual risk assessment and biennial materiality assessment informs Globe's corporate strategy.

To accelerate the adoption of sustainability across the company, the organization has integrated ESG metrics into its performance management. Ten (10%) percent of the total Corporate Balanced Scorecard is ESG-linked, incentivizing employees who meet or exceed their overall BSC targets. Executives and senior leaders also have an ESG-linked Key Performance Indicator (KPI), which has a 5% weight, in their Long-Term Incentive Plan, directly tying their long-term incentives to the successful achievement of these sustainability goals.

**Metrics and Targets**

Progress towards sustainability ambitions are disclosed in the Globe Sustainability website (https://www.globe.com.ph/about-us/sustainability.html) and in the annual Integrated Report (https://www.globe.com.ph/about-us/sustainability/integrated-report.html#gref). A snapshot of recent key ESG milestones are found below.

*Environmental*
In 2024, Globe made history as it became the first publicly listed company in the Philippines to get the Science Based Targets initiative's (SBTi) validation and approval of its near-term and net-zero science-based greenhouse gas (GHG) emission reduction targets. This commitment is aligned with the 1.5°C trajectory of the Paris Agreement. Furthermore, Globe is an active member of the international industry association GSMA's Climate Action Taskforce and Sustainability Network and contributes to industry-wide discussions and development of best practices in sustainability.

Net Zero Ambition

| **Sustainability Metric/Target** | **2023** | **2024** |
|---|---|---|
| Scope 1 and 2<br>Near term targets by 2030 from a 2021 base year<br>● 42% reduction in absolute Scope 1 and Scope 2 (market-based)greenhouse gas (GHG) emissions | 330,297.90 tCO2e | 230,009.34 tCO2e |
| Scope 3<br>Near-term targets by 2030 from a 2021 base year<br>● 25% reduction in absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel- and energy-related activities, use of sold products, and end-of-life treatment of sold products | 1,064,676.30 tCO2e | 664,922.00 tCO2escope 1 |

As of year-end 2024, Globe has exceeded its near term targets having achieved a 55.09% reduction in its Scope 1 and 2 emissions compared to its base year (2021) and 44.86% reduction in Scope 3 emissions (covered by SBTi near-term targets). Recalculation of base year GHG emissions inventory aligned with SBTi's Corporate Net-Zero Standard and Near-Term Criteria to commence within 2025-2026.

Externally assured 2025 Scopes 1, 2, and 3 data to be available to be available Q2 of 2026. Please visit https://www.globe.com.ph/about-us/sustainability/race-to-net-zero for more information.

| **Sustainability Metric/Target** | **Milestones** |
|---|---|
| Net Zero<br>Reach net-zero greenhouse gas emissions across the value chain by 2050 as approved by the Science Based Target initiative (SBTi)<br><br>Near Term:<br>● 42% absolute reduction target in Scope 1 and 2<br>● 25% absolute reduction target in Scope 3<br><br>Long Term:<br>● 90% absolute reduction target in Scope 1 and 2<br>● 90% absolute reduction target in Scope 3 | ● deployed over 38,000 green solutions which use cleaner fuel with lower emissions, consume less fuel, and provide energy-efficient heat removal (as of year-end 2024);<br>● 53 cell sites transitioned to renewable energy (RE) through on-site solar power (as of end 2024);<br>● 37 high-energy utilization sites operating on 100% renewable energy through power purchase agreements (as of October 2025). |

*Social*

| **Sustainability Metric/Target** | **Milestones** |
|---|---|
| Diversity, Equity, and Inclusion<br>● Foster an inclusive environment | ● total number of employees comprised of 56% of male employees and 44% of female employees in 2024<br>98.9% of individual contributor employees completed three or more learning |

| | |
|---|---|
| | ● and development (L&D) interventions aligned with Individual Development Plans (IDPs), TechCo, Digital4All, and functional competency development areas<br>● 41.9 average training hours of employees in 2024<br>● Zero fatalities and recorded 39 work-related injuries in 2024 |
| Digital Skills<br>● Promote digital skills to enable the digital-first Filipino | ● 12,000 students across 43 schools reached as of October 2025 for the Digital Thumprint Program, aimed towards providing digital skills |
| Online safety<br>● Block spam and scam messages, and URLs and domains containing Child Sexual Abuse or Exploitation Materials (CSAEM) | ● 484 million spam and scam messages blocked in the first half of 2025 and 87,624 SIM-related reports via StopSpam portal, resulting in 9,961 SIM deactivations on Globe's network and 77,065 blacklisted SIMs from other operators<br>● 248,552 URLs containing child sexual abuse and exploitation materials, including 8,385 AI generated materials, in partnership with local authorities and international watchdogs (as of 1H2025) |
| Community engagement<br>● Empowering Communities Towards Sustainable Development | ● 120K+ families aided and ₱53M raised to fight hunger under Globe's Hapag Movement with help from donors and partners<br>● ₱17.2 million raised through Globe Rewards to support various advocacies |

*Governance*

| **Sustainability Metric/Target** | **Milestones** |
|---|---|
| Responsible Business Culture<br>● Maintain ESG Ratings | ● Updated ESG-related policies: Anti-Bribery and Corruption, Environmental Sustainability Policy, Code of Conduct, Human Rights Policy Commitment, Diversity, Equity, and Inclusion Policy Commitment, Health and Safety, Sustainable Supply Chain Commitment, Supplier Code of Ethics, Responsible Management of Reorganization Commitment, Business Continuity Management, Tax Statement;<br>● Engaged givvable, a global AI-powered platform for supplier sustainability diligence– to provide information on the ESG performance of the top 300 vendors;<br>● Awarded Top 50 ASEAN Publicly Listed Companies, the Top 5 Publicly Listed Companies per Country (Philippines), and as an ASEAN Asset Class Publicly Listed Company at the ASEAN Corporate Governance Conference and Awards.<br>● Received the Five Golden Arrow Award for the fourth consecutive year during the ASEAN Corporate Governance Scorecard (ACGS) recognition ceremony from the Institute of Corporate Directors for Globe's outstanding domestic performance at the ACGS assessment. The Five Golden Arrow Award is currently the highest award to be given to Philippine telco companies. |

Globe achieved and maintains an MSCI ESG Rating upgrade to AA since 2023, signaling strong management of industry-specific risks. The company has also been a constituent of the prestigious FTSE4Good Index Series for 10 consecutive years and maintains Sustainalytics' Medium ESG Risk Rating. Furthermore, Globe holds the distinction of being the only telco in the Philippines with a Science Based Targets initiative (SBTi) validated net-zero ambition. This climate leadership is supported by its CDP Supplier Engagement Leader status (an A score)—the highest rating in this assessment—and a consistent CDP Climate B Score. Globe's sustainability strategy and programs were also affirmed by the 2025 International Finance Award for Best Practices, recognition by 2025 Standard Insights Consumer Choice Awards, and the only telco in the Philippines to be part of the TIME and Statista's Most Sustainable Companies in 2025.

Globe releases its integrated report annually and is prepared in reference to the Global Reporting Initiative (GRI) Standards, the principles of International Integrated Reporting Council (IIRC) <IR> Framework, and incorporates industry-specific metrics from Sustainability Accounting Standards Board (SASB). The climate-related disclosures are aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, as incorporated into IFRS S2. The report also considers guidance from the Securities and Exchange Commission (SEC) recommendations, specifically the Integrated Annual Corporate Governance Report (i-ACGR) and Sustainability Reporting Guidelines, United Nations Global Compact (UNGC) Communication of Progress, United Nations Sustainable Development Goals (UN SDGs), and GSMA ESG Metrics for Mobile. A UN Global Compact Participant since 2019, Globe is the first publicly listed Philippine firm with approved near- and long-term science-based targets under the SBTi.

**Corporate Law**

***Revised Corporation Code of the Philippines***

R.A. 11232 or the Revised Corporation Code, the general law which governs all Philippine corporations, including Globe, provides the following salient features:

(a) corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Revised Corporation Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the SEC that it elects to retain its specific corporate term under its current Articles of Incorporation;

(b) material contracts between Globe and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least 2/3 of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same;

(c) the right of stockholders to vote in the election of directors or trustees, or in shareholders' meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws. However, as to corporations vested with public interest, these votes are deemed available, even if not expressly stated in the corporate by-laws. The shareholders who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option; and

(d) in case of transfer of shares of listed companies, the SEC may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the SEC.

The Revised Corporation Code refers to the PCA in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the PCA thresholds.

**Intellectual Property**

***Intellectual Property Code***

Globe has registered several brand names with the Intellectual Property Office, the independent regulatory agency responsible for registration of patents, trademarks and technology transfers in the Philippines.

Globe has also filed an application for the following patent: "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".

Under the Intellectual Property Code of the Philippines, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office ("**IPO**") shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the registrant's ownership of the mark. A certificate of registration shall remain in force for an initial period of 10 years and may be renewed for periods of 10 years at its expiration.

Under the Intellectual Property Code, patentable inventions include any technical solution of a problem in any field of human activity which is new, involves an inventive step and is industrially applicable. It may be, or may relate to, a product, or process, or an improvement of any of the foregoing.

The patent application is to be published in the IPO Gazette together with a search document established by or on behalf of the IPO, citing any documents that reflect prior art, after the expiration of 18 months from the filing date or priority date. After publication of a patent application, any interested party may inspect the application documents filed with the IPO. The term of a patent shall be 20 years from the filing date of the application.

**Consumer Protection**

***Consumer Act of the Philippines***

R.A. 7394, otherwise known as the Consumer Act of the Philippines ("**Consumer Act**"), the provisions of which are principally enforced by the DTI, seeks to: (a) protect consumers against hazards to health and safety, (b) protect consumers against deceptive, unfair and unconscionable sales acts and practices; (c) provide information and education to facilitate sound choice and the proper exercise of rights by the consumer; (d) provide adequate rights and means of redress; and (e) involve consumer representatives in the formulation of social and economic policies.

This law imposes rules to regulate such matters as: (a) consumer product quality and safety; (b) the production, sale, distribution and advertisement of food, drugs, cosmetics and devices as well as substances hazardous to the consumer's health and safety; (c) fair, honest consumer transactions and consumer protection against deceptive, unfair and unconscionable sales acts or practices; (d) practices relative to the use of weights and measures; (e) consumer product and service warranties; (f) compulsory labeling and fair packaging; (g) liabilities for defective products and services; (h) consumer protection against misleading advertisements and fraudulent sales promotion practices; and (i) consumer credit transactions.

The Consumer Act establishes quality and safety standards with respect to the composition, contents, packaging, labeling and advertising of products and prohibits the manufacture for sale, offer for sale, distribution, or importation of products which are not in conformity with applicable consumer product quality or safety standards promulgated thereunder.

***Consumer Protection Guidelines***

The NTC has issued Memorandum Circular No. 05-06-2007, which provides the Consumer Protection Guidelines specifically applicable to public telecommunications entities such as Globe. The Consumer Protection Guidelines reiterate several subscriber rights, including the right of a subscriber to be treated equally as other similarly situated consumers; the right of subscribers to the confidentiality of their data, and to the use of their data only for purposes they have authorized; the right of a subscriber to be charged only in accordance with the terms and conditions the subscriber has agreed to; and many others. Non-compliance with the Consumer Protection Guidelines could lead to administrative and penal sanctions.

**Local Government**

***The Local Government Code***

R.A. 7160 or the Local Government Code of 1991 ("**LGC**") establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states that every local government unit ("**LGU**") shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, through its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Globe must also comply with LGU regulations.

**Labor Law**

Globe, as an employer, must comply with regulations covering all employers under Philippine law.

***Labor Code of the Philippines***

The Department of Labor and Employment or DOLE is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines ("**Labor Code**") and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

Department Order No. 174, Series of 2017 or the Rules Implementing Articles 106 to 109 of the Labor Code, as amended ("**D.O. 174**") was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labor Code. It has reiterated the policy that Labor-only Contracting is absolutely prohibited where: (a) (i) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision, work premises, among others; and (ii) the contractor's or subcontractor's employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (b) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. Subsequently, DOLE issued Department Circular No. 1, Series of 2017, clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, IT infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services, and back-office operations or support.

*Occupational Safety and Health Standards Law*

R.A. 11058 or the Occupational Safety and Health Standards Law mandates employers, contractors or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires giving complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency.

An employer, contractor or subcontractor who willfully fails or refuses to comply with the Occupational Safety and Health Standards shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

***Social Security System, PhilHealth and the Pag-IBIG Fund***

An employer or any person who uses the services of another person in business, trade, industry or any undertaking, is required under R.A. 8282 or the Social Security Act of 1997, to ensure coverage of employees following procedures set out by the law and the Social Security System ("**SSS**"). Under the said law, social security coverage is compulsory for all employees under 60 years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Employers are likewise required to ensure enrolment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the DOH tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of R.A. 7875 or the National Health Insurance Act of 1995, as amended by the R.A. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is an employer-employee relationship.

Under R.A. 9679 or the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997, must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund providing affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the Pag-IBIG Fund the respective contributions of the employees under the prescribed schedule.

***Labor Code Provision on Retirement Pay***

Presidential Decree No. 442, otherwise known as the Labor Code of the Philippines, as amended, provides that, in the absence of a retirement plan provided by their employers, private sector employees who have reached 60 years of age or more but not beyond 65 years of age (the latter being the compulsory retirement age for private-sector employees without a retirement plan), and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year.

For computing the retirement pay, "one-half month's salary" shall include all of the following: 15 days salary based on the latest salary rate; in addition, 1/12 of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

***DOLE Mandated Work-Related Programs***

Under R.A. 9165 or the Comprehensive Dangerous Drugs Act of 2002, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under R.A. 7877 or the Anti-Sexual Harassment Act of 1995, the employer will be solidarily liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding this, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000 nor more than ₱20,000, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, R.A. 8504 or the Philippines AIDS Prevention and Control Act of 1998 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

# MANAGEMENT

The Board of Directors is the Company's highest governance body and is responsible for establishing the Company's vision, mission, and strategic direction, as well as monitors the implementation of the corporate strategy and overall corporate performance of the Company to ensure transparency, accountability, integrity and fairness, and to protect the long-term interests of all stakeholders. The Board is supported by six Board committees to aid in the performance of its functions and responsibilities, which include the Executive Committee, Nomination and Governance Committee, Audit and Related Party Transactions ("**ARPT**") Committee, Compensation and Remuneration Committee, Finance Committee and Board Risk Oversight and Sustainability Committee ("**BROSC**"). The Board of Directors meets every quarter, or more frequently as required, to review and monitor the Group's financial position, operations and strategy. The Articles of Incorporation provide that the Board of Directors shall consist of 11 Directors. The Directors are elected at the annual shareholders' meeting and hold office for the ensuing year until the next annual meeting and until their respective successors have been elected and qualified.

The President and Chief Executive Officer has been elected as the sole executive director, while the other members are non-executive directors who are not involved in the day-to-day management of business. Among the board members are four independent non-executive directors, one of whom is appointed the lead independent director. The Company's independent directors, as defined in the Company's Manual of Corporate Governance, are independent of the Company, from Management and major/substantial shareholders and are free from any business or relationship that could materially interfere in their exercise of independent judgment in carrying out their responsibilities as directors. The Board of Directors has at least one female independent director, as part of the Company's implementation of its diversity policy.

The registered address for each of the Directors is The Globe Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig City, Philippines.

The following sets forth information regarding the Directors as of the date of this Prospectus:

| Office | Name | Age | Citizenship | Date of First Appointment | Tenure in years |
|---|---|---|---|---|---|
| Chairman and Director (Non-executive) | Jaime Augusto Zobel de Ayala | 66 | Filipino | March 1989 | 29 |
| President, Chief Executive Officer, and Director | Carl Raymond R. Cruz | 56 | Filipino | April 2025 | 1 |
| Co-Vice Chairman and Director (Non-executive) | Tan Mee Ling Aileen | 58 | Singaporean | April 2023 | 2 |
| Co-Vice Chairman and Director (Non-executive) | Cezar P. Consing | 66 | Filipino | April 2021 | 4 |
| Director (Non-executive) | Delfin L. Lazaro | 79 | Filipino | January 1997 | 28 |
| Director (Non-executive) | Ng Kuo Pin | 56 | Singaporean | October 2021 | 4 |
| Director (Non-executive) | Jaime Alfonso Antonio E. Zobel de Ayala | 35 | Filipino | November 2022 | 3 |
| Director (Non-executive and Lead Independent Director) | Cirilo P. Noel | 68 | Filipino | April 2018 | 7 |
| Director (Non-executive and Independent Director) | Natividad N. Alejo | 69 | Filipino | April 2023 | 2 |
| Director (Non-executive and Independent Director) | Ramon L. Jocson | 65 | Filipino | April 2023 | 2 |
| Director (Non-executive and Independent Director | Antonio Jose U. Periquet, Jr. | 65 | Filipino | April 2023 | 2 |

*Note:*

(1) Except for Jaime Augusto Zobel de Ayala and Jaime Alfonso Antonio E. Zobel de Ayala who are father and son, respectively, none of the Directors or executive officers are related to each other or any of the individuals that are substantial shareholders.

Certain information on the business and working experiences of the Directors is set out below:

*Jaime Augusto Zobel de Ayala, age 66, Filipino*

Mr. Zobel has been the Chairman of the Board of the Company since December 1996 and Director since March 1989. He is also the Chairman of the Executive Committee. Among other current positions, he is also a Director of Ayala Corporation since May 1987. He is the Chairman of Ayala Corporation since April 2006. He holds the following positions in publicly listed companies: Chairman of Globe Telecom, Inc., Ayala Corporation, Ayala Land, Inc. and Bank of the Philippine Islands. He is also the Chairman of Asiacom Philippines, Inc. and AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.).Outside the Ayala Group, he is a Director of Temasek Holdings (Private) Limited and a member of various business and socio- civic organizations in the Philippines and abroad, including the JP Morgan International Council, and JP Morgan Asia Pacific Council. He is a member of various advisory boards of Harvard University, including the Global Advisory Council, Asia Center Advisory Committee, and HBS Asia - Advisory Committee. He is a member of the Asia Business Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and Indo-Pacific Partnership for Prosperity. He is Co-Chairman of the US-Philippines Society, Trustee of Endeavor Philippines, and Trustee Emeritus of Eisenhower Fellowships.

He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 UN SDGs in business.

He graduated with a B.A. in Economics (Cum Laude) from Harvard College in 1981, obtained an MBA from the Harvard Graduate School of Business in 1987, and received an Honorary Degree of Doctorate in Management from Asian Institute of Management in 2024.

*Tan Mee Ling Aileen, age 58, Singaporean*

Ms. Tan has served as Director since April 25, 2023, as well as the Co-Vice Chair of the Board and if the Executive Committee and a member of the Compensation and Remuneration Committee. 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.

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.

*Carl Raymond R. Cruz, age 56, Filipino*

Mr. Cruz is a seasoned leader with over 30 years of experience in the fast-moving consumer goods (FMCG) industry, particularly in general management and marketing. Mr. Cruz is currently Globe's President and Chief Executive Officer. He is also a Director for Bridge Mobile Alliance, GLOBE STT GDC INC., Globe Fintech Innovations Inc., Asiacom Philippines, Inc. and AC Mobility Holdings Incorporated and Chairman of GTI Business Holdings, Inc., Innove Communications, Inc., Yondu 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.

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

*Delfin L. Lazaro, age 79, Filipino*

Mr. Lazaro, Filipino, 78, has served as Director since January 1997. His other significant positions include Chairman of Atlas Fertilizer & Chemicals Inc., Chairman and President of A.C.S.T. Business Holdings, Inc., 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.

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.

*Ng Kuo Pin, age 56, Singaporean*

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

*Jaime Alfonso Antonio E. Zobel de Ayala, age 35, Filipino*

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

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

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

*Cirilo P. Noel, age 68, Filipino*

Mr. Noel has served as the Lead Independent Director since April 17, 2018. He also serves as Member of the Nomination and Governance, Compensation and Remuneration, and Chairman of the Audit and Related Party Transactions Committee. Mr. Noel sits on the Board of the following companies: Chairman of Palm Concepcion Power Corporation, Juxtapose Ergo Consultus, Inc., and Confiar Land Corp. He is a member of the Board of Directors of Eton Properties, Inc. and Infinity Energy Trading Systems Pte. Ltd.,, and an Independent Director of, Transnational Diversified Group Holdings, and LH Paragon Group, Golden ABC as well as companies listed on the Philippine Stock Exchange, namely, San Miguel Foods and Beverage, Inc. as Lead Independent Director,, Security Bank Corporation as Chairman, and Independent Director of Robinsons Retail Holdings, and First Philippine Holdings Corporation.

As a certified public accountant (CPA) and lawyer, Mr. Noel's areas of expertise include international tax for inbound and outbound investments, tax advisory and planning, tax advocacy, litigation, investment and trade laws. He was, for many years, the Head of SGV's Tax Division. He was also a Senior Advisor to the Ernst & Young Global Limited (EY) Global Delivery Services (GDS) Philippines.

He is also a member of the Board of Trustees of St. Luke's Medical Center Quezon City and St. Luke's Medical Center College of Medicine. He sits as a board member of St. Luke's Medical Center-Global City and St. Luke's Foundation, Inc. He is also currently affiliated with the Makati Business Club, Harvard Law School Association of the Philippines, and Harvard Club of the Philippines.

He was a member of the Board of Directors of Philippine Airlines, PAL Holdings, Inc., and JG Summit Holdings. He was recognized as the 2019 Outstanding CPA by the Professional Regulations Commission for his distinguished contributions to the fields of accountancy, tax, and law. He held various positions in SGV & Co., including Chairman, Managing Partner, Vice Chairman & Deputy Managing Director, Head of Tax Division and Partner, Tax Services.

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

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

*Cezar P. Consing, age 66, Filipino*

Mr. Consing was elected as Director on April 20, 2021. He also serves as the Co-Vice Chairman of the Board, the Chairman of the Finance Committee, and the Co-Vice Chairman of the Executive Committee. He has been the President and CEO of Ayala Corporation since September 2022, and is the Chairman of ACEN Corporation, AC Logistics Holdings Corporation, AC Infrastructure Holdings, Inc., AC Industrial Technology Holdings Inc., AC Ventures Holding Corp., AC Mobility Holdings Incorporated, Globe Capital Venture Holdings, Inc., Philippine Dealing System Holdings Corporation, Philippine Dealing & Exchange Corporation, PCD Nominee Corporation, Philippine Depository & Trust Corporation and De La Salle - College of St. Benilde. He is the Vice-Chairman of Bank of the Philippine Islands, AC Energy and Infrastructure Corp., and Ayala Healthcare Holdings, Inc. He is also a Director of Globe Fintech Innovations, Inc., Asiacom Philippines, Inc., and ACEN International, Inc., as well as a Trustee ofthe Philippine-American Educational Foundation, Manila Golf Club Foundation and Philippine-Japan Economic Cooperation Committee, and a member of the Trilateral Commission. Prior to being President and CEO of Ayala Corporation, Mr. Consing was President & CEO of Bank of the Philippine Islands from 2013-2021. He was a Partner & Co-Head for Asia of the Rohatyn Group from 2004-2013. He was an investment banker with J.P. Morgan & Co. from 1985-2004. For 7 years, Mr. Consing was the Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He worked for the Bank of the Philippine Islands from 1981-1985. Mr. Consing has previously served as Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He has previously served as an independent director of Jollibee Foods Corporation, CIMB Group

Holdings Berhad and First Gen Corporation. Mr. Consing has previously served as a board director of the Asian Youth Orchestra, the US-Philippines Society, La Salle Greenhills, Endeavor Philippines, and International Care Ministries.

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

*Natividad N. Alejo, age 69, Filipino*

Ms. Alejo has served as Independent Director since April 25, 2023. She is the Chairperson of the Board Risk Oversight and Sustainability Committee, and a member of the Finance Committee and the Audit and Related Party Transactions Committee. She is also an experienced Mergers and Acquisitions professional supporting clients in achieving transformational initiatives in her current role as Managing Director of AlphaPrimus Advisors Inc. as well as in her previous role as the main M & A professional in BPI, leading the bank's various acquisitions and mergers from 1994 through 2006.

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

*Ramon L. Jocson, age 65, Filipino*

Mr. Jocson has served as Independent Director since April 25, 2023. He is the Chairman of the Nomination and Governance Committee, and a member of the Audit and Related Party Transactions Committee and the Board Risk Oversight and Sustainability Committee. He is also the Chairman of Bankware Asia, Pte. Ltd., a Singapore-based provider of Banking-as-a-Service (BaaS) solutions for financial institutions. Mr. Jocson is also an independent director of the Palawn Pawnshop Group and the Vice-Chairman of Sasonbi Solar, and a member of the National University of Singapore-Institute of Systems Science (NUS-ISS) Management Board.

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

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

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

*Antonio Jose U. Periquet, Jr., age 64, Filipino*

Mr. Periquet has served as Independent Director since April 25, 2023. He is the Chairman of the Compensation and Remuneration Committee and a member of the Audit and Related Party Transactions Committee and Board Risk Oversight and Sustainability Committee. He is also the Chairman of AB Capital & Investment Corporation, and Chairman of the Campden Hill Group, Inc. Mr. Periquet is also an independent director of the Albizia ASEAN Tenggara Fund, Universal Robina Corporation and JG Summit Holdings, Inc., and a director of the Philippine Investment Management, Inc., Globe Fintech Innovations, Inc., Semirara Mining and Power Corporation, and The Straits Wine Co., Inc. He is a Board Advisor to the ABS-CBN Corporation, DMCI Holdings, Inc., and the Tech for Good Institute (Singapore). He is also a member of the SEA Advisory Committee of British International Investments, a trustee of Lyceum University of the Philippines.

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.

**Officers**

The table below shows the name and position of the Company's key officers as of the date of this Prospectus:

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

*Notes:*

(1) Member, Board of Directors.

*Juan Carlo C. Puno, age 40, Filipino*

Mr. Puno 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. Mr. Puno also provides advisory support to the wider group, acting as the CFO and Treasurer of 917Ventures, as well as holding the Chairmanship position in ECPay, among other directorship posts.

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

*Renato M. Jiao, age 69, Filipino*

Mr. Jiao 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 development, 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 15 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, age 63, Filipino*

Ms. Eclipse is Globe's Chief Transformation and Operations Officer (CTOO), and Head of the Office of Strategy Management. Ms. Eclipse was appointed as the Chief Customer Experience Officer in 2015 and Chief Transformation and Operations Officer in 2022. She has since led the Company's customer experience ("**CX**") transformation programs, improving the experience across all touch points, amidst digital transformation while instilling a company culture centered on treating customers right.

Globe has been recognized in the international CX community winning various categories in customer service in the Stevie Awards in the same year, including Gold Stevie for Best Use of Technology (All Industries), Silver Stevie in Innovation and Customer Service Team of the Year (Telecommunications), among other accolades. She has also earned their Gold accolade as Customer Service Executive of the Year. In 2016, she was cited by Global Telecoms Business as one of the Top 50 Women to Watch in the industry.

Under her leadership, Globe made great strides in CX with digital innovation and proactive care. She drives strategic programs that improve customer experience and eliminate customer pain points to live out Globe's Purpose of treating people right: customers, frontliners, employees, and partners.

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

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

*Vicente Froilan M. Castelo, age 61, Filipino*

Mr. Froilan M. Castelo 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.

*Raul M. Macatangay, age 53, Filipino*

Mr. Macatangay was appointed as Globe's Chief Information Officer ("**CIO**") with effect from May 1, 2022. As CIO, Mr. Macatangay works with Management and the different teams in Information Systems, Infrastructure Technology Services, and Enterprise Architecture to deliver their key mandates while enabling the business to achieve its commitments.

Prior to his appointment as CIO, Mr. Macatangay was the Vice President of the Financial Control team. A Globe rehire five years ago, 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.

*Maria Franchette M. Acosta, age 53, Filipino*

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

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

*Marisalve Ciocson-Co, age 55, Filipino*

Ms. Ciocson-Co is Globe's Chief Compliance Officer and Senior Vice President for Law and Compliance 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.

*Carmeli Pauline M. Briones, age 58, Filipino*

Ms. Briones 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.

*Darius Jose R. Delgado, age 52, Filipino*

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

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

*Maria Yolanda C. Crisanto, age 59, Filipino*

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

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

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

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

*Anton Reynaldo M. Bonifacio, age 43, Filipino*

Mr. Bonifacio 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.

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 with the Certified Information Security Manager Top Scorer Award for the December 2008 examinations. For over a decade, Mr. Bonifacio worked 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.

**Corporate Governance**

The Company revised its Manual on Corporate Governance ("**MCG**") in May 2017 in accordance with the SEC's Memorandum Circular No. 19, Series of 2016 or the Code of Corporate Governance for Publicly-Listed Companies. Updates thereto are aligned with international corporate governance ("**CG**") best practices espoused in the ASEAN Corporate Governance Scorecard ("**ACGS**"), established by the ASEAN Capital Markets Forum ("**ACMF**") in partnership with the Asian Development Bank ("**ADB**"). The MCG covers the Board's governance responsibilities, communication and information within the Company and with the stakeholders, internal control system and risk management framework, cultivating a synergic relationship with shareholders, and duties to stakeholders, among others. The Globe Charter of the Board and different Board Committee Charters among other company policies, also undergo regular review and updates as necessary, to ensure these remain aligned with the CG standards and principles adopted by the Company.

The Company recognizes the importance of good governance in realizing its vision, carrying out its mission, and living out its values to create sustainable value for all its stakeholders. The impact of global conditions and challenges further underscores the need to uphold the Company's high standards of CG to strengthen its structures and processes. The Board, together with management, fully understands that the CG proactive culture begins with the leaders of the Company. As strong advocates of fairness, accountability, transparency, integrity and sustainability in all aspects of the business, the Board, the Management, officers, and employees of the Company commit themselves to the principles and best practices of CG in the attainment of corporate goals aligned with the Company's strategic direction.

The thrust for a CG proactive business culture emanates from the Board, which as part of its functions and responsibilities, leads, develops and reviews the Company's strategic direction and business strategies regularly. The Board has committees, in accordance with the Company's By-Laws and MCG, to support it in the performance of its functions and to aid in CG responsibilities. These committees also serve as venues to discuss matters in relation to the specific responsibilities of each committee. Currently, the Board has six committees, namely: the Executive Committee, Nomination and Governance Committee, Compensation and Remuneration Committee, Audit and Related Party Transactions ("**ARPT**") Committee, Finance Committee, and Board Risk Oversight and Sustainability Committee ("**BROSC**").

Management is entrusted with implementation and close monitoring of Board-approved business strategies, and is likewise tasked to conduct the Company's business with the highest CG standards and business conduct. Members of Management are invited to report to and consult with the Board about business strategies and operations on a regular basis through Board meetings and different Committee meetings throughout the year. During Committee meetings, directors are able to conduct more detailed discussions with Management.

The Company is in full compliance with the Code of Corporate Governance, all listing rules of the Philippine Stock Exchange and regulations issued by the SEC. The Company also adopts the ACGS to raise its CG standards and practices. An annual Certification of Compliance with the MCG is issued by the Chief Compliance Officer with the President and CEO. In January 2025, the Company, through its Chief Compliance Officer, issued the same and made this publicly available through the Company's website. Presently, the Chief Compliance Officer is Atty. Marisalve Ciocson-Co. The Chief Compliance Officer coordinates with the SEC with respect to compliance requirements; monitors compliance with the MCG; and reports any governance-related issues to the Board.

As of the date of this Prospectus, the Company has not deviated from its MCG and is committed to best practices of CG in the attainment of corporate goals.

***Executive Committee***

The Executive Committee provides guidance to management in: (i) formulating the basic strategies for achieving targets set by the Board; (ii) putting in place the infrastructure for control and operational risk management systems that assess risks on an integrated cross-functional approach, and review and assess the adequacy of the Company's operational risk management process, specifically on strategic, technology, and operational risk, jointly with Management. This function shall include receiving from senior management periodic information on risk exposures and risk management activities; (iii) considering and/or completing mergers, acquisitions and strategic investments; and (iv) undertaking strategic projects and significant transformation initiatives that include corporate governance campaigns, regulatory compliance and sustainability programs. As of the date of this Supplement, the Executive Committee is composed of Jaime Augusto Zobel de Ayala (Chairman), Cezar P. Consing, Tan Mee Ling Aileen, Carl Raymond R. Cruz, and Ng Kuo Pin.

***Audit and Related Party Transactions Committee***

The Audit and Related Party Transactions Committee provides assistance to the Board in fulfilling its oversight responsibility to the shareholders relating to: (i) the integrity of the financial statements and the disclosures; financial reporting process and principles; (ii) internal controls; (iii) policies and processes on external/independent auditor's appointment, enhancing independence and audit quality, remuneration, and assessment of performance of the external auditors; (iv) adequacy and effectiveness of the internal audit function; (v) compliance with legal, regulatory, and corporate governance requirements; and (vi) assessment, review, approval and disclosure of related party transactions according to the Company's policy on related party transactions. As of the date of this Prospectus, the Audit and Related Party Transactions Committee is composed of Cirilo P. Noel (Chairman), Natividad N. Alejo, Ramon L. Jocson, and Antonio Jose U. Periquet, Jr.

***Compensation and Remuneration Committee***

The Compensation and Remuneration Committee provides assistance to the Board in governance matters relating to compensation and benefits of directors, key officers, personnel and other employees of the Company. As of the date of this Supplement, the Compensation and Remuneration Committee comprises Antonio Jose U. Periquet, Jr. (Chairman), Tan Mee Ling Allen, Jaime Alfonso Antonio E. Zobel de Ayala, Cirilo P. Noel, and Ramon L. Jocson.

*Nomination and Governance Committee*

The Nomination and Governance Committee provides assistance to the Board of Directors in relation to: (i) installing and maintaining a process to ensure that all directors to be nominated for election at the next regular annual stockholders' meeting have the qualifications and none of the disqualifications for directors stated in the Company's By-Laws, MCG and relevant laws, rules and regulations; (ii) selecting a mix of competent directors, each of whom can add value and create independent judgment as to the formulation of sound corporate strategies and policies; and (iii) previewing and evaluating the qualifications of all persons nominated to positions in the Company, which require appointment by the Board. As of the date of this Prospectus, the Nomination and Governance Committee is composed of Ramon L. Jocson (Chairman), Cirilo P. Noel and Antonio Jose U. Periquet, Jr.

*Finance Committee*

The Finance Committee oversees the Company's financial policy and strategy, including capital structure, dividend policy, acquisitions and divestments, treasury activities, tax strategy and compliance, retirement fund contributions, and financing proposals brought to the Board for approval. As of the date of this Prospectus, the Finance Committee is composed of Cezar P. Consing (Chairman), Natividad N. Alejo, and Ng Kuo Pin.

*Board Risk Oversight and Sustainability Committee*

The Board Risk Oversight Committee provides assistance to the Board in relation to risk governance of the Company, which include, among others: (i) ensuring that there is an effective, efficient and integrated risk management ("**RM**") process working in place; (ii) enabling the identification, analysis, and assessment of key risk exposures, its impact to the Company's strategic and business objectives, as well as the formulation of an effective RM strategy; (iii) cultivating of a sound organizational structure with an effective enterprise RM (ERM) framework working in place; (iv) establishing clear definition of risk-taking authority, ownership, accountability, and proper segregation of duties; and, (v) fostering a risk-aware culture that is pervasive throughout the Company, and ensure transparency in reporting of key risks to relevant stakeholders. As of the date of this Prospectus, the Board Risk Oversight Committee is composed of Natividad N. Alejo (Chairperson), Antonio Jose U. Periquet, Jr., Ramon L. Jocson, and Jaime Alfonso Antonio Zobel de Ayala.

**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.

**Significant Employee**

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

**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.

**Executive Compensation**

***Directors***

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

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

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

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

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

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

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

***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 ₱321 million in 2024 and ₱247 million in 2023. The projected total annual compensation for 2025 is ₱247 million.

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

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

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

[1] *CEO and Most Highly Compensated Executive Officers;*
[2]*All Other Executives*
[3]*Actual compensation represents paid salaries, bonuses and incentives and excludes accrued amounts.*
[4]*Corporate Disclosure for the appointment of Mr. Darius Jose R. Delgado as our Chief Commercial Officer (CCO) was submitted on 28 August 2024.*
[5]*Corporate Disclosure for the appointment of Mr. Juan Carlo C. Puno as Chief Financial Officer (CFO), Treasurer, and Chief Risk Officer (CRO) was submitted on 16 September 2024.*

**Other Arrangements**

The Company also 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)*

In November 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

The following are the stock grants to key executives and senior management personnel of Globe under the LTIP in the past three years:

| Date of Grant | Number of Grants at Grant Date |
|---|---|
| January 1, 2022 | 128,260 |
| January 1, 2023 | 208,970 |
| January 1, 2024 | 287,500 |

**Security ownership of certain record and beneficial owners (of more than 5%) of voting shares known to the Company as of September 30, 2025**

| Stockholders | Common | Percent of Common | Voting Preferred | Percent of Voting Preferred | Total Shares | Percent of Total Shares |
|---|---|---|---|---|---|---|
| Singapore Telecom International Pte. Ltd. | 67,379,310 | 46.64% | — | — | 67,379,310 | 22.24% |
| Ayala Corporation | 44,266,630 | 30.64% | — | — | 44,266,630 | 14.61% |
| Asiacom Philippines, Inc. | — | — | 158,515,021 | 100.00% | 158,515,017 | 52.32% |
| Directors, Officers, Employees | 1,218,011 | 0.84% | | 0.00% | 1,218,011 | 0.40% |
| Public | 31,604,573 | 21.88% | — | — | 31,604,573 | 10.43% |

**Security ownership of directors and management as of September 30, 2025**

*Directors*

| Title of class of outstanding shares | Name of beneficial owner | Amount and nature of beneficial ownership | | Citizenship | Percent of total outstanding shares(1) |
|---|---|---|---|---|---|
| Common | Jaime Augusto Zobel de Ayala | 3 | (direct & indirect) | Filipino | 0.00% |
| Common | Delfin L. Lazaro | 1 | (direct) | Filipino | 0.00% |
| Common | Tan Mee Ling, Aileen | 2 | (direct) | Singaporean | 0.00% |
| Common | Cezar P. Consing | 1 | (direct) | Filipino | 0.00% |
| Common | Natividad N. Alejo | 100 | (indirect) | Filipino | 0.00% |
| Common | Ng Kuo Pin | 2 | (direct) | Singaporean | 0.00% |
| Voting Preferred | Cirilo P. Noel | 1 | (direct) | Filipino | 0.00% |
| Voting Preferred | Ramon L. Jocson | 1 | (direct) | Filipino | 0.00% |
| Voting Preferred | Antonio Jose U. Periquet, Jr. | 32,486 | (direct & indirect) | Filipino | 0.01% |
| Voting Preferred | Carl Raymond R. Cruz | 1 | (direct) | Filipino | 00.0% |
| Common | Jaime Alfonso Antonio E. Zobel de Ayala | 1 | (direct) | Filipino | 0.00% |

*Note*:

(1) Total outstanding shares include Common Shares and Voting Preferred Shares.

*Officers*

| Title of class of outstanding shares | Name of beneficial owner | Amount and nature of beneficial ownership | | Citizenship | Percent of total outstanding shares(1) |
|---|---|---|---|---|---|
| Common | Jaime Alfonso Antonio E. Zobel de Ayala | | same as above | | |
| Common | Tan Mee Ling, Aileen | | same as above | | |
| Common | Cezar P. Consing | | same as above | | |
| Voting Preferred | Carl Raymond R. Cruz | | same as above | | |
| Common | Rebecca V. Eclipse | 47,288 | (direct & indirect) | Filipino | 0.02% |
| Common | Marisalve Ciocson-Co | 13,329 | (direct & indirect) | Filipino | 0.00% |
| Common | Vicente Froilan M. Castelo | 7,339 | (direct & indirect) | Filipino | 0.00% |
| Common | Renato M. Jiao | 42,808 | (direct & indirect) | Filipino | 0.01% |
| Common | Darius Jose R. Delgado | 2,584 | (direct) | Filipino | 0.00% |
| Common | Maria Yolanda C. Crisanto | 7,724 | (direct & indirect) | Filipino | 0.00% |
| Common | Raul M. Macatangay | 8,437 | (direct & indirect) | Filipino | 0.00% |

| | | | | | |
|---|---|---|---|---|---|
| Common | Carmeli Pauline M. Biones | 17,217 | (direct) | Filipino | 0.01% |
| Common | Juan Carlo C. Puno | 1,640 | (direct) | Filipino | 0.00% |
| Common | Anton Reynaldo M. Bonifacio | 3,400 | (direct) | Filipino | 0.00% |
| Common | Maria Franchette M. Acosta | 0 | none | Filipino | 0.00% |
| **Total** | | **151,766** | | | **0.05%** |

*Note*:

(1) Total outstanding shares include Common Shares and Voting Preferred Shares.

Except as disclosed above, the Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person, whether severally or jointly. There is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of the Company.

**Voting Trust Holders of 5% or More**

Globe knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

**Changes in Control**

No change in control in the Company has occurred.

**Foreign Ownership as of September 30, 2025**

| Security | Total Outstanding Shares | Shares Owned by Foreigners | Percentage |
|---|---|---|---|
| Common | 144,468,524 | 77,155,066 | 53.41% |
| Voting Preferred Shares | 158,515,021 | - | 0.00% |
| **Total** | **302,983,545** | **77,155,066** | **25.47%** |

## RELATED PARTY TRANSACTIONS

The Group engages from time to time in a variety of transactions with related parties. The Group has conducted transactions with related parties as it would in comparable arm's length-transactions with a non-related party and on a basis substantially as favorable to it as would be obtainable in such transactions. Parties are considered to be related to the Group if they have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group 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 the Group, and post-employment benefit plan which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

The members of the Group, in their regular conduct of business, enter into transactions with their major stockholders, AC and Singtel, associates, 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 the Group – AC and Singtel**

***Singtel***

*Interconnection agreements*

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

*Technical assistance agreement*

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

***AC***

*Subscription receivable*

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

*Costs reimbursements*

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

**Joint Ventures in which the Group is a Venturer**

***BMPL***

Globe Telecom has preferred roaming service contract with BMPL. Under this contract,

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

***Mynt***

*Management support services*

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

*Leases*

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

*Service agreement*

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

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

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

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

*Share Purchase Agreement*

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

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

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

***Globe STT GDC, Inc.***

*Management fees*

Globe renders certain management support services to Globe STT GDC. Management fees recognized in relation to the services rendered amounted to ₱36.56 million, ₱75.75 million and ₱83.14 million in 2024, 2023 and 2022, respectively.

*Reimbursement of expenses*

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

*Leases*

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

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

**Transactions with other related parties**

*Group Retirement Plan ("**GRP**")*

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

*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.x

*BEAM*

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

*Altimax*

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

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

*JVHI*

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

*Others*

The Group 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.

Transactions with Key Management Personnel of the Group

The Group's compensation of key management personnel by benefit type are as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | (in ₱ thousands) | | |
| Short-term employee benefits | ₱274,700 | ₱329,000 | ₱267,000 |
| Share-based payments | 78,800 | 80,200 | 73,400 |
| Post-employment benefits | 20,000 | 14,600 | 19,800 |
| **Total** | ₱373,500 | ₱423,800 | ₱360,200 |

The foregoing arrangements continue to be effective as of the reporting date. There are no agreements between the Group 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 Group's retirement plans.

The summary of balances arising from related party transactions for the year ended December 31, 2024 is as follows (in thousand Philippine Pesos):

***2024***

| | Amount of transaction | | | Outstanding Balance | | | | |
|---|---|---|---|---|---|---|---|---|
| | **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** | **Terms** | **Conditions** |
| **Entities with joint control over the Company** | | | | | | | | |
| Singtel | **₱250,336** | **₱217,487** | — | — | **₱27,066** | **₱149,473** | Interest-free, settlement in cash | Unsecured, no impairment |
| AC | **41,836** | **58,414** | — | — | **20,683** | **44,439** | Interest-free, settlement in cash | Unsecured, no impairment |
| **Jointly controlled entities** | | | | | | | | |
| BMPL | — | **39,210** | — | — | — | **4,595** | Interest-free, settlement in cash | Unsecured, no impairment |
| Mynt | **186,206** | **3,302,881** | — | **₱344,959** | **635,204** | — | Interest-free, settlement in cash | Unsecured, no impairment |
| Globe STT GDC, Inc. | **171,695** | **---** | **₱1,747,480** | — | **486,189** | **2,931,513** | Interest-free, settlement in cash | Unsecured, no impairment |
| **Other related parties** | | | | | | | | |
| GRP | **155,424** | — | — | — | **2,547,935** | — | 3-5 years, 4.25-6.00%, settlement in cash | Unsecured, no impairment |
| BEAM | — | **203,000** | — | — | — | — | — | — |
| JVHI | **81,340** | | — | — | **1,216,000** | — | 5-6 years, 5.94%-7.88% settlement in cash | Unsecured, no impairment<br>— |
| Key management personnel | — | **373,500** | — | — | — | — | — | — |
| Others | **618,651** | **215,277** | **83,837** | **245,941** | **105,200** | **26,879** | Interest-free excluding cash and cash equivalents, settlement in cash | Unsecured, no impairment |
| | **₱1,505,488** | **₱4,409,769** | **₱1,831,317** | **₱590,900** | **₱5,038,277** | **₱3,156,899** | | |



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Aside from the foregoing and the certain related party transactions disclosed in Note 19.1 of the Audited Consolidated Financial Statements located elsewhere in this Prospectus, the Group does not have any transactions with its directors, executive officers, security holders or members of their immediate family. Certain directors and executive officers of the Group also serve as executive officers of companies with which the Group does business. None of the Directors or executive officers has or had any interest in any of the Group's business transactions that are or were unusual in their nature or conditions or significant to the Group's business.

For further details regarding the Group's related party transactions, see Note 19.1 of the Audited Consolidated Financial Statements included elsewhere in this Prospectus.

## MARKET PRICE OF THE COMPANY'S STOCK AND RELATED STOCKHOLDER MATTERS

**Market Information**

The Company's Common Shares are listed and traded on the PSE under the 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.

The following table sets out, for the periods indicated, the high and low sales price for the Company's Common Shares as reported on the PSE:

| | High | Low |
|---|---|---|
| **2023** | | |
| 1st quarter | ₱2,250 | ₱1,722 |
| 2nd quarter | ₱1,864 | ₱1,685 |
| 3rd quarter | ₱1,937 | ₱1,731 |
| 4th quarter | ₱1,833 | ₱1,699 |
| **2024** | | |
| 1st quarter | ₱1,815 | ₱1,698 |
| 2nd quarter | ₱2,118 | ₱1,712 |
| 3rd quarter | ₱2,362 | ₱2,052 |
| 4th quarter | ₱2,472 | ₱2,006 |
| **2025** | | |
| 1st quarter | ₱2,300 | ₱2,096 |
| 2nd quarter | ₱2,238 | ₱1,672 |
| 3rd quarter | ₱1,748 | ₱1,492 |
| 4th quarter* | ₱1,648 | ₱1,445 |

**Up to the date of filing*

On November 28, 2025, the closing price of the Company's Common Shares on the PSE was ₱ [1,602.00] per Common Share.

The Notice of Approval was issued by the PSE on [•] approving the application for listing of the Offer Shares, subject to the fulfillment of certain listing conditions and the SEC's approval of the application for the Increase in ACS. The PSE assumes no responsibility for the correctness of any statements made or opinions expressed in this Prospectus. The PSE makes no representation as to its completeness and expressly disclaims any liability whatsoever for any loss arising from reliance on the entire or any part of this Prospectus. Such approval for listing is permissive only and does not constitute a recommendation or endorsement of the Offer Shares by the PSE.

**Holders**

There are approximately 3,447 holders of common shares and 5 holders of voting preferred shares as of [October 30, 2025.

The following are the top 20 registered holders* of the Company's securities as of [September 30, 2025]:

*Common Stock:*

| Rank | Name | No. of Ordinary Shares subscribed and paid-up | % of Ownership |
|---|---|---|---|
| 1 | Singapore Telecom International Pte. Ltd. | 62,646,487 | 43.36 |
| 2 | Ayala Corporation | 44,266,630 | 30.64 |
| 3 | PCD Nominee Corporation (Filipino) | 20,890,555 | 14.46 |
| 4 | PCD Nominee Corporation (non-Filipino) | 14,422,832 | 9.98 |
| 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 | Carmina 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 |

*Voting Preferred Shares:*

| Rank | Name | No. of Voting Preferred Shares subscribed and paid-up | % of Ownership |
|---|---|---|---|
| 1 | Asiacom Philippines, Inc. | 158,515,017 | 100.00 |
| 2 | Ramon L. Jocson | 1 | 0.00 |
| 3 | Cirilo P. Noel | 1 | 0.00 |
| 4 | Antonio Jose U. Periquet, Jr. | 1 | 0.00 |
| 5 | Carl Raymond R. Cruz | 1 | 0.00 |

As of September 30, 2025, the Company had 144,468,524 Common Shares outstanding and 158,515,021 voting preferred shares outstanding. Each of the Company's voting preferred shares is convertible to one common share starting at the end of the 10th year of the issue date of such preferred share and at a price to be determined by the Company's Board at the time of the issue, which shall not be less than the market price of the Common Shares less the par value of the preferred share (see Note 20.1 of the 2024 Audited Financial Statements for more information on the features of the Company's voting preferred shares). The shareholdings of the Company's directors, substantial shareholders and others (both direct and indirect) as of September 30, 2025 are set out in the table below. Tables include the shareholdings of substantial shareholders as filed publicly with the PSE.

**Security ownership of certain record and beneficial owners (of more than 5%) of voting shares known to the Company as of September 30, 2025**

| Stockholders | Common | Percent of Common | Voting Preferred | Percent of Voting Preferred | Total Shares | Percent of Total Shares |
|---|---|---|---|---|---|---|
| Singapore Telecom International Pte. Ltd. | 67,379,310 | 46.64% | — | — | 67,379,310 | 22.24% |
| Ayala Corporation | 44,266,630 | 30.64% | — | — | 44,266,630 | 14.61% |
| Asiacom Philippines, Inc. | — | — | 158,515,017 | 100.00% | 158,515,017 | 52.32% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Directors, Officers, Employees | 1,218,011 | 0.84% | 4 | 0.00% | 1,218,015 | 0.40% |
| Public | 31,604,573 | 21.88% | — | — | 31,604,573 | 10.43% |

## Security ownership of directors and management as of September 30, 2025

*Directors*

| Title of class of outstanding shares | Name of beneficial owner | Amount and nature of beneficial ownership | | Citizenship | Percent of total outstanding shares(1) |
|---|---|---|---|---|---|
| Common | Jaime Augusto Zobel de Ayala | 3 | (direct & indirect) | Filipino | 0.00% |
| Common | Delfin L. Lazaro | 1 | (direct) | Filipino | 0.00% |
| Common | Tan Mee Ling, Aileen | 2 | (direct) | Singaporean | 0.00% |
| Common | Cezar P. Consing | 1 | (direct) | Filipino | 0.00% |
| Common | Natividad N. Alejo | 100 | (indirect) | Filipino | 0.00% |
| Common | Ng Kuo Pin | 2 | (direct) | Singaporean | 0.00% |
| Voting Preferred | Cirilo P. Noel | 1 | (direct) | Filipino | 0.00% |
| Voting Preferred | Ramon L. Jocson | 1 | (direct) | Filipino | 0.00% |
| Voting Preferred | Antonio Jose U. Periquet, Jr. | 32,486 | (direct & indirect) | Filipino | 0.01% |
| Voting Preferred | Carl Raymond R. Cruz | 1 | (direct) | Filipino | 00.0% |
| Common | Jaime Alfonso Antonio E. Zobel de Ayala | 1 | (direct) | Filipino | 0.00% |

*Note*:

(1) Total outstanding shares include Common Shares and Voting Preferred Shares.

*Officers*

| Title of class of outstanding shares | Name of beneficial owner | Amount and nature of beneficial ownership | | Citizenship | Percent of total outstanding shares(1) |
|---|---|---|---|---|---|
| Common | Jaime Alfonso Antonio E. Zobel de Ayala | | same as above | | |
| Common | Tan Mee Ling, Aileen | | same as above | | |
| Common | Cezar P. Consing | | same as above | | |
| Voting Preferred | Carl Raymond R. Cruz | | same as above | | |
| Common | Rebecca V. Eclipse | 47,288 | (direct & indirect) | Filipino | 0.02% |
| Common | Marisalve Ciocson-Co | 13,329 | (direct & indirect) | Filipino | 0.00% |
| Common | Vincente Froilan M. Castelo | 7,339 | (direct & indirect) | Filipino | 0.00% |
| Common | Renato M. Jiao | 42,808 | (direct & indirect) | Filipino | 0.01% |
| Common | Darius Jose R. Delgado | 2,584 | (direct) | Filipino | 0.00% |
| Common | Maria Yolanda C. Crisanto | 7,724 | (direct & indirect) | Filipino | 0.00% |
| Common | Raul M. Macatangay | 8,437 | (direct & indirect) | Filipino | 0.00% |
| Common | Carmeli Pauline M. Biones | 17,217 | (direct) | Filipino | 0.01% |
| Common | Juan Carlo C. Puno | 1,640 | (direct) | Filipino | 0.00% |
| Common | Anton Reynaldo M. Bonifacio | 3,400 | (direct) | Filipino | 0.00% |
| Common | Maria Franchette M. Acosta | 0 | none | Filipino | 0.00% |
| **Total** | | **151,766** | | | **0.05%** |

*Note*:

(1) Total outstanding shares include Common Shares and Voting Preferred Shares.

Except as disclosed above, the Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person, whether severally or jointly. There is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of the Company

### Dividends and Dividend Policy

Dividends declared by the Company on its stocks are payable in cash or in additional shares of stock. As a policy and as much as practicable, the Company observes a 30-day period for the payment of dividends to shareholders from the declaration date of such dividends.

Pursuant to the Company'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 Company's 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, which was applied starting the 2024 dividend declaration. The amended policy will provide the Company 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 the Company's dividend payout competitiveness compared to its regional peers. *See "**Dividend Policy**".*

*Dividend Declarations and Payments*

Cash dividends declared by the Company for the two most recent fiscal years and the nine months ended September 30, 2025, are as follows:

### Common Shares

| Declaration date | Dividend per Common Share (₱) | Total dividend amount[1] (₱ in thousands) | Outstanding Shares | Record date | Payment date |
|---|---|---|---|---|---|
| August 5, 2025 | 25.00 | 3,611,713 | 144,468,524 | August 19, 2025 | September 4, 2025 |
| May 9, 2025 | 25.00 | 3,611,713 | 144,468,524 | May 26, 2025 | June 5, 2025 |
| February 6, 2025 | 25.00 | 3,609,508 | 144,380,334 | February 20. 2025 | March 7 ,2025 |
| November 7, 2024 | 25.00 | 3,609,508 | 144,380,334 | November 21, 2024 | December 6, 2024 |
| August 6, 2024 | 25.00 | 3,609,508 | 144,380,334 | August 20, 2024 | September 5, 2024 |
| May 14, 2024 | 25.00 | 3,609,508 | 144,380,334 | May 28, 2024 | June 13, 2024 |
| February 6, 2024 | 25.00 | 3,605,716 | 144,228,604 | February 21, 2024 | March 7, 2024 |
| November 3, 2023 | 25.00 | 3,605,715 | 144,228,604 | November 17, 2023 | December 1, 2023 |
| August 11, 2023 | 25.00 | 3,605,715 | 144,228,604 | August 29, 2023 | September 8, 2023 |
| May 4, 2023 | 25.00 | 3,605,714 | 144,228,604 | May 18, 2023 | June 2, 2023 |
| February 6, 2023 | 25.00 | 3,601,514 | 144,060,544 | February 20,2023 | March 8, 2023 |

*Note*:

*(2) Cash dividends are computed based on the outstanding Common Shares as of a designated record date.*

*See "**Dividend Policy**".*

### Voting Preferred Shares

| Declaration date | Dividend per Voting Preferred Share (₱) | Total dividend amount[1] (₱ in thousands) | Outstanding Shares | Record date | Payment date |
|---|---|---|---|---|---|
| November 7, 2024 | 0.39 | 61,297 | 158,515,021 | November 21, 2024 | December 6, 2024 |
| November 3, 2023 | 0.32 | 50,027 | 158,515,021 | November 17, 2023 | December 1, 2023 |

*Note*:

*(2) Cash dividends are computed based on the outstanding Voting Preferred Shares as of a designated record date.*

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP. See "*Philippine Taxation — Tax on Dividends*".

**Recent Sales of Unregistered or Exempt Securities Including Recent Issuances of Securities Constituting an Exempt Transaction**

In November 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

The following are the stock grants to key executives and senior management personnel of Globe under the LTIP in the past three years:

| Date of Grant | Number of Grants at Grant Date |
|---|---|
| January 1, 2022 | 128,260 |
| January 1, 2023 | 208,970 |
| January 1, 2024 | 287,500 |

# THE PHILIPPINE STOCK MARKET

*The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company, the Underwriters or any of their respective subsidiaries, affiliates or advisors in connection with sale of the Offer Shares.*

## THE EXCHANGE

The PSE is the only stock exchange in the Philippines. It is one of the oldest stock exchanges in Asia, having been in continuous operation since the establishment of the Manila Stock Exchange in 1927. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor.

## BRIEF HISTORY

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulatory, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated on July 24, 1992 as a non-stock corporation by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor.

In June 1998, the SEC granted the PSE "Self-Regulatory Organization" status, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 8, 2001, the PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. Each of the 184 member-brokers was granted 50,000 shares of the new PSE at a par value of ₱1.00 per share. In addition, a trading right evidenced by a "Trading Participant Certificate" was immediately conferred on each member-broker allowing the use of the PSE's trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President. On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE's Main Board or the Small, Medium and Emerging Board. On April 3, 2013, the PSE issued Rules on Exchange Traded Funds ("**ETF**") which provides for the listing of ETFs on an ETF Board separate from the PSE's existing boards. Previously, the PSE allowed listing on the First Board, Second Board or the SME Board. With the issuance by the PSE of Memorandum No. CN-No. 2013-0023 dated June 6, 2013, revisions to the PSE Listing Rules were made, among which changes are the removal of the Second Board listing and the requirement that lock-up rules be embodied in the articles of incorporation of the issuer. Each index represents the numerical average of the prices of component stocks.

The PSE has an index, referred to as the PSEi (previously "**PHISIX**"), which, as of the date thereof, reflects the price movements of selected stocks listed on the PSE, based on traded prices of stocks from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective as of April 3, 2006, simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi is composed of 30 selected stocks listed on the PSE. In July 2010, the PSE's new trading system, now known as PSE Trade, was launched. In June 2015, the PSE Trade system was replaced by PSE Trade XTS.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and is based on internationally recognized corporate governance codes and best practices.

With the increasing calls for good corporate governance and the need to consistently provide full, fair, accurate and timely information, the PSE has adopted an online daily disclosure system to improve the transparency of listed companies and enhance access to such reports by the investing public. In December 2013, the PSE replaced its Online Disclosure System ("**OdiSy**") with a new disclosure system, the PSE EDGE, which was acquired from the Korea Exchange and is a fully automated system, equipped with a variety of features to (i) further standardize the disclosure reporting process of listed companies on the PSE, (ii) improve investors' disclosure searching and viewing experience and (iii) enhance overall issuer transparency in the market.

In January 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City, which currently houses the unified trading floors in Makati City and Pasig City. On March 22, 2018, the PSE completed a stock rights offering of 11,500,000 common shares which were offered at the price of ₱252.00 per share, or a total of ₱2,898,000,000. The proceeds of the stock rights offering were used to fund the acquisition of PDS and capital expenditure requirements of the PSE. As of [August 22, 2025], the PSE has an authorized capital stock of ₱120 million composed of 106 million common shares with a par value of ₱1.00 per share and 14 million preferred shares with a par value of ₱1.00 per share, of which [81,957,043] common shares are issued and outstanding.

The table below sets out movements in the composite index from 2005 to 2024, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

| Year | Composite Index at Closing | Number of Listed Companies | Aggregate Market Capitalization (in ₱ billion) | Combined Value of Turnover (in ₱ billion) |
|---|---|---|---|---|
| 2005 | 2,096.0 | 237 | 5,948.4 | 383.5 |
| 2006 | 2,982.5 | 240 | 7,172.8 | 572.6 |
| 2007 | 3,621.6 | 244 | 7,978.5 | 1,338.3 |
| 2008 | 1,872.9 | 246 | 4,069.2 | 763.9 |
| 2009 | 3,052.7 | 248 | 6,029.1 | 994.2 |
| 2010 | 4,201.1 | 253 | 8,866.1 | 1,207.4 |
| 2011 | 4,372.0 | 253 | 8,697.0 | 1,422.6 |
| 2012 | 5,812.7 | 254 | 10,930.1 | 1,771.7 |
| 2013 | 5,889.8 | 257 | 11,931.3 | 2,546.2 |
| 2014 | 7,230.6 | 263 | 14,251.7 | 2,130.1 |
| 2015 | 6,952.1 | 265 | 13,465.2 | 2,151.4 |
| 2016 | 7,629.7 | 268 | 14,438.8 | 1,929.5 |
| 2017 | 8,558.4 | 267 | 17,538.1 | 1,958.4 |
| 2018 | 7,466.0 | 267 | 16,146.7 | 1,736.8 |
| 2019 | 7,815.3 | 271 | 16,710 | 1,770.0 |
| 2020 | 7,139.7 | 274 | 15,888.9 | 1,770.9 |
| 2021 | 7,122.6 | 276 | 18,081.1 | 2,232.5 |
| 2022 | 6,566.4 | 286 | 16,560.0 | 1,790.0 |
| 2023 | 6,540.0 | 283 | 16,740.0 | 1,474.9 |
| 2024 | 6,528.8 | 283 | 20,007.6 | 1,494.9 |

*Source: PSE and PSE Annual Reports.*

**TRADING**

The PSE is a double auction market. Buyers and sellers are each represented by stock brokers. To trade, bid or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading day). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 p.m. for the morning session, and resumes at 1:30 pm and ends at 3:30 pm for the afternoon session, with a ten-minute extension during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed and such other days as may be declared by the SEC or the PSE, to be a non-trading day.

Minimum trading lots range from 5 to 1,000,000 shares depending on the price range and nature of the security traded. The minimum trading lot for the Company's Shares is 5 shares. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, whenever an order will result in a breach of the trading threshold of a security within a trading day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- In case the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price); otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE.

- In case the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C); otherwise, such order will be rejected by the PSE.

As of [September 30, 2025], there are [122] active PSE Trading Participants.

**NON-RESIDENT TRANSACTIONS**

When the purchase/sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three business days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

**SETTLEMENT**

The Securities Clearing Corporation of the Philippines ("**SCCP**") is a wholly owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on January 17, 2002. It is responsible for: (1) synchronizing the settlement of funds and the transfer of securities through delivery versus payment, as well as clearing and settlement of transactions of clearing members, who are also PSE Trading Participants; (2) guaranteeing the settlement of trades in the event of a PSE Trading Participant's default through the implementation of its "Fails Management System" and administration of the Clearing and Trade Guaranty Fund, and; (3) performance of risk management and monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a two-day rolling settlement environment, which means that settlement of trades takes place two days after transaction date (T+2). The deadline for settlement of trades is 12:00 noon of T+2. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE Trading Participant maintains a Cash Settlement Account with one of the ten (10) existing Settlement Banks of SCCP which are Asia United Bank Corporation ("**AUB**"), BDO Unibank, Inc. ("**BDO Unibank**"), China Banking Corporation ("**Chinabank**"), Deutsche Bank ("**DB**"), East West Banking Corporation ("**EW**"), The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), Maybank Philippines, Inc. ("**Maybank**"), Metropolitan Bank & Trust Company ("**Metrobank**"), Rizal Commercial Banking Corporation ("**RCBC**") and Union Bank of the Philippines ("**Unionbank**"). Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement ("**CCCS**") system on May 29, 2006. CCCS employs multilateral netting, whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

**SCRIPLESS TRADING**

In 1995, the PDTC, was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, BDO Unibank, RCBC, Metropolitan Bank & Trust Company, Deutsche Bank, UnionBank, The Hongkong and Shanghai Banking Corporation Limited, Maybank and Asia United Bank Corporation.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of PCD Nominee Corporation ("**PCD Nominee**"), a corporation wholly owned by the PDTC whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged into the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares to PCD Nominee will be recorded in the issuer's registry. This trust arrangement between the participants and PDTC through PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must execute the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP and into the PDTC system. Once it is determined on the settlement date (T+3) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the CCCS system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his stockholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedure of the PDTC for the upliftment of shares lodged under the name of PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are generally on the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee Corp. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

**AMENDED RULE ON LODGMENT OF SECURITIES**

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate, in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III, Part A of the PSE's Revised Listing Rules.

For listing applications, the amended rule on lodgment of securities is applicable to:

- the offer shares/securities of the applicant company in the case of an initial public offering;
- the shares/securities that are lodged with the PDTC, or any other entity duly authorized by the SEC in the case of a listing by way of introduction;
- new securities to be offered and applied for listing by an existing listed company; and
- additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof as follows:

- For new companies to be listed at the PSE as of July 1, 2009 the usual procedure will be observed but the Transfer Agent of the companies shall no longer issue a certificate to PCD Nominee Corp. but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the Depository Participants on listing date.
- On the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the issuer's registry as of confirmation date.

Further, the PSE apprised all listed companies and market participants on May 21, 2010, through Memorandum No. 2010-0246 that the Amended Rule on Lodgment of Securities under Section 16 of Article III, Part A of the Revised Listing Rules of the PSE shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the PSE.

**ISSUANCE OF STOCK CERTIFICATES FOR CERTIFICATED SHARES**

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

**AMENDED RULE ON MINIMUM PUBLIC OWNERSHIP**

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 10.0% of the listed companies' total issued and outstanding shares (i.e., exclusive of treasury shares), or at such percentage that may be prescribed by the PSE. For purposes of determining compliance with the MPO, shares held by the following are generally considered "held by the public": (a) individuals (for as long as the shares held are not of a significant size (i.e., less than 10.0%) and are non-strategic in nature; (b) trading participants (for as long as the shares held are non-strategic in nature); (c) investment and mutual funds; (d) pension funds; (e) PCD nominees if this account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then this shareholder is considered a principal stockholder); and (f) social security funds.

Listed companies that become non-compliant with the MPO on or after January 1, 2013 will be suspended from trading for a period of not more than six months and will automatically be delisted if it remains non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and documentary stamp tax.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 issued on December 1, 2017,

On August 4, 2020, the PSE issued Guidelines on MPO Requirement for Initial and Backdoor Listings, effective immediately. Under the guidelines, companies applying for initial listing through an initial public offering are required to have a minimum public offer size of 20% to 33% of its outstanding capital stock, as follows:

| Market Capitalization | Minimum Public Offer |
|---|---|
| Not exceeding ₱500 million | 33% or ₱50 million, whichever is higher |
| Over ₱500 million to ₱1 billion | 25% or ₱100 million, whichever is higher |
| Over ₱1 billion | 20% or ₱250 million, whichever is higher |

A company listing through an initial public offering is required to maintain at least 20% public ownership level at all times, whether the listing is initial or through backdoor listing. For companies doing a backdoor listing, the 20% MPO requirement shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business.

In accordance with the SEC Memorandum Circular No. 13 Series of 2017 issued on December 1, 2017, the MPO requirement on companies that undertake initial public offerings was increased from 10.0% to 20.0%, while existing publicly listed companies as of December 2017 remain to be subject to the 10.0% MPO. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20.0%, as applicable, of the listed companies' issued and outstanding shares, exclusive of any treasury shares. Pursuant to PSE Circular No. 2020-0076, the 20% MPO requirement will also apply to companies applying for listing by way of introduction and companies undertaking a backdoor listing. Notwithstanding such rules, however, real estate investment trusts must comply with the minimum of public ownership requirements prescribed by the REIT Act of 2009.

# PHILIPPINE TAXATION

*The following is a general description of certain Philippine tax aspects of the investment in the Offer Shares. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Offer Shares and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Offer Shares under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Offer Shares in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.*

*The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to invest in the Offer Shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special taxes.*

**EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF LOCAL AND NATIONAL OR FOREIGN TAX LAWS.**

The following is a general description of certain Philippine tax aspects of the investment in the Offer Shares. It is based on the present provisions of the Tax Code, as amended by Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion Law ("**TRAIN Law**"), which took effect on January 1, 2018, and Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act ("**CREATE Act**"), which took effect on April 11, 2021; Republic Act No. 12066, otherwise known as Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy ("**CREATE MORE Act**"), and Republic Act No. 12214, otherwise known as the Capital Markets Efficiency Promotion Act ("**CMEPA**"), which took effect on July 1, 2025 (TRAIN Law and CREATE Act, CREATE MORE Act, and CMEPA collectively, the "**Philippine Tax Code**"), and the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Prospectus, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis.

As used in this section, the term "**resident alien**" refers to an individual whose residence is within the Philippines and who is not a citizen thereof. A "**non-resident alien**" is an individual whose residence is not within the Philippines and who is not a citizen thereof. A non-resident alien who is actually in the Philippines for an aggregate period of more than 180 days during any calendar year is considered a non-resident alien engaged in trade or business in the Philippines"; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a non-resident alien not doing business in the Philippines. A "**domestic corporation**" is created or organized under the laws of the Philippines. A "**resident foreign corporation**" is a non-Philippine corporation engaged in trade or business in the Philippines. A "**non-resident foreign corporation**" is a non-Philippine corporation not engaged in trade or business in the Philippines but derives income from sources within the Philippines.

The Offer Shares are intended to be listed with the PSE on Issue Date.

*Corporate Income Tax*

A domestic corporation is subject to a corporate income tax of 25% of its taxable income (gross income less allowable deductions) from all sources within and outside the Philippines except, among others, (a) interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds, and similar arrangements as well as royalties from sources within the Philippines, which are subject to final withholding tax rate of 20%; and (b) interest income from a depository bank under the expanded foreign currency deposit system is exempt from all taxes. Relatedly, the CREATE MORE Act also extended the application of the lower 20% regular corporate income tax to registered business enterprises, whether domestic or resident foreign corporation, which enjoy enhanced business deductions.

A minimum corporate income tax of 2% of the gross income as of the end of the taxable year is imposed on a domestic corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the 2% minimum corporate income tax is greater than the corporate income tax due from such corporation.

Nevertheless, any excess of the minimum corporate income tax over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years. Furthermore, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation which suffers losses on account of a prolonged labor dispute, force majeure, or legitimate business reverses.

In addition, under the RE Law, a corporation engaged in the exploration, development, and utilization of RE resources and actual operation of RE systems or facilities is, after seven years of income tax holiday, entitled to pay a corporate tax at a rate of 10% of its net taxable income (as defined in the Tax Code), provided that the said corporation shall pass on the savings to the end-users in the form of lower power rates. However, under current rules implementing the RE Law, it is not clear on how the corporation can pass on the savings to end-users in order to avail of this preferential 10% tax rate.

*Tax on Dividends on the Offer Shares*

Cash and property dividends actually or constructively received from a domestic corporation by individual shareholders who are either Philippine citizens or resident aliens are subject to a final withholding tax at the rate of 10%. On the other hand, cash and property dividends actually or constructively received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a final withholding tax on dividends derived from Philippine sources at the rate of 20% of the gross amount, subject to applicable preferential tax rates under tax treaties in force between the Philippines and the country of domicile of such non-resident alien individual. Non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax on dividends derived from Philippine sources at the rate of 25% of the gross amount, subject, however, to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals.

Cash and property dividends received from a domestic corporation by another domestic corporation or by resident foreign corporations are not subject to tax. On the other hand, cash and property dividends received by a non-resident foreign corporation from a domestic corporation are subject to a 25% final withholding tax, which dividend tax rate may be reduced to 15% if the country in which the non-resident foreign corporation is domiciled allows a credit against the tax due from the non- resident foreign corporation, for taxes deemed to have been paid in the Philippines equivalent to 15%, which represents the difference between the regular income tax rate and the 15% tax rate on dividends. Moreover, the reduced dividend tax rate may be further minimized if tax treaty relief is available to the non-resident foreign corporation. Depending on the country of residence of the non-resident foreign corporation, with which the Philippines has an existing tax treaty, the tax rate may go as low as 10%.

Stock dividends distributed pro rata to any holder of the Offer Shares are not subject to Philippine income tax. However, the subsequent sale, exchange or disposition of the Offer Shares received as stock dividends by the holder is subject to either the capital gains tax or stock transaction tax. For the sale of domestic shares not traded through the PSE, a tax rate of 15% is imposed on net capital gains. On one hand, if the shares are listed and sold through the PSE, a tax rate of 1/10 of 1% of the gross value in money of the shares of stock is imposed in lieu of the net capital gains tax.

The Philippine tax authorities have prescribed certain procedures through Revenue Memorandum Order No. 014-21, for availment of tax treaty relief. Assuming the payments to be made by the Issuer are subject to withholding tax, a non-Philippine holder may avail of the lower withholding tax rates allowed under an applicable tax treaty with the Philippines by submitting to the Issuer the following: (a) duly accomplished BIR Form No. 0901 indicating the basis for the preferential tax treaty rate; (b) Tax Residency Certificate for the relevant period duly issued by the tax authority of the residence of the non-Philippine holder; (c) original consularized or apostilled Special Power of Attorney (SPA) of the signing officer; or SPA issued by the non-Philippine holder to his/her authorized representative, which shall expressly state and include the authority to sign the BIR Form No. 0901; and (d) the tax treaty and the relevant provision therein relied upon by the non-Philippine holder in availing of the lower withholding tax rates; and (e) such other documents as may be required by the BIR including the supporting documents required under RMO No. 14-2021.

In case the Company used the regular tax rates applicable under the Tax Code, non-resident foreign corporations or individuals who intend to obtain a confirmation of entitlement to treaty benefits may file a Tax Treaty Relief Application ("**TTRA**") with ITAD after it has received the dividends with supporting documents specified in RMO No. 14-2021 in relation to RMC No. 77-2021. If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits, and the non-resident may apply for a refund of excess withholding tax with the BIR within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the holder may be filed simultaneously with the tax treaty relief application.

However, because the refund process in the Philippines could be cumbersome, requiring the filing of an administrative claim and the possible filing of a judicial appeal, it may be impractical to pursue such refund.

**Sale, Exchange or Disposition of the Offer Shares**

*Capital Gains Tax*

Net capital gains realized from the sale, exchange, or disposition of the Offer Shares effected outside of the facilities of the PSE by a Filipino citizen, a resident alien, a non-resident alien doing business in the Philippines, a non-resident alien not engaged in trade or business in the Philippines, a resident foreign corporation or a non-resident corporation other than a dealer in securities during each taxable year are subject to a tax of 15% on net capital gains realized.

Non-resident foreign individuals and corporations may avail of preferential tax rates or exemptions provided under the applicable tax treaty. An application for tax treaty relief must be filed (and approved) by the Philippine BIR International Tax Affairs Division ("**ITAD**") in order to obtain such exemption under a tax treaty. A prospective investor should consult its own tax advisor with respect to the applicable rates under the relevant tax treaty.

Any subsequent transfer of Offer Shares shall not be recorded in the books of the Company unless the BIR certifies that the capital gains and documentary stamp taxes relating to the sale or transfer have been paid or, where applicable, tax treaty relief has been confirmed by the BIR ITAD in respect of the capital gains tax or other conditions have been met.

*Taxes on Transfer of Shares Listed and Traded at the PSE*

A sale, barter, exchange, or other disposition of the Offer Shares effected through the facilities of the PSE by a resident or a non-resident individual or by a domestic or foreign corporation, other than a dealer in securities, is subject to a stock transaction tax at the rate of 1/10 of 1% of the gross selling price or gross value in cash of the Offer Shares sold, bartered, exchanged, or otherwise disposed, unless an applicable treaty exempts such sale from the said tax. The said tax shall be paid by the seller or transferor. The stock transaction tax is classified as a percentage tax and is paid in lieu of capital gains tax. Gains on any such sale or disposition are not subject to income tax. In addition, a value added tax of 12% is imposed on the commission earned by the PSE-registered broker who facilitated the sale, barter, exchange, or disposition through the PSE, which is generally passed on to the client.

*Documentary Stamp Tax on the Offer Shares*

The original issuance of the Offer Shares is subject to a documentary stamp tax of 75% of 1% of the par value of the shares of stock issued.

The transfer of shares is subject to a documentary stamp tax of ₱1.50 for each ₱200.00, or a fractional part thereof of the par value of the shares transferred. However, the sale, barter, or exchange of the Offer Shares listed on the PSE, if made through the facilities of the PSE, shall be exempt from documentary stamp tax.[12]

The documentary stamp tax for the transfer of shares must be paid by the transferor of the Offer Shares. However, if such transferor enjoys exemption from the documentary stamp tax, the transferee who is not exempt shall be directly liable for the documentary stamp tax.

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[12] The exemption from documentary stamp tax of the sale, barter or exchange of shares of stock listed and traded through the local stock exchange was previously for a period of five (5) years from the effectivity of Republic Act No. 9243 dated February 17, 2004, or until March 20, 2009. However, on June 30, 2009, then President Gloria Macapagal-Arroyo signed Republic Act No. 9648, which permanently exempts the sale, barter or exchange of shares of stock listed and traded through the local stock exchange from the documentary stamp tax and was made retroactive to March 20, 2009.
The tax treatment of a non-resident holder of the Offer Shares in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such shareholder's particular situation. This Prospectus does not discuss the tax consideration on non-resident holders of the Offer Shares under laws other than those of the Philippines.

*Estate and Gift Taxes*

The transfer of Offer Shares upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien and regardless of residence, is subject to Philippine estate taxes at 6% of the net estate. Individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer Offer Shares by way of gift or donation are liable to pay Philippine donor's tax on such transfer at the rate of 6% of the of the total gifts in excess of ₱250,000.00 during the year.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. The estate and donor's taxes, however, shall not be collected in respect of intangible personal property, such as the Offer Shares: (a) if the deceased at the time of his death or the donor at the time of his donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

In case the Offer Shares are transferred for less than adequate and full consideration in money or money's worth, except if transferred in the ordinary course of business (*i.e.*, a *bona fide* transaction, at arm's length, and free from any donative intent), the amount by which the fair market value of the Offer Shares exceeded the value of the consideration may be deemed a gift and donor's taxes may be imposed on the transferor of the Offer Shares.

**Taxation Outside the Philippines**

Under Philippine law, the Offer Shares are considered as situated in the Philippines and any gain derived from their sale is entirely from Philippine sources; hence such gain is subject to Philippine capital gains tax and the transfer of such shares by gift (donation) or succession is subject to the donor's or estate taxes, each as described above. Sales or other dispositions of the Offer Shares through the facilities of the PSE by a resident or a non-resident holder, other than a dealer in securities, are, however, subject to a stock transaction tax at the rate of 0.6% of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, unless an applicable treaty exempts such sale from said tax.

## LEGAL MATTERS

All legal opinions/matters in relation to the relevant Tranche will be passed upon by the appointed counsels for such relevant Tranche.

## INDEPENDENT AUDITORS

The fiscal year of the Company begins on 1 January and ends on December 31, of each year.

The Audited Consolidated Financial Statements as of December 31, 2022, 2023, and 2024 and for the years ended December 31, 2022, 2023, and 2024 appearing in this Prospectus have been audited by Isla Lipana & Co., ("**Isla Lipana**") a Philippine member firm of the PwC network, independent auditors. The September 30, 2025 Unaudited Interim Condensed Consolidated Financial Statements appearing in this Prospectus have been reviewed by Isla Lipana & Co., a Philippine member firm of the PwC network, independent auditors, as set forth in their reports appearing herein.

Isla Lipana has acted as the Company's external auditor since 2020. Aldie P. Garcia is the current audit partner for the Company and has served as such since 2023. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period.

Isla Lipana has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. Isla Lipana will not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the approved aggregate fees to Isla Lipana for professional services rendered in respect of the audit of our historical financial statements and other non-audit services, excluding out-of-pocket expenses incidental to such services and excluding fees directly related to the Offer:

| | **2022** | **2023** | **2024** | **2025(1)** |
|---|---|---|---|---|
| **Audit Services (in ₱ mn)** | **₱15.73** | **₱17.02** | **₱17.34** | **₱18.19** |
| **Non-Audit Services (in ₱ mn)** | **6.38** | **5.21** | **0.95** | **2.95** |
| Other assurance services | *4.85*(2) | *2.85* | *0.32* | - |
| Tax services | - | - | - | *1.50* |
| All other services | *1.53* | *2.36* | *0.63* | *1.45* |
| **Total** | **₱22.11** | **₱22.23** | **₱18.29** | **₱21.14** |

***Note:***

*(1) As of September 30, 2025.*
*4.85Mn fees in 2022, previously presented as audit-related services, were transferred to non-audit services in compliance with SEC's Memorandum Circular No. 18, Series of 2024.*

## FINANCIAL INFORMATION

**Annex A –** Globe Telecom, Inc.'s Unaudited Interim Condensed Consolidated Financial Statements as of September 30, 2025

**Annex B –** Globe Telecom, Inc.'s Audited Consolidated Financial Statements as at December 24, 2024 and for each of the three (3) years ended December 31, 2022, 2023, and 2024.

Globe

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

+632.7972000

www.globe.com.ph

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY**
**FOR UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The management of Globe Telecom, Inc. and Subsidiaries ("Globe") is responsible for the preparation and fair presentation of the unaudited interim condensed consolidated financial statements including the schedules attached therein, as at September 30, 2025 and December 31, 2024 and for the three-month and nine-month periods ended September 30, 2025 and 2024, in accordance with Philippine Accounting Standards 34, Interim Financial Reporting, and for such internal control as management determines is necessary to enable the preparation of the unaudited interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unaudited interim condensed 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 unaudited interim condensed 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 reviewed the unaudited interim condensed consolidated financial statements of Globe in accordance with Philippine Standards on Review Engagements, and in its report to the stockholders, has expressed its conclusion on the fairness of presentation upon completion of such review.

**JAIME AUGUSTO ZOBEL DE AYALA**
Chairman of the Board

Signed this 7th day of November 2025

SUBSCRIBED AND SWORN to before me this NOV 07 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Jaime Augusto Zobel De Ayala | P5325092C | September 22, 2023 | September 21, 2033 |

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Page No. ; 25
Book No.; IV
Series of 2025

**ATTY. KRISTINE MARGARETTE M. BERROYA**
Notary Public for Taguig City
Appointment No. 138 (2024-2025)
Valid until December 31, 2025
PTR No. A-6509872/02-06-2025/Taguig
IBP O.R. No. 509750/01-15-2025/Pasig City
Roll of Attorney No. 67554
MCLE Compliance No. VIII-0017196/12-10-2024
28th Floor, The Globe Tower
32nd Street corner 7th Avenue
Bonifacio Global City, Taguig 1634

Globe Telecom, Inc.
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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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In preparing the unaudited interim condensed 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.

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The Board of Directors reviews and approves the unaudited interim condensed 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 reviewed the unaudited interim condensed consolidated financial statements of Globe in accordance with Philippine Standards on Review Engagements, and in its report to the stockholders, has expressed its conclusion on the fairness of presentation upon completion of such review.

**CARL RAYMOND R. CRUZ**
President and Chief Executive Officer

Signed this 6th day of November 2025

SUBSCRIBED AND SWORN to before me this NOV 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Carl Raymond R. Cruz | P6858489C | 09 Apr 2024 | 08 Apr 2034 |

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Series of 2024

**ATTY. KRISTINE MARGARETTE M. BERROYA**
Notary Public for Taguig City
Appointment No. 138 (2024-2025)
Valid until December 31, 2025
PTR No. A-6509872/02-06-2025/Taguig
IBP O.R. No. 509750/01-15-2025/Pasig City
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Globe

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY**
**FOR UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The management of Globe Telecom, Inc. and Subsidiaries ("Globe") is responsible for the preparation and fair presentation of the unaudited interim condensed consolidated financial statements including the schedules attached therein, as at September 30, 2025 and December 31, 2024 and for the three-month and nine-month periods ended September 30, 2025 and 2024, in accordance with Philippine Accounting Standards 34, Interim Financial Reporting, and for such internal control as management determines is necessary to enable the preparation of the unaudited interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unaudited interim condensed 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 unaudited interim condensed 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 reviewed the unaudited interim condensed consolidated financial statements of Globe in accordance with Philippine Standards on Review Engagements, and in its report to the stockholders, has expressed its conclusion on the fairness of presentation upon completion of such review.

**JUAN CARLO C. PUNO**
Chief Financial Officer, Treasurer and Chief Risk Officer

Signed this 6th day of November 2025

SUBSCRIBED AND SWORN to before me this NOV 0 6 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Juan Carlo C. Puno | P3069569B | 11 Oct 2019 | 10 Oct 2029 |

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Series of 2024

**ATTY. KRISTINE MARGARETTE M. BERROYA**
Notary Public for Taguig City
Appointment No. 138 (2024-2025)
Valid until December 31, 2025
PTR No. A-6509872/02-06-2025/Taguig
IBP O.R. No. 509750/01-15-2025/Pasig City
Roll of Attorney No. 67554
MCLE Compliance No. VIII-0017196/12-10-2024
28th Floor, The Globe Tower
32nd Street corner 7th Avenue
Bonifacio Global City, Taguig 1634

Isla Lipana & Co.

# Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors and Shareholders of
**Globe Telecom, Inc.**
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City

## Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Globe Telecom, Inc. and its subsidiaries (together, the "Group") as at September 30, 2025 and the related interim condensed consolidated statements of total comprehensive income for the three-month and nine-month periods then ended, and interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and notes, comprising material accounting policy information and other explanatory information. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with Philippine Accounting Standards (PAS) 34, *"Interim Financial Reporting"* as issued by the Philippine Financial and Sustainability Reporting Standards Council. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

## Scope of review

We conducted our review in accordance with Philippine Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Philippine Standards on Auditing (PSA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with PAS 34.

**Isla Lipana & Co.**

Aldie P. Garcia
Partner
CPA Cert. No. 107076
P.T.R. No. 0011459, issued on January 3, 2025, 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, 2025Makati City
November 6, 2025

# GLOBE TELECOM, INC. AND SUBSIDIARIES

Interim Condensed Consolidated Financial Statements
As of September 30, 2025 and December 31, 2024
For the periods ended September 30, 2025 and 2024

Globe

# GLOBE TELECOM, INC. AND SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Notes | September 30, 2025 (Unaudited) | December 31, 2024 (Audited) |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 3 | **₱27,728,379** | ₱21,353,659 |
| Trade receivables – net | 4 | **17,548,974** | 19,660,468 |
| Contract assets – net | 5.1 | **4,648,654** | 5,442,961 |
| Inventories and supplies – net | | **1,873,047** | 2,964,814 |
| Derivative assets – current | | **385,551** | 177,153 |
| Prepayments and other current assets | 6 | **23,817,192** | 19,970,116 |
| | | **76,001,797** | 69,569,171 |
| Assets classified as held-for-sale | 1.15, 7, 9, 10.2 | **5,985,147** | 7,648,795 |
| | | **81,986,944** | 77,217,966 |
| **Noncurrent Assets** | | | |
| Property and equipment – net | 7 | **359,923,032** | 352,115,098 |
| Intangible assets and goodwill – net | 8 | **18,303,215** | 20,130,902 |
| Right of use assets– net | 9.1 | **96,442,381** | 90,464,458 |
| Investments in joint ventures | 10 | **66,669,915** | 59,368,924 |
| Deferred income tax assets – net | | **1,869,812** | 1,971,459 |
| Derivative assets – net of current portion | | **5,572,968** | 5,041,998 |
| Other noncurrent assets | 6 | **25,985,424** | 27,325,318 |
| | | **574,766,747** | 556,418,157 |
| **TOTAL ASSETS** | | **₱656,753,691** | ₱633,636,123 |
| **LIABILITIES AND EQUITY** | | | |
| **Current Liabilities** | | | |
| Trade payables and accrued expenses | 11 | **₱77,605,785** | ₱78,107,332 |
| Loans payable – current | 12 | **22,202,462** | 26,349,796 |
| Lease liabilities – current | 9.2 | **8,575,791** | 8,175,643 |
| Deferred revenues - current | 5.2 | **6,154,151** | 6,049,750 |
| Provisions | | **4,104,460** | 3,393,957 |
| Income tax payable | | **812,102** | 902,334 |
| Derivative liabilities – current | | **432,722** | 573,005 |
| | | **119,887,473** | 123,551,817 |
| Liabilities classified as held-for-sale | 1.15 | **552,046** | - |
| | | **120,439,519** | 123,551,817 |
| **Noncurrent Liabilities** | | | |
| Loans payable – net of current portion | 12 | **231,288,990** | 223,110,113 |
| Lease liabilities – net of current portion | 9.2 | **118,448,195** | 107,932,231 |
| Deferred income tax liabilities – net | | **5,056,619** | 4,363,232 |
| Pension liabilities | | **3,656,582** | 2,826,848 |
| Deferred revenues – net of current portion | 5.2 | **447,236** | 644,855 |
| Other long-term liabilities | | **3,022,050** | 3,427,798 |
| | | **361,919,672** | 342,305,077 |
| **Total Liabilities** | | **482,359,191** | 465,856,894 |
| **Equity** | | | |
| Capital Stock | 13 | **9,016,001** | 9,011,592 |
| Additional paid in capital | | **54,862,551** | 54,568,560 |
| Cost of share-based compensation | | **877,122** | 871,722 |
| Capital securities | 13.3 | **29,977,639** | 29,977,639 |
| Other reserves | 13.8 | **(2,171,696)** | (2,269,627) |
| Treasury shares | 13.4 | **(10,000,000)** | (10,000,000) |
| Retained earnings | 13.7 | **91,783,911** | 85,588,481 |
| Equity attributable to equity holders of the Parent | | **174,345,528** | 167,748,367 |
| Non-controlling interest | | **48,972** | 30,862 |
| **Total Equity** | | **174,394,500** | 167,779,229 |
| **TOTAL LIABILITIES AND EQUITY** | | **₱656,753,691** | ₱633,636,123 |

*See accompanying Notes to Interim Condensed Consolidated Financial Statements.*

Globe

# GLOBE TELECOM, INC. AND SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME

| | Notes | Three-Month Period Ended September 30 2025 (Unaudited) | Three-Month Period Ended September 30 2024 (Unaudited) | Nine-Month Period Ended September 30 2025 (Unaudited) | Nine-Month Period Ended September 30 2024 (Unaudited) |
|---|---|---|---|---|---|
| | | *(In Thousand Pesos, Except Per Share Figures)* | | | |
| **REVENUES** | | | | | |
| Service revenues | | **₱41,488,212** | ₱41,783,727 | **₱121,676,451** | ₱124,009,417 |
| Nonservice revenues | | **2,876,520** | 3,335,212 | **9,913,984** | 10,734,775 |
| | 19 | **44,364,732** | 45,118,939 | **131,590,435** | 134,744,192 |
| **INCOME** | | | | | |
| Gain on sale and leaseback of telecom towers - net | 7 | **80,134** | 140,596 | **380,717** | 3,627,811 |
| Equity share in net income of joint ventures | 10 | **1,530,854** | 1,221,621 | **5,382,412** | 3,663,759 |
| Interest income | | **217,160** | 256,258 | **542,365** | 625,734 |
| Gain on disposal of property and equipment – net | | **96,911** | (163,993) | **130,684** | 241,308 |
| Other income – net | 14 | **365,146** | 501,046 | **3,215,794** | 1,225,749 |
| | | **2,290,205** | 1,955,528 | **9,651,972** | 9,384,361 |
| **COSTS AND EXPENSES** | | | | | |
| General, selling and administrative expenses | 15.1 | **18,130,298** | 18,743,558 | **53,392,602** | 55,255,588 |
| Depreciation and amortization | 15.2 | **13,551,984** | 12,540,699 | **39,981,833** | 37,301,436 |
| Finance costs | 15.3 | **4,145,716** | 3,794,046 | **12,105,366** | 10,511,036 |
| Cost of inventories sold | | **2,973,152** | 3,856,457 | **10,092,106** | 11,509,120 |
| Impairment and other losses | 15.4 | **901,660** | 730,566 | **3,137,584** | 2,965,028 |
| Interconnect costs | 20.1 | **522,680** | 415,507 | **1,373,238** | 1,186,758 |
| | | **40,225,490** | 40,080,833 | **120,082,729** | 118,728,966 |
| **INCOME BEFORE INCOME TAX** | | **6,429,447** | 6,993,634 | **21,159,678** | 25,399,587 |
| **PROVISIONS FOR INCOME TAX** | | | | | |
| Current | | **831,584** | 1,002,599 | **2,705,054** | 4,896,321 |
| Deferred | | **343,860** | (28,429) | **763,795** | (53,082) |
| | | **1,175,444** | 974,170 | **3,468,849** | 4,843,239 |
| **NET INCOME** | | **5,254,003** | 6,019,464 | **17,690,829** | 20,556,348 |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | | | |
| **Items that will be reclassified into profit or loss in subsequent periods:** | | | | | |
| Transactions on cash flow hedges – net | 13.8 | **(204,617)** | 85,296 | **111,764** | (521,187) |
| Exchange differences arising from translations of foreign investments | 13.8 | **153,865** | (211,918) | **10,657** | 98,207 |
| | | **(50,752)** | (126,622) | **122,421** | (422,980) |
| **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 | 13.8 | **35,071** | (41,395) | **16,003** | 108,327 |
| Remeasurement gain (loss) on defined benefit plan | 13.8 | **(684)** | - | **6,239** | (27,325) |
| | | **34,387** | (41,395) | **22,242** | 81,002 |
| **TOTAL OTHER COMPREHENSIVE INCOME (LOSS)** | | **(16,365)** | (168,017) | **144,663** | (341,978) |
| **TOTAL COMPREHENSIVE INCOME** | | **₱5,237,638** | ₱5,851,447 | **₱17,835,492** | ₱20,214,370 |

*(Forward)*

Globe

# GLOBE TELECOM, INC. AND SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME

| | Notes | Three-Month Period Ended September 30 2025 (Unaudited) | Three-Month Period Ended September 30 2024 (Unaudited) | Nine-Month Period Ended September 30 2025 (Unaudited) | Nine-Month Period Ended September 30 2024 (Unaudited) |
|---|---|---|---|---|---|
| | | *(In Thousand Pesos, Except Per Share Figures)* | | | |
| **Total net income attributable to:** | | | | | |
| Equity holders of the Parent | | **₱5,253,289** | ₱6,021,921 | **₱17,692,841** | ₱20,575,483 |
| Non-controlling interest | | **714** | (2,457) | **(2,012)** | (19,135) |
| | | **5,254,003** | 6,019,464 | **17,690,829** | 20,556,348 |
| **Total other comprehensive income (loss) attributable to:** | | | | | |
| Equity holders of the Parent | 13.8 | **(16,195)** | (171,296) | **143,405** | (335,729) |
| Non-controlling interest | 13.8 | **(170)** | 3,279 | **1,258** | (6,249) |
| | | **(16,365)** | (168,017) | **144,663** | (341,978) |
| **Total comprehensive income (loss) attributable to:** | | | | | |
| Equity holders of the Parent | | **5,237,094** | 5,850,625 | **17,836,246** | 20,239,754 |
| Non-controlling interest | | **544** | 822 | **(754)** | (25,384) |
| | | **₱5,237,638** | ₱5,851,447 | **₱17,835,492** | ₱20,214,370 |
| **Earnings Per Share** | | | | | |
| Basic | 16 | **₱33.97** | ₱39.29 | **₱115.29** | ₱135.25 |
| Diluted | 16 | **₱33.81** | ₱39.10 | **₱114.72** | ₱134.59 |
| Cash dividends declared per common share | 13.5 | **₱25.00** | ₱25.00 | **₱75.00** | ₱75.00 |

*See accompanying Notes to Interim Condensed Consolidated Financial Statements.*

# GLOBE TELECOM, INC. AND SUBSIDIARIES
## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Notes | Capital Stock (Note 13) | Additional Paid-in Capital | Cost of Share-Based Compensation | Capital Securities (Note 13.3) | Other Reserves (Note 13.8) | Retained Earnings | Treasury Shares (Note 13.4) | Total Equity Attributable to Parent | Non-controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | For the Nine-Month Period Ended September 30, 2025 (Unaudited) | | | | | | | | | |
| | | *(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 | | - | - | - | - | 143,405 | 17,692,841 | - | 17,836,246 | (754) | 17,835,492 |
| Dividends on Common Stock | 13.5 | - | - | - | - | - | (10,832,934) | - | (10,832,934) | - | (10,832,934) |
| Distribution on Capital Securities | 13.3 | - | - | - | - | - | (664,477) | - | (664,477) | | (664,477) |
| Share-based compensation | 15.1 | - | - | 303,800 | - | - | - | - | 303,800 | - | 303,800 |
| 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 September 30, 2025 | | ₱9,016,001 | ₱54,862,551 | ₱877,122 | ₱29,977,639 | (₱2,171,696) | ₱91,783,911 | (₱10,000,000) | ₱174,345,528 | ₱48,972 | ₱174,394,500 |

| | Notes | Capital Stock (Note 13) | Additional Paid-in Capital | Cost of Share-Based Compensation | Capital Securities (Note 13.3) | Other Reserves (Note 13.8) | Retained Earnings | Treasury Shares (Note 13.4) | Total Equity Attributable to Parent | Non-controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | For the Nine-Month Period Ended September 30, 2024 (Unaudited) | | | | | | | | | |
| | | *(In Thousand Pesos)* | | | | | | | | | |
| As of January 1, 2024 | | ₱9,004,030 | ₱54,268,520 | ₱802,701 | ₱29,977,639 | (₱1,333,253) | ₱77,149,257 | (₱10,000,000) | ₱159,868,894 | ₱57,844 | ₱159,926,738 |
| Total comprehensive income for the year | | - | - | - | - | (335,729) | 20,575,483 | - | 20,239,754 | (25,384) | 20,214,370 |
| Dividends on Common Stock | 13.5 | - | - | - | - | - | (10,824,732) | - | (10,824,732) | - | (10,824,732) |
| Distribution on Capital Securities | | | | | | | (681,546) | - | (681,546) | - | (681,546) |
| Share-based compensation | 15.1 | | | 444,071 | - | - | - | - | 444,071 | - | 444,071 |
| Issue of shares under share-based compensation plan | | 7,562 | 300,040 | (307,602) | - | - | - | - | - | - | - |
| As of September 30, 2024 | | ₱9,011,592 | ₱54,568,560 | ₱939,170 | ₱29,977,639 | (₱1,668,982) | ₱86,218,462 | (₱10,000,000) | ₱169,046,441 | ₱32,460 | ₱169,078,901 |

*See accompanying Notes to Interim Condensed Consolidated Financial Statements.*

## GLOBE TELECOM, INC. AND SUBSIDIARIES
## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Notes | Nine-Month Period Ended September 30<br>2025 (Unaudited) | 2024 (Unaudited) |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | *(Unaudited and In Thousand Pesos)* | |
| Income before income tax | | **₱21,159,678** | ₱25,399,587 |
| Adjustments for: | | | |
| Depreciation and amortization | 15.2 | **39,981,833** | 37,301,436 |
| Impairment and other losses | 15.4 | **3,137,584** | 2,965,028 |
| Finance costs | 15.3 | **12,105,366** | 10,511,036 |
| Equity share in net income of joint ventures | 10 | **(5,382,412)** | (3,663,759) |
| Foreign exchange losses (gains) – net | 14 | **(52,519)** | 460,143 |
| Loss (gain) on derivative instruments –net | 14 | **(19,469)** | (712,079) |
| Pension expense | 15.1 | **701,750** | 645,563 |
| Share-based compensation | 15.1 | **303,800** | 444,071 |
| Interest income | | **(542,365)** | (625,734) |
| Gain on sale and leaseback of telecom towers - net | 7 | **(380,717)** | (3,627,811) |
| Gain on deemed sale of Investment in Mynt | 10.2, 14 | **(2,560,357)** | - |
| Gain on sale of investment | 10.8, 14 | **(21,093)** | - |
| Gain on disposal of property and equipment | | **(130,684)** | (241,308) |
| Operating income before working capital changes | | **68,300,395** | 68,856,173 |
| Changes in operating assets and liabilities: | | | |
| Decrease (Increase) in: | | | |
| Trade receivables – net | | **(272,433)** | (369,414) |
| Inventories and supplies | | **981,447** | 1,586,288 |
| Contract assets | | **295,890** | 350,454 |
| Prepayments and other current assets | | **65,729** | (2,626,482) |
| Other noncurrent assets | | **(765,176)** | 996,463 |
| Increase (Decrease) in: | | | |
| Trade payables and accrued expenses | | **(4,151,677)** | 1,337,387 |
| Other long-term liabilities | | **(56,440)** | (13,134) |
| Deferred revenues | | **28,597** | (1,512,663) |
| Cash generated from operations | | **64,426,332** | 68,605,072 |
| Income tax paid | | **(3,715,028)** | (3,041,523) |
| Net cash flows from operating activities | | **60,711,304** | 65,563,549 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Additions to: | | | |
| Property and equipment | 7 | **(31,421,641)** | (40,850,414) |
| Investment in joint ventures | 10 | **-** | (253,649) |
| Intangible assets | 8 | **(18,496)** | (164,018) |
| Proceeds from sale and leaseback of telecom towers – net | 7 | **3,177,259** | 27,313,807 |
| Proceeds from sale of investment | 10.8 | **200,595** | - |
| Interest received | | **457,705** | 566,957 |
| Dividends received | 10.2 | **654,500** | 500,500 |
| Collection of proceeds from the transfer of subsidiary | 10.2 | **962,500** | - |
| Cash outflow on acquisition of additional ownership share in subsidiaries | 1.8, 1.16 | **(29,519)** | - |
| Proceeds from redemption of investments | 10.1 | **600,000** | - |
| Collections of loans receivable from related parties | | **476,000** | - |
| Proceeds from sale of property and equipment | | **344,898** | 1,098,163 |
| Cash used in investing activities | | **(24,596,199)** | (11,788,654) |
| Income tax paid | | **(307,724)** | (2,727,494) |
| Net cash flows used in investing activities | | **(24,903,923)** | (14,516,148) |

*(Forward)*

## GLOBE TELECOM, INC. AND SUBSIDIARIES
## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Notes | Nine-Month Period Ended September 30 2025 | 2024 |
|---|---|---|---|
| | | *(Unaudited and In Thousand Pesos)* | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from borrowings: | | | |
| Long-term | | **₱25,000,000** | ₱15,000,000 |
| Short-term | | **217,000** | 16,305,000 |
| Repayments of borrowings: | | | |
| Long-term | | **(13,929,080)** | (6,393,870) |
| Short-term | | **(7,479,500)** | (34,563,000) |
| Payments of dividends to common stockholders | 13.5 | **(10,832,934)** | (10,824,732) |
| Payments of lease liabilities | 9.2 | **(10,921,101)** | (13,331,500) |
| Distribution paid to holders of capital securities | | **(664,477)** | (681,546) |
| Interest paid | | **(10,520,728)** | (10,809,592) |
| Net cash used in financing activities | | **(29,130,820)** | (45,299,240) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | | **6,676,561** | 5,748,161 |
| **CASH AND CASH EQUIVALENTS RECLASSIFIED TO ASSETS HELD-FOR-SALE** | 1.15 | **(349,059)** | - |
| **NET FOREIGN EXCHANGE DIFFERENCE ON CASH AND CASH EQUIVALENTS** | | **47,218** | (137,214) |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR** | | **21,353,659** | 16,645,077 |
| **CASH AND CASH EQUIVALENTS AT THE END OF PERIOD** | | **₱27,728,379** | ₱22,256,024 |

*See accompanying Notes to Interim Condensed Consolidated Financial Statements.*

## 1 Corporate Information and Basis of Financial Statement Preparation

*Corporate Information*

The interim condensed consolidated financial statements of Globe Telecom, Inc. and Subsidiaries ("Globe") as of September 30, 2025 and December 31, 2024, and for the nine-month period ended September 30, 2025 and 2024 were authorized for issue in accordance with a resolution of the Board of Directors (BOD) on November 6, 2025.

*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) using a fully digital network. It also offers domestic and international long distance communication services or carrier services. Globe Telecom's head office is located at The Globe Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig, Metropolitan Manila, Philippines. Globe Telecom is listed in the Philippine Stock Exchange (PSE) and has been included in the PSE composite index since September 17, 2001. Major stockholders of Globe Telecom include Ayala Corporation (AC), Singapore Telecom International Pte Ltd. (Singtel) and Asiacom Philippines, Inc. None of these companies exercise control over Globe Telecom.

*1.2 Innove Communications, Inc. (Innove)*

Globe Telecom owns 100% of Innove, a stock corporation organized under the laws of the Philippines and enfranchised under RA No. 11151 and its related laws to render any and all types of domestic and international telecommunications services. Innove holds a license to provide digital wireless communication services in the Philippines. Innove also has a license to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services.

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

*1.3 GTI Business Holdings, Inc. (GTI) and Subsidiaries*

Globe Telecom owns 100% of GTI. GTI was incorporated and registered under the laws of the Philippines, on November 25, 2008, as a holding company.

*1.4 GTI Corporation (GTIC)*

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

### *1.5 Globe Telecom HK Limited (GTHK)*

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

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

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

On March 27, 2024, the 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) and Subsidiaries*

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 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 GTIBH's ownership to 83.33%.

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

On February 11, 2022, the Board of Directors approved GTIBH's additional capital infusion amounting to $2.00 million, which further increased GTIBH'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 Company. 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 13.8). 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, Limted, 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 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 signed an agreement with Azalea Technology Investments Inc. (ASTI) and SCS Computer Systems, Pte. Ltd. acquiring 100% ownership stake in Asticom. Asticom is primarily engaged in providing business process and shared service support, as well as IT system integration and consultancy services.

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

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

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

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

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

On June 14, 2024, SEC approved the amendment of Asticom's article of incorporation which effectively change 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" 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 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 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").

### *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 a Subsidiaries*

Yondu, a wholly owned subsidiary of Globe Telecom, 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 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, the ownership of CaelumPacific and Subsidiaries was transferred from Yondu, Inc. 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 ₱1,737.81 million (including cash and cash equivalents of ₱349.06 million, see Note 3) and ₱552.05 million, were reclassified as assets held-for-sale and liabilities held-for-sale, respectively, in Globe's consolidated statements of financial position as of September 30, 2025.

Yondu, while a distinct Cash Generating Unit, is not part of Globe's major lines of business. Consequently, it's 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 September 30, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

### *1.16 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 (see Note 13.8). 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 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.

### *Basis of Preparation and Presentation*

The interim condensed consolidated financial statements have been prepared in accordance with the Philippine Accounting Standard (PAS) 34 - Interim Financial Reporting. Accordingly, the interim condensed consolidated financial statements do not include all of the information required in the annual audited financial statements, and should be read in conjunction with Globe's annual financial statements as at and for the year ended December 31, 2024.

The preparation of the financial statements in compliance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

The accompanying interim condensed consolidated financial statements have been prepared under the historical cost convention method, except for:

- certain financial instruments carried at fair value
- certain financial instruments and lease liabilities carried at amortized cost;
- inventories carried at net realizable value;
- investments in joint ventures in which equity method of accounting is applied;
- retirement benefit obligation measured at the present value of the defined benefit obligation net of the fair value of the plan assets

The interim condensed 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.

The estimates and assumptions used in the accompanying interim condensed consolidated financial statements are consistent with those followed in the preparation of Globe's consolidated financial statements as at and for the year ended December 31, 2024, and are based upon management's evaluation of relevant facts and circumstances as at the date of the interim condensed consolidated financial statements. Actual results could differ from such estimates.

## 2 Adoption of New and Revised Accounting Standards

The accounting policies adopted in the preparation and presentation of the interim condensed consolidated financial statements are consistent with prior years, except for the effects of the adoption of new and revised accounting standards set out below.

### *2.1 Adoption of New and Revised Standards Effective January 1, 2025*

In the current year, Globe has applied a number of amendments to PFRS Accounting Standards and interpretation issued by IASB that are effective for 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.

#### *2.1.1 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, th e 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 Cash and Cash Equivalents

The cash and cash equivalents account consists of the following:

| | **September 30 2025 (Unaudited)** | December 31 2024 (Audited) |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Cash on hand and in banks | **₱8,511,034** | ₱6,651,217 |
| Cash equivalents | **19,217,345** | 14,702,442 |
| | **₱27,728,379** | ₱21,353,659 |

Globe's cash equivalents consist of short-term, highly liquid time deposit placements.

Short-term money market placements are highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Globe classifies an investment as short-term money market placements if that investment has a maturity of three months of less from the date of acquisition.

Assets held for sale in Globe's consolidated statement of financial position includes cash and cash equivalents of Yondu amounting to ₱349.06 million as of September 30, 2025 (See Note 1.15).

## 4 Trade Receivables – net

The account consists of the following:

| | Note | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Subscribers receivables | | **₱19,055,401** | ₱21,274,625 |
| Traffic settlements – net | 20.1 | **905,551** | 907,175 |
| Dealers | | **358,662** | 640,035 |
| Others | | **5,062,462** | 4,848,388 |
| | | **25,382,076** | 27,670,223 |
| Less allowance for impairment losses: | | | |
| Subscribers | | **7,036,609** | 7,216,550 |
| Traffic settlements and others | | **796,493** | 793,205 |
| | | **7,833,102** | 8,009,755 |
| | | **₱17,548,974** | ₱19,660,468 |

Impairment loss on trade receivables amounted to ₱599.13 million and ₱637.61 million for the three-month period and ₱2,160.44 million and ₱2,291.04 million for the nine-month period ended September 30, 2025 and 2024, respectively (see Note 15.4).

Globe analyzes its subscribers' receivables and contract assets based on internal credit rating. The following table shows the analysis of Globe's subscribers' receivables and contract assets.

**September 30, 2025**

| | High Quality | Medium Quality | Low Quality | Terminated Accounts | Total |
|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | |
| Wireless subscribers receivables: | | | | | |
| Consumer | **₱5,307,277** | **₱783,296** | **₱561,426** | **₱846,351** | **₱7,498,350** |
| Key corporate accounts | **65,542** | **76,737** | **14,268** | **472,704** | **629,251** |
| Other corporations and SME | **322,414** | **71,759** | **4,368** | **125,873** | **524,414** |
| | **5,695,233** | **931,792** | **580,062** | **1,444,928** | **8,652,015** |
| Wireline subscribers receivables: | | | | | |
| Consumer | **528,672** | **369,904** | **443,821** | **2,484,482** | **3,826,879** |
| Key corporate accounts | **711,257** | **1,614,977** | **375,142** | **3,178,127** | **5,879,503** |
| Other corporations and SME | **126,954** | **112,317** | **47,044** | **410,689** | **697,004** |
| | **1,366,883** | **2,097,198** | **866,007** | **6,073,298** | **10,403,386** |
| Total subscribers' receivables | **7,062,116** | **3,028,990** | **1,446,069** | **7,518,226** | **19,055,401** |
| Wireless contract assets | | | | | |
| Consumer | **3,173,625** | **452,406** | **156,329** | **34,136** | **3,816,496** |
| Key corporate accounts | **185,736** | **185,770** | **7,236** | **3,918** | **382,660** |
| Other corporations and SME | **384,494** | **56,748** | **4,450** | **3,806** | **449,498** |
| | **3,743,855** | **694,924** | **168,015** | **41,860** | **4,648,654** |
| Total subscribers' receivables and contracts assets | **₱10,805,971** | **₱3,723,914** | **₱1,614,084** | **₱7,560,086** | **₱23,704,055** |

December 31, 2024

| | High Quality | Medium Quality | Low Quality | Terminated Accounts | Total |
|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | |
| 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.
- Medium quality accounts are accounts that exhibited good paying habits but may require minimal monitoring with the objective of moving accounts to high quality rating. Medium quality accounts primarily include subscribers whose creditworthiness can be moderately affected by adverse changes in economic and financial conditions, but will not necessarily, reduce the ability of the subscriber to fulfill its obligations. It includes customers with whom Globe has limited experience and therefore, creditworthiness needs to be further established over time.
- Low quality accounts are accounts which exhibit characteristics that are identified to have increased likelihood to miss payments. Low quality accounts are subject to closer monitoring and scrutiny with the objective of managing risk and moving accounts to improved rating category. It primarily includes mass consumer, corporate and SME customers whose creditworthiness are easily affected by adverse changes in economic and financial conditions.
- Terminated accounts are accounts in cancelled status. Although there is a possibility that terminated accounts may still be collected by exhausting collection efforts, the probability of recovery has significantly deteriorated.

## 5 Contracts with Customers

### *5.1* Contract Assets – net

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

| | | Three – Month Period Ended September 30 | | Nine – Month Period Ended September 30 | |
|---|---|---|---|---|---|
| | **Note** | **2025** | 2024 | **2025** | 2024 |
| | | *(Unaudited and in Thousand Pesos)* | | | |
| **Contract assets** | | | | | |
| Balance at beginning of the period | | **₱4,959,127** | ₱5,664,545 | **₱5,442,961** | ₱6,223,595 |
| Additions during the period | | **1,126,050** | 1,381,392 | **3,794,010** | 4,242,641 |
| Billed to subscribers during the period | | **(1,280,835)** | (1,486,276) | **(4,089,900)** | (4,593,095) |
| Impairment loss | 15.4 | **(155,688)** | (180,211) | **(498,417)** | (493,691) |
| **Contract assets – net, September 30** | | **₱4,648,654** | ₱5,379,450 | **₱4,648,654** | ₱5,379,450 |

*Contract assets as of December 31, 2024 amounted to ₱5,442,961*

Globe provides wireless communication services to subscribers which are bundled with sale of handsets and other devices. Globe allocates the revenue based on the 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.

### *5.2 Deferred Revenues*

The following table provides information about the contract liabilities and other deferred revenues:

| | **September 30 2025 (Unaudited)** | December 31 2024 (Audited) |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Advance monthly service fees | **₱3,798,325** | ₱3,924,745 |
| Deferred revenue from wireless subscribers under prepaid arrangements | **2,700,911** | 2,655,614 |
| Deferred revenue rewards | **26,842** | 58,148 |
| Others | **75,309** | 56,098 |
| | **₱6,601,387** | ₱6,694,605 |
| Less current portion | **6,154,151** | 6,049,750 |
| Non-current portion | **₱447,236** | ₱644,855 |

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 prepaid credit.

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.

## 6 Prepayments and Other Assets

### *6.1 Prepayments and other assets - net*

This account consists of:

| | Note | **September 30 2025 (Unaudited)** | December 31 2024 (Audited) |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Advance payments to suppliers and contractors | 20.2 | **₱13,499,755** | ₱12,172,430 |
| Input VAT – net | | **6,371,121** | 6,672,173 |
| Prepayments | | **6,550,724** | 5,525,460 |
| Investment property | | **5,617,670** | 5,620,496 |
| Investment in debt and equity securities | | **4,214,450** | 4,083,797 |
| Non-trade receivables – net | 6.2 | **3,798,411** | 3,324,995 |
| Security deposits | | **1,856,981** | 1,579,260 |
| Creditable withholding tax | | **1,150,807** | 1,155,326 |
| Loans receivable from related parties | | **3,287,935** | 3,763,935 |
| Deferred contract costs | 6.3 | **449,020** | 551,231 |
| Others | | **3,005,742** | 2,846,331 |
| | | **49,802,616** | 47,295,434 |
| Less current portion | | **23,817,192** | 19,970,116 |
| Net of current portion | | **₱25,985,424** | ₱27,325,318 |

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 ₱0.95 million and ₱2.83 million for the three-month and nine-month period ended September 30, 2025, ₱0.94 million and ₱2.83 million for the three-month and nine-month period ended September 30 2024, respectively (see Note 15.2).

The "Prepayments" account includes prepaid insurance, rent, maintenance, and licenses fee among others.

Fair value gain (loss) from investment in equity securities recognized in consolidated OCI amounted to ₱21.34 million and ₱167.01 million for the nine-month period ended September 30, 2025 and 2024, respectively (see Note 13.8).

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### *6.2 Non-trade receivables – net*

Non-trade receivables – net consists of:

| - | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Due from related parties | **₱1,812,286** | ₱1,170,419 |
| Advances to employees | **264,326** | 186,986 |
| Others | **1,739,449** | 1,981,303 |
| | **3,816,061** | 3,338,708 |
| Allowance for impairment loss | **(17,650)** | (13,713) |
| | **₱3,798,411** | ₱3,324,995 |

### *6.3 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:

| | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|
| | *(In Thousand Pesos)* | |
| **Cost to obtain contracts with customers:** | | |
| Commissions | **₱237,776** | ₱352,079 |
| **Cost to fulfill contracts with customers** | | |
| Installation costs | **211,244** | 199,152 |
| | **₱449,020** | ₱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:

| | Three – Month Period Ended September 30 | | Nine – Month Period Ended September 30 | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | *(Unaudited and in Thousand Pesos)* | | | |
| Balance at beginning of the period | **₱392,474** | ₱1,355,317 | **₱551,231** | ₱1,676,459 |
| Amounts capitalized during the period | **314,491** | 202,681 | **943,060** | 1,039,785 |
| Amounts recognized as expense | **(257,945)** | (501,474) | **(1,045,271)** | (1,659,720) |
| Balance at end of period | **₱449,020** | ₱1,056,524 | **₱449,020** | ₱1,056,524 |

## 7 Property and Equipment – net

The rollforward analysis of this account follows:

**September 30, 2025**

| | Telecommunication Equipment | Buildings, Land and Leasehold Improvement | Cable System | Office Equipment | Transportation Equipment | Assets Under Construction | Total |
|---|---|---|---|---|---|---|---|
| | *(Unaudited and In Thousand Pesos)* | | | | | | |
| **Cost** | | | | | | | |
| At January 1, 2025 | **₱500,769,712** | **₱68,807,089** | **₱24,426,606** | **₱17,569,441** | **₱4,665,079** | **₱95,533,175** | **₱711,771,102** |
| Additions | **2,009,009** | **97,760** | **-** | **164,446** | **354,054** | **36,060,717** | **38,685,986** |
| Retirements/disposals | **(770,383)** | **(2,347)** | **-** | **(122,761)** | **(291,833)** | **(24,770)** | **(1,212,094)** |
| Reclassifications and transfers (Note 8) | **40,786,463** | **1,687,141** | **(198)** | **216,604** | **12,201** | **(46,107,071)** | **(3,404,860)** |
| Adjustment from subsidiary reclassified to assets-held-for-sale (Note 1.15) | **-** | **(41,398)** | **-** | **(100,876)** | **-** | **(28,947)** | **(171,221)** |
| Others | **12,303** | **-** | **49,458** | **346** | **-** | **843** | **62,950** |
| At September 30, 2025 | **542,807,104** | **70,548,245** | **24,475,866** | **17,727,200** | **4,739,501** | **85,433,947** | **745,731,863** |
| **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 15.2) | **23,405,816** | **2,189,130** | **594,251** | **460,647** | **377,476** | **-** | **27,027,320** |
| Retirements/disposals | **(357,722)** | **(2,347)** | **-** | **(117,893)** | **(232,836)** | **-** | **(710,798)** |
| Reclassifications and transfers (Note 8) | **(27,190)** | **(29,371)** | **3,089** | **(701)** | **-** | **-** | **(54,173)** |
| Adjustment from subsidiary reclassified to assets-held-for-sale (Note 1.15) | **-** | **(28,805)** | **-** | **(55,141)** | **-** | **-** | **(83,946)** |
| Others | **774** | **-** | **28,729** | **1,649** | **-** | **-** | **31,152** |
| At September 30, 2025 | **311,034,962** | **31,446,619** | **18,984,759** | **16,722,705** | **3,511,199** | **-** | **381,700,244** |
| **Accumulated Impairment Losses** | | | | | | | |
| At January 1, 2025 | **4,119,550** | **43,591** | **-** | **128** | **-** | **2,043** | **4,165,312** |
| Write-off | **(56,725)** | **-** | **-** | **-** | **-** | **-** | **(56,725)** |
| At September 30, 2025 | **4,062,825** | **43,591** | **-** | **128** | **-** | **2,043** | **4,108,587** |
| **Carrying amount at September 30, 2025** | **₱227,709,317** | **₱39,058,035** | **₱5,491,107** | **₱1,004,367** | **₱1,228,302** | **₱85,431,904** | **₱359,923,032** |
| Carrying amount at December 31, 2024 | ₱208,636,878 | ₱39,445,486 | ₱6,067,916 | ₱1,135,166 | ₱1,298,520 | ₱95,531,132 | ₱352,115,098 |

September 30, 2024

| | Telecommunication Equipment | Buildings, Land and Leasehold Improvement | Cable System | Office Equipment | Transportation Equipment | Assets Under Construction | Total |
|---|---|---|---|---|---|---|---|
| | *(Unaudited and In Thousand Pesos)* | | | | | | |
| Cost | | | | | | | |
| At January 1, 2024 | ₱444,716,637 | ₱66,178,280 | ₱25,078,243 | ₱17,161,554 | ₱4,854,430 | ₱104,824,628 | ₱662,813,772 |
| Additions | 1,662,146 | 232,976 | 588,814 | 77,343 | 355,092 | 40,954,181 | 43,870,552 |
| Retirements/disposals | (2,991,265) | (587,612) | (915,873) | (173,988) | (354,151) | (47,307) | (5,070,196) |
| Reclassifications and transfers (Notes 8 and 9) | 46,017,970 | 2,304,526 | (506,940) | 254,774 | 6,322 | (49,104,105) | (1,027,453) |
| Others | 11,146 | - | 74,305 | 50 | - | 1,482 | 86,983 |
| At September 30, 2024 | 489,416,634 | 68,128,170 | 24,318,549 | 17,319,733 | 4,861,693 | 96,628,879 | 700,673,658 |
| 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 15.2) | 21,958,876 | 2,126,825 | 698,870 | 753,810 | 426,814 | - | 25,965,195 |
| Retirement/disposals | (1,759,808) | (410,689) | (332,680) | (150,295) | (298,767) | - | (2,952,239) |
| Reclassifications and transfers (Notes 8 and 9) | 695,119 | 481,486 | (65,356) | 6,677 | - | - | 1,117,926 |
| Others | 7,955 | - | 45,083 | 119 | - | - | 53,157 |
| At September 30, 2024 | 280,841,372 | 28,516,288 | 18,109,951 | 16,232,875 | 3,480,737 | - | 347,181,223 |
| Accumulated Impairment Losses | | | | | | | |
| At January 1, 2024 | 5,298,174 | 106,409 | - | 3,352 | - | - | 5,407,935 |
| Write-off | (579,199) | - | - | - | - | - | (579,199) |
| At September 30, 2024 | 4,718,975 | 106,409 | - | 3,352 | - | - | 4,828,736 |
| Carrying amount at September 30, 2024 | ₱203,856,287 | ₱39,505,473 | ₱6,208,598 | ₱1,083,506 | ₱1,380,956 | ₱96,628,879 | ₱348,663,699 |

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 and subject to amortization when the assets become available for use (see Note 8 and 9). As of September 30, 2025 and 2024, assets under construction reclassified to intangible assets and rights of use assets amounted to ₱3,174.90 million and ₱3,640.25 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 construction of network assets and bring it to its intended location and working conditions. Borrowing costs incurred relating to these qualifying assets were included in the cost of property and equipment using 5.28% and 5.45% capitalization rates for the nine-month period ended September 30, 2025 and 2024, respectively. Globe's total capitalized borrowing costs amounted to ₱4,255.77 million and ₱4,961.93 million for the nine-month period ended September 30, 2025 and 2024, respectively (see Note 12).

The reconciliation of total additions to property and equipment and actual cash flows from acquisition of property and equipment are shown below:

| | For the Nine-Month Period Ended September 30 | |
|---|---|---|
| | **2025** | 2024 |
| | *(Unaudited and In Thousand Pesos)* | |
| Additions to property and equipment | **₱38,685,986** | ₱43,870,552 |
| Effect of movements in liabilities and prepayments | **(3,008,577)** | 1,941,795 |
| Capitalized interest | **(4,255,768)** | (4,961,933) |
| Cash flows from acquisition of property and equipment | **₱31,421,641** | ₱40,850,414 |

*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:

| | **Three – Month Period Ended September 30** | | **Nine – Month Period Ended September 30** | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | *(Unaudited and in Thousand Pesos)* | | | |
| Telecom towers sold | **96** | 1,037 | **273** | 2,161 |
| Cash consideration net of direct costs | **₱1,175,112** | ₱13,074,397 | **₱3,177,259** | ₱27,313,807 |
| Gain on sale on leaseback of telecom towers - net | **80,134** | 140,596 | **380,717** | 3,627,811 |

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 9).

As of September 30, 2025, Globe completed the sale of 6,945 telecom towers representing 93% of the total towers portfolio subject to sale.

As of September 30, 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.

## 8 Intangible Assets and Goodwill - net

The rollforward analysis of this account follows:

### September 30, 2025

| | Application Software and Licenses | Goodwill | Other Intangible Assets | Total Intangible Assets and Goodwill |
|---|---|---|---|---|
| **Cost** | *(Unaudited and In Thousand Pesos)* | | | |
| At January 1 | **₱74,312,700** | **₱1,680,771** | **₱5,993,692** | **₱81,987,163** |
| Additions | **18,496** | **-** | **-** | **18,496** |
| Adjustment from subsidiary reclassified to assets-held-for-sale (Note 1.15) | **(26,158)** | **(540,523)** | **-** | **(566,681)** |
| Retirements/disposals | **(193,812)** | **-** | **-** | **(193,812)** |
| Transferred from property and equipment (Note 7) | **3,174,901** | **-** | **-** | **3,174,901** |
| Others | **(1)** | **-** | **-** | **(1)** |
| At September 30 | **77,286,126** | **1,140,248** | **5,993,692** | **84,420,066** |
| **Accumulated Amortization** | | | | |
| At January 1 | **59,668,328** | **-** | **2,187,933** | **61,856,261** |
| Amortization (Note 15.2) | **4,358,361** | **-** | **53,881** | **4,412,242** |
| Adjustment from subsidiary reclassified to assets-held-for-sale (Note 1.15) | **(13,367)** | **-** | **-** | **(13,367)** |
| Retirements/disposal | **(186,734)** | **-** | **-** | **(186,734)** |
| Transferred from property and equipment (Note 7) | **49,289** | **-** | **-** | **49,289** |
| Others | **(840)** | **-** | **-** | **(840)** |
| At September 30 | **63,875,037** | **-** | **2,241,814** | **66,116,851** |
| **Carrying Amount at September 30, 2025** | **₱13,411,089** | **₱1,140,248** | **₱3,751,878** | **₱18,303,215** |
| Carrying Amount at December 31, 2024 | ₱14,644,372 | ₱1,680,771 | ₱3,805,759 | ₱20,130,902 |

### September 30, 2024

| | Application Software and Licenses | Goodwill | Other Intangible Assets | Total Intangible Assets and Goodwill |
|---|---|---|---|---|
| Cost | *(Unaudited and In Thousand Pesos)* | | | |
| At January 1 | ₱71,184,561 | ₱1,734,205 | ₱5,993,692 | ₱78,912,458 |
| Additions | 164,018 | - | - | 164,018 |
| Retirements/Disposals | (260,692) | - | - | (260,692) |
| Transferred from property and equipment (Note 7) | 2,417,653 | - | - | 2,417,653 |
| Others | (1,329) | - | - | (1,329) |
| At September 30, 2024 | 73,504,211 | 1,734,205 | 5,993,692 | 81,232,108 |
| Accumulated Amortization | | | | |
| At January 1 | 53,607,495 | - | 1,931,857 | 55,539,352 |
| Amortization (Note 15.2) | 4,741,593 | - | 242,728 | 4,984,321 |
| Retirements/Disposals | (213,997) | - | - | (213,997) |
| Others | 622 | - | - | 622 |
| At September 30, 2024 | 58,135,713 | - | 2,174,585 | 60,310,298 |
| Carrying Amount at September 30, 2024 | ₱15,368,498 | ₱1,734,205 | ₱3,819,107 | ₱20,921,810 |

*Application software and licenses and other intangible assets*

Other intangible assets consist of customer contracts, franchise an spectrum. As of September 30, 2025 and December 31, 2024, there was no indication that the application software licenses and other intangible assets are impaired.

*Goodwill*

Globe's goodwill were recognized from acquisition of subsidiaries. Details of Globe's goodwill are as follows:

| | Note | **September 30 2025 (Unaudited)** | December 31 2024 (Audited) | September 30 2024 (Unaudited) |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| BTI | | **₱1,140,248** | ₱1,140,248 | ₱1,140,248 |
| Yondu | 1.15 | **-** | 540,523 | 540,523 |
| Others | | **-** | - | 53,434 |
| | | **₱1,140,248** | ₱1,680,771 | ₱1,734,205 |

As of September 30, 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. Globe considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment.

| | **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, 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. The pre-tax discount rates applied to cash flow projections was 10.30% for mobile communications CGU. The cash flows beyond the five-year period were extrapolated using the average terminal growth rate for telecommunication industry of 1.50%.

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.

## 9 Lease commitments

### *9.1 Right of use assets– net*

The rollforward analysis of this account follows:

**September 30, 2025**

| | Network Sites | Leased lines, IRUs and Data Centers | Transportation Equipment | Corporate Office | Stores | Total |
|---|---|---|---|---|---|---|
| **Cost** | *(Unaudited and In Thousand Pesos)* | | | | | |
| At January 1 | **₱83,747,805** | **₱5,500,744** | **₱586,630** | **₱518,895** | **₱110,384** | **₱90,464,458** |
| Additions | **15,014,661** | **179,550** | **245,750** | **-** | **61,202** | **15,501,163** |
| Modifications and terminations | **(928,225)** | **(76,109)** | **(6,475)** | **16,992** | **10,021** | **(983,796)** |
| Depreciation (Note 15.2) | **(6,161,195)** | **(1,739,789)** | **(304,170)** | **(228,856)** | **(105,434)** | **(8,539,444)** |
| **Carrying Amount at September 30, 2025** | **₱91,673,046** | **₱3,864,396** | **₱521,735** | **₱307,031** | **₱76,173** | **₱96,442,381** |
| Carrying Amount at December 31, 2024 | ₱83,747,805 | ₱5,500,744 | ₱586,630 | ₱518,895 | ₱110,384 | ₱90,464,458 |

September 30, 2024

| | Network Sites | Leased lines, IRU and Data Centers | Transportation Equipment | Corporate Office | Stores | Total |
|---|---|---|---|---|---|---|
| Cost | *(Unaudited and In Thousand Pesos)* | | | | | |
| At January 1 | ₱64,591,245 | ₱3,634,838 | ₱504,368 | ₱783,106 | ₱25,239 | ₱69,538,796 |
| Additions | 20,608,098 | 99,302 | 392,975 | 57,545 | 115,993 | 21,273,913 |
| Modifications and terminations | 2,217,617 | 6,607 | (21,642) | (9,703) | 8,685 | 2,201,564 |
| Transferred from property and equipment (Note7) | - | 1,222,599 | - | - | - | 1,222,599 |
| Depreciation (Note15.2) | (4,758,096) | (981,819) | (306,703) | (232,010) | (70,466) | (6,349,094) |
| Carrying Amount at September 30, 2024 | ₱82,658,864 | ₱3,981,527 | ₱568,998 | ₱598,938 | ₱79,451 | ₱87,887,778 |

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

| | Three – Month Period Ended September 30 | | Nine – Month Period Ended September 30 | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | *(Unaudited and in Thousand Pesos)* | | | |
| No. of Telecom Towers | **96** | 1,037 | **273** | 2,161 |
| Recognition of lease liabilities | **₱1,035,153** | ₱13,418,714 | **₱2,888,582** | ₱23,221,282 |
| Recognition of ROU assets | **378,797** | 6,722,971 | **1,327,820** | 12,641,433 |

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 September 30, 2025 and December 31, 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.

### *9.2 Lease liability*

The following table provides the components of lease liabilities:

| | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Network sites - net | **₱124,169,872** | ₱111,850,877 |
| Leased lines and Data Centers | **1,999,208** | 3,178,317 |
| Transportation Equipment | **478,557** | 520,332 |
| Corporate Office | **226,752** | 427,025 |
| Stores | **149,597** | 131,323 |
| | **127,023,986** | 116,107,874 |
| Less current portion | **8,575,791** | 8,175,643 |
| Net of current portion | **₱118,448,195** | ₱107,932,231 |

The roll forward analysis of this account follows:

**September 30, 2025**

| | Network Sites – net | Leased Lines and Data Centers | Transportation Equipment | Corporate Office | Stores | Total |
|---|---|---|---|---|---|---|
| | | | *(Unaudited and In Thousand Pesos)* | | | |
| At January 1, 2025 | **₱111,850,877** | **₱3,178,317** | **₱520,332** | **₱427,025** | **₱131,323** | **₱116,107,874** |
| Additions | **16,575,423** | **179,550** | **245,750** | **-** | **61,202** | **17,061,924** |
| Interests (Note 15.3) | **5,782,003** | **108,187** | **22,277** | **17,184** | **3,273** | **5,932,924** |
| Settlements | **(8,966,153)** | **(1,360,921)** | **(303,326)** | **(234,449)** | **(56,252)** | **(10,921,101)** |
| Modifications and terminations | **(1,072,278)** | **(105,925)** | **(6,476)** | **16,992** | **10,051** | **(1,157,635)** |
| **Carrying Amount at September 30, 2025** | **₱124,169,872** | **₱1,999,208** | **₱478,557** | **₱226,752** | **₱149,597** | **₱127,023,986** |

September 30, 2024

| | Network Sites - Net | Leased Lines and Data Centers | Transportation Equipment | Corporate Office | Stores | Total |
|---|---|---|---|---|---|---|
| | | | *(Unaudited and In Thousand Pesos)* | | | |
| At January 1, 2024 | ₱84,180,567 | ₱3,323,048 | ₱479,221 | ₱714,477 | ₱27,169 | ₱88,724,482 |
| Additions | 31,187,947 | 99,302 | 392,975 | 57,545 | 115,993 | 31,853,762 |
| Interests (Note 15.3) | 4,657,178 | 125,546 | 17,644 | 31,182 | 2,130 | 4,833,680 |
| Settlements | (11,576,562) | (1,017,199) | (374,066) | (297,150) | (66,523) | (13,331,500) |
| Modifications and terminations | 1,553,138 | 6,607 | (20,997) | (10,948) | 9,113 | 1,536,913 |
| Carrying Amount at September 30, 2024 | ₱110,002,268 | ₱2,537,304 | ₱494,777 | ₱495,106 | ₱87,882 | ₱113,617,337 |

As of September 30, 2025 and December 31, 2024, the portion of the lease liabilities on related to ROU assets that are reclassified to assets classified as held-for-sale amounted to ₱1.36 billion and ₱1.60 billion, respectively. Such liabilities will remain to be Globe's liability until the closing conditions on the transfer of assets are met, on which date, these liabilities will be pre-terminated.

As of September 30, 2025 and December 31, 2024, lease liabilities on network sites represent net obligations to lessors after offsetting lease receivables amounting to ₱970.95 million and ₱789.19 million, respectively. Interest income from sublease receivables amounted to ₱10.75 million and ₱29.84 million for the three-month and nine-month period ended September 30, 2025 and ₱7.73 million for the three-month and nine-month period ended September 30, 2024, respectively (See Note 15.3). Collections from sublease receivables amounted to ₱46.88 million and ₱144.09 million for the three-month and nine-month period ended September 30, 2025.

### *9.3 Short-term Leases and Leases of Low Value Assets*

Short-term leases and leases of low-value assets charged as operating expenses amounted to ₱840.88 million and ₱2,528.90 million for the three-month and nine-month period ended September 30, 2025, and ₱673.59 million and ₱2,336.33 million for the three-month and nine-month period ended September 30, 2024, respectively (see Note 15.1).

## 10 Investments in Joint Ventures

This account consists of the following:

| | Notes | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Vega | 10.1 | **₱33,495,074** | ₱34,180,363 |
| Mynt | 10.2,14 | **23,127,657** | 15,293,630 |
| GSG | 10.3 | **9,322,634** | 9,086,466 |
| TechGlobal | 10.4 | **150,219** | 148,498 |
| Gogoro | 10.7 | **234,135** | 234,135 |
| Bridge Mobile Pte. Ltd (BMPL) | 10.5 | **58,892** | 56,810 |
| Telecommunications Connectivity, Inc. (TCI) | 10.6 | **43,276** | 41,809 |
| Others | 10.8 | **238,028** | 327,213 |
| | | **₱66,669,915** | ₱59,368,924 |

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

| | Three – Month Period Ended September 30 | | Nine – Month Period Ended September 30 | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | *(Unaudited and In Thousand Pesos)* | | | |
| Mynt | **₱ 1,464,704** | ₱1,321,932 | **₱ 5,273,670** | ₱3,461,947 |
| GSG | **99,640** | 113,383 | **236,169** | 365,047 |
| Vega | **(35,724)** | (136,515) | **(85,290)** | (6,679) |
| TechGlobal | **574** | (467) | **1,721** | 11,502 |
| TCI | **1,038** | 800 | **1,467** | (65) |
| BMPL | **620** | 378 | **1,745** | (2,217) |
| Others | **2** | (77,890) | **(47,070)** | (165,776) |
| | **₱1,530,854** | ₱1,221,621 | **₱5,382,412** | ₱3,663,759 |

Investment in joint ventures share in other comprehensive income are as follows (see Note 13.8):

| | Three – Month Period Ended September 30 | | Nine – Month Period Ended September 30 | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | *(Unaudited and In Thousand Pesos)* | | | |
| Vega | **₱-** | ₱- | **₱-** | (₱40,903) |
| BMPL | **1,782** | (₱2,533) | **337** | 3,189 |
| | **₱1,782** | (₱2,533) | **₱337** | (₱37,714) |

### *10.1 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). 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 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.

### *10.2 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 GXI and Fuse. GXI is registered with the Bangko Sentral ng Pilipinas (BSP) as a remittance agent and electric 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 14).

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.

Total revenues of Mynt amounted to ₱20.9 billion and ₱16.9 billion for the three-month period ended September 30, 2025 and 2024, and ₱60.8 billion and ₱43.6 billion for the nine-month period ended September 30, 2025 and 2024, respectively. Net Income of Mynt amounted ₱4.3 billion and ₱3.7 billion for the three-month period ended and ₱15.2 billion and ₱9.7 billion for the nine-month period ended September 30, 2025 and 2024, respectively.

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, amounting to ₱76.67 million was recognized in the consolidated 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. 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.

On August 5, 2025, the closing of the transaction and transfer of ownership were completed. Globe Telecom received cash amounting to ₱962.50 million.

Assets held-for-sale relating to Globe's interest in Mynt amounted to nil and ₱1,809.50 million, 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 September 30, 2025, Mynt has closed the three investment tranches and currently owns 24.5% of ABCSI.

### *10.3 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.

### *10.4 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.

### *10.5 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. Globe owns 10% ownership in BMPL.

*10.6 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. Globe owns 33% ownership interest in TCI. 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.

*10.7 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.

*10.8 Others*

Globe has investments in non-telco business offering healthcare and digital solutions, among others, which are individually immaterial. Globe invested nil and ₱253.65 million of additional capital as of September 30, 2025 and 2024, 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 14).

## 11 Trade Payables and Accrued Expenses

This account consists of:

| | Notes | **September 30 2025 (Unaudited)** | December 31 2024 (Audited) |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Accrued project costs | 20.2 | **₱32,587,850** | ₱30,740,903 |
| Accrued expenses | | **22,281,798** | 23,159,507 |
| Taxes payable | | **10,975,307** | 9,958,773 |
| Trade payables | | **5,465,657** | 8,525,360 |
| Traffic settlements – net | 20.1 | **788,049** | 749,690 |
| Other creditors | | **5,507,124** | 4,973,099 |
| | | **₱77,605,785** | ₱78,107,332 |

Traffic settlements payable are presented net of traffic settlements receivable from the same carrier (see Note 20.1).

Accrued expenses consists of the following:

| | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Utilities, supplies and other administrative expenses | **₱3,928,429** | ₱2,895,099 |
| Staff costs | **3,491,606** | 3,586,565 |
| Professional and other contracted services | **3,117,134** | 3,321,742 |
| Repairs and maintenance | **3,030,065** | 3,055,762 |
| Taxes and licenses | **1,917,745** | 2,081,415 |
| Lease | **1,448,409** | 1,558,352 |
| Interest on loans | **1,180,806** | 1,438,267 |
| Selling, advertising and promotions | **986,639** | 1,541,434 |
| Others | **3,180,965** | 3,680,871 |
| | **₱22,281,798** | ₱23,159,507 |

## 12 Loans Payable

The table below shows Globe's short term credit facilities (in millions).

| | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|
| Short term | | |
| Committed | | |
| PHP | **₱3,000** | ₱3,000 |
| USD | **$50** | $50 |
| Uncommitted | | |
| PHP | **₱84,151** | ₱85,788 |
| USD | **$114** | $114 |

Globe's loans payable consists of the following:

| | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Term Loans: | | |
| Peso | **₱204,762,553** | ₱200,472,330 |
| Dollar | **14,132,315** | 14,605,104 |
| | **218,894,868** | 215,077,434 |
| Retail bonds dollar | **34,596,584** | 34,382,475 |
| | **253,491,452** | 249,459,909 |
| Less current portion | **22,202,462** | 26,349,796 |
| Net of current portion | **₱231,288,990** | ₱223,110,113 |

The maturities of loans payable at nominal values as of September 30, 2025 follow (in thousands pesos):

| | |
|---|---|
| Due in: | |
| 2025 | ₱5,173,000 |
| 2026 | 22,239,807 |
| 2027 | 23,407,891 |
| 2028 | 22,752,000 |
| 2029 and thereafter | 181,179,400 |
| | ₱254,752,098 |

Total interest expense recognized in the interim condensed consolidated profit or loss related to long-term debt amounted to ₱2,013.89 million and ₱1,823.30 million for the three-months period ended September 30, 2025 and 2024 and ₱5,696.20 million and ₱5,330.39 million for the nine-months period ended September 30, 2025 and 2024, respectively (see Note 15.3).

Total interest expenses capitalized as part of property and equipment amounted to ₱4,255.77 million and ₱4,961.93 million as of September 30, 2025 and 2024, respectively (see Note 7).

### *12.1 Term Loans*

Globe Telecom has unsecured term loans which consists of dollar and peso-denominated term loans subject to fixed and floating interest rates.

### *12.2 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 will be used to finance Globe's capital expenditures, refinance maturing and/or existing obligations, and for general corporate requirements.

### *12.3 Loan Covenants*

The loan agreements with banks and other financial institutions provide for certain restrictions and requirements with respect to, among others, maintenance of financial ratios and percentage of ownership of specific shareholders, incurrence of additional long-term indebtedness or guarantees and creation of property encumbrances.

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

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

**Composed of loans payable and net derivative liabilities.*

As of September 30, 2025 and December 31, 2024, Globe is not in breach of any loan covenants.

## 13 Equity

Globe Telecom's authorized capital stock as of September 30, 2025 and December 31, 2024 consists of (amounts in thousands pesos and number of shares):

| | Shares | Amount |
|---|---|---|
| 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 |

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

| | **September 30, 2025** | | September 30, 2024 | |
|---|---|---|---|---|
| | **Shares** | **Amount** | Shares | Amount |
| | *(In Thousand Pesos and Number of Shares)* | | | |
| 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 |

*Total capital stock amounted to ₱9,011,592 as of December 31, 2024*

Below is the summary of Globe Telecom's track record of registration of securities:

| | Number of shares registered | Issue/offer price | Date of approval |
|---|---|---|---|
| | *(In Thousands, Except for Issue/Offer price)* | | |
| 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*

### *13.1 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 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 13.4).

On August 5, 2025, the BOD approved and authorized the shelf registration of up to 20 million non-voting preferred shares with a par value of ₱50 per share.

Additionally, the BOD approved and authorized the initial offering and listing of such non-voting preferred shares with an aggregate amount up to twenty five billion pesos ₱25,000 million subject to the registration requirements of the SEC and the listing requirements of the PSE.

*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 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 stocks are declared upon the sole discretion of Globe Telecom's BOD.

### *13.2 Common Stock*

The rollforward of outstanding common shares follows:

| | Nine - Month Period Ended September 30 | | | |
|---|---|---|---|---|
| | **2025** | | 2024 | |
| | **Shares** | **Amount** | Shares | Amount |
| | *(In Thousand Pesos and Number of Shares)* | | | |
| 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 period | **144,468** | **₱7,223,426** | 144,380 | ₱7,219,017 |

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

### *13.3 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.

Distribution to holders of capital securities in the nine-month period ended September 30, 2025 and 2024 amounted to ₱664.48 million and ₱681.55 million, respectively.

### *13.4 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 13.1).

### *13.5 Cash Dividends*

Information on Globe Telecom's BOD declaration of cash dividends follows:

| | | | Date | |
|---|---|---|---|---|
| | Per Share | Amount | Record | Payment |
| | *(In Thousand Pesos, Except Per Share Figures)* | | | |
| 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 |
| 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 |

### *13.6 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.

On February 6, 2024, the BOD approved the proposed change in the dividend policy from 60% to 75% to 60% to 90% of prior year's core net income, to be applied starting 2024 dividend declaration.

## *13.7 Retained Earnings Available for Dividend Declaration*

The total unrestricted retained earnings available for dividend declaration amounted to ₱22,891.15 million and ₱12,582.82 million as of September 30, 2025 and December 31, 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 subject to loan covenants that restrict its ability to pay dividends (See Note 12).

## *13.8 Other Reserves*

**September 30, 2025**

| | Cash flow hedges | Investment in equity securities | Currency translation adjustment | Remeasurement on pension liabilities | Others | Total |
|---|---|---|---|---|---|---|
| | | | *(Unaudited and In Thousand Pesos)* | | | |
| **As of January 1** | **(₱1,866,910)** | **₱1,372,507** | **₱915,075** | **(₱2,690,299)** | **₱-** | **(₱2,269,627)** |
| **Fair value changes** | **24,959** | **21,337** | **-** | **-** | **-** | **46,296** |
| **Share in OCI from investment in joint venture** (see Note 10) | **-** | **-** | **337** | **-** | **-** | **337** |
| **Remeasurement on pension liabilities** | **-** | **-** | **-** | **8,319** | **-** | **8,319** |
| **Transferred to profit or loss** | **124,059** | **-** | **-** | **-** | **-** | **124,059** |
| **Exchange differences** | **-** | **-** | **10,320** | **-** | **-** | **10,320** |
| **Income tax effect** | **(37,254)** | **(5,334)** | **-** | **(2,080)** | **-** | **(44,668)** |
| **Other comprehensive income for the period** | **111,764** | **16,003** | **10,657** | **6,239** | **-** | **144,663** |
| **Other comprehensive income attributable to non-controlling interest** | **-** | **-** | **(3,007)** | **1,749** | **-** | **(1,258)** |
| **Other comprehensive income attributable to equity holders of the Parent** | **111,764** | **16,003** | **7,650** | **7,988** | **-** | **143,405** |
| **Non-controlling interest adjustment arising from increase in ownership share (**see Notes 1.8 and 1.16**)** | **-** | **-** | **-** | **-** | **(45,474)** | **(45,474)** |
| **As of September 30** | **(₱1,755,146)** | **₱1,388,510** | **₱922,725** | **(₱2,682,221)** | **(₱45,474)** | **(₱2,171,696)** |
| As of December 31, 2024 | (₱1,866,910) | ₱1,372,507 | ₱915,075 | (₱2,690,299) | ₱- | (₱2,269,627) |

September 30, 2024

| | Cash flow hedges | Investment in equity securities | Currency translation adjustment | Remeasurement on pension liabilities | Total |
|---|---|---|---|---|---|
| | *(Unaudited and In Thousand Pesos)* | | | | |
| As of January 1 | (₱996,453) | ₱1,217,194 | ₱637,601 | (₱2,191,595) | (₱1,333,253) |
| Fair value changes | (734,025) | 167,011 | - | (4,471) | (571,485) |
| Share in OCI from investment in joint venture (see Note 10) | - | (16,931) | 3,189 | (23,972) | (37,714) |
| Remeasurement on pension liabilities | - | - | - | - | - |
| Transferred to profit or loss | 39,109 | - | - | - | 39,109 |
| Exchange differences | - | - | 95,018 | - | 95,018 |
| Income tax effect | 173,729 | (41,753) | - | 1,118 | 133,094 |
| Other comprehensive income (loss) for the period | (521,187) | 108,327 | 98,207 | (27,325) | (341,978) |
| Other comprehensive income attributable to non-controlling interest | - | - | 5,445 | 804 | 6,249 |
| Other comprehensive income attributable to equity holders of the Parent | (521,187) | 108,327 | 103,652 | (26,521) | (335,729) |
| As of September 30, 2024 | (₱1,517,640) | ₱1,325,521 | ₱741,253 | (₱2,218,116) | (₱1,668,982) |

## 14 Other Income - net

This account consists of:

| | Notes | Three-Month Period Ended September 30 2025 | Three-Month Period Ended September 30 2024 | Nine - Month Period Ended September 30 2025 | Nine - Month Period Ended September 30 2024 |
|---|---|---|---|---|---|
| | | *(Unaudited and In Thousand Pesos)* | | | |
| Gain on deemed sale of investment in Mynt | 10.2 | **₱-** | ₱- | **₱2,560,357** | ₱- |
| Foreign exchange gain (loss) - net | | **(1,875,770)** | 3,449,955 | **52,519** | (460,143) |
| Lease | | **65,907** | 67,833 | **201,388** | 208,809 |
| Management fees | | **41,516** | 28,194 | **123,511** | 101,906 |
| Gain on sale of investments | 10.8 | **-** | - | **21,093** | - |
| Gain (loss) on derivative instruments – net | | **2,089,844** | (3,482,126) | **19,469** | 712,079 |
| Others | | **43,649** | 437,190 | **237,457** | 663,098 |
| | | **₱365,146** | ₱501,046 | **₱3,215,794** | ₱1,225,749 |

## 15 Cost and Expenses

*15.1 General, selling and administrative expenses:*

This account consists of:

| | Note | Three-Month Period Ended September 30 2025 | 2024 | Nine - Month Period Ended September 30 2025 | 2024 |
|---|---|---|---|---|---|
| | | *(Unaudited and In Thousand Pesos)* | | | |
| Staff costs | | **₱ 4,716,972** | ₱4,755,914 | **₱13,126,815** | ₱14,059,864 |
| Professional and other contracted services | | **3,779,741** | 3,391,862 | **10,679,401** | 10,517,660 |
| Repairs and maintenance | | **3,311,319** | 3,536,469 | **10,500,691** | 10,280,636 |
| Utilities, supplies and other administrative expenses | | **3,081,381** | 2,738,309 | **8,686,715** | 8,619,583 |
| Lease | 9.3 | **840,884** | 673,588 | **2,528,903** | 2,336,329 |
| Taxes and licenses | | **552,694** | 1,364,263 | **2,384,910** | 3,081,359 |
| Selling, advertising and promotions | | **719,772** | 928,778 | **2,186,396** | 2,567,267 |
| Insurance and security services | | **354,484** | 383,462 | **1,123,762** | 1,186,980 |
| Courier, delivery and miscellaneous expenses | | **60,467** | 77,329 | **317,020** | 293,076 |
| Others | | **712,584** | 893,584 | **1,857,989** | 2,312,834 |
| | | **₱18,130,298** | ₱18,743,558 | **₱53,392,602** | ₱55,255,588 |

Staff cost includes pension expense amounting to ₱233.50 million and ₱220.48 million, for the three-month period, ₱701.75 million and ₱645.56 million, for the nine-month period ended September 30, 2025 and 2024, and share based compensation amounting to ₱138.75 million and ₱253.58 million for the three-month period, ₱303.80 million and ₱444.07 million for the nine-month period ended September 30, 2025 and 2024, respectively.

### *15.2 Depreciation and amortization*

The account consist of:

| | Notes | Three-Month Period Ended September 30 2025 | 2024 | Nine - Month Period Ended September 30 2025 | 2024 |
|---|---|---|---|---|---|
| | | *(Unaudited and In Thousand Pesos)* | | | |
| Property and equipment | 7 | **₱9,130,278** | ₱8,390,375 | **₱27,027,320** | ₱25,965,195 |
| Intangible assets | 8 | **1,424,721** | 1,778,956 | **4,412,242** | 4,984,321 |
| Right of use assets– net | 9.1 | **2,996,040** | 2,370,426 | **8,539,444** | 6,349,094 |
| Investment properties | 6 | **945** | 942 | **2,827** | 2,826 |
| | | **₱13,551,984** | ₱12,540,699 | **₱39,981,833** | ₱37,301,436 |

### *15.3 Finance Costs*

This account consists of:

| | Notes | Three-Month Period Ended September 30 2025 | 2024 | Nine - Month Period Ended September 30 2025 | 2024 |
|---|---|---|---|---|---|
| | | *(Unaudited and In Thousand Pesos)* | | | |
| Lease liabilities – net | 9.2 | **₱1,978,521** | ₱1,843,364 | **₱5,932,924** | ₱4,833,680 |
| Loans payable | 12 | **2,013,894** | 1,823,300 | **5,696,196** | 5,330,393 |
| Swap costs | | **104,800** | 84,483 | **323,989** | 219,270 |
| Pension liabilities | | **41,513** | 33,653 | **124,538** | 100,959 |
| ARO accretion expense | | **2,718** | 3,261 | **8,557** | 8,079 |
| Others | | **4,270** | 5,985 | **19,162** | 18,655 |
| | | **₱4,145,716** | ₱3,794,046 | **₱12,105,366** | ₱10,511,036 |

### *15.4 Impairment and other losses*

This account consists of:

| | Notes | Three-Month Period Ended September 30 2025 | 2024 | Nine - Month Period Ended September 30 2025 | 2024 |
|---|---|---|---|---|---|
| | | *(Unaudited and In Thousand Pesos)* | | | |
| Impairment loss on: | | | | | |
| Trade receivables | 4 | **₱599,126** | ₱637,607 | **₱2,160,436** | ₱2,291,037 |
| Contract assets | 5.1 | **155,688** | 180,211 | **498,417** | 493,691 |
| Provisions for: | | | | | |
| Inventory obsolescence and market decline | | **17,073** | 23,078 | **110,320** | 79,087 |
| Other probable losses | | **129,773** | (110,330) | **368,411** | 101,213 |
| | | **₱901,660** | ₱730,566 | **₱3,137,584** | ₱2,965,028 |

## 16 Earnings Per Share

Globe's earnings per share amounts were computed as follows:

| | Three-Month Period Ended September 30 | | Nine-Month Period Ended September 30 | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | *(Unaudited)* | | | |
| Net income attributable to common shareholders | **₱5,253,289** | ₱6,021,921 | **₱17,692,841** | ₱20,575,483 |
| Less: Dividends on preferred shares and distributions on capital securities | | | | |
| Convertible voting preferred shares | **15,324** | 12,507 | **45,973** | 37,521 |
| Capital securities | **332,239** | 340,773 | **996,716** | 1,022,319 |
| Net income attributable to common shareholders for basic earnings per share (a) | **4,905,726** | 5,668,641 | **16,650,152** | 19,515,643 |
| Add dividends on preferred shares | | | | |
| Convertible voting preferred shares | **15,324** | 12,507 | **45,973** | 37,521 |
| Net income attributable to common shareholders for diluted earnings per share (b) | **4,921,050** | 5,681,148 | **16,696,125** | 19,553,164 |
| Common shares outstanding, beginning | **144,380** | 144,229 | **144,380** | 144,229 |
| Add Weighted average number of issued shares under sharebased compensation | **44** | 63 | **44** | 63 |
| Weighted average number of shares for basic earnings per share (c) | **144,424** | 144,292 | **144,424** | 144,292 |
| Dilutive shares arising from: | | | | |
| Dilutive effect of share based compensation plans | **695** | 592 | **695** | 592 |
| Convertible preferred shares | **425** | 397 | **425** | 397 |
| Adjusted weighted average number of common stock for diluted earnings per share (d) | **145,544** | 145,281 | **145,544** | 145,281 |
| Basic earnings per share (a/c) | **₱33.97** | ₱39.29 | **₱115.29** | ₱135.25 |
| Diluted earnings per share (b/d) | **₱33.81** | ₱39.10 | **₱114.72** | ₱134.59 |

## 17 Financial Instruments

### *17.1 Categories of Financial Assets and Financial Liabilities*

The table below presents the carrying value of Globe's financial instruments by category:

| | Notes | September 30 2025 (Unaudited) | December 31 2024 (Audited) |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| **Financial Assets** | | | |
| Derivative assets | | | |
| Designated as cash flow hedges (FVOCI) | | **₱5,651,297** | ₱5,209,490 |
| Not designated as hedges (FVPL) | | **307,222** | 9,661 |
| Financial assets at FVOCI: | | | |
| Investment in equity securities | 6.1 | **4,071,403** | 3,941,493 |
| Financial assets at FVPL: | | | |
| Investment in debt securities | 6.1 | **143,047** | 142,304 |
| Financial assets at amortized cost | | | |
| Cash and cash equivalents | 3 | **27,728,379** | 21,353,659 |
| Trade receivables – net | 4 | **17,548,974** | 19,660,468 |
| Contract assets – net | 5.1 | **4,648,654** | 5,442,961 |
| Non-trade receivables | 6.2 | **3,798,411** | 3,324,995 |
| Loans receivable from related parties | 6.1 | **3,287,935** | 3,763,935 |
| | | **₱67,185,322** | ₱62,848,966 |
| **Financial Liabilities:** | | | |
| Derivative liabilities | | | |
| Designated as cash flow hedges (FVOCI) | | **₱432,722** | ₱339,862 |
| Not designated as hedges (FVPL) | | **-** | 233,143 |
| Financial liabilities at amortized cost | | | |
| Trade payables and accrued expenses* | 11 | **66,630,478** | 68,148,559 |
| Loans payable | 12 | **253,491,452** | 249,459,909 |
| Lease liabilities | 9.2 | **127,023,986** | 116,107,874 |
| Other long term liabilities** | | **942,408** | 1,018,474 |
| | | **₱448,521,046** | ₱435,307,821 |

**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*

## 17.2 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 (In thousands):

| | September 30 2025 (Unaudited) | | December 31 2024 (Audited) | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial Assets** | | | | |
| Derivative assets[1] | **₱5,958,519** | **₱5,958,519** | ₱5,219,151 | ₱5,219,151 |
| Investment in debt and equity securities[1] | **4,214,450** | **4,214,450** | 4,083,797 | 4,083,797 |
| | **₱10,172,969** | **₱10,172,969** | ₱9,302,948 | ₱9,302,948 |
| **Financial Liabilities** | | | | |
| Derivative liabilities[1] | **₱432,722** | **₱432,722** | ₱573,005 | ₱537,005 |
| Loans payable[2] | **253,491,452** | **255,373,904** | 249,459,909 | 249,032,055 |
| | **₱254,256,774** | **₱256,139,226** | ₱250,032,914 | ₱249,569,060 |

[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.

*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 quoted prices of similar instruments (Level 1) and recent funding round prices of identical or similar instruments (Level 2). Certain investments in equity securities with no recent funding round were valued using sales enterprise value multiple of comparable companies ranging from 2.3x to 5.5x.

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.

*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 not material given that Globe deals its derivatives with large foreign and local banks with very minimal risk of default.

*Fair Value Hierarchy*

The following tables provide the fair value measurement hierarchy of Globe's assets and liabilities:

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **September 30, 2025** | | *(In Thousand Pesos)* | | |
| **Financial Assets** | | | | |
| Derivative assets | **₱-** | **₱5,958,519** | **₱-** | **5,958,519** |
| Investment in debt and equity securities | **868,923** | **2,639,806** | **705,721** | **4,214,450** |
| **Financial Liabilities** | | | | |
| Derivative liabilities | **-** | **432,722** | **-** | **432,722** |
| Loans payable | **-** | **255,373,904** | **-** | **255,373,904** |
| **December 31, 2024** | | | | |
| **Financial Assets** | | | | |
| Derivative assets | ₱- | ₱5,219,151 | ₱- | ₱5,219,151 |
| 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 period ended September 30, 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.

## 18 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's 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.

## 19 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 (in thousand pesos):

| | Mobile Communications Services | Wireline Communications Services | Others | Consolidated |
|---|---|---|---|---|
| | **September 30, 2025 (Unaudited)** | | | |
| | *(In Thousand Pesos)* | | | |
| REVENUES: | | | | |
| Service revenues: | | | | |
| External customers: | | | | |
| Data | ₱73,996,839 | 14,995,089 | ₱- | ₱88,991,928 |
| Voice | 8,283,253 | 942,868 | - | 9,226,121 |
| SMS | 3,892,904 | - | - | 3,892,904 |
| Broadband | - | 17,840,249 | - | 17,840,249 |
| Others | - | - | 1,725,249 | 1,725,249 |
| | 86,172,996 | 33,778,206 | 1,725,249 | 121,676,451 |
| Nonservice revenues: | | | | |
| External customers | 9,818,645 | 28,422 | 66,917 | 9,913,984 |
| Segment revenues | 95,991,641 | 33,806,628 | 1,792,166 | 131,590,435 |
| Operating costs and expenses-net | (43,998,864) | (21,520,513) | (1,885,606) | (67,404,983) |
| EBITDA | 51,992,777 | 12,286,115 | (93,440) | 64,185,452 |
| Depreciation and amortization | (26,792,694) | (13,050,935) | (138,204) | (39,981,833) |
| EBIT | 25,200,083 | (764,820) | (231,644) | 24,203,619 |
| Finance cost and non-operating expenses – net | (3,940,279) | 59,795 | 836,543 | (3,043,941) |
| **NET INCOME (LOSS) BEFORE TAX** | 21,259,804 | (705,025) | 604,899 | 21,159,678 |
| Provision for income tax | (3,439,424) | 112,269 | (141,694) | (3,468,849) |
| **NET INCOME (LOSS)** | ₱17,820,380 | (₱592,756) | 463,205 | ₱17,690,829 |
| Intersegment revenues | (₱738,466) | (₱1,265,505) | (₱4,470,423) | (6,474,394) |
| Core net income after tax | | | | 15,452,939 |
| Operating costs and expenses - net | | | | |
| Operating expenses-net[1] | (31,654,794) | (19,333,120) | (1,814,141) | (52,802,055) |
| Cost of inventories sold | (9,717,375) | (307,821) | (66,910) | (10,092,106) |
| Impairment and other losses[2] | (1,895,643) | (1,237,347) | (4,594) | (3,137,584) |
| Interconnect costs | (731,052) | (642,225) | 39 | (1,373,238) |
| | (43,998,864) | (21,520,513) | (1,885,606) | (67,404,983) |
| Finance costs and non-operating charges | | | | |
| Finance costs | (11,961,440) | (124,520) | (19,406) | (12,105,366) |
| Equity share in net income (losses) of joint ventures | 5,144,522 | 237,890 | - | 5,382,412 |
| Interest income | 305,655 | 105,599 | 131,111 | 542,365 |
| Other non-operating income-net[3] | 2,570,984 | (159,174) | 724,838 | 3,136,648 |
| | (3,940,279) | 59,795 | 836,543 | (3,043,941) |
| **Cash Flows** | | | | |
| Net cash from (used in): | | | | |
| Operating activities | ₱48,971,674 | ₱11,763,069 | (₱23,439) | ₱60,711,304 |
| Investing activities | (15,719,403) | (9,141,572) | (42,948) | (24,903,923) |
| Financing activities | (27,698,610) | (1,202,874) | (229,336) | (29,130,820) |

*[1]Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income*
*[2]Impairment and other losses includes impairment loss on receivables, contract assets, inventories, and provision for probable losses*
*[3]Other non-operating income primarily includes gain on deemed sale of investment in Mynt under mobile communications services, gain on sale and leaseback of telecom towers – net under mobile communications services, net gain (loss) on derivative instruments, net foreign exchange gain (loss), net gain on disposal of property and equipment, net gain (loss) on ARO and other non-operating income/charges*

| | September 30, 2024 (Unaudited) | | | |
|---|---|---|---|---|
| | Mobile Communications Services | Wireline Communications Services | Others | Consolidated |
| | *(In Thousand Pesos)* | | | |
| REVENUES: | | | | |
| Service revenues: | | | | |
| External customers: | | | | |
| Data | ₱72,859,051 | ₱15,480,071 | ₱- | ₱88,339,122 |
| Voice | 9,642,449 | 1,129,990 | - | 10,772,439 |
| SMS | 5,204,629 | - | - | 5,204,629 |
| Broadband | - | 17,886,868 | - | 17,886,868 |
| Others | - | - | 1,806,359 | 1,806,359 |
| | 87,706,129 | 34,496,929 | 1,806,359 | 124,009,417 |
| Nonservice revenues: | | | | |
| External customers | 10,457,109 | 195,765 | 81,901 | 10,734,775 |
| Segment revenues | 98,163,238 | 34,692,694 | 1,888,260 | 134,744,192 |
| Operating costs and expenses-net | (46,044,530) | (22,468,763) | (1,366,241) | (69,879,534) |
| EBITDA | 52,118,708 | 12,223,931 | 522,019 | 64,864,658 |
| Depreciation and amortization | (25,051,393) | (12,055,073) | (194,970) | (37,301,436) |
| EBIT | 27,067,315 | 168,858 | 327,049 | 27,563,222 |
| Finance cost and non-operating expenses – net | (2,100,408) | (102,561) | 39,334 | (2,163,635) |
| **NET INCOME (LOSS) BEFORE TAX** | 24,966,907 | 66,297 | 366,383 | 25,399,587 |
| Provision for income tax | (4,736,536) | (60,765) | (45,938) | (4,843,239) |
| **NET INCOME (LOSS)** | ₱20,230,371 | ₱5,532 | ₱320,445 | ₱20,556,348 |
| Intersegment revenues | (₱781,186) | (₱1,755,490) | (₱4,048,772) | (₱6,585,448) |
| Core net income after tax | | | | 17,614,225 |
| Operating costs and expenses - net | | | | |
| Operating expenses-net[1] | (32,987,888) | (19,946,580) | (1,284,160) | (54,218,628) |
| Cost of inventories sold | (10,534,467) | (895,828) | (78,825) | (11,509,120) |
| Impairment and other losses[2] | (1,813,472) | (1,146,907) | (4,649) | (2,965,028) |
| Interconnect costs | (708,703) | (477,999) | (56) | (1,186,758) |
| | (46,044,530) | (22,467,314) | (1,367,690) | (69,879,534) |
| Finance costs and non-operating charges | | | | |
| Finance costs | (10,364,939) | (127,177) | (18,920) | (10,511,036) |
| Equity share in net income (losses) of joint ventures | 3,287,210 | 376,549 | - | 3,663,759 |
| Interest income | 379,281 | 135,243 | 111,210 | 625,734 |
| Other non-operating income-net[3] | 4,598,040 | (487,176) | (52,956) | 4,057,908 |
| | (2,100,408) | (102,561) | 39,334 | (2,163,635) |
| **Cash Flows** | | | | |
| Net cash from (used in): | | | | |
| Operating activities | ₱57,282,703 | ₱8,350,078 | (₱69,232) | ₱65,563,549 |
| Investing activities | (3,894,412) | (10,615,629) | (6,107) | (14,516,148) |
| Financing activities | (44,296,560) | (974,407) | (28,273) | (45,299,240) |

[1]*Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income*
[2]*Impairment and other losses includes impairment loss on receivables, contract assets, inventories, and provision for probable losses*
[3]*Other 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 core net income after tax (core NIAT) to NIAT is shown below:

| | Nine-Month Period Ended September 30 | |
|---|---|---|
| | **2025 (Unaudited)** | 2024 (Unaudited) |
| | *(In Thousand Pesos)* | |
| CORE NIAT | **₱15,452,939** | ₱17,614,225 |
| Gain (loss) on derivative instruments - net | **14,602** | 534,059 |
| Foreign exchange gains (losses) – net | **39,389** | (345,107) |
| Gain on sale and leaseback of telecom towers - net | **285,536** | 2,720,858 |
| Gain on deemed sale of investment in Mynt | **2,176,303** | - |
| Others | **(277,940)** | 32,313 |
| NIAT | **₱17,690,829** | ₱20,556,348 |

### *19.1 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 (including fully Mobile, internet-on-the-go service and GOMO) and Touch Mobile.

#### *19.1.1 Mobile Voice*

Mobile voice include local, national and international long-distance call services. In addition to its standard, pay-per-use rates, subscribers can choose from bulk and unlimited voice offerings for all-day, and in several denominations.

#### *19.1.2 Mobile SMS*

Mobile SMS consist of local and international revenues from inbound and outbound SMS.

#### *19.1.3 Mobile Data*

Mobile Data services allow subscribers to access the internet using their internet-capable mobile devices or laptops. Mobile data also includes local and international revenues from value-added services such as content downloading, mobile commerce services, and other add-on VAS.

### *19.2 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.

#### *19.2.1 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.

### *19.2.2 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 – Globe's range of cloud services provides improved efficiency and agility in the face of evolving business environments while keeping costs low.
- Data Centers - Globe Data Center offers outsourced data center hosting and management for a superior experience that goes beyond technology.
- Cybersecurity –Globe cybersecurity provides enterprises the access to the best-in-class tool sets, hardware, software, and even niche technology experts to handle security threats and IT infrastructure in a cost-effective manner.
- Business Continuity - Globe business continuity services provides the right digital solutions for uninterrupted business operations. The product offers seamless connectivity through Prepaid Mobile WiFi or Corporate Managed Broadband, empowered remote workforce using collaboration tools, and security for their business operations with Backup-as-a-Service (BaaS) and Disaster-Recovery-as-a-Service (DRaaS), among others.
- Business Applications – Globe offers a diverse range of business applications solutions to streamline and enhance the business' operations, and raise efficiency, productivity, and customer satisfaction.

### *19.2.3 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.

### *19.2.4 Others*

Globe offers non-telecommunications products and services in adtech and manpower among others.

## 20 Significant Agreements

### *20.1 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 amounted to ₱522.68 million and ₱415.51 million for the three-month period ended and ₱1,373.24 million and ₱1,186.76 million for the nine-month period ended September 30, 2025 and 2024, respectively.

Net traffic settlements receivables amounted to ₱905.55 million and ₱907.18 million while net traffic settlements payable amounted to ₱788.05 million and ₱749.69 million as of September 30, 2025 and December 31, 2024, respectively (see Notes 4 and 11).

### *20.2 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 September 30, 2025 and December 31, 2024 included in the "Trade payables and accrued expenses" account in the consolidated statements of financial position amounted to ₱32,587.85 million and ₱30,740.90 million, respectively (see Note 11). The settlement of these liabilities is dependent on the payment terms and project milestones agreed with the suppliers and contractors. As of September 30, 2025 and December 31, 2024, the unapplied advances made to suppliers and contractors relating to purchase orders issued amounted to ₱13,499.76 million and ₱12,172.43 million, respectively (see Note 6).

Also, Globe has existing sale and leaseback agreements with various Tower Companies for the use of Telecom Towers. In relation to these arrangements, Globe has 852 and 776 tower lease commitments in which leases have not yet commenced as of September 30, 2025 and December 31, 2024, respectively.

## 21 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. l6-002 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.

## 22 Events After Reporting Period

*Dividend Declaration*

On November 6, 2025, the BOD approved the declaration of the fourth quarter cash dividend of ₱25 per common share, payable to common stockholders of record as of November 20, 2025. Total dividends amounting to ₱3.6 billion will be payable on December 5, 2025.

On the same date, the BOD approved the declaration of cash dividend for holders of voting preferred shares on record as of November 20, 2025. The amount of cash dividend will be based on the 2024 Benchmark rate of 3-day average of the 5-year BVAL rates plus 2%. The aggregate dividend payment of the voting preferred shares is about ₱61.3 million payable on December 5, 2025.

*Konektadong Pinoy Act*

The Konektadong Pinoy Act (KPA) which lapsed into law last August, establishes a comprehensive legal framework to promote open access, competition, and investment in data transmission infrastructure in the Philippines. It aims to narrow the digital divide by mandating infrastructure sharing, simplifying regulatory processes, ensuring cyber security compliance, and protecting user rights.

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 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 Department of Information and Communications Technology (DICT) announced on November 05, 2025 the signing of KPA IRR. The DICT and NTC will issue implementing guidelines and circulars necessary to fully implement KPA such as, access list, qualification of DTIPs and SMPF.

## 23 Financial Soundness Indicators

| | **September 30 2025** | December 31 2024 |
|---|---|---|
| **Financial Ratios** | | |
| Debt to EBITDA | **2.69** | 2.66 |
| Debt Service Coverage Ratio | **3.74** | 3.42 |
| Interest Coverage Ratio | **4.40** | 4.55 |
| Debt to Equity (D/E Ratio) - gross | **1.45** | 1.49 |
| Debt to Equity (D/E Ratio) - net | **1.29** | 1.36 |
| Debt to Total Capitalization - book | **0.59** | 0.60 |
| Debt to Total Capitalization - market | **0.54** | 0.44 |
| Total Asset to Equity Ratio | **3.77** | 3.78 |
| Current Ratio | **0.68** | 0.62 |
| Solvency Ratio | **0.16** | 0.17 |
| **Profitability Margins** | | |
| EBITDA Margins | **53%** | 53% |
| Net Profit Margin | **15%** | 15% |
| Return on Equity | **13%** | 15% |

# GLOBE TELECOM, INC. AND SUBSIDIARIES

## Index to the Interim Condensed Consolidated Financial Statements and Supplementary Schedules

Schedule 1 - Financial Soundness Indicators

Schedule 2 - Reconciliation of retained earnings available for dividend declaration

Schedule 3 - Map of the relationships of the companies within Globe

Schedule 4 - Schedule for Listed Companies with a Recent Offering of Securities to the Public

Schedule 5 - Supplementary Schedules required by Annex 68-J

## Schedule 1

| FINANCIAL SOUNDNESS INDICATORS | Formula | September 30 2025 | December 31 2024 |
|---|---|---|---|
| **FINANCIAL RATIOS** | | | |
| Interest Coverage Ratio | EBITDA / Interest Expense gross of capitalized borrowing costs | **4.40** | 4.55 |
| Debt to Equity (D/E Ratio) | Total Debt / Total Equity | **1.45** | 1.49 |
| Total Asset to Equity Ratio | Total Assets / Total Equity | **3.77** | 3.78 |
| Current Ratio | Current Assets / Current Liabilities | **0.68** | 0.62 |
| Solvency Ratio | Net Income + Depreciation and Amortization + Provisions for Doubtful Accounts / Total Liabilities | **0.16** | 0.17 |
| Acid test ratio | Current Assets – Inventories and Supplies – net / Current Liabilities | **0.67** | 0.60 |
| **PROFITABILITY MARGINS** | | | |
| EBITDA Margins | EBITDA / Service Revenues | **53%** | 53% |
| Net Profit Margin | Net Income / Service Revenues | **15%** | 15% |
| Return on Asset | Net Income / Total Assets | **3%** | 4% |
| Return on Equity | Net Income / Total Average Equity | **13%** | 15% |

Globe

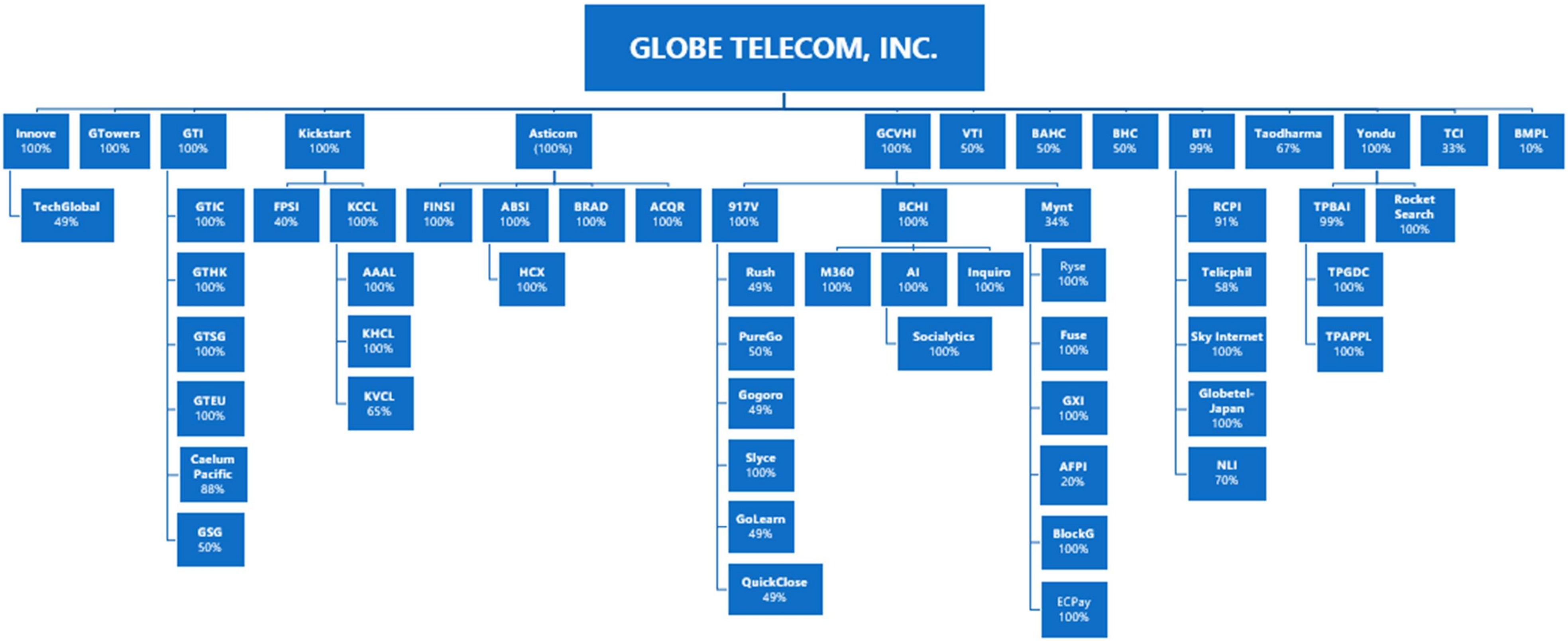
## Schedule 2

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION AS OF SEPTEMBER 30, 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 | (10,832,934) |
| Distribution on capital securities | (664,477) |
| **Unappropriated Retained Earnings, as adjusted** | **1,085,409** |
| **Net income during the period closed to Retained Earnings** | **22,825,294** |
| **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 | (6,455,201) |
| **Category C.1 – Subtotal** | **(6,455,201)** |
| **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** | **22,204,256** |
| **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 | (398,516) |
| **Unappropriated Retained Earnings, as adjusted, ending** | **₱22,891,149** |

**Schedule 3**

**MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN GLOBE**
**AS OF SEPTEMBER 30, 2025**



**Schedule 4**

**SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC**
**AS OF SEPTEMBER 30, 2025**

| | Planned Application Proceeds | Actual Disbursement | Balance of Offering Proceeds |
|---|---|---|---|

**Not Applicable**

Globe

**SCHEDULE 5A – FINANCIAL ASSETS**
**SEPTEMBER 30, 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) | Additions | Amounts collected | Current | Non-current | Balance at the end of period (September 30, 2025) |
|---|---|---|---|---|---|---|
| | | | *(In thousands)* | | | |
| Education Loan | ₱86,024 | ₱101,081 | ₱85,233 | ₱101,872 | ₱- | ₱101,872 |
| Hospitalization Loan | 14,312 | 34,357 | 17,289 | 31,380 | - | 31,380 |
| Housing and Renovation Loan | 50,065 | 53,815 | 56,186 | 47,694 | - | 47,694 |
| Medical and Health Related Loan | 10,922 | 62,737 | 20,308 | 53,351 | - | 53,351 |
| Others | 3,191 | 9,716 | 2,762 | 10,145 | - | 10,145 |
| Total | **₱164,514** | **₱261,706** | **₱181,778** | **₱244,442** | **₱-** | **₱244,442** |

Globe

## Schedule 5C - Trade & Other Receivables Eliminated During Consolidation

| Creditor | Creditor's Relationship to the Reporting Company (Subsidiary or Parent) | Account Type | Beginning Balance (January 1, 2025) | Net Movement | Outstanding Balance (September 30, 2025) |
|---|---|---|---|---|---|
| | | | | *(In thousands)* | |
| Globe | Parent | Traffic receivables | ₱314,789 | (₱137,790) | ₱176,999 |
| | Parent | Trade Receivables | 439,211 | (340,658) | 98,553 |
| | Parent | Other Receivables | 32,081,145 | 14,103,266 | 46,184,411 |
| Innove | Subsidiary | Trade Receivables | 90,948 | 1,936 | 92,884 |
| | Subsidiary | Other Receivables | 32,302,662 | 4,628,427 | 36,931,089 |
| | Co-Subsidiary | Trade Receivables | 36,295 | (10,138) | 26,157 |
| | Co-Subsidiary | Other Receivables | 574,945 | (9,030) | 565,915 |
| | Co-Subsidiary | Traffic receivables | 151 | (87) | 64 |
| Asticom | Subsidiary | Trade Receivables | 691,392 | (194,376) | 497,016 |
| | Co-Subsidiary | Other Receivables | 269,149 | (35,698) | 233,451 |
| BTI | Subsidiary | Other Receivables | 4,338,145 | 293,976 | 4,632,121 |
| | Subsidiary | Traffic receivables | 3,126 | (2,021) | 1,105 |
| | Subsidiary | Trade Receivables | 4,886 | (2) | 4,884 |
| | Co-Subsidiary | Trade Receivables | 6,168 | (121) | 6,047 |
| | Co-Subsidiary | Other Receivables | 6,371,051 | 19,406 | 6,390,457 |

*(forward)*

| Creditor | Creditor's Relationship to the Reporting Company (Subsidiary or Parent) | Account Type | Beginning Balance (January 1, 2025) | Net Movement | Outstanding Balance (September 30, 2025) |
|---|---|---|---|---|---|
| GCVH | Subsidiary | Trade Receivables | 654,508 | 153,045 | 807,553 |
| | Subsidiary | Other Receivables | 271,070 | (126,239) | 144,831 |
| | Co-Subsidiary | Other Receivables | 1,771,145 | (1,555,452) | 215,693 |
| | Co-Subsidiary | Trade Receivables | 138,447 | 63,360 | 201,807 |
| GTI | Subsidiary | Other Receivables | 102,866 | 2,748 | 105,614 |
| | Co-Subsidiary | Trade Receivables | 1,177 | 2,829 | 4,006 |
| | Co-Subsidiary | Other Receivables | 539,323 | (45,561) | 493,762 |
| TAOD | Subsidiary | Other Receivables | 7,284 | (36) | 7,248 |
| | Co-Subsidiary | Other Receivables | 73 | - | 73 |
| Kickstart | Co-Subsidiary | Other Receivables | 151,942 | 109,846 | 261,788 |
| | Subsidiary | Other Receivables | 8,710 | 11,983 | 20,693 |
| Yondu | Subsidiary | Trade Receivables | 60,897 | 12,556 | 73,453 |
| | Co-Subsidiary | Trade Receivables | 156,327 | (15,904) | 140,423 |
| | Co-Subsidiary | Other Receivables | 186,799 | 13,316 | 200,115 |
| **TOTAL** | | | **₱81,574,631** | **₱16,943,581** | **₱98,518,212** |

## SCHEDULE 5D – LONG TERM DEBT
## SEPTEMBER 30, 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** | **Interest rates** | **Maturity dates** |
| | | *(In thousands)* | | | |
| Term Loans: | | | | | |
| Peso | ₱214,00,000 | ₱22,102,306 | ₱182,660,247 | 4.00% to 7.00% | 2025-2040 |
| Dollar | $350,000 | 100,156 | 14,032,159 | 5.18% to 7.04% | 2026-2027 |
| Retail Bonds Dollar | $600,000 | - | 34,596,584 | 3.13% to 3.75% | 2030-2035 |
| | | **₱22,202,462** | **₱231,288,990** | | |

**SCHEDULE 5E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES**
**SEPTEMBER 30, 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**
**SEPTEMBER 30, 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 | | | | |

Globe

## SCHEDULE 5G - CAPITAL STOCK
## SEPTEMBER 30, 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 | 111,739 | 1,218 | 31,511 |
| Voting preferred stock | 160,000 | 158,515 | - | 158,515 | - | - |
| Non-voting preferred stock* | 40,000 | - | - | - | - | - |

**Reacquired as treasury shares*

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

**The following document has been received:**

**Receiving:** ICTD ERMD
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## Company Information

**SEC Registration No.:** PW00001177
**Company Name:** GLOBE TELECOM INC.
**Industry Classification:** I64200
**Company Type:** Stock Corporation

## Document Information

**Document ID:** OST10227202583085247
**Document Type:** Financial Statement
**Document Code:** FS
**Period Covered:** December 31, 2024
**Submission Type:** Consolidated
**Remarks:** None

Acceptance of this document is subject to review of forms and contents

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

www.globe.com.ph

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of Globe Telecom, Inc. and Subsidiaries ("Globe") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024, and 2023 and for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**JAIME AUGUSTO ZOBEL DE AYALA**
Chairman of the Board

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 0 6 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Jaime Augusto Zobel De Ayala | P5325092C | September 22, 2023 | September 21, 2033 |

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Page No. ; 30
Book No.; II
Series of 2025

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig
Appointment No. 138 (2024-2025)
Valid until December 31, 2025
PTR No. A-6128623/01-25-2024/Taguig
IBP O.R. No. 301152/01-02-2024/Pasig City
Roll of Attorneys No. 67554
28th Floor, The Globe Tower
32nd Street cor. 7 Avenue
Bonifacio Global City, Taguig

Globe

Globe Telecom, Inc.
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Bonifacio Global City,
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# STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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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.

**ERNEST L. CU**
President and Chief Executive Officer

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Ernest L. Cu | P6866832B | May 25, 2021 | May 24, 2031 |

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Page No. ; 30
Book No. ; II
Series of 2025

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig
Appointment No. 158 (2024-2025)
Valid until December 31, 2025
PTR No. A-6128623/01-25-2024/Taguig
IBP O.R. No. 301152/01-02-2024/Pasig City
Roll of Attorneys No. 67554
28th Floor, The Globe Tower
32nd Street cor. 7 Avenue
Bonifacio Global City, Taguig

Globe

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

www.globe.com.ph

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY**
**FOR CONSOLIDATED FINANCIAL STATEMENTS**

The management of Globe Telecom, Inc. and Subsidiaries ("Globe") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024, and 2023 and for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**JUAN CARLO C. PUNO**
Chief Financial Officer, Treasurer and Chief Risk Officer

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Juan Carlo C. Puno | P3069569B | 11 Oct 2019 | 10 Oct 2029 |

Doc. No. ; 191
Page No. ; 30
Book No.; II
Series of 2025

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig
Appointment No. 138 (2024-2025)
Valid until December 31, 2025
PTR No. A-6128623/01-25-2024/Taguig
IBP O.R. No. 301152/01-02-2024/Pasig City
Roll of Attorneys No. 67554
28th Floor, The Globe Tower
32nd Street cor. 7 Avenue
Bonifacio Global City, Taguig

# COVER SHEET

P W 0 0 0 0 1 1 7 7

G L O B E T E L E C O M , I N C .

(Company's Full Name)

THE GLOBE TOWER
32ND STREET CORNER 7TH AVENUE
BONIFACIO GLOBAL CITY TAGUIG

(Business Address: No. Street City / Town / Province)

| JUAN CARLO C. PUNO | 7797-2000 |
|---|---|
| Contact Person | Company Telephone Number |

| 1 2 | 3 1 | A F S | 0 4 | 2 2 |
|---|---|---|---|---|
| *Month* | *Day* | FORM TYPE | *Month* | *Day* |
| Fiscal Year | | | Annual Meeting | |

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. Of Stockholders

Domestic

Foreign

---

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

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

27 February 2025

**SECURITIES AND EXCHANGE COMMISSION**
The SEC Headquarters, 7907 Makati Avenue
Barangay Bel-Air, Makati City 1227

Attention: **Atty. Oliver O. Leonardo**
Director, Markets and Securities Regulation Department

**Atty. Rachel Esther J. Gumtang-Remalante**
Director, Corporate Governance and Finance Department

**THE PHILIPPINE STOCK EXCHANGE, INC.**
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City
Philippines 1634

Attention: **Disclosure Department**

Gentlemen/Mesdames:

Attached is the audited consolidated financial statements of Globe Telecom, Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years ended December 31, 2024, 2023, and 2022, and a summary of material accounting policies and other explanatory information.

Thank you very much.

Very truly yours,

DocuSigned by:
0822467DE1E0469...
JUAN CARLO C. PUNO
Chief Financial Officer, Treasurer, and
Chief Risk Officer

Globe

Globe Telecom, Inc.
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32nd Street corner 7th Avenue,
Bonifacio Global City,
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FOR CONSOLIDATED FINANCIAL STATEMENTS**

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

**JAIME AUGUSTO ZOBEL DE AYALA**
Chairman of the Board

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Jaime Augusto Zobel De Ayala | P5325092C | September 22, 2023 | September 21, 2033 |

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Page No. ; 30
Book No. ; II
Series of 2025

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig
Appointment No. 138 (2024-2025)
Valid until December 31, 2025
PTR No. A-6128623/01-25-2024/Taguig
IBP O.R. No. 301152/01-02-2024/Pasig City
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**ERNEST L. CU**
President and Chief Executive Officer

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Ernest L. Cu | P6866832B | May 25, 2021 | May 24, 2031 |

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Page No. ; 30
Book No. ; II
Series of 2025

KRISTINE MARGARETTE M. BERROYA
Notary Public for Taguig
Appointment No. 158 (2024-2025)
Valid until December 31, 2025
PTR No. A-6128623/01-25-2024/Taguig
IBP O.R. No. 301152/01-02-2024/Pasig City
Roll of Attorneys No. 67554
28th Floor, The Globe Tower
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Globe

Globe Telecom, Inc.
The Globe Tower
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Taguig, Philippines 1634

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

The management of Globe Telecom, Inc. and Subsidiaries ("Globe") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024, and 2023 and for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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**JUAN CARLO C. PUNO**
Chief Financial Officer, Treasurer and Chief Risk Officer

Signed this 6th day of February 2025

SUBSCRIBED AND SWORN to before me this FEB 06 2025 at TAGUIG CITY City, affiants who are personally known to me or identified through competent evidence of identity, to wit:

| Name | Passport or ID No. | Date of Issue | Expiry Date |
|---|---|---|---|
| Juan Carlo C. Puno | P3069569B | 11 Oct 2019 | 10 Oct 2029 |

Doc. No. ; 491
Page No. ; 30
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Roll of Attorneys No. 67554
28th Floor, The Globe Tower
32nd Street cor. 7 Avenue
Bonifacio Global City, Taguig

# Independent Auditor's Report

To the Board of Directors and Shareholders of
**Globe Telecom, Inc.**
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City

## Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Globe Telecom, Inc. and its subsidiaries (together, the "Group") as at December 31, 2024 and 2023, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

*What we have audited*

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the consolidated financial statements, comprising material accounting policies.

## Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

**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**<br><br>Refer to notes 2.13 and 32 to the consolidated financial statements.<br><br>Revenue recognition has been identified as a key audit matter primarily due to the significant volume of transactions processed through various systems which heavily relies on automated processes and controls from account activation, recording of usage, billing and ultimate revenue recognition. In particular, the Group's revenue streams include a significant amount of postpaid service revenues which are billed under various cycles, hence, timing of revenue recognition requires significant audit attention. | We addressed the matter by understanding the Group's revenue recognition policies in accordance with PFRS 15, Revenue from Contracts with Customers, and the related business processes and information technology (IT) environment.<br><br>We evaluated the design and tested the operating effectiveness of automated and manual controls surrounding revenue recognition. In particular, we tested controls from account activation to termination, provisioning, call data capture, charging, billing interface and revenue recording covering all assertions with respect to revenue.<br><br>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 |
|---|---|
| | In particular, to ensure that postpaid revenues are recognized in the proper period, we performed a combination of controls and substantive testing approach as follows:<br>• We tested the design and operating effectiveness of key controls over charging, billing and recording of revenue transactions.<br>• We tested the reliability of key system generated reports and reconciliations which serve as basis for recognizing postpaid revenue in the correct reporting period.<br>• On a sampling basis, we performed substantive audit procedures over postpaid revenue recognized before and after the reporting period end to validate that the sampled subscriber transactions are recognized in the correct reporting period. |

**Other Information**

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

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

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

When we read the other information identified above which have not yet been received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

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

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

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

- 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.

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. 107076
P.T.R. No. 0011459, issued on January 3, 2025, Makati City
TIN 923-763-007
BIR A.N. 08-000745-143-2025; issued on January 8, 2025; effective until January 7, 2028
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 6, 2025

**Statement Required by Rule 68**
**Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of
**Globe Telecom, Inc.**
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City

We have audited the consolidated financial statements of Globe Telecom, Inc. (the "Parent Company") and its subsidiaries (together the "Group") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, on which we have rendered the attached report dated February 6, 2025. The supplementary information shown in the Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration, Map of Relationships of the Companies within the Group, and Schedules A, B, C, D, E, F, and G, as additional components required by the Revised SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to auditing procedures applied in the audit of the basic consolidated financial statements.

In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

**Isla Lipana & Co.**

Aldie P. Garcia
Partner
CPA Cert. No. 107076
P.T.R. No. 0011459, issued on January 3, 2025, Makati City
TIN 923-763-007
BIR A.N. 08-000745-143-2025; issued on January 8, 2025; effective until January 7, 2028
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 6, 2025

## Statement Required by Rule 68
## Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
**Globe Telecom, Inc.**
The Globe Tower, 32nd Street corner 7th Avenue
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Globe Telecom, Inc. (the “Parent Company”) and its subsidiaries (together, the “Group”) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 6, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group’s management. These financial soundness indicators are not measures of operating performance defined by PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group’s consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

**Isla Lipana & Co.**

Aldie P. Garcia
Partner
CPA Cert. No. 107076
P.T.R. No. 0011459, issued on January 3, 2025, Makati City
TIN 923-763-007
BIR A.N. 08-000745-143-2025; issued on January 8, 2025; effective until January 7, 2028
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 6, 2025

# GLOBE TELECOM, INC. AND SUBSIDIARIES

Consolidated Financial Statements
December 31, 2024, 2023 and 2022

Globe

Globe

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

| | Notes | December 31 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 5 | **₱21,353,659** | ₱16,645,077 |
| Trade receivables – net | 6 | **19,660,468** | 18,097,898 |
| Contract assets – net | 7.1 | **5,442,961** | 6,223,595 |
| Inventories and supplies – net | 9 | **2,964,814** | 3,388,420 |
| Derivative assets – current | 8 | **177,153** | 516,718 |
| Prepayments and other current assets | 10.1 | **19,970,116** | 19,328,108 |
| | | **69,569,171** | 64,199,816 |
| Assets classified as held-for-sale | 11, 13.1, 14.2 | **7,648,795** | 22,724,321 |
| | | **77,217,966** | 86,924,137 |
| **Noncurrent Assets** | | | |
| Property and equipment – net | 11 | **352,115,098** | 334,408,653 |
| Intangible assets and goodwill – net | 12 | **20,130,902** | 23,373,106 |
| Right of use assets – net | 13.1 | **90,464,458** | 69,538,796 |
| Investments in joint ventures | 14 | **59,368,924** | 55,335,717 |
| Derivative assets – net of current portion | 8 | **5,041,998** | 4,200,246 |
| Deferred income tax assets – net | 28 | **1,971,459** | 2,279,979 |
| Other noncurrent assets | 10 | **27,325,318** | 35,567,551 |
| | | **556,418,157** | 524,704,048 |
| **TOTAL ASSETS** | | **₱633,636,123** | ₱611,628,185 |
| **LIABILITIES AND EQUITY** | | | |
| **Current Liabilities** | | | |
| Trade payables and accrued expenses | 15 | **₱78,107,332** | ₱87,664,258 |
| Loans payable – current | 17 | **26,349,796** | 36,792,956 |
| Lease liabilities – current | 13.2 | **8,175,643** | 5,899,426 |
| Deferred revenues – current | 7.2 | **6,049,750** | 7,154,714 |
| Provisions | 16 | **3,393,957** | 2,960,993 |
| Income tax payable | 28 | **902,334** | 1,605,015 |
| Derivative liabilities – current | 8 | **573,005** | 482,182 |
| | | **123,551,817** | 142,559,544 |
| **Noncurrent Liabilities** | | | |
| Loans payable – net of current portion | 17 | **223,110,113** | 213,162,613 |
| Lease liabilities – net of current portion | 13.2 | **107,932,231** | 82,825,056 |
| Deferred income tax liabilities – net | 28 | **4,363,232** | 5,983,954 |
| Pension liability | 27.1 | **2,826,848** | 2,718,312 |
| Deferred revenues – net of current portion | 7.2 | **644,855** | 764,888 |
| Other long-term liabilities | 18 | **3,427,798** | 3,687,080 |
| | | **342,305,077** | 309,141,903 |
| **Total Liabilities** | | **465,856,894** | 451,701,447 |
| **Equity** | | | |
| Capital Stock | 20 | **9,011,592** | 9,004,030 |
| Additional paid in capital | | **54,568,560** | 54,268,520 |
| Cost of share-based compensation | | **871,722** | 802,701 |
| Capital securities | 20.3 | **29,977,639** | 29,977,639 |
| Other reserves | 20.8 | **(2,269,627)** | (1,333,253) |
| Treasury shares | 20.4 | **(10,000,000)** | (10,000,000) |
| Retained earnings | | **85,588,481** | 77,149,257 |
| Equity attributable to equity holders of the Parent | | **167,748,367** | 159,868,894 |
| Non-controlling interest | | **30,862** | 57,844 |
| **Total Equity** | | **167,779,229** | 159,926,738 |
| **TOTAL LIABILITIES AND EQUITY** | | **₱633,636,123** | ₱611,628,185 |

*See accompanying Notes to Consolidated Financial Statements.*

Globe

# GLOBE TELECOM, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME

| | Notes | For the Years Ended December 31 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos, Except Per Share Figures)* | | |
| **REVENUES** | | | | |
| Service revenues | | **₱165,016,289** | ₱162,333,484 | ₱157,979,335 |
| Nonservice revenues | | **15,569,771** | 17,830,971 | 17,061,388 |
| | 32 | **180,586,060** | 180,164,455 | 175,040,723 |
| **INCOME** | | | | |
| Gain on sale of controlling interest on data center business | 14.3 | **-** | - | 10,511,945 |
| Equity share in net income of joint ventures | 14 | **3,897,012** | 2,214,761 | 1,083,202 |
| Gain on sale and leaseback of telecom towers - net | 11 | **3,482,083** | 7,258,378 | 8,260,927 |
| Interest income | 21 | **918,338** | 677,570 | 340,109 |
| Gain on disposal of property and equipment – net | | **206,500** | 371,655 | 321,354 |
| Other income – net | 22 | **1,734,944** | 959,898 | 2,474,814 |
| | | **10,238,877** | 11,482,262 | 22,992,351 |
| **COSTS AND EXPENSES** | | | | |
| General, selling and administrative expenses | 23 | **72,836,753** | 74,681,050 | 74,227,306 |
| Depreciation and amortization | 24 | **50,473,040** | 47,356,043 | 45,653,296 |
| Cost of inventories sold | 9 | **16,428,713** | 18,217,044 | 17,691,677 |
| Financing costs | 25 | **14,444,270** | 12,145,879 | 10,091,289 |
| Interconnect costs | 32, 33.1 | **1,619,788** | 1,367,052 | 1,362,309 |
| Impairment and other losses | 26 | **4,691,290** | 5,463,979 | 4,906,747 |
| | | **160,493,854** | 159,231,047 | 153,932,624 |
| **INCOME BEFORE INCOME TAX** | | **30,331,083** | 32,415,670 | 44,100,450 |
| **PROVISIONS (BENEFIT) FOR INCOME TAX** | | | | |
| Current | | **6,919,731** | 7,853,664 | 9,696,533 |
| Deferred | | **(874,417)** | (16,004) | (200,132) |
| | 28 | **6,045,314** | 7,837,660 | 9,496,401 |
| **NET INCOME** | | **24,285,769** | 24,578,010 | 34,604,049 |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | | |
| **Items that will be reclassified into profit or loss in subsequent periods:** | | | | |
| Transactions on cash flow hedges – net | | **(870,457)** | 185,047 | (1,379,590) |
| Exchange differences arising from translations of foreign investments | | **270,419** | (22,443) | 698,533 |
| | 20.8 | **(600,038)** | 162,604 | (681,057) |
| **Item that will not be reclassified into profit or loss in subsequent periods:** | | | | |
| Changes in fair value of financial assets at fair value through other comprehensive income | | **155,313** | 231,871 | 29,104 |
| Remeasurement gain (loss) on defined benefit plan | | **(499,467)** | (1,604,048) | 2,740,701 |
| | 20.8 | **(344,154)** | (1,372,177) | 2,769,805 |
| **TOTAL OTHER COMPREHENSIVE (LOSS) INCOME** | | **(944,192)** | (1,209,573) | 2,088,748 |
| **TOTAL COMPREHENSIVE INCOME** | | **₱23,341,577** | ₱23,368,437 | ₱36,692,797 |

*(Forward)*

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

| | Notes | For the Years Ended December 31 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos, Except Per Share Figures)* | | |
| **Total net income attributable to:** | | | | |
| Equity holders of the Parent | | **₱24,304,433** | ₱24,512,760 | ₱34,563,011 |
| Non-controlling interest | | **(18,664)** | 65,250 | 41,038 |
| | | **24,285,769** | 24,578,010 | 34,604,049 |
| **Total other comprehensive income (loss) attributable to:** | | | | |
| Equity holders of the Parent | 20.8 | **(936,374)** | (1,216,947) | 2,078,822 |
| Non-controlling interest | 20.8 | **(7,818)** | 7,374 | 9,926 |
| | | **(944,192)** | (1,209,573) | 2,088,748 |
| **Total comprehensive income attributable to:** | | | | |
| Equity holders of the Parent | | **23,368,059** | 23,295,813 | 36,641,833 |
| Non-controlling interest | | **(26,482)** | 72,624 | 50,964 |
| | | **₱23,341,577** | ₱23,368,437 | ₱36,692,797 |
| **Earnings Per Share** | | | | |
| Basic | 29 | **₱158.48** | ₱160.45 | ₱245.44 |
| Diluted | 29 | **₱157.83** | ₱159.74 | ₱244.25 |
| Cash dividends declared per common share | 20.5 | **₱100.00** | ₱100.00 | ₱106.00 |

*See accompanying Notes to Consolidated Financial Statements.*

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# GLOBE TELECOM, INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | For the Year Ended December 31, 2024 | | | | | |
| | | | | | | *(In Thousand Pesos)* | | | | | |
| As of January 1, 2024 | | ₱9,004,030 | ₱54,268,520 | ₱802,701 | ₱29,977,639 | (₱1,333,253) | ₱77,149,257 | (₱10,000,000) | ₱159,868,894 | ₱57,844 | ₱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 | | | | | | | | | | |
| Common Stock | | - | - | - | - | - | (14,434,240) | - | (14,434,240) | - | (14,434,240) |
| Preferred Stock - voting | | - | - | - | - | - | (61,297) | - | (61,297) | - | (61,297) |
| Distributions on Capital Securities | 20.3 | - | - | - | - | - | (1,369,672) | - | (1,369,672) | - | (1,369,672) |
| Share-based compensation | 27.3.1 | - | - | 376,623 | - | - | - | - | 376,623 | - | 376,623 |
| Issue of shares under share-based compensation plan | | 7,562 | 300,040 | (307,602) | - | - | - | - | - | - | - |
| Others | | - | - | - | - | - | - | - | - | (500) | (500) |
| As of December 31, 2024 | | ₱9,011,592 | ₱54,568,560 | ₱871,722 | ₱29,977,639 | (₱2,269,627) | ₱85,588,481 | (₱10,000,000) | ₱167,748,367 | ₱30,862 | ₱167,779,229 |

*(Forward)*

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# GLOBE TELECOM, INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | For the Year Ended December 31, 2023 | | | | | | | | | |
| | | *(In Thousand Pesos)* | | | | | | | | | |
| 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 | | | | | | | | | | |
| Common Stock | | - | - | - | - | - | (14,418,658) | - | (14,418,658) | - | (14,418,658) |
| Preferred Stock - voting | | - | - | - | - | - | (50,027) | - | (50,027) | - | (50,027) |
| Distributions on Capital Securities | 20.3 | - | - | - | - | - | (1,330,619) | - | (1,330,619) | - | (1,330,619) |
| Share-based compensation | 27.3.1 | - | - | 285,888 | - | - | - | - | 285,888 | - | 285,888 |
| Issue of shares under share-based compensation plan | | 8,428 | 323,649 | (332,077) | - | - | - | - | - | - | - |
| Non-controlling interest adjustment arising from subsidiary classified as assets held-for-sale | 14.2 | - | - | - | - | - | - | - | - | (357,303) | (357,303) |
| Others | | - | - | - | - | - | (103,850) | - | (103,850) | - | (103,850) |
| As of December 31, 2023 | | ₱9,004,030 | ₱54,268,520 | ₱802,701 | ₱29,977,639 | (₱1,333,253) | ₱77,149,257 | (₱10,000,000) | ₱159,868,894 | ₱57,844 | ₱159,926,738 |

*(Forward)*

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# GLOBE TELECOM, INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | | For the Year Ended December 31, 2022 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **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 |
| | | | | | | *(In Thousand Pesos)* | | | | | |
| As of January 1, 2022 | | ₱8,473,535 | ₱37,226,626 | ₱843,826 | ₱29,977,845 | (₱2,195,128) | ₱49,775,474 | (₱10,000,000) | ₱114,102,178 | ₱293,688 | ₱114,395,866 |
| Total comprehensive income for the year | | - | - | - | - | 2,078,822 | 34,563,011 | - | 36,641,833 | 50,964 | 36,692,797 |
| Dividends on: | 20.5 | | | | | | | | | | |
| Common Stock | | - | - | - | - | - | (14,442,073) | - | (14,442,073) | - | (14,442,073) |
| Preferred Stock - voting | | - | - | - | - | - | (50,027) | - | (50,027) | - | (50,027) |
| Distributions on Capital Securities | 20.3 | - | - | - | - | - | (1,306,734) | - | (1,306,734) | - | (1,306,734) |
| Share-based compensation | 27.3.1 | - | - | 440,894 | - | - | - | - | 440,894 | - | 440,894 |
| Issue of shares under share-based compensation plan | | 16,115 | 419,715 | (435,830) | - | - | - | - | - | - | - |
| Issuance cost of capital securities | | - | - | - | (206) | - | - | - | (206) | - | (206) |
| Issuance of shares by way of stock rights | 20.2 | 505,952 | 16,298,530 | - | - | - | - | - | 16,804,482 | - | 16,804,482 |
| Non-controlling interest adjustment arising from increase in ownership share | | - | - | - | - | - | - | - | - | (2,129) | (2,129) |
| As of December 31, 2022 | | ₱8,995,602 | ₱53,944,871 | ₱848,890 | ₱29,977,639 | (₱116,306) | ₱68,539,651 | (₱10,000,000) | ₱152,190,347 | ₱342,523 | ₱152,532,870 |

*(Forward)*

Globe

# GLOBE TELECOM, INC. AND SUBSIDIARIES
# CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Notes | For the Years Ended December 31 2024 | 2023 | 2022 |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Income before income tax | | **₱30,331,083** | ₱32,415,670 | ₱44,100,450 |
| Adjustments for: | | | | |
| Depreciation and amortization | 24 | **50,473,040** | 47,356,043 | 45,653,296 |
| Impairment and other losses | 26 | **4,691,290** | 5,463,979 | 4,906,747 |
| Financing cost | 25 | **14,444,270** | 12,145,879 | 10,091,289 |
| Equity share in net (income) in joint ventures | 14 | **(3,897,012)** | (2,214,761) | (1,083,202) |
| Gain on sale of controlling interest on data center business | 14.3 | **-** | - | (10,511,945) |
| Foreign exchange losses (gains) – net | 22 | **2,431,889** | (1,042,052) | 5,343,019 |
| (Gain) Loss on derivative instruments | 22 | **(2,957,406)** | 740,686 | (5,797,800) |
| Pension expense | 27 | **930,637** | 842,239 | 1,089,723 |
| Share-based compensation | 27 | **376,623** | 285,888 | 440,894 |
| Interest income | 21 | **(918,338)** | (677,570) | (340,109) |
| Gain on settlement and remeasurement of ARO | 18, 22 | **-** | - | (2,629) |
| Gain on sale and leaseback of telecom towers - net | 11 | **(3,482,083)** | (7,258,378) | (8,260,927) |
| Gain on disposal of property and equipment | | **(206,500)** | (371,655) | (321,354) |
| Gain on sale of investments | 14, 22 | **-** | (76,669) | (101,655) |
| Operating income before working capital changes | | **92,217,493** | 87,609,299 | 85,205,797 |
| Changes in operating assets and liabilities: | | | | |
| Decrease (Increase) in: | | | | |
| Trade receivables – net | | **(2,292,557)** | (2,036,751) | (10,142,232) |
| Inventories and supplies | | **267,560** | 89,047 | (82,149) |
| Contract assets | | **113,163** | (279,226) | (616,657) |
| Prepayments and other current assets | | **440,718** | (1,021,630) | (5,013,014) |
| Other noncurrent assets | | **1,499,941** | 547,578 | (288,404) |
| Increase (Decrease) in: | | | | |
| Trade payables and accrued expenses | | **(720,722)** | 382,459 | 3,156,758 |
| Deferred revenues | | **(1,224,997)** | 47,019 | (611,873) |
| Other long-term liabilities | | **(1,613,598)** | (2,397,643) | (990,006) |
| Cash generated from operations | | **88,687,001** | 82,940,152 | 70,618,220 |
| Income taxes paid | | **(3,905,160)** | (2,493,272) | (5,463,218) |
| Net cash flows from operating activities | | **84,781,841** | 80,446,880 | 65,155,002 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Additions to: | | | | |
| Property and equipment | 11 | **(55,960,088)** | (70,534,793) | (97,983,036) |
| Investment properties | | **-** | - | (5,622,764) |
| Investment in joint ventures | 14 | **(270,150)** | (749,390) | (585,530) |
| Intangible assets | 12 | **(233,565)** | (92,878) | (3,383,869) |
| Release of loans receivable to related parties | 10 | **-** | (636,000) | (681,000) |
| Proceeds from sale and leaseback of telecom towers - net | 11 | **27,821,162** | 24,858,693 | 29,940,218 |
| Collections of loans receivable from related parties | 10 | **101,000** | - | 408,000 |
| Cash from subsidiary classified as assets held-for-sale | 14.2 | **-** | (2,457,220) | - |
| Interest received | | **857,470** | 660,328 | 311,379 |
| Dividends received | 14 | **598,500** | - | - |
| Proceeds from sale of property and equipment | | **1,068,740** | 747,121 | 750,716 |
| Net cash received from sale of data center business | 14.3 | **-** | - | 5,030,000 |
| Proceeds from sale of investments | | **-** | - | 175,725 |
| Cash used in investing activities | | **(26,016,931)** | (48,204,139) | (71,640,161) |
| Income taxes paid | | **(4,728,481)** | (6,274,463) | (2,211,098) |
| Net cashflows used in investing activities | | **(30,745,412)** | (54,478,602) | (73,851,259) |

*(Forward)*

## GLOBE TELECOM, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | For the Years Ended December 31 | | |
| | | *(In Thousand Pesos)* | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from borrowings: | | | | |
| Long-term | 17 | **₱27,000,000** | ₱45,000,000 | ₱8,000,000 |
| Short-term | 17 | **23,310,000** | 63,250,000 | 82,020,167 |
| Repayments of borrowings: | | | | |
| Long-term | 17 | **(18,396,869)** | (20,214,691) | (15,934,168) |
| Short-term | 17 | **(34,572,500)** | (70,905,167) | (56,175,000) |
| Payments of dividends to stockholders: | 20.5 | | | |
| Common | | **(14,434,240)** | (14,418,658) | (14,442,073) |
| Preferred | | **(61,297)** | (50,027) | (50,027) |
| Distributions to holders of capital securities | 20.3 | **(1,369,672)** | (1,330,619) | (1,306,734) |
| Issuance of shares by way of stock rights | 20.2 | **-** | - | 16,804,482 |
| Payments of lease liabilities | 13.2 | **(17,035,519)** | (15,841,394) | (6,878,960) |
| Interest paid | | **(13,901,534)** | (13,048,218) | (9,834,409) |
| Net cash from (used in) financing activities | | **(49,461,631)** | (27,558,774) | 2,203,278 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | | **4,574,798** | (1,590,496) | (6,492,979) |
| **NET FOREIGN EXCHANGE DIFFERENCE ON CASH AND CASH EQUIVALENTS** | | **133,784** | 201,788 | 287,569 |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR** | | **16,645,077** | 18,033,785 | 24,239,195 |
| **CASH AND CASH EQUIVALENTS AT THE END OF YEAR** | 5 | **₱21,353,659** | ₱16,645,077 | ₱18,033,785 |

*See accompanying Notes to Consolidated Financial Statements.*

# GLOBE TELECOM, INC. AND SUBSIDIARIES
# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1 Corporate Information

### *1.1 Globe Telecom, Inc.*

Globe Telecom, Inc. (hereafter referred to as "Globe Telecom" or the "Parent Company") is a stock corporation organized under the laws of the Philippines on January 16, 1935, and enfranchised under Republic Act (RA) No. 7229 and its related laws to render any and all types of domestic and international telecommunications services. Globe Telecom is one of the leading providers of digital wireless communications services in the Philippines under the Globe Postpaid and Prepaid, and Touch Mobile (TM). Globe provides digital mobile communication and internet-on-the-go services nationwide using a fully digital network based on the Global System for Mobile Communication (GSM), 3G, HSPA+, 4G, LTE and 5G technologies. It provides voice, SMS, data and value-added services to its mobile subscribers. It also offers domestic and international long distance communication services or carrier services. Globe Telecom's head office is located at The Globe Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig, Metropolitan Manila, Philippines. Globe Telecom is listed in the Philippine Stock Exchange (PSE) and has been included in the PSE composite index since September 17, 2001. Major stockholders of Globe Telecom include Ayala Corporation (AC), Singapore Telecom International Pte Ltd. (Singtel) and Asiacom Philippines, Inc. None of these companies exercise control over Globe Telecom.

### *1.2 Innove Communications, Inc. (Innove)*

Globe Telecom owns 100% of Innove, a stock corporation organized under the laws of the Philippines and enfranchised under RA No. 11151 and its related laws to render any and all types of domestic and international telecommunications services. Innove holds a license to provide digital wireless communication services in the Philippines. Innove also has a license to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services.

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

### *1.3 GTI Business Holdings, Inc. (GTI) and Subsidiaries*

Globe Telecom owns 100% of GTI. GTI was incorporated and registered under the laws of the Philippines, on November 25, 2008, as a holding company.

### 1.4 GTI Corporation (GTIC)

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

### 1.5 Globe Telecom HK Limited (GTHK)

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

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

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

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

### 1.6 Globetel European Limited (GTEU)

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

### 1.7 Globetel Singapore Pte. Ltd. (GTSG)

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

### CaelumPacific Corp.(CaelumPacific) and Subsidiaries

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

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

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

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

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

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

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

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

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

### *1.8 Kickstart Ventures, Inc. (Kickstart) and Subsidiaries*

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

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

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

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

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

On June 3, 2014, Globe Telecom acquired 100% of Asticom, a corporation primarily engaged in providing business process and shared service support, as well as IT system integration and consultancy services.

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

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

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

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

On July 27, 2022, Asticom incorporated its wholly owned subsidiary, 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.

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

On June 29, 2015, Globe Telecom incorporated its wholly owned subsidiary, GCVHI as an investing and holding company primarily engaged in purchasing, subscribing, owning, holding, assigning real and personal property, shares of stock and other securities. In August 2019, GCVHI was rebranded to "917 Ventures" to house Globe Telecom's non-telco incubated products.

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

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

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

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

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

### *1.11 Bayan Telecommunications Inc. (BTI) and Subsidiaries*

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

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

### *1.12 TaoDharma Inc. (Tao)*

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

### *1.13 GTowers Inc (GTowers)*

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

### *1.14 Yondu, Inc. and Subsidiaries*

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

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

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

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

*Third Pillar Business Applications, Inc. (TPBAI)*

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

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

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

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

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

### *1.15 Electronic Commerce Payments, Inc. (ECPay)*

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

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Globe Fintech Innovations, Inc. (Mynt) for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million. The closing of the transaction and actual transfer of ownership is still subject to the Philippine Competition Commission (PCC) approval. On September 29, 2023, Globe Telecom ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained Globe's exposures and rights to variable returns. At the date of deconsolidation, the fair value of the Globe's interest in ECPay amounting to ₱2,310.00 million has been reclassified to Assets held-for-sale under the current assets section in Globe's consolidated statement of financial position. Accordingly, resulting gain was recognized in the consolidated statements of comprehensive income amounting to ₱76.67 million in 2023. (See Note 14.2)

## 2 Summary of Material Accounting Policies

### *2.1 Basis of Preparation and Presentation*

The consolidated financial statements of Globe Telecom, Inc. and its subsidiaries, collectively referred to as "Globe", have been prepared under the historical cost convention method, except for:

- certain financial instruments carried at fair value;
- certain financial instruments and lease liabilities carried at amortized cost;
- inventories carried at net realizable value;
- investments in joint ventures in which equity method of accounting is applied; and,
- retirement benefit obligation measured at the present value of the defined benefit obligation net of the fair value of the plan assets.

The classification of accounts are consistent across all periods, except for certain accounts in prior years that were reclassified to align with the current year's presentation. For material reclassifications, additional disclosures are provided to describe the nature and impact of the reclassifications in all the periods affected.

The consolidated financial statements of Globe are presented in Philippine Peso (₱), which is Globe Telecom's functional currency, and rounded to the nearest thousands, except when otherwise indicated.

On February 6, 2025, the BOD approved and authorized the release of the consolidated financial statements of Globe Telecom, Inc. and its subsidiaries as of December 31, 2024 and 2023 and each of the three years in the period ended December 31, 2024.

### *2.2 Statement of Compliance*

The consolidated financial statements of Globe have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards, which comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

## 2.3 Composition of the Group

The accompanying consolidated financial statements include the accounts of Globe Telecom and the following subsidiaries:

| | | | Parent Company's Percentage of Ownership | |
|---|---|---|---|---|
| Name of Subsidiary | Place of Incorporation[7] | Principal Activity | **2024** | 2023 |
| Innove | Philippines | Wireline voice and data communication services | **100%** | 100% |
| GTI | Philippines | Holding company | **100%** | 100% |
| GTIC | United States | Wireless and data communication services | **100%** | 100% |
| GTHK | Hong Kong | Marketing and distribution company | **100%** | 100% |
| GTSG | Singapore | Wireless and data communication services | **100%** | 100% |
| GTEU | United Kingdom | Holding company | **100%** | 100% |
| Caelum Pacific[4] | Philippines | Technical and IT consulting services | **88%** | - |
| Caelum US[4] | United States | Holding company | **100%** | - |
| Caelum Northwest[1, 4] | United States | Cloud software development and consulting services | **100%** | - |
| Globe STT GDC[8] | Philippines | Data center management | **50%** | 50% |
| KVI | Philippines | Venture capital company | **100%** | 100% |
| FPSI[1] | Philippines | E-book solutions | **40%** | 40% |
| KCCL | Cayman Islands | Management of capital investment funds | **100%** | 100% |
| KVCL | Cayman Islands | Management of capital investment funds | **65%** | 65% |
| KHCL[6] | Cayman Islands | Management of capital investment funds | **100%** | - |
| AAAL | Cayman Islands | Management of capital investment funds | **100%** | 100% |
| Asticom | Philippines | Support and shared services provider | **100%** | 100% |
| ABSI | Philippines | Support and shared services provider | **100%** | 100% |
| HCX | Philippines | Human capital management services | **100%** | 100% |
| FINSI | Philippines | Support and industry specific solutions | **100%** | 100% |
| BRAD | Philippines | Warehouse and logistics | **100%** | 100% |
| ACQR | Philippines | Support and shared services provider | **100%** | 100% |
| GCVHI | Philippines | Holding Company | **100%** | 100% |
| 917V | Philippines | Venture capital company | **100%** | 100% |
| Slyce[2] | Philippines | Management of technology platforms | **100%** | 100% |
| BCHI[5] | Philippines | Holding company | **100%** | 100% |
| AI | Philippines | Advertising company | **100%** | 100% |
| Socialytics | Philippines | Advertising company | **100%** | 100% |
| M360 | Philippines | A2P messaging | **100%** | 100% |
| Inquiro | Philippines | Data management services | **100%** | 100% |
| BTI | Philippines | Wireline voice and data communication services | **99%** | 99% |
| RCPI | Philippines | Wireline communication services | **91%** | 91% |
| Telicphil[1] | Philippines | Telco equipment administration and maintenance | **58%** | 58% |
| Sky Internet | Philippines | Data communication services | **100%** | 100% |
| GlobeTel Japan | Japan | Wireless and data communication services | **100%** | 100% |
| NLI | Philippines | Land holding company | **70%** | 70% |
| Tao | Philippines | Distribution company | **67%** | 67% |
| GTowers Inc. | Philippines | Tower company | **100%** | 100% |
| Yondu | Philippines | Information technology and software development | **100%** | 100% |
| Rocket Search | Philippines | Information technology and software development | **100%** | 100% |
| TPBAI | Philippines | Data management services | **85%** | 67% |
| TPGDC | Philippines | Support and shared services provider | **100%** | 100% |
| TPAPPL | Singapore | Data management services | **100%** | 100% |
| Caelum Pacific[4] | Philippines | Technical consulting and IT related services | **-** | 88% |
| Caelum US[4] | United States | Holding Company | **-** | 100% |
| Caelum Northwest[1, 4] | United States | Cloud software development and consulting services | **-** | 100% |
| EC Pay[3] | Philippines | Information technology and electronic services | **77%** | 77% |

[1] *Ceased operations*
[2] *Incorporated in 2023*
[3] *Included under Assets classified as held for sale in 2024 and 2023*
[4] *Transferred to GTI in 2024*
[5] *Formerly under AHI in 2023*
[6] *Incorporated in 2024*
[7] *Same with principal place of business*
[8] *Deconsolidated in 2022*

### *2.4 Business Combination and Goodwill*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by Globe, liabilities incurred by Globe to the former owners of the acquiree and the equity interest issued by Globe in exchange for control of the acquiree. Acquisition related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with PAS 12, Income Taxes and PAS 19, Employee Benefits, respectively;
- liabilities and equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangement of Globe entered into to replace share-based payment arrangements of the acquiree are measured in accordance with PFRS 2, Share-based Payment, at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with PFRS 5, Non-current assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair value amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated profit or loss as bargain purchase gain.

Goodwill is not amortized but is reviewed for impairment at least annually. For purposes of impairment testing, goodwill is allocated to each of Globe's cash-generating units (CGU) that are expected to benefit from the synergies of the combination. In certain circumstances where it is not possible to complete the initial allocation of the goodwill to a CGU or group of CGUs for impairment purposes before the end of the annual period in which the combination is effected, the goodwill (or part of it) is left unallocated for that period. Goodwill must then be allocated before the end of the first annual period beginning after the acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another PFRS.

When the consideration transferred by Globe in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the changes in fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with PFRS 9, Financial Instruments, or PAS 37, Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, Globe's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amount arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Globe reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

### *2.4.1 Consolidation procedures*

The assets, liabilities, income and expense of subsidiaries are consolidated from the date on which control is transferred to the Parent Company and ceases to be consolidated from the date on which control is transferred out of the Parent Company.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company as well as accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with Globe's accounting policies.

All significant intercompany balances and transactions, including intercompany profits and losses, were eliminated in full during consolidation.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Globe's foreign operations are translated into Philippine Peso using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising from the translation, if any, are recognized in other comprehensive income and accumulated in other equity reserves.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity reserves in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

#### *2.4.2 Determination of control*

The Parent Company controls an investee if and only if the Parent Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Parent Company's voting rights and potential voting rights.

Globe re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

#### *2.4.3 Changes in ownership without loss of control*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of Globe's interests and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company.

#### *2.4.4 Changes in ownership with loss of control*

If Globe loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Globe

### 2.5 Financial Instruments

#### 2.5.1 Initial Recognition

Financial instruments are recognized in Globe's consolidated statements of financial position when Globe becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that Globe commits to purchase or sell the asset.

Financial instruments are recognized initially at fair value. Transaction costs are included in the initial measurement of Globe's financial instruments, except for financial instruments classified at fair value through profit or loss (FVPL).

#### 2.5.2 Classification and Subsequent Measurement of Financial Assets

Globe classifies its financial assets into the following categories: financial assets at FVPL, financial assets at amortized cost and financial assets at fair value through other comprehensive income (FVOCI).

##### 2.5.2.1 Financial assets at FVPL

Globe classifies the following investments as financial assets at FVPL:

- investments in equity securities unless irrevocably elected at initial recognition to be measured at FVOCI;
- investments in debt instruments held within a business model whose objective is to sell prior to maturity or has contractual terms that does not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, unless designated as effective hedging instruments under a cash flow hedge;
- investments that contain embedded derivatives; and
- investment in debt instruments designated as financial assets at FVPL at initial recognition.

Financial assets at FVPL are carried at fair value at the end of each reporting period with any resultant gain or loss recognized in profit or loss.

Financial assets classified under this category are disclosed in Note 31.1.

##### 2.5.2.2 Financial assets at amortized cost

Investments in debt instrument, loans, trade and other receivables that are held within a business model whose objective is to collect the contractual cash flows and has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are classified as financial assets at amortized cost, unless the asset is designated at FVPL under the fair value option.

Subsequent to initial recognition, financial assets classified under this category are measured at amortized cost using effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is not material.

Financial assets classified under this category are disclosed in Note 31.1.

### *2.5.2.3 Financial assets at fair value through other comprehensive income*

Globe classifies the following investments as financial assets at FVOCI:

- Investments in debt instrument that is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, unless the asset is designated at FVPL under the fair value option;
- Investments in equity securities irrevocably elected to be measured at FVOCI; and
- Derivative designated as effective hedging instruments under cash flow hedges.

Financial assets at FVOCI are carried at fair value at the end of each reporting period. Changes in the carrying amount financial assets at FVOCI arising from movements in fair value are recognized in other comprehensive income and accumulated in other equity reserves. When the investment is disposed of, the cumulative gain or loss previously accumulated in equity reserves is reclassified directly to retained earnings.

Financial assets classified under this category are disclosed in Notes 31.1.

### *2.5.3 Impairment of Financial Assets and Contract Assets at amortized cost*

Globe assesses at end of the reporting date whether a financial asset or group of financial assets is impaired.

Globe recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost, loans, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Globe applies the simplified ECL approach and always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the characteristics of the product and payment behavior of the subscriber at the reporting date.

For all other financial instruments, Globe recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, Globe measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Globe measures ECL on an individual basis, or on a collective basis for portfolios of receivables that share similar economic risk characteristics.

*Significant increase in credit risk*

In assessing whether the credit risk on non-trade receivables has increased significantly since initial recognition, Globe compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, Globe considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information. The forward-looking information considered includes the future prospects of the industries in which Globe's debtors operate.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, Globe assumes that the credit risk on non-trade receivables has not increased significantly since initial recognition if the instrument is determined to have low credit risk at the reporting date. Globe considers a financial asset to have low credit risk when the counterparty has a strong financial position and there is no past due amounts. An instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Globe regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*Definition of default*

For subscribers receivable and contract assets, Globe considers that default has occurred when the subscriber has been permanently disconnected.

For all other receivables, Globe considers the following as constituting an event of default as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including Globe, in full (without taking into account any collateral held by Globe).

Irrespective of the above analysis, Globe considers that default has occurred when a financial asset is more than 90 days past due unless Globe has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

*Write-off policy*

Globe writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, (e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when Globe has effectively exhausted all collection efforts). Financial assets written off may still be subject to enforcement activities under Globe's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

*Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, this is represented by the assets' gross carrying amount at the reporting date.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to Globe in accordance with the contract and all the cash flows that Globe expects to receive, discounted at the original effective interest rate.

If Globe has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, Globe measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets such as trade receivables and contract assets for which simplified approach was used.

Globe recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

### *2.5.4 Classification of financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

#### 2.5.4.1 *Classification and Subsequent Measurement of Financial liabilities*

Globe further classifies its financial liabilities into financial liabilities at FVPL and financial liabilities at amortized cost. The classification depends on the nature and purpose of the financial liability and is determined at the time of initial recognition.

##### 2.5.4.1.1 *Financial liabilities at FVPL*

This category consists of financial liabilities that were designated by management as FVPL on initial recognition and derivative financial liabilities not designated as effective hedging instruments under cash flow hedges.

Financial liabilities at FVPL are carried in the consolidated statements of financial position at fair value, with changes in fair value recognized in profit or loss.

Financial liabilities classified under this category are disclosed in Note 31.1.

##### 2.5.4.1.2 *Financial liabilities at amortized cost*

Loans, trade and other payables which are not designated as financial liabilities at FVPL are classified as financial liabilities at amortized cost. Financial liabilities classified under this category are subsequently measured at amortized cost using the effective rate method. Financial liabilities classified under this category are disclosed in Note 31.1.

##### 2.5.4.1.3 *Equity instruments*

*Capital Stock*

Capital stock is recognized as issued when the stock is paid for or subscribed under a binding subscription agreement and is measured at par value. The transaction costs incurred as a necessary part of completing an equity transaction are accounted for as part of that transaction and are deducted from additional paid-in capital, net of related income tax benefits.

*Additional Paid-in Capital*

Additional paid-in capital includes any premium received in excess of par value on the issuance of capital stock.

*Capital Securities*

Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the redemption is at the option of Globe. Globe also has the sole and absolute discretion to defer payment of any or all of the distribution.

The proceeds received from the issuance of the securities are credited to capital securities account under the equity section of the consolidated statements of financial position. Incremental costs directly attributable to the issuance of capital securities are recognized as a deduction from equity, net of tax.

*Treasury Shares*

Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid -in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

*Retained Earnings*

Retained earnings represent accumulated profit attributable to equity holders of the Parent Company after deducting dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

*2.5.5 Derivative Instruments*

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedge of an identified risk and qualifies for hedge accounting treatment. The objective of hedge accounting is to match the impact of the hedged item and the hedging instrument in the consolidated profit or loss. To qualify for hedge accounting, the hedging relationship must comply with requirements such as the designation of the derivative as a hedge of an identified risk exposure, hedge documentation, probability of occurrence of the forecasted transaction in a cash flow hedge, assessment (both prospective and retrospective bases) and measurement of hedge effectiveness, and reliability of the measurement bases of the derivative instruments.

Upon inception of the hedge, Globe documents the relationship between the hedging instrument and the hedged item, its risk management objective and strategy for undertaking various hedge transactions, and the details of the hedging instrument and the hedged item. Globe also documents its hedge effectiveness assessment methodology, both at the hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedge effectiveness is likewise measured, with any ineffectiveness being reported immediately in the consolidated profit or loss.

*2.5.5.1 Types of Hedges*

Globe designates derivatives which qualify as accounting hedges as either:

- a hedge of the fair value of a recognized fixed rate asset, liability or unrecognized firm commitment (fair value hedge); or
- a hedge of the cash flow variability of recognized floating rate asset and liability or forecasted sales transaction (cash flow hedge).

*Fair Value Hedges*

Fair value hedges are hedges of the exposure to variability in the fair value of recognized assets, liabilities or unrecognized firm commitments. The gain or loss on a derivative instrument designated as a fair value hedge, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in the consolidated profit or loss in the same accounting period. Hedge effectiveness is determined based on the hedge ratio of the fair value changes of the hedging instrument and the underlying hedged item. When the hedge ceases to be highly effective, hedge accounting is discontinued.

*Cash Flow Hedges*

A cash flow hedge is a hedge of the exposure to variability in future cash flows related to a recognized asset, liability or a forecasted sales transaction. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized in other comprehensive income and accumulated in other equity reserves. Any hedge ineffectiveness is immediately recognized in the consolidated profit or loss.

If the hedged cash flow results in the recognition of a nonfinancial asset or liability, gains and losses previously recognized in other comprehensive income are transferred from equity and included in the initial measurement of the cost or carrying value of the asset or liability. Otherwise, for all other cash flow hedges, gains and losses initially recognized in equity are transferred to consolidated profit or loss in the same period or periods during which the hedged forecasted transaction or recognized asset or liability affect earnings.

Hedge accounting is discontinued prospectively when the hedge ceases to be highly effective. When hedge accounting is discontinued, the cumulative gains or losses on the hedging instrument that has been recognized in OCI is retained in other equity reserves until the hedged transaction impacts consolidated profit or loss. When the forecasted transaction is no longer expected to occur, any net cumulative gains or losses previously recognized in other equity reserves is immediately reclassified in the consolidated profit or loss.

### *2.5.6 Other Derivative Instruments Not Accounted for as Accounting Hedges*

Certain freestanding derivative instruments that provide economic hedges under Globe's policies either do not qualify for hedge accounting or are not designated as accounting hedges. Changes in the fair values of derivative instruments not designated as hedges are recognized immediately in the consolidated profit or loss.

### *2.5.7 Offsetting*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### *2.5.8 Derecognition of Financial Instruments*

#### *2.5.8.1 Financial Asset*

Globe derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when Globe transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Globe neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Globe recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If Globe retains substantially all the risks and rewards of ownership of a transferred financial asset, Globe continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in the consolidated profit or loss.

#### *2.5.8.2 Financial Liability*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. On derecognition of financial liabilities, the difference between the carrying amount of the financial liability derecognized and the sum of consideration paid and payable is recognized in the consolidated profit or loss.

*Modification of Debt Terms in a Financial Liability*

A modification of debt terms may include changes to stated interest rate for the remaining original life of the debt, maturity date or dates, currency denomination, and face amount of the debt, among others.

A substantial modification of the terms in a financial liability is accounted for as an extinguishment of the original liability and recognition of a new liability.

When the modification of debt terms in a financial liability is not substantial, the revised cash flows as a result of the modification should be discounted at the date of the modification at the original effective interest rate. The difference between the carrying amount of the liability immediately before the modification and the sum of the present value of the cash flows of the modified liability discounted at the original EIR should be recognized in profit or loss as a modification gain or loss.

A modification is deemed to be substantial if the net present value of the cash flows under the modified terms, including fees paid or received between the borrower and the lender and fees paid or received by either the borrower or lender on the other's behalf , is at least 10 per cent different from the net present value of the remaining cash flows of the liability prior to the modification, both discounted at the original effective interest rate of the liability prior to the modification.

### *2.6 Inventories*

Inventories are initially measured at cost. Subsequently, inventories are stated at the lower of cost and net realizable value. The costs of inventories are calculated using the moving average method. Net realizable value represents the estimated selling price less all costs necessary to make the sale.

When the net realizable value of the inventories is lower than the cost, Globe provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the consolidated profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

### *2.7 Prepayments*

Prepayments represent expenditures not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Prepayments related to acquisition of property and equipment are subsequently capitalized as an item of property and equipment. All other prepayments are subsequently charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the consolidated statement of financial position as current assets when the cost of goods or services related to the prepayments are expected to be incurred within one year. Otherwise, prepayments are classified as non-current assets.

### *2.8 Property and Equipment*

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the future costs of dismantling and removing the item and restoring the site on which it is located.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Major spare parts and stand-by equipment qualify as property and equipment when Globe expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property and equipment, they are accounted for as property and equipment.

At the end of each reporting period, items of property and equipment are carried at cost less any subsequent accumulated depreciation and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to Globe. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives (EUL) of the assets as follows:

| | Years |
|---|---|
| Telecommunications equipment: | |
| Tower | 20 |
| Switch | 7-10 |
| Outside plant, cellsite structures and improvements | 10-20 |
| Distribution dropwires and other wireline asset | 2-10 |
| Cellular equipment and others | 3-15 |
| Buildings | 20-25 |
| Cable systems (including IRUs) | 5-20 |
| Office equipment | 3-7 |
| Transportation equipment | 3-5 |

Leasehold improvements are amortized over the shorter of their EUL or the corresponding lease terms.

The EUL of property and equipment are reviewed annually based on expected asset utilization or expected future technological developments and market behavior including shift in subscribers' requirements.

Assets in the course of construction are carried at cost, less any recognized impairment loss. These are transferred to the appropriate asset account, based on management's judgment on asset identifiability and separability, when the construction or installation and the related activities necessary to prepare the asset for their intended use are complete, and the asset are ready for service. Depreciation of these assets, on the same basis as other property and equipment, commences at the time the assets are ready for their intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated profit or loss.

*Assets Held for Sale (AHFS)*

An assets is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

A sale is considered highly probable if:

- the appropriate level of management is committed to a plan to sell the asset;
- an active program to locate a buyer and complete the plan have been initiated;
- the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Certain events or circumstances may extend the period to complete the sale beyond one year. Provided that the delay is caused by events or circumstances beyond Globe's control and there is sufficient evidence that Globe remains committed to its plan to sell the asset, such extension does not preclude an asset from being classified as held for sale.

Assets classified as held for sale are not depreciated. Instead, these are measured at lower of carrying amount and fair value less cost to sell.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

Globe assesses whether the disposal group is a discontinued operation and presents it separately in the profit or loss. A discontinued operation is a component that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

### *2.9 Intangible Assets*

*Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are initially recognized at cost. Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their EUL. The EUL and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

*Internally-generated intangible assets*

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following conditions have been demonstrated:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- intention to complete the intangible asset and use or sell it;
- ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in the consolidated profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

*Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortization of intangible asset is computed based on the EUL of the assets below:

| | Years |
|---|---|
| Software | 3-10 |
| Spectrum and franchise | 10-59 |
| Customer contracts | 4 |
| Merchant networks | 4-21 |

*Derecognition of Intangible assets*

Intangible assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated profit or loss.

### *2.10 Investments in Joint Venture*

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

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

Investments in JV are measured initially at cost. Subsequent to initial recognition, Globe's investments in its JV are accounted for using the equity method. Under the equity method, the investments in JV are carried in the consolidated statements of financial position at cost plus post-acquisition changes in Globe's share in net assets of the JV, less any allowance for impairment losses. The consolidated profit or loss includes Globe's share in the results of operations of its JV. Distributions received from the JV reduce the carrying amount of the investments in JV. Any change in OCI of those investees is presented as part of Globe's OCI. In addition, where there has been a change recognized directly in the equity of the JV, Globe recognizes its share of any changes and presents this, when applicable, directly in equity.

When the share of losses recognized under the equity method has reduced the investment to zero, Globe shall discontinue recognizing its share of further losses and apply it to other interests that, in substance, form part of Globe's net investment in the JV. If the JV subsequently reports profits, Globe will resume recognizing its share of those profits only after its share of the profits equal the share in losses not recognized.

The financial statements of the joint venture are prepared for the same reporting period as Globe.

Globe discontinues the use of the equity method from the date when the investment ceases to be a joint venture. When Globe retains an interest in the former joint venture and the retained interest is a financial asset, Globe measures the retained interest at fair value at that date and the fair value is regarded as its new carrying amount. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is recognized in the consolidated profit or loss. In addition, Globe accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities.

When Globe reduces its ownership interest in a joint venture but Globe continues to use the equity method, Globe derecognizes the portion of the carrying amount of the investment that was disposed of. The difference between the amount of investment derecognized and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture.

Globe's interest in a joint venture may also be reduced other than by an actual disposal. Such a reduction in interest, which is commonly referred to as a deemed disposal, may arise for a number of reasons, including:

- the investor does not take up its full allocation in a rights issue by the joint venture;
- the joint venture declares scrip dividends which are not taken up by the investor so that its proportional interest is diminished;
- another party exercises its options or warrants issued by the joint venture; or
- the joint venture issues shares to third parties.

Globe accounts for a deemed disposal on the same basis as a regular disposal. Any resulting gain or loss on deemed disposal is recognized in the consolidated profit or loss.

*Venture capital exemption*

At initial recognition, Globe, through venture capital subsidiary, may elect to measure its investments in joint ventures at FVPL. Subsequent to the initial recognition, investments in joint ventures at FVPL are carried at fair value with any resultant gain or loss recognized in profit or loss.

### *2.11 Impairment of Nonfinancial Assets*

At the end of each reporting period, Globe assesses whether there is any indication that any of its tangible and intangible assets with finite useful lives may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, Globe estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

At the time of impairment testing a cash-generating unit to which goodwill has been allocated, there may be an indication of an impairment of an asset within the unit containing the goodwill. In such circumstances, the asset is tested for impairment first, and an impairment loss is recognized for that asset before testing for impairment the cash-generating unit containing the goodwill.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income. Impairment losses relating to goodwill cannot be reversed in future periods.

### *2.12 Provisions*

Provisions are recognized when Globe has a present obligation, either legal or constructive, as a result of a past event and it is probable that Globe will be required to settle the obligation through an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

### *2.13 Revenue Recognition*

Revenue is measured based on the consideration specified in an arrangement with the customer, net of any amounts collected on behalf of third parties. Globe recognizes revenue upon transfer of control of a product or service to a customer.

In arrangements where another party is involved in providing the services, Globe assesses whether the nature of its promise in the arrangement is to provide the specified services itself or to arrange for those services to be provided by the other party. If the promise in an arrangement is to provide the services itself, Globe recognizes the service revenue at gross amount of consideration, with the amount remitted to the other party being recognized as expense. However, if the promise is to simply arrange for those services to be provided by the other party, Globe recognizes service revenues equivalent only to the extent of fees or commission to which it expects to be entitled in exchange for arranging the services.

Globe recognizes revenues from the following sources:

- Mobile services provided to subscribers at prepaid or postpaid arrangements such as Short Messaging Services (SMS), voice, data communication, and other value added services (Note 2.13.1);
- Wireline services provided to subscribers under subscription arrangements such as, voice, corporate communication, and home broadband internet (Note 2.13.1);
- Inbound traffic originating from other telecommunications providers that terminates at Globe's network (Note 2.13.2);
- Inbound roaming due from foreign carriers (Note 2.13.3);
- Postpaid wireless communication services bundled with sale of handsets and other devices (Note 2.13.4);
- Postpaid wireline communication services bundled with equipment installation services (Note 2.13.5);
- Leases, interests and management fees (Note 2.13.7).

### *2.13.1 Mobile, broadband and corporate data services*

Monthly service fees from mobile and wireline services under postpaid subscriptions are recognized as service revenues throughout the subscription period.

Proceeds from over-the-air reloading channels and sale of prepaid cards are initially recognized as deferred revenues. These are eventually credited to service revenues upon actual usage of load value. Any unused remaining load value after the prescribed validity period are immediately recognized as service revenue.

Subscription to promotional offer of SMS, voice, data communication, broadband internet, and other services, are recognized as service revenue over the promotional period.

Globe also provides corporate data services which include end-to-end data solutions customized according to the needs of businesses to various customers. Similarly, monthly service fees from corporate data services are recognized as revenues over time in the period the services are rendered.

### *2.13.2 Inbound traffic*

Inbound traffic originating from other telecommunications providers that terminates at Globe's network are recognized as service revenues in the period the inbound traffic occurred based on agreed rates with the other telecommunication providers.

### *2.13.3 Inbound roaming services*

Service revenues from foreign carriers for inbound roaming transactions at Globe's network are recognized in the period the inbound roaming connection is provided.

### *2.13.4 Postpaid mobile services and sale of mobile handsets and other devices*

Globe provides postpaid wireless communication services which are bundled with sale of mobile handsets and other devices. The postpaid wireless communication services and the sale of devices are considered two separate performance obligations which are capable of being distinct and separately identifiable. Globe allocates the contract consideration between the two performance obligations based on their corresponding relative stand-alone selling prices (SSP). The stand-alone selling prices are determined based on the expected cost plus margin or adjusted market approach. The amount allocated to the postpaid wireless communication service is recognized as service revenue over the period of subscription. Any amount allocated to the sale of device is immediately recognized as non-service revenue upon delivery of the item. Contract assets are recognized for the unbilled portion of the consideration allocated to the sale of devices which are subsequently reduced as the monthly service fees are billed to the subscribers.

### *2.13.5 Postpaid subscription to wireline services and equipment installation services*

Globe provides equipment installation services which are bundled with postpaid wireline services. The promise to install the equipment is not considered as a distinct service from the postpaid wireline service since the subscriber may not be able to benefit from the installation services without the availability of the postpaid wireline services. Accordingly, the two services are deemed as one performance obligation.

Service revenues from the equipment installation and postpaid wireline services are recognized over time throughout the period of subscription. Outright payments received from the installation services are initially recognized as contract liabilities and subsequently credited to service revenues over the period of subscription.

### *2.13.6 Globe Rewards*

Globe operates Globe Rewards Program through which subscribers accumulate points upon purchase of certain products and services. The Globe Rewards points may be redeemed in the form of mobile promos, bill rebates, gadgets and gift certificates, or use the earned points as cash at partner stores. The promise to provide free products and rebates to the subscribers give rise to a performance obligation that is distinct and separately identifiable. Accordingly, Globe allocates a portion of the transaction price from its service revenues to Globe Rewards points awarded to subscribers based on its relative stand-alone selling price and the estimated number of points that will be eventually redeemed. The stand-alone selling price per point is estimated based on the discount or free products to be given when the points are redeemed by the subscriber. Amounts allocated to Globe Rewards points are initially recognized as deferred revenues and subsequently credited as service revenues either upon redemption of points or upon expiration.

### *2.13.7 Deferred contract costs*

Costs to obtain contracts with customers that would not have been incurred if the contracts were not obtained are recognized as deferred contract costs. Deferred contract costs are subsequently recognized as expense on a straight-line basis over the contract period.

Costs to obtain contracts with customers that would have been incurred irrespective of whether the contract were obtained are immediately recognized as expense.

Costs incurred to fulfill a contract are capitalized as deferred contract costs if all of the following conditions are met:

- The costs relate directly to a contract or to an anticipated contract that Globe can specifically identify;
- The costs generate or enhance resources of Globe that will be used in satisfying performance obligation in the future; and
- The costs are expected to be recovered.

### *2.14 Staff Costs*

#### *2.14.1 Short-term benefits*

Globe recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if Globe has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

#### *2.14.2 Post Employment benefits*

Globe has a funded non-contributory defined benefit retirement plan. For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statements of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past service cost is recognized in the consolidated profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

Globe presents service cost and interest in the consolidated profit or loss in the line item pension costs and finance cost, respectively. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Plan assets are assets held by a long-term employee benefit fund. Plan assets are not available to the creditors of Globe, nor can they be paid directly to Globe. Fair value of plan assets is based on market price information.

### *2.15 Share-based Payment Transactions*

The cost of equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted. In valuing equity-settled transactions, vesting conditions, including performance conditions, other than market conditions (conditions linked to share prices), shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions are taken into account in estimating the number of equity instruments that will vest.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the management of Globe at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

### *2.16 Borrowing Costs*

Borrowing costs are capitalized if these are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities for the asset's intended use are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are ready for their intended use. Borrowing costs include interest charges and other related financing charges incurred in connection with the borrowing of funds, as well as exchange differences arising from foreign currency borrowings used to finance these projects to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognized as expense in the period in which these are incurred.

### *2.17 Leases*

#### *2.17.1 Globe as Lessee*

Globe assesses whether a contract is or contains a lease, at inception of the contract. Globe recognizes a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

*Short-term leases and leases of low value assets*

For short-term leases and leases of low value assets, Globe recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

In identifying the lease term, Globe takes into account the non-cancellable period for which it has the right to use the underlying asset, together with all of the following:

- the periods covered by an enforceable option to extend the lease (if Globe is reasonably certain to exercise that option); and
- the periods covered by an enforceable option to terminate the lease (if Globe is reasonably certain not to exercise that option).

The lease terms in arrangements wherein both the lessor and the lessee has the right to terminate the lease without incurring significant amount of penalty are excluded as part of the non-cancellable period of the lease.

*Lease Liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using Globe's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Globe remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Globe reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that:

- Is within the control of Globe; and
- Affects whether Globe is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

Globe revises the lease term if there is a change in the non-cancellable period of a lease.

*Right of Use Assets*

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right of use assets are presented as a separate line in the consolidated statement of financial position.

Globe applies its accounting policy on impairment of non-financial assets in determining whether a right of use asset is impaired and in accounting for any identified impairment loss.

*Sale and Leaseback*

If Globe (the seller-lessee) transfers the control of an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, Globe accounts for the transaction as sale and leaseback. Accordingly, Globe derecognizes the carrying amount of the asset sold; measures the lease liabilities arising from the leaseback at the present value of the future lease payments discounted using Globe's incremental borrowing rate; measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee; and recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

### *2.18 Foreign Currency Transactions*

Transactions in currencies other than functional currency of the entities included in Globe are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in currencies other than the functional currencies of the entities in Globe are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on retranslation are included in the consolidated profit or loss for the year. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

### *2.19 Income Tax*

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

#### *2.19.1 Current Income Tax*

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

#### *2.19.2 Deferred Income Tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where Globe is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current tax and deferred tax for the year are recognized in the consolidated profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### *2.20 EPS*

Basic EPS is computed by dividing net income attributable to common stock by the weighted average number of common shares outstanding, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options and dilutive convertible preferred shares. Outstanding stock options will have a dilutive effect under the treasury stock method only when the average market price of the underlying common share during the period exceeds the exercise price of the option. If the required dividends to be declared on convertible preferred shares divided by the number of equivalent common shares, assuming such shares are converted, would decrease the basic EPS, then such convertible preferred shares would be deemed dilutive. Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

### *2.21 Fair Value Measurement*

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

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

The principal or the most advantageous market must be accessible to Globe.

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

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

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

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

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

For the purpose of fair value disclosures, Globe has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (see Note 31.3).

## 3 Adoption of New Standards, Amendments to Standards and Interpretations

The accounting policies adopted in the preparation and presentation of the consolidated financial statements are consistent with prior years, except for the effects of the adoption of new and revised accounting standards set out below.

### *3.1 Adoption of New and Revised Standards Effective January 1, 2024*

In the current year, Globe has applied a number of amendments to PFRS and Interpretations issued by International Accounting Standards Board (IASB) that are effective for the annual period that begins on January 1, 2024. The adoption has not had any material impact on the disclosures or on the amounts reported in the consolidated financial statements.

#### *3.1.1 Amendments to PFRS 16 Leases – Lease Liability in a Sale and Leaseback*

The amendment to PFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in PFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the particular or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted but required to disclose that fact.

#### *3.1.2 Classification of Liabilities as Current or Non-current Liabilities with Covenants – Amendments to PAS 1*

Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date.

The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendment did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

### *3.2 New and Revised Standards Not Yet Effective*

At the date of authorization of these consolidated financial statements, Globe has not applied the following new and revised PFRS that have been issued but are not yet effective. Globe anticipates that the application of these new and revised standards will not have material impact on Globe's consolidated financial statements in future periods, unless otherwise stated.

#### *3.2.1 Amendments to PAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability*

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- A spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- The first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

#### *3.2.2 PFRS 18 – Presentation and Disclosure in Financial Statements*

PFRS 18 replaces PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements. In addition, some PAS 1 paragraphs have been moved to PAS 8 and PFRS 7. Furthermore, the IASB has made minor amendments to PAS 7 and PAS 33 Earnings per Share.

PFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation.

An entity is required to apply PFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised PAS 8 and PFRS 7, become effective when an entity applies PFRS 18. PFRS 18 requires retrospective application with specific transition provisions.

Globe anticipates that the application of these amendments will have an impact on the presentation of Globe's consolidated financial statements in future periods.

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

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such judgments, estimates and assumptions.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *4.1 Critical Accounting Judgments*

#### *4.1.1 Contract Assets on Bundled Products*

Globe provides wireless communication services to subscribers which are bundled with handset sales. Based on Globe's assessment, the performance obligations from the wireless communication services and the sale of handsets are both capable of being distinct and separately identifiable. Accordingly, Globe allocates the total contract consideration to the two performance obligations based on their corresponding relative SSP. Contract asset is recognized for any unbilled amount allocated to the revenue from handset sales.

#### *4.1.2 Deferred Contract Costs*

Globe incurs certain commissions and installation costs in relation to the service provided to its subscribers. Based on Globe's assessment, these costs are incremental in obtaining and fulfilling its performance obligations. Accordingly, Globe recognizes deferred contracts costs which are amortized as expense throughout the period of the subscription contract.

#### *4.1.3 Determination of Whether Globe is Acting as a Principal or an Agent*

Globe offers a full range of value-added services (VAS) such as mobile commerce services, and content streaming and downloading, among others wherein another party is involved in providing such services. In such case, Globe assesses each arrangement and determines whether the nature of its promise is to provide the specified services itself or to arrange for those services to be provided by the other party.

If the promise in an arrangement is to provide the services itself, Globe recognizes the service revenue at gross amount of consideration. Otherwise, Globe recognizes service revenues equivalent only to the extent of fees or commission to which it expects to be entitled in exchange for arranging the services.

#### 4.1.4 Determination of lease term in lease agreements

Globe has certain lease agreements with renewal options, which Globe applied judgment in evaluating its overall lease term. Globe considered financial and operational factors in determining whether it is reasonably certain that these renewal options will be exercised.

### 4.2 Key Estimation Uncertainties

#### 4.2.1 ECL Impairment on Subscribers Receivables and Contract Assets

When measuring ECL Globe uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

An increase in ECL rates on subscribers receivables and contract assets would increase the loss allowance recognized in the consolidated profit or loss.

Impairment loss recognized using ECL in 2024 and 2023 on subscribers receivable amounted to ₱2,886.12 million and ₱3,416.76 million (see Note 6), and contract assets amounted to ₱667.47 million and ₱947.09 million, respectively (see Notes 7.1 and 26).

#### 4.2.2 Determination of SSP in arrangements with multiple performance obligations

In revenue arrangements involving multiple performance obligations, the transaction price is allocated to each separate performance obligation based on the relative SSP of the goods or services being provided to the customer. The best evidence of SSP is the price an entity charges for that good or service when the entity sells it separately in similar circumstances to similar customers. However, goods or services are not always sold separately. In such case, the SSP needs to be estimated or derived by other means.

Globe maximized the use of all available observable inputs and applied the expected cost plus margin or adjusted market approach as the estimation method in determining the SSP of the goods and services in arrangements with multiple performance obligations.

#### 4.2.3 Inventory Obsolescence and Market Decline

Globe, in determining the NRV, considers any adjustment necessary for obsolescence which is generally provided for nonmoving items after a certain period. Globe adjusts the cost of inventory to the recoverable value at a level considered adequate to reflect market decline in the value of the recorded inventories. Globe reviews the classification of the inventories and generally provides adjustments for recoverable values of new, actively sold and slow-moving inventories by reference to prevailing values of the same inventories in the market. In assessing the recoverability of inventories that are bundled with mobile services, Globe also takes into account the total cash flows from the bundled goods and services.

The amount and timing of recorded expenses for any period would differ if different estimates were utilized. An increase in allowance for inventory obsolescence and market decline would decrease the profit for the period, and decrease current assets.

Inventory obsolescence and market decline in 2024, 2023 and 2022 amounted to ₱156.05 million, ₱399.50 million, and ₱245.52 million, respectively (see Notes 9 and 26).

Inventories and supplies, net of allowances, amounted to ₱2,964.81 million and ₱3,388.42 million as of December 31, 2024 and 2023, respectively (see Note 9).

### *4.2.4 EUL of Property and Equipment, Intangible Assets and Right of Use Assets*

The useful life of each of the item of property and equipment, intangible assets and right of use assets with finite useful lives is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets and expected asset utilization based on future technological developments, market behavior and limits on legal rights.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the EUL of property and equipment, intangible assets and right of use assets would increase the recorded depreciation and amortization expense and decrease noncurrent assets.

The table below presents the carrying values of Globe's property and equipment, intangible assets and right of use assets with finite useful lives as of December 31, 2024 and 2023:

| | Notes | **2024** | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Property and equipment – net* | 11 | **₱254,004,279** | ₱227,618,631 |
| Right of use assets – net | 13 | **90,464,458** | 69,538,796 |
| Intangible assets – net | 12 | **18,450,131** | 21,454,667 |
| | | **₱362,918,868** | ₱318,612,094 |

**Property and equipment – net also excludes Land amounting to ₱1,965.39 million as of December 31, 2024 and 2023*

### *4.2.5 Impairment of Non-financial Assets Other Than Goodwill*

Globe performs an impairment review when certain impairment indicators are present.

Determining the recoverable amounts of non-financial assets requires Globe to make estimates and assumptions on the cash flows expected to be generated from those assets. While Globe believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to impairment charges. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations.

The table below presents the carrying values of Globe's non-financial assets as of December 31, 2024 and 2023:

| | Notes | **2024** | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Property and equipment - net | 11 | **₱352,115,098** | ₱334,408,653 |
| Right of use assets – net | 13 | **90,464,458** | 69,538,796 |
| Investments in joint ventures | 14 | **59,368,924** | 55,335,717 |
| Intangible assets - net (excluding Goodwill) | 12 | **18,450,131** | 21,638,901 |
| Advance payments to suppliers and contractors | 10.1 | **12,172,430** | 19,863,873 |
| | | **₱532,571,041** | ₱500,785,940 |

Impairment loss recognized on property and equipment amounted to ₱410.56 million, ₱92.44 million, and nil in 2024, 2023 and 2022, respectively (see Note 26).

### *4.2.6 Impairment of Goodwill*

Globe's impairment test for goodwill is based on value in use calculations that use a discounted cash flow model. The cash flows of the CGU are derived from the business plan for the next five years and do not include restructuring activities that Globe is not yet committed to or significant future investments that will enhance the asset base of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. As of December 31, 2024 and 2023, the carrying value of goodwill amounted to ₱1,680.77 million and ₱1,734.21 million, respectively (see Note 12).

Impairment loss recognized on goodwill amounted ₱53.43 million and ₱154.61 million and nil in 2024, 2023 and 2022, respectively. (see Note 26).

### *4.2.7 Deferred Income Tax Assets*

The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized.

As of December 31, 2024 and 2023, the combined gross deferred tax assets of Globe amounted to ₱38,813.37 million and ₱32,443.48 million, respectively (see Note 28).

### *4.2.8 Pension Benefits*

The determination of the retirement obligation cost and retirement benefits is dependent on the selection of certain assumptions used by independent actuaries in calculating such amounts. Those assumptions include among others, discount rates and rates of compensation increase. Actual results that differ from the assumptions are charged to other comprehensive income and therefore, generally affect the equity and recorded obligation. While Globe believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

The net pension liability as of December 31, 2024 and 2023 amounted to ₱2,826.85 million and ₱2,718.31 million, respectively (see Note 27.1).

### *4.2.9 Provisions and Contingencies*

Globe is currently involved in various legal proceedings and disputes in the ordinary course of business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with internal and external counsel handling Globe's defense in these matters and is based upon an analysis of potential results. Globe believes that sufficient provision has been recognized in the consolidated statements of financial position in relation to these proceedings. It is possible, however, that future financial performance could be materially affected by changes in the estimates or in the strategies relating to these proceedings.

Globe's provisions as of December 31, 2024 and 2023 amounted to ₱3,393.96 million and ₱2,960.99 million, respectively (see Note 16).

*4.2.10 Determination of incremental borrowing rates in lease agreements*

Globe entered into various lease agreements where the Right-of-use assets and corresponding lease liabilities were measured at present value at initial recognition at interest rate implicit in the lease, or if not determinable, the incremental borrowing rates. Incremental borrowing rate is the rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

Globe uses published government bond rates as the risk free input plus a spread adjustment using Globe's credit worthiness.

Lease liabilities amounted to ₱116,107.87 million and ₱88,724.48 million as of December 31, 2024 and 2023, respectively (see Note 13).

## 5 Cash and Cash Equivalents

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

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Cash on hand and in banks | **₱6,651,217** | ₱8,623,614 |
| Short-term money market placements | **14,702,442** | 8,021,463 |
| | **₱21,353,659** | ₱16,645,077 |

Cash in banks earn interest at respective bank deposit rates.

Short-term money market placements are highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Globe classifies an investment as short-term money market placements if that investment has a maturity of three months of less from the date of acquisition.

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

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Short-term money market placements | **₱567,639** | ₱374,055 | ₱130,153 |
| Cash in banks | **65,227** | 75,980 | 9,650 |
| | **₱632,866** | ₱450,035 | ₱139,803 |

The ranges of interest rates of the above placements are as follows:

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| Placements: | | | |
| PHP | **0.001% to 5.50%** | 0.001% to 5.45% | 0.001% to 5.50% |
| USD | **0.001% to 4.52%** | 0.001% to 5.00% | 0.001% to 4.40% |

## 6 Trade receivables - net

This account consists of receivables from:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Subscribers | | **₱21,274,625** | ₱21,703,830 |
| Traffic settlements - net | 31.2, 33.1 | **907,175** | 1,124,376 |
| Dealers | | **640,035** | 814,033 |
| Others | | **4,848,388** | 3,984,796 |
| | | **27,670,223** | 27,627,035 |
| Less allowance for impairment losses: | | | |
| Subscribers | | **7,216,550** | 8,348,275 |
| Traffic settlements and others | | **793,205** | 1,180,862 |
| | | **8,009,755** | 9,529,137 |
| | | **₱19,660,468** | ₱18,097,898 |

Trade receivables are noninterest-bearing and are generally due within 30 to 60 days.

Subscriber receivables arise from wireless and wireline voice, data communications and broadband internet services provided by Globe under postpaid arrangements.

Traffic settlement receivables are presented net of traffic settlement payables from the same carrier (see Notes 31.2 and 33.1).

Others include trade receivables of non-telco subsidiaries and receivables from credit card companies.

The following is a reconciliation of the changes in the allowance for impairment losses for trade receivables as of December 31:

| | Consumer | Key Corporate Accounts | Other Corporations and SME | Traffic Settlements and Others | Total |
|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | |
| **2024** | | | | | |
| December 31, 2023 | **₱5,657,773** | **₱2,140,484** | **₱550,018** | **₱1,180,862** | **₱9,529,137** |
| Charges for the period (Note 26) | **2,641,800** | **94,255** | **150,069** | **5,910** | **2,892,034** |
| Write-offs and recoveries – net | **(3,699,800)** | **(98,623)** | **(219,426)** | **(393,567)** | **(4,411,416)** |
| December 31, 2024 | **₱4,599,773** | **₱2,136,116** | **₱480,661** | **₱793,205** | **₱8,009,755** |
| 2023 | | | | | |
| December 31, 2022 | ₱6,548,008 | ₱2,417,838 | ₱936,902 | ₱1,194,234 | ₱11,096,982 |
| Charges for the period (Note 26) | 3,129,046 | 114,020 | 173,696 | 77,299 | 3,494,061 |
| Write-offs and recoveries – net | (4,019,281) | (391,374) | (560,580) | (90,671) | (5,061,906) |
| December 31, 2023 | ₱5,657,773 | ₱2,140,484 | ₱550,018 | ₱1,180,862 | ₱9,529,137 |

## 7 Contract Assets and Liabilities

### *7.1* Contract Assets – net

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

| | Note | 2024 | 2023 |
|---|---|---|---|
| - | | *(In Thousand Pesos)* | |
| **Contract assets** | | | |
| Balance at beginning of the year | | **₱6,223,595** | ₱6,891,455 |
| Additions during the year | | **5,908,810** | 6,888,421 |
| Billed to subscribers during the year | | **(6,021,973)** | (6,609,194) |
| Impairment loss | 26 | **(667,471)** | (947,087) |
| **Net contract assets, December 31** | | **₱5,442,961** | ₱6,223,595 |

Globe provides wireless communication services to subscribers which are bundled with sale of handsets and other devices. Globe allocates the revenue based on the SSP of each performance obligation. Contract assets are recognized for the unbilled portion of revenue allocated to the sale of handset and other devices which will be reduced as the monthly service fees are billed to the subscribers.

### *7.2 Deferred Revenues*

The following table provides information about the contract liabilities and other deferred revenues:

| | 2024 | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Advance monthly service fees | **₱3,924,745** | ₱4,195,802 |
| Deferred revenue from wireless subscribers under prepaid arrangements | **2,655,614** | 2,853,549 |
| Deferred revenue rewards | **58,148** | 143,012 |
| Others | **56,098** | 727,239 |
| | **6,694,605** | 7,919,602 |
| Less current portion | **6,049,750** | 7,154,714 |
| Non current portion | **₱644,855** | ₱764,888 |

Advance monthly service fees represent advance billings to postpaid subscribers arising from contracts.

Deferred revenues from wireless subscribers under prepaid arrangements are recognized as revenues upon actual usage of airtime value, consumption of prepaid subscription fees or upon expiration of the unused load value.

Deferred revenues from wireless subscribers under prepaid arrangements, deferred revenue rewards and advance monthly service fees are recognize d as revenues within 12 months.

Deferred revenue rewards represent unredeemed customer award credit under customer loyalty program.

## 8 Derivative Financial Instruments

The table below sets out information about Globe's derivative financial instruments and the related fair values as of December 31:

**2024**

| | USD Notional Amount | PHP Notional Amount | Derivative Assets | Derivative Liabilities |
|---|---|---|---|---|
| | | *(In Thousands)* | | |
| **Derivative instruments designated as hedges** | | | | |
| *Cash flow hedges* | | | | |
| Cross currency swaps | **$173,000** | **₱ -** | **₱1,526,688** | **₱-** |
| Principal only swaps | **680,000** | **-** | **3,682,802** | **339,862** |
| **Derivative instruments not designated as hedges** | | | | |
| *Freestanding* | | | | |
| 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** | **₱-** |

2023

| | USD Notional Amount | PHP Notional Amount | Derivative Assets | Derivative Liabilities |
|---|---|---|---|---|
| | | *(In Thousands)* | | |
| Derivative instruments designated as hedges | | | | |
| *Cash flow hedges* | | | | |
| Cross currency swaps | $250,350 | ₱ - | ₱1,477,883 | ₱- |
| Principal only swaps | 680,000 | - | 3,235,758 | 424,555 |
| Derivative instruments not designated as hedges | | | | |
| *Freestanding* | | | | |
| Deliverable forwards | 308,000 | - | 2,301 | 53,766 |
| Non-deliverable forwards | 26,158 | - | 1,022 | 3,861 |
| | | | ₱4,716,964 | ₱482,182 |
| Less current portion | | | 516,718 | 482,182 |
| Non current portion | | | ₱4,200,246 | ₱- |

The subsequent sections will discuss Globe's derivative financial instruments according to the type of financial risk being managed and the details of derivative financial instruments that are categorized into those accounted for as hedges and those that are not designated as hedges.

### *8.1 Derivative Instruments Accounted for as Hedges*

The following sections discuss in detail the derivative instruments accounted for as cash flow hedges.

- *Currency Swaps and Cross Currency Swaps*

Globe entered into cross currency swap contracts and principal only swaps contract to hedge the foreign exchange and interest rate risk on dollar loans. The cross currency swaps have a notional amount of USD173.00 million and USD250.35 million as of December 31, 2024 and 2023, respectively. Principal only swaps have a notional amount of USD680.00 million as of December 31, 2024 and 2023. The fair values of the currency swaps as of December 31, 2024 and 2023 amounted to net asset of ₱4,869.63 million and ₱4,289.09 million, respectively, of which ₱1,866.91 million and ₱996.45 million (net of tax),respectively is included in "Other reserves" in the equity section of the consolidated statements of financial position (see Note 20.8).

Swap costs arising from cross currency swaps recognized as financing cost amounted to ₱318.44 million, ₱490.05 million, and ₱1,140.45 million in 2024, 2023 and 2022, respectively (see Note 25).

### *8.2 Freestanding Derivatives*

Freestanding derivatives that are not designated as hedges consist of currency forwards entered into by Globe.  Fair value changes on these instruments are accounted for directly in consolidated profit or loss.

Globe has USD448.50 million and USD308.00 million deliverable currency forward contracts as of December 31, 2024 and 2023, respectively, and USD26.16 million non-deliverable currency forward contracts not designated as hedges as of December 31, 2023.

### *8.3* Hedge Effectiveness Results

As of December 31, 2024 and 2023, the effective fair value changes on Globe's cash flow hedges that were deferred in equity amounted to loss of ₱1,886.91 million and loss of ₱996.45 million, net of tax, respectively (see Note 20.8). Derivatives designated as cash flow hedges for the years ended December 31, 2024, 2023 and 2022 are fully effective with a hedge ratio of 1:1. Accordingly, no hedge ineffectiveness was recognized in the consolidated profit or loss.

The distinction of the results of hedge accounting into "Effective" or "Ineffective" represent designations based on PFRS 9 and are not necessarily reflective of the economic effectiveness of the instruments.

### *8.4* Fair Value Changes on Derivatives

The net movements in fair value changes of all derivative instruments are as follows:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| At beginning of year | **₱4,234,782** | ₱4,519,996 |
| Net changes in fair value of derivatives: | | |
| Designated as cash flow hedges (Note 20.8) | **262,102** | (852,889) |
| Not designated as cash flow hedges | **1,216,255** | (131,114) |
| | **5,713,139** | 3,535,993 |
| Fair value of settled instruments | **(1,066,993)** | 698,789 |
| At end of period | **₱4,646,146** | ₱4,234,782 |

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

| | Notes | **2024** | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Gain (loss) on derivative instruments – net | | **₱1,741,151** | (₱609,572) | ₱4,771,614 |
| Swap costs | 25 | **(318,440)** | (490,046) | (1,140,451) |
| | 20.8 | **₱1,422,711** | (₱1,099,618) | ₱3,631,163 |

## 9 Inventories and Supplies - net

This account consists of:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Handsets, devices and accessories | **₱2,154,304** | ₱2,394,979 |
| Supplies | **481,703** | 488,459 |
| Broadband device | **136,852** | 213,493 |
| SIM cards and SIM packs | **65,893** | 141,406 |
| Modem and accessories | **52,194** | 81,525 |
| Call cards and others | **73,868** | 68,558 |
| | **₱2,964,814** | ₱3,388,420 |

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

| | **Note** | **2024** | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Cost of inventories sold | | **₱16,428,713** | ₱18,217,044 | ₱17,691,677 |
| Repairs and maintenance | | **523,142** | 1,394,034 | 2,454,267 |
| Inventory obsolescence | 26 | **156,046** | 399,495 | 245,516 |
| | | **₱17,107,901** | ₱20,010,573 | ₱20,391,460 |

Cost of inventories sold and services consists of:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *(In Thousand Pesos)* | | |
| Handsets, devices and accessories | **₱14,681,876** | ₱16,611,417 | ₱15,998,636 |
| SIM cards and SIM packs | **336,913** | 557,551 | 444,163 |
| Modems and accessories | **259,734** | 167,053 | 117,358 |
| Broadband device | **135,550** | 428,700 | 975,646 |
| Supplies | **185,238** | 19,645 | 3 |
| Call cards and others | **829,402** | 432,678 | 155,871 |
| | **₱16,428,713** | ₱18,217,044 | ₱17,691,677 |

## 10 Prepayment and Other Assets

### *10.1 Prepayments and Other Assets - net*

This account consists of:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Advance payments to suppliers and contractors | 33.2 | **₱12,172,430** | ₱19,863,873 |
| Input VAT – net | | **6,672,173** | 6,590,446 |
| Investment property | | **5,620,496** | 5,624,264 |
| Prepayments | | **5,525,460** | 5,155,106 |
| Investments in equity and debt securities | | **4,083,797** | 3,812,726 |
| Loans receivable from related parties | 19.3 | **3,763,935** | 3,864,935 |
| Non-trade receivables – net | 10.2 | **3,324,995** | 3,073,670 |
| Security deposits | | **1,579,260** | 1,570,430 |
| Creditable withholding tax | | **1,155,326** | 961,370 |
| Deferred contract costs | 10.3 | **551,231** | 1,676,459 |
| Others | | **2,846,331** | 2,702,380 |
| | | **47,295,434** | 54,895,659 |
| Less current portion | | **19,970,116** | 19,328,108 |
| Non current portion | | **₱27,325,318** | ₱35,567,551 |

Investment properties consist of land and building which are held to earn rentals and for capital appreciation. Depreciation and amortization of investment properties amounted to ₱3.77 million, ₱4.03 million and ₱4.75 million in 2024, 2023 and 2022, respectively. (see Note 24).

The "Prepayments" account includes prepaid insurance, rent, maintenance, and licenses fees among others.

Fair value gain (loss) from investment in equity securities recognized in consolidated OCI amounted to ₱229.66 million, ₱224.06 million and ₱2.49 million in 2024, 2023 and 2022, respectively (see Note 20.8).

### *10.2 Non-trade receivables - net*

Non-trade receivables – net consists of:

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Due from related parties | 19 | **₱1,170,419** | ₱1,121,452 |
| Advances to employees | | **186,986** | 187,450 |
| Others | | **1,981,303** | 1,838,283 |
| | | **3,338,708** | 3,147,185 |
| Allowance for impairment loss | | **(13,713)** | (73,515) |
| | | **₱3,324,995** | ₱3,073,670 |

### *10.3 Deferred Contract Costs*

Deferred contract costs pertain to incremental costs incurred in the effort to obtain and fulfill the contract with subscribers. Details are as follows:

| | 2024 | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| **Cost to obtain contracts with customers:** | | |
| Commissions | **₱352,079** | ₱810,328 |
| **Cost to fulfill contracts with customers** | | |
| Installation costs | **199,152** | 866,131 |
| | **₱551,231** | ₱1,676,459 |

Deferred contract costs are capitalized and subsequently amortized on a straight-line basis over the term of the subscription contract. Movements in the deferred contract costs for the period are as follows:

| | 2024 | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Balance at beginning of the year | **₱1,676,459** | ₱3,066,871 |
| Amounts capitalized during the period | **1,059,332** | 1,776,589 |
| Amounts recognized as expense | **(2,184,560)** | (3,167,001) |
| Balance at the end of the year | **₱551,231** | ₱1,676,459 |

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## 11 Property and Equipment – net

The rollforward analysis of this account follows:

**2024**

| | Telecommunication Equipment | Buildings, Land and Leasehold Improvement | Cable System | Office Equipment | Transportation Equipment | Assets Under Construction | Total |
|---|---|---|---|---|---|---|---|
| | *(In Thousand Pesos)* | | | | | | |
| **Cost** | | | | | | | |
| At January 1, 2024 | ₱444,716,637 | ₱66,178,280 | ₱25,078,243 | ₱17,161,554 | ₱4,854,430 | ₱104,824,628 | ₱662,813,772 |
| Additions | 1,577,507 | 415,181 | 588,814 | 144,730 | 494,790 | 53,794,280 | 57,015,302 |
| Retirements/disposals | (3,377,505) | (622,881) | (915,873) | (224,569) | (690,463) | (51,478) | (5,882,769) |
| Reclassifications and transfers (Notes 12 and 13) | 57,831,828 | 2,836,509 | (506,940) | 487,600 | 6,322 | (62,428,436) | (1,773,117) |
| Others | 21,245 | - | 182,362 | 126 | - | 6,431 | 210,164 |
| At December 31, 2024 | 500,769,712 | 68,807,089 | 24,426,606 | 17,569,441 | 4,665,079 | 96,145,425 | 712,383,352 |
| **Accumulated Depreciation and Amortization** | | | | | | | |
| At January 1, 2024 | 259,939,230 | 26,318,666 | 17,764,034 | 15,622,564 | 3,352,690 | - | 322,997,184 |
| Depreciation and amortization (Note 24) | 29,543,890 | 2,959,536 | 937,065 | 979,398 | 556,380 | - | 34,976,269 |
| Retirements/disposals | (2,176,461) | (444,622) | (332,680) | (174,512) | (542,511) | - | (3,670,786) |
| Reclassifications and transfers (Notes 12 and 13) | 692,300 | 484,432 | (93,913) | 6,556 | - | - | 1,089,375 |
| Others | 14,325 | - | 84,184 | 138 | - | - | 98,647 |
| At December 31, 2024 | 288,013,284 | 29,318,012 | 18,358,690 | 16,434,144 | 3,366,559 | - | 355,490,689 |
| **Accumulated Impairment Losses** | | | | | | | |
| At January 1, 2024 | 5,298,174 | 106,409 | - | 3,352 | - | - | 5,407,935 |
| Write-off | (630,370) | - | - | - | - | - | (630,370) |
| At December 31, 2024 | 4,667,804 | 106,409 | - | 3,352 | - | - | 4,777,565 |
| **Carrying amount at December 31, 2024** | ₱208,088,624 | ₱39,382,668 | ₱6,067,916 | ₱1,131,945 | ₱1,298,520 | ₱96,145,425 | ₱352,115,098 |

2023

| | Telecommunication Equipment | Buildings, Land and Leasehold Improvement | Cable System | Office Equipment | Transportation Equipment | Assets Under Construction | Total |
|---|---|---|---|---|---|---|---|
| | *(In Thousand Pesos)* | | | | | | |
| **Cost** | | | | | | | |
| At January 1, 2023 | ₱391,346,252 | ₱62,015,190 | ₱25,865,366 | ₱17,801,857 | ₱4,174,885 | ₱80,146,926 | ₱581,350,476 |
| Additions | 1,696,999 | 146,662 | 31,748 | 269,988 | 689,070 | 94,333,493 | 97,167,960 |
| Retirements/disposals | (1,449,777) | (151,220) | (1,787,798) | (1,371,674) | (2,596) | (68,257) | (4,831,322) |
| Reclassifications and transfers (Notes 12 and 13) | 53,423,321 | 4,192,792 | 992,381 | 468,285 | 2,025 | (69,557,331) | (10,478,527) |
| Adjustments from subsidiary reclassified to assets-held-for-sale (Note 14.2) | (297,534) | (25,144) | - | (6,863) | (8,958) | (27,945) | (366,444) |
| Others | (2,624) | - | (23,454) | (39) | 4 | (2,258) | (28,371) |
| At December 31, 2023 | 444,716,637 | 66,178,280 | 25,078,243 | 17,161,554 | 4,854,430 | 104,824,628 | 662,813,772 |
| **Accumulated Depreciation and Amortization** | | | | | | | |
| At January 1, 2023 | 232,919,216 | 23,664,629 | 18,356,579 | 15,880,379 | 2,807,800 | - | 293,628,603 |
| Depreciation and amortization (Note 24) | 28,090,914 | 2,866,694 | 892,021 | 1,077,010 | 550,927 | - | 33,477,566 |
| Retirements/disposals | (879,722) | (59,776) | (1,473,550) | (1,332,803) | (2,017) | - | (3,747,868) |
| Reclassifications and transfers (Notes 12 and 13) | (125,625) | (142,167) | - | 2,734 | - | - | (265,058) |
| Adjustments from subsidiary reclassified to assets-held-for-sale (Note 14.2) | (64,361) | (10,714) | - | (4,727) | (4,020) | - | (83,822) |
| Others | (1,192) | - | (11,016) | (29) | - | - | (12,237) |
| At December 31, 2023 | 259,939,230 | 26,318,666 | 17,764,034 | 15,622,564 | 3,352,690 | - | 322,997,184 |
| **Accumulated Impairment Losses** | | | | | | | |
| At January 1, 2023 | 5,713,051 | 106,409 | - | 3,352 | - | - | 5,822,812 |
| Write-off | (414,877) | - | - | - | - | - | (414,877) |
| At December 31, 2023 | 5,298,174 | 106,409 | - | 3,352 | - | - | 5,407,935 |
| **Carrying amount at December 31, 2023** | ₱179,479,233 | ₱39,753,205 | ₱7,314,209 | ₱1,535,638 | ₱1,501,740 | ₱104,824,628 | ₱334,408,653 |

Assets under construction include intangible components of a network system and indefeasible right of use (IRU) which are reclassified to intangible assets and right of use assets, respectively, subject to amortization only when assets become available for use (see Notes 12 and 13). As of December 31, 2024 and 2023, assets under construction reclassified to intangible assets and rights of use assets totaled to ₱4,372.16. million and ₱6,821.52 million, respectively.

Investments in cable systems include the cost of Globe's ownership share in the capacity of certain cable systems under a joint undertaking or a consortium or private cable set-up and indefeasible rights of use (IRUs) which represents ownership share over various cable systems. It also includes the cost of cable landing station and transmission facilities where Globe is the landing party.

Globe uses its borrowed funds to finance self-constructed property and equipment. Borrowing costs incurred relating to these qualifying assets were included in the cost of property and equipment using 5.45% and 5.24% capitalization rates in 2024 and 2023, respectively. Globe's total capitalized borrowing costs amounted to ₱6,500.67 million and ₱6,710.29 million in 2024 and 2023, respectively (see Note 17).

Impairment loss recognized on property and equipment amounted to ₱410.56 million, ₱92.44 million and nil in 2024, 2023 and 2022, respectively. (See Note 26).

The reconciliation of total additions to property and equipment and actual cash flows from acquisition of property and equipment are shown below:

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Additions to property and equipment | **₱57,015,302** | ₱97,167,960 | ₱86,699,757 |
| Effect of movements in liabilities and prepayments | **5,451,260** | (19,922,882) | 15,019,856 |
| Capitalized ARO (Note 18) | **(5,800)** | - | (2,477) |
| Capitalized interest (Note 17) | **(6,500,674)** | (6,710,285) | (3,734,100) |
| Cash flows from acquisition of property and equipment | **₱55,960,088** | ₱70,534,793 | ₱97,983,036 |

### *Sale and Leaseback of Telecom Towers*

In 2022, Globe signed three sale and leaseback agreements with three tower companies consisting of 7,059 telecom towers and related passive telecom infrastructure.

On May 7, 2023, Globe signed another sale and leaseback agreement with a fourth tower company consisting of 447 telecom towers and related passive telecom infrastructure. Accordingly, Telecom towers with net book value of ₱3,391.95 million as of December 31, 2023, were reclassified from "Property and Equipment" to "Assets classified as held-for-sale" under the current assets section in Globe's consolidated statement of financial position.

The closing of the agreements will be on a staggered basis depending on the satisfaction of closing conditions, according to the number of towers transferred.

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Information on Globe's sale of telecom towers were as follows:

| | 2024 | 2023 |
|---|---|---|
| | *(In Thousand Pesos except no. of Telecom Towers)* | |
| Telecom towers sold *(in absolute numbers in units)* | **2,205** | 2,057 |
| Cash consideration net of direct costs | **₱27,821,162** | ₱24,858,693 |
| Gain on sale on leaseback of telecom towers – net | **3,482,083** | 7,258,378 |

The leaseback arrangements for those telecom towers sold took effect at the date of sale.

The gain recognized from the sale and leaseback transaction represents only the amount relating to the rights in the underlying assets that were transferred to the buyer-lessor after considering the lease liabilities recognized from the leaseback (see Note 13).

As of December 31, 2024, Globe completed the sale of 6,672 telecom towers representing 89% of the total towers portfolio subject to sale.

As of December 31, 2024 and December 31, 2023, property and equipment with net book value of ₱4,520.41 million and ₱15,791.25 million, respectively, were continued to be classified as assets-held-for-sale as Globe remains committed to its plan to sell the telecom towers.

## 12 Intangible Assets and Goodwill - net

The rollforward analysis of this account follows:

**2024**

| | Application Software and Licenses | Goodwill | Other Intangible Assets | Total Intangible Assets and Goodwill |
|---|---|---|---|---|
| **Cost** | | | | |
| At January 1 | **₱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** |

2023

| | Application Software and Licenses | Goodwill | Other Intangible Assets | Total Intangible Assets and Goodwill |
|---|---|---|---|---|
| **Cost** | | | | |
| At January 1 | ₱64,408,624 | ₱3,107,367 | ₱6,446,732 | ₱73,962,723 |
| Additions | 92,878 | - | - | 92,878 |
| Retirements/disposals | (73,619) | - | - | (73,619) |
| Transferred from property equipment (Note 11) | 6,821,523 | - | - | 6,821,523 |
| Adjustment from subsidiary classified as assets-held-for-sale (Note 14.2) | (65,023) | (1,218,548) | (453,040) | (1,736,611) |
| Impairment and others | 178 | (154,614) | - | (154,436) |
| At December 31 | 71,184,561 | 1,734,205 | 5,993,692 | 78,912,458 |
| **Accumulated Amortization** | | | | |
| At January 1 | 47,040,817 | - | 1,839,334 | 48,880,151 |
| Amortization (Note 24) | 6,672,018 | - | 307,138 | 6,979,156 |
| Retirements/disposals | (49,749) | - | - | (49,749) |
| Adjustment from subsidiary classified as assets-held-for-sale (Note 14.2) | (55,617) | - | (214,615) | (270,232) |
| Others | 26 | - | - | 26 |
| At December 31 | 53,607,495 | - | 1,931,857 | 55,539,352 |
| **Carrying Amount at December 31, 2023** | ₱17,577,066 | ₱1,734,205 | ₱4,061,835 | ₱23,373,106 |

*Application software licenses and other intangible assets*

Other intangible assets consist of customer contracts, franchise, spectrum and merchant networks. As of December 31, 2024 and 2023, there was no indication that the application software licenses and other intangible assets are impaired.

*Goodwill*

Globe recognized goodwill from business combination. Details of Globe's goodwill are as follows:

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| BTI | **₱1,140,248** | ₱1,140,248 | ₱1,140,248 |
| Yondu | **540,523** | 540,523 | 540,523 |
| EC Pay (Note 14.2) | **-** | - | 1,218,548 |
| Others | **-** | 53,434 | 208,048 |
| | **₱1,680,771** | ₱1,734,205 | ₱3,107,367 |

Globe conducts its annual impairment test of goodwill in the third fiscal quarter of each year. The table below presents Globe's allocation of goodwill to the relevant CGUs for impairment testing purposes:

| | **2024** | 2023 |
|---|---|---|
| Mobile communications CGU | BTI | BTI and EC Pay |
| Standalone CGU | Yondu and others | Yondu and others |

The recoverable amount of the CGUs are determined based on value in use calculations using cash flow projections from business plans covering a five-year period. Based on the Goodwill impairment testing performed in the third fiscal quarter of 2024 and 2023, the recoverable amounts of the CGUs where the goodwill were allocated were substantially in excess of their carrying amounts.

*Sensitivity Analysis*

Globe has determined that the recoverable amount calculations are most sensitive to changes in assumptions on cash flow projections, discount rate, and verifiable industry growth rates. In 2024 and 2023, the pre-tax discount rates applied to cash flow projections were 9.87% and 10.73% for mobile communications CGU and 14.00% for Yondu standalone CGU, respectively. The cash flows beyond the five-year period were extrapolated using the average terminal growth rate for telecommunication industry of 2.00% and 2.20% in 2024 and 2023, respectively.

Globe has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount of the CGU. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the CGU is based would not result in impairment loss due to the substantial headroom.

## 13 Lease Commitments

### *13.1 Right of use assets – net*

The rollforward analysis of this account follows:

**2024**

| | Network Sites | Leased lines, IRUs and Data Centers | Transportation Equipment | Corporate Office | Stores | Total |
|---|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | | |
| At January 1 | ₱64,591,245 | ₱3,634,838 | ₱504,368 | ₱783,106 | ₱25,239 | ₱69,538,796 |
| Additions | 24,603,249 | 1,846,782 | 513,489 | 57,545 | 167,077 | 27,188,142 |
| Transfers from property and equipment (Note 11) | - | 1,194,051 | - | - | - | 1,194,051 |
| Terminations and modifications | 1,232,160 | 287,052 | (21,796) | (9,704) | 17,635 | 1,505,347 |
| Depreciation (Note 24) | (6,678,849) | (1,461,979) | (409,431) | (312,052) | (99,567) | (8,961,878) |
| **Carrying Amount at December 31** | ₱83,747,805 | ₱5,500,744 | ₱586,630 | ₱518,895 | ₱110,384 | ₱90,464,458 |

2023

| | Network Sites | Leased lines and Data Centers | Transportation Equipment | Corporate Office | Stores | Total |
|---|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | | |
| At January 1 | ₱33,122,847 | ₱3,096,530 | ₱642,408 | ₱200,260 | ₱45,846 | ₱37,107,891 |
| Additions | 37,440,200 | 2,045,538 | 337,798 | 826,277 | 26,893 | 40,676,706 |
| Terminations and modifications | (658,815) | (18,009) | (18) | - | (11,463) | (688,305) |
| Transferred to assets held for sale | (662,207) | - | - | - | - | (662,207) |
| Depreciation (Note 24) | (4,650,780) | (1,489,221) | (475,820) | (243,431) | (36,037) | (6,895,289) |
| **Carrying Amount at December 31** | ₱64,591,245 | ₱3,634,838 | ₱504,368 | ₱783,106 | ₱25,239 | ₱69,538,796 |

Network sites leases include ground lease occupied by self constructed tower assets, Tower leases from sale and leaseback arrangements with Tower Companies and Tower Leases from Build to Suit arrangement with Tower Companies.

### *Sale and Leaseback of Telecom Towers*

As disclosed in Note 11 – Property and Equipment, Globe and the tower companies signed a sale and leaseback agreements consisting of 7,506 telecom towers and related passive telecom infrastructure and has agreed to leaseback the telecom towers sold in the transaction for an initial period of 15 years with option to extend as agreed by the parties.

Accordingly, the corresponding ROU assets covering the ground leases with net book value of ₱662.21 million as of December 31, 2023, were reclassified from “ROU assets” to “Assets classified as held-for-sale” under the current assets section in Globe’s consolidated statement of financial position.

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

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos except no. of Telecom Towers)* | |
| No. of Telecom Towers *(in absolute numbers in units)* | **2,205** | 2,057 |
| Recognition of lease liabilities | **₱23,575,501** | ₱18,312,907 |
| Recognition of ROU assets | **12,879,334** | 10,594,340 |

The recognition of additional ROU assets represents only the rights retained by Globe over the telecom towers leased back from the tower companies.

As of December 31, 2024 and 2023, ROU assets with remaining net book value of ₱1,318.89 million and ₱4,623.07 million, respectively, were continued to be classified as assets-held-for-sale as Globe remains committed to its plan to sell the telecom towers.

### *13.2 Lease liabilities*

The following table provides the lease liabilities in relation to leased assets:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Network sites - net | **₱111,850,877** | ₱84,180,567 |
| Leased lines, IRU and Data Centers | **3,178,317** | 3,323,048 |
| Transportation Equipment | **520,332** | 479,221 |
| Corporate Office | **427,025** | 714,477 |
| Stores | **131,323** | 27,169 |
| | **116,107,874** | 88,724,482 |
| Less current portion | **8,175,643** | 5,899,426 |
| Non current portion | **₱107,932,231** | ₱82,825,056 |

Network sites consist of telecom towers and ground leases.

The rollforward analysis of this account follows:

**2024**

| | **Network Sites - net** | **Leased Lines, IRUs and Data Centers** | **Corporate Office** | **Transportation Equipment** | **Stores** | **Total** |
|---|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | | |
| At January 1, 2024 | **₱84,180,567** | **₱3,323,048** | **₱714,477** | **₱479,221** | **₱27,169** | **₱88,724,482** |
| Additions | **35,299,416** | **1,846,782** | **57,545** | **513,489** | **167,077** | **37,884,309** |
| Interests (Note 25) | **6,510,105** | **171,617** | **39,402** | **25,167** | **3,223** | **6,749,514** |
| Settlements | **(13,653,451)** | **(2,451,114)** | **(373,452)** | **(476,394)** | **(81,108)** | **(17,035,519)** |
| Terminations | **(485,760)** | **287,983** | **(10,947)** | **(21,151)** | **14,963** | **(214,912)** |
| **At December 31, 2024** | **₱111,850,877** | **₱3,178,316** | **₱427,025** | **₱520,332** | **₱131,324** | **₱116,107,874** |

2023

| | Network Sites | Leased Lines and Data Centers | Corporate Office | Transportation Equipment | Stores | Total |
|---|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | | |
| At January 1, 2023 | ₱50,200,277 | ₱3,209,151 | ₱173,041 | ₱595,458 | ₱53,670 | ₱54,231,597 |
| Additions | 45,158,767 | 2,045,538 | 826,277 | 337,798 | 26,893 | 48,395,273 |
| Interests (Note 25) | 4,639,213 | 183,951 | 16,289 | 25,278 | 2,511 | 4,867,242 |
| Settlements | (12,919,076) | (2,095,249) | (301,130) | (479,274) | (46,665) | (15,841,394) |
| Terminations | (2,898,614) | (20,343) | - | (39) | (9,240) | (2,928,236) |
| **At December 31, 2023** | ₱84,180,567 | ₱3,323,048 | ₱714,477 | ₱479,221 | ₱27,169 | ₱88,724,482 |

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

**2024**

| | 1 year | More than 1 year but not more than 5 years | More than 5 years | Total |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Network Sites | **₱13,289,273** | **₱53,119,911** | **₱108,724,659** | **₱175,133,843** |
| Transportation equipment | **316,333** | **217,191** | **-** | **533,524** |
| Corporate office | **296,836** | **135,744** | **29,985** | **462,565** |
| Stores | **121,248** | **16,310** | **773** | **138,331** |
| Leased lines and Data Centers | **1,773,438** | **1,609,544** | **-** | **3,382,982** |
| | **₱15,797,128** | **₱55,098,700** | **₱108,755,417** | **₱179,651,245** |

2023

| | 1 year | More than 1 year but not more than 5 years | More than 5 years | Total |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Network Sites | ₱9,902,271 | ₱37,882,764 | ₱81,987,719 | ₱129,772,754 |
| Transportation equipment | 309,413 | 174,251 | - | 483,664 |
| Corporate office | 348,183 | 400,246 | 38,231 | 786,660 |
| Stores | 16,707 | 11,593 | 3,055 | 31,355 |
| Leased lines and Data Centers | 1,256,723 | 2,309,437 | - | 3,566,160 |
| | ₱11,833,297 | ₱40,778,291 | ₱82,029,005 | ₱134,640,593 |

As of December 31, 2024, Network site lease liabilities represents net obligations to lessors after offsetting lease receivables amounting to ₱789.19 million under sublease arrangements in 2024. Interest income and collections from sublease receivables amounted to ₱17.38 million and ₱133.75 million, respectively for the as of December 31, 2024 (See Note 25).

As of December 31, 2024 and 2023, the portion of the lease liabilities related to ROU assets that are reclassified to assets classified as held-for-sale amounted to ₱1.60 billion and ₱4.60 billion. Such liabilities will remain to be Globe's liability until the closing conditions on the transfer of assets are met, on which date, these liabilities will be pre-terminated.

### *13.3 Short-term Leases and Leases of Low Value Assets*

Short-term leases and leases of low-value assets charged as operating expenses in the consolidated profit or loss amounted to ₱2,983.98 million, ₱2,828.28 million and ₱2,794.32 million in 2024, 2023 and 2022, respectively (see Note 23).

## 14 Investments in joint ventures

This account consists of the following as of December 31:

| | | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Vega | 14.1 | **₱34,180,363** | ₱34,177,005 |
| Mynt | 14.2 | **15,293,630** | 11,534,484 |
| GSG | 14.3 | **9,086,466** | 8,612,590 |
| Gogoro Philippines, Inc. | 14.7 | **234,135** | 234,135 |
| TechGlobal | 14.4 | **148,498** | 291,443 |
| Bridge Mobile Pte. Ltd (BMPL) | 14.5 | **56,810** | 53,103 |
| Telecommunications Connectivity, Inc. (TCI) | 14.6 | **41,809** | 42,579 |
| Others | 14.8 | **327,213** | 390,378 |
| | | **₱59,368,924** | ₱55,335,717 |

Details of Globe's investments in joint venture and the related percentages of ownership as of December 31 are shown below:

| | Country of Incorporation | Principal Activities | 2024 | 2023 |
|---|---|---|---|---|
| **Joint Ventures** | | | | |
| VTI | Philippines | Telecommunications | **50%** | 50% |
| BAHC | Philippines | Holding company | **50%** | 50% |
| BHC | Philippines | Holding company | **50%** | 50% |
| Konsulta | Philippines | Health hotline facility | **50%** | 46% |
| TechGlobal | Philippines | Installation and management of data centers | **49%** | 49% |
| Mynt | Philippines | Holding company | **36%** | 36% |
| BMPL | Singapore | Mobile technology infrastructure and common service | **10%** | 10% |
| TCI | Philippines | Telecommunications | **33%** | 33% |
| Rush | Philippines | Cloud-based solutions | **49%** | 49% |
| PureGo* | Philippines | E-commerce platform | **50%** | 50% |
| GSG***** | Philippines | Data centers management | **50%** | 50% |
| Gogoro** | Philippines | E-vehicle and battery swapping | **49%** | 49% |
| GoLearn*** | Philippines | Web development education | **49%** | 49% |
| QuickClose**** | Philippines | Digital services for real estate brokers and developers | **49%** | - |

**Ceased operations on February 15, 2023*
***Incorporated on June 5, 2023 (See Note 14.7)*
****Incorporated on July 7, 2023*
*****Incorporated in 2024*
******A subsidiary of Globe until March 3, 2022 (See Note 14.3)*

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

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *(In Thousand Pesos)* | | |
| Investments in joint ventures: | | | |
| Mynt | **₱3,759,146** | ₱2,369,752 | ₱808,251 |
| GSG | **473,876** | 330,051 | 214,419 |
| Vega | **44,262** | 28,176 | 169,542 |
| TCI | **(770)** | 2,117 | 1,576 |
| BMPL | **(1,242)** | (2,107) | (603) |
| TechGlobal | **(44,945)** | 33,360 | 50,372 |
| Others | **(333,315)** | (546,588) | (160,355) |
| | **₱3,897,012** | ₱2,214,761 | ₱1,083,202 |

Investment in joint ventures share in other comprehensive income are as follows:

| | Note | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Investments in joint ventures: | | | | |
| BMPL | | **₱4,949** | (₱291) | ₱5,276 |
| Vega | | **(40,904)** | 68,949 | 17,854 |
| | 20.8 | **(₱35,955)** | ₱68,658 | ₱23,130 |

The movement in investments in joint ventures are as follows:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| **Costs** | | | |
| At January 1 | | **₱58,193,453** | ₱57,279,133 |
| Additional capital contributions during the year | | | |
| Investment in Gogoro | 14.7 | **-** | 234,135 |
| Others | 14.8 | **270,150** | 515,255 |
| Return on investment | 14.4 | **(98,000)** | - |
| Others | | **-** | 164,930 |
| At December 31 | | **58,365,603** | 58,193,453 |
| **Accumulated Equity in Net Losses** | | | |
| At January 1 | | **(3,316,738)** | (5,531,499) |
| Equity share in net income | | **3,897,012** | 2,214,761 |
| At December 31 | | **580,274** | (3,316,738) |
| **Other Comprehensive Income** | | | |
| At January 1 | | **459,002** | 390,344 |
| Equity share in currency translation adjustment | 20.8 | **4,949** | (291) |
| Equity share in investment in equity securities | 20.8 | **(16,932)** | 63,823 |
| Equity share in retirement obligation | 20.8 | **(23,972)** | 5,126 |
| At December 31 | | **423,047** | 459,002 |
| **Carrying Value at December 31** | | **₱59,368,924** | ₱55,335,717 |

The table below presents the summarized financial information lifted from the unaudited statutory financial statements of Globe's investments in joint ventures:

## 2024

| | Vega | Mynt | TechGlobal | BMPL | GSG | TCI | Others |
|---|---|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | | | |
| **Statements of Financial Position:** | | | | | | | |
| Current assets | **₱5,490,996** | **₱181,573,373** | **₱227,693** | **₱743,444** | **₱4,974,915** | **₱135,856** | **₱457,307** |
| Noncurrent assets | **43,665,842** | **5,409,702** | **133,414** | **15,775** | **13,462,192** | **23,793** | **468,306** |
| Current liabilities | **2,666,581** | **139,277,911** | **21,901** | **190,114** | **1,442,125** | **34,221** | **401,613** |
| Noncurrent liabilities | **9,851,978** | **9,249,796** | **36,146** | **1,007** | **5,520,118** | **-** | **52,269** |
| Equity attributable to Parent Company | **32,711,240** | **38,455,368** | **303,060** | **568,098** | **11,474,865** | **125,428** | **471,731** |
| **Statements of Comprehensive Income:** | | | | | | | |
| Revenue | **4,707,733** | **62,768,930** | **94,042** | **516,805** | **2,533,421** | **71,942** | **82,557** |
| Costs and expenses | **(4,265,936)** | **(47,720,716)** | **(180,925)** | **(529,225)** | **(1,261,412)** | **(73,830)** | **(590,331)** |
| Income before tax | **441,797** | **15,048,214** | **(86,883)** | **(12,420)** | **1,272,009** | **(1,888)** | **(507,774)** |
| Income tax | **(130,414)** | **(4,467,894)** | **(4,841)** | **-** | **(324,257)** | **(421)** | **-** |
| Profit (Loss) for the period | **311,383** | **10,580,320** | **(91,724)** | **(12,420)** | **947,752** | **(2,309)** | **(507,774)** |
| *Equity holders of the parent* | ***88,524*** | ***10,580,320*** | ***(91,724)*** | ***(12,420)*** | ***947,752*** | ***(2,309)*** | ***(507,774)*** |
| *Non-controlling interest* | ***222,859*** | **-** | **-** | **-** | **-** | **-** | **-** |
| Other comprehensive income (loss) | **(81,808)** | **-** | **-** | **49,490** | **-** | **-** | **-** |
| Total comprehensive income | **₱229,575** | **₱10,580,320** | **(₱91,724)** | **₱37,070** | **₱947,752** | **(₱2,309)** | **(₱507,774)** |

2023

| | Vega | Mynt | TechGlobal | BMPL | GSG | TCI | Others |
|---|---|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | | | |
| **Statements of Financial Position:** | | | | | | | |
| Current assets | ₱4,380,498 | ₱119,147,606 | ₱489,807 | ₱685,276 | ₱5,377,345 | ₱125,464 | ₱392,228 |
| Noncurrent assets | 43,882,075 | 3,060,445 | 144,364 | 21,774 | 9,270,630 | 37,316 | 644,384 |
| Current liabilities | 2,174,393 | 94,080,037 | 38,629 | 165,833 | 2,584,107 | 35,044 | 641,452 |
| Noncurrent liabilities | 9,560,468 | 252,965 | 761 | 10,191 | 1,536,753 | - | 4,400 |
| Equity attributable to Parent Company | 32,704,521 | 27,875,049 | 594,781 | 531,026 | 10,527,115 | 127,736 | 390,760 |
| **Statements of Comprehensive Income:** | | | | | | | |
| Revenue | 4,343,829 | 39,921,069 | 189,213 | 447,722 | 2,212,362 | 70,176 | 321,943 |
| Costs and expenses | (3,860,744) | (32,641,250) | (103,549) | (468,786) | (1,301,188) | (63,330) | (932,098) |
| Income before tax | 483,085 | 7,279,819 | 85,664 | (21,064) | 911,174 | 6,846 | (610,155) |
| Income tax | (181,293) | (610,024) | (17,583) | - | (251,072) | (495) | - |
| Profit (Loss) for the period | 301,792 | 6,669,795 | 68,081 | (21,064) | 660,102 | 6,351 | (610,155) |
| *Equity holders of the parent* | *56,352* | *6,669,795* | *68,081* | *(21,064)* | *660,102* | *6,351* | *(610,155)* |
| *Non-controlling interest* | *245,440* | - | - | - | - | - | - |
| Other comprehensive income (loss) | 137,896 | - | - | (2,920) | - | - | |
| Total comprehensive income | ₱439,688 | ₱6,669,795 | ₱68,081 | (₱23,984) | ₱660,102 | ₱6,351 | (₱610,155) |

### 14.1 Investment in Vega

On May 30, 2016, Globe Telecom's BOD, through its Executive Committee, approved the signing of a Sale and Purchase Agreement (SPA) and other related definitive agreements for acquisition of 50% equity interest in the telecommunications business of San Miguel Corporation (SMC), Schutzengel Telecom, Inc. and Grace Patricia W. Vilchez-Custodio (the "Sellers"; SMC being the major seller) through their respective subsidiaries namely, VTI, BAHC and BHC, respectively (the Acquirees). The remaining 50% equity stake in VTI, BAHC and BHC was acquired by Philippine Long Distance Telephone Company (PLDT) under similar definitive agreements.

VTI owns an equity stake in Liberty Telecom Holdings, Inc. (LIB), a publicly-listed company in the Philippine Stock Exchange. It also owns, directly and indirectly, equity stakes in various enfranchised companies, including Bell Telecommunication Philippines, Inc. (Bell Tel), Eastern Telecom Philippines, Inc. (Eastern Telecom), Cobaltpoint Telecommunication, Inc (formerly Express Telecom, Inc.), and Tori Spectrum Telecom, Inc., among others.

The acquisition provided Globe Telecom an access to certain frequencies assigned to Bell Tel in the 700 Mhz, 900 Mhz, 1800 Mhz, 2300 Mhz and 2500 Mhz bands through a co-use arrangement approved by the NTC on May 27, 2016.

The memorandum of agreement between Globe and PLDT provides for both parties to pool resources and share in the profits and losses of the companies on a 50%-50% basis with a view to being financially self-sufficient and able to operate or borrow funds without recourse to the parties.

Notional goodwill recognized as part of investment in Vega amounted to ₱17.8 billion as of December 31, 2024 and 2023.

The table below presents the additional financial information of Vega:

| | 2024 | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| **Items in the Statements of Financial Position** | | |
| Cash and cash equivalents | **₱3,009,985** | ₱2,386,845 |
| **Items in the Statements of Comprehensive Income** | | |
| Depreciation and amortization | **₱1,158,994** | ₱870,912 |
| Interest income | **128,160** | 111,355 |
| Interest expense | **-** | - |

### 14.2 Investment in Mynt

Mynt is engaged in purchasing, subscribing, owning, holding and assigning real and personal property, shares of stock and other securities. Mynt holds 100% ownership interest on Fuse Lending Inc. (Fuse) and G-Xchange, Inc. (GXI). Fuse operates as a lending company. GXI is registered with Bangko Sentral ng Pilipinas (BSP) as a remittance agent and electronic money issuer. GXI handles the electronic payment and remittance service using Globe's network as platform under GCash brand.

On August 1, 2024, Mynt secured fresh strategic investments from AC, through its wholly-owned subsidiary, AC Ventures Holdings, Inc. (ACV), and Mitsubishi UFJ Financial Group (MUFG), through its consolidated subsidiary, MUFG Bank Ltd. The deal pushed Mynt's valuation to $5 billion from the $2 billion valuation in the 2021 funding round. As of December 31, 2024, the deal is subject to the execution of definitive transaction documents and satisfaction of customary closing conditions.

Notional goodwill recognized as part of investment in Mynt amounted to ₱1,630.59 million as of December 31, 2024 and 2023.

The table below presents the additional financial information of Mynt:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| **Items in the Statements of Financial Position** | | |
| Cash and cash equivalents | **₱123,556,940** | ₱76,196,233 |
| Current financial liabilities, excluding trade and other payables and provisions | **120,240,945** | 82,748,774 |
| **Items in the Statements of Comprehensive Income** | | |
| Depreciation and amortization | **₱268,654** | ₱158,834 |
| Interest income | **2,359,015** | 1,203,710 |
| Interest expense | **61,946** | 23,027 |

*Share Purchase Agreements*

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

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

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

As of December 31, 2024, PCC review is still in progress. Investment in ECPay, classified as Assets held-for-sale, amounted to ₱1,809.50 million and ₱2,310.00 million as of December 31, 2024 and 2023, respectively. (See Note 1.15).

*14.3 Investment in Globe STT GDC, Inc. (GSG, formerly known as KarmanEdge)*

Globe previously owned 100% interest in KarmanEdge and consolidated its net assets in the consolidated financial statements. KarmanEdge is engaged in installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities. Initial investment infused by Globe amounted to ₱100.00 million.

On May 19, 2022, the SEC approved the amendment of KarmanEdge's articles of incorporation which effectively changes its corporate name to Globe STT GDC, Inc.

*Sale of data center business*

On March 31, 2022, Globe formed a joint venture partnership with Ayala Corporation (AC), and ST Telemedia Global Data Centres (STT GDC). Under the agreement, both STT GDC and AC shall subscribe to new shares in KarmanEdge, Inc., a wholly owned subsidiary of Globe that houses its carved-out data center business. The capital infusion by the new partners resulted in a post-money valuation of ₱16,136.24 million. Subsequent to the execution of the share subscription agreement, Globe remained the largest shareholder with a 50% ownership, followed by STT GDC with 40% and AC taking up the balance. As part of the deal, Globe received cash proceeds amounting to ₱5,030.00 million.

The dilution of ownership interest resulted in a loss of control in KarmanEdge. Thereafter, the investment in KarmanEdge was accounted for as an investment in joint venture since no single party controls the arrangement and approvals of all parties are required before a decision can be passed.

Globe accounted for this transaction as a sale of controlling interest of its data center business which resulted in a gain amounting to ₱10,511.95 million. The initial carrying amount of Globe's investment in KarmanEdge was measured at fair value amounting to ₱8,068.12 million, equivalent to 50% of the post-money valuation.

The final fair values of the identifiable assets and liabilities of Globe STT GDC, Inc. as of the date of the acquisition are as follows:

| | | Amount recognized on acquisition |
|---|---|---|
| | | *(In Million Pesos)* |
| **ASSETS** | | |
| Current assets | | **₱9,056** |
| Property and equipment | | **5,156** |
| Other noncurrent assets | | **19** |
| | | **14,231** |
| **LIABILITIES** | | |
| Current Liabilities | | **5,807** |
| Noncurrent Liabilities | | **256** |
| | | **6,063** |
| **Total net assets at fair value** | | **₱8,168** |
| **Intangible assets arising on acquisition** | | |
| Customer relationship | **₱1,689** | |
| Supplier relationship | **5** | |
| | **1,694** | |
| **Deferred tax liabilities** | **(423)** | **1,271** |
| | | **₱9,439** |
| Purchase consideration transferred | | **₱8,068** |
| Share in identifiable assets and liabilities (50%) | | **(4,720)** |
| Notional goodwill arising on acquisition | | **₱3,348** |

The fair value amounts of supplier and customer relationship were determined by an independent appraiser using multi period excess earnings method and replacement cost method.

The goodwill comprises the fair value of the expected synergies arising from the acquisition. For goodwill impairment assessment, the cash generating unit is the wireline communications segment of Globe.

The table below presents the additional financial information of Globe STT GDC, Inc.:

| | December 31 | |
|---|---|---|
| | **2024** | 2023 |
| **Items in the Statements of Financial Position** | *(In Thousand Pesos)* | |
| Cash and cash equivalents | **₱959,158** | ₱1,984,521 |
| Non-current financial liabilities, excluding trade and other payables and provisions | **3,971,579** | - |
| | | |
| **Items in the Statements of Comprehensive Income** | | |
| Depreciation and amortization | **₱412,222** | ₱365,390 |
| Interest income | **61,929** | 45,268 |
| Interest expense | **72,953** | 17,215 |

### *14.4 Investment in TechGlobal*

On November 2, 2015, Innove and Techzone Philippines incorporated TechGlobal, a Joint Venture Company, formed to install, own, operate, maintain and manage all kinds of data centers and to provide information technology-enabled services and computer-enabled support services. Innove and Techzone hold ownership interest of 49% and 51%, respectively. TechGlobal started commercial operations in August 2017.

Dividends from TechGlobal amounted to ₱98.00 million in 2024.

### *14.5 Investment in BMPL*

Globe Telecom and other leading Asia Pacific mobile operators (JV partners) signed an Agreement in 2004 (JV Agreement) to form a regional mobile alliance, which will operate through a Singapore-incorporated company, BMPL. The JV company is a commercial vehicle for the JV partners to build and establish a regional mobile infrastructure and common service platform and deliver different regional mobile services to their subscribers.

### *14.6 Investment in TCI*

On January 17, 2020, Globe Telecom, Dito Telecommunity and Smart Communications incorporated a joint venture company, Telecommunications Connectivity, Inc. (TCI) in line with the new mobile number portability initiative of the government under RA 11202 also known as the "Mobile Number Portability Act" ("the MNP Act"). As committed to the National Telecommunications Commission, TCI commenced commercial operations on September 30, 2021 through the implementation of MNP services.

TCI is expected to bring in the technical infrastructure to fulfill its primary function as a clearing house for the three mobile operators to ensure the smooth implementation of number porting services.

### *14.7 Investment in Gogoro*

On June 5, 2023, 917Ventures, Inc., Gogoro Network Pte. Ltd and Ayala Corporation formed Gogoro Philippines Inc. (Gogoro), a Joint Venture company established to engage in, operate, conduct, and maintain the business of importing, selling, distributing, operating, managing, and maintaining two-wheeled and three-wheeled electric vehicles, for retail, and battery-swapping stations, and to provide after-sales services. Globe owns 49% of Gogoro. Initial investment infused by Globe amounted to ₱234.14 million in 2023.

### *14.8 Others*

Globe has investments in non-telco businesses offering healthcare and digital solutions, among others, which are individually immaterial. Globe invested a total of ₱270.15 million, ₱515.26 million and ₱485.53 million of additional capital in 2024, 2023 and 2022, respectively.

## 15 Trade Payables and Accrued Expenses

This account consists of:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Accrued project costs | 33.2 | **₱30,740,903** | ₱40,311,982 |
| Accrued expenses | | **23,159,507** | 23,423,651 |
| Taxes payable | | **9,958,773** | 11,144,092 |
| Trade payable | | **8,525,360** | 7,658,017 |
| Traffic settlements - net | 31.2, 33.1 | **749,690** | 575,373 |
| Other creditors | | **4,973,099** | 4,551,143 |
| | | **₱78,107,332** | ₱87,664,258 |

Traffic settlements payable are presented net of traffic settlements receivable from the same carrier (see Note 31.2).

Accrued expenses consists of the following:

| | 2024 | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Staff costs | **₱3,586,565** | ₱4,199,796 |
| Professional and other contracted services | **3,321,742** | 3,865,420 |
| Repairs and maintenance | **3,055,762** | 3,811,311 |
| Utilities, supplies and other administrative expenses | **2,895,099** | 2,294,850 |
| Taxes and licenses | **2,081,415** | 2,065,153 |
| Lease | **1,558,352** | 1,533,617 |
| Selling, advertising and promotions | **1,541,434** | 1,629,063 |
| Interest on loans | **1,438,267** | 1,518,500 |
| Others | **3,680,871** | 2,505,941 |
| | **₱23,159,507** | ₱23,423,651 |

## 16 Provisions

The rollforward analysis of this account follows:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| At beginning of year | | **₱2,960,993** | ₱2,583,476 |
| Provisions for claims | 26 | **874,255** | 562,574 |
| Payments and reversals for claims | 26 | **(441,291)** | (185,057) |
| At end of year | | **₱3,393,957** | ₱2,960,993 |

Provisions pertain to probable liabilities related to various pending unresolved claims over Globe's businesses such as provision for taxes and various labor cases.

The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the outcome of these on-going claims and assessments. As of December 31, 2024, the remaining claims are still being resolved.

## 17 Loans Payable

Globe's loans payable consists of the following:

| | 2024 | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Term Loans: | | |
| Peso | **₱200,472,330** | ₱198,821,740 |
| Dollar | **14,605,104** | 18,251,956 |
| | **215,077,434** | 217,073,696 |
| Retail bonds dollar | **34,382,475** | 32,881,873 |
| | **249,459,909** | 249,955,569 |
| Less current portion | **26,349,796** | 36,792,956 |
| Net of current portion | **₱223,110,113** | ₱213,162,613 |

The rollforward analysis of this account follows:

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| At beginning of year | | **₱249,955,569** | ₱233,204,659 |
| Cash items | | | |
| Proceeds from long term borrowings | | **27,000,000** | 45,000,000 |
| Proceeds from short term borrowings | | **23,310,000** | 63,250,000 |
| Repayments of long term borrowings | | **(18,396,869)** | (20,214,691) |
| Repayments of short borrowings | | **(34,572,500)** | (70,905,167) |
| | | **(2,659,369)** | 17,130,142 |
| Non-cash items | | | |
| Debt issuance cost | | **(248,019)** | (639,400) |
| Amortization of debt issue cost | | **273,568** | 642,875 |
| Adjustment from subsidiary classified as held-for-sale (Note 14.2) | | **-** | (2,156) |
| Foreign exchange loss (gain) | | **2,138,160** | (380,551) |
| | | **2,163,709** | (379,232) |
| At end of year | | **₱249,459,909** | ₱249,955,569 |

The maturities of loans payable at nominal values as of December 31, 2024 follow (in thousands):

| | |
|---|---|
| Due in: | |
| 2025 | **₱26,369,562** |
| 2026 | **22,239,286** |
| 2027 | **23,184,943** |
| 2028 | **22,602,000** |
| 2029 and thereafter | **156,298,200** |
| | **₱250,693,991** |

The interest rates and maturities of the above debts are as follows:

| | Maturities | Interest Rates |
|---|---|---|
| Term Loans: | | |
| Peso | 2025-2039 | 4.00% to 7.11% in 2024 |
| | 2024-2034 | 4.00% to 7.11% in 2023 |
| Dollar | 2025-2027 | 5.51% to 8.10% in 2024 |
| | 2024-2027 | 5.36% to 8.10% in 2023 |
| Retail bonds Dollar | 2030-2035 | 3.13% to 3.75% in 2024 |
| | 2030-2035 | 3.13% to 3.75% in 2023 |

Total interest expense recognized in the consolidated profit or loss related to long-term debt amounted to ₱7,204.47 million, ₱6,723.60 million and ₱6,884.49 million in 2024, 2023 and 2022, respectively (see Note 25).

Total interest expenses capitalized as part of property and equipment amounted to ₱6,500.67 million and ₱6,710.29 million in 2024 and 2023, respectively (see Note 11).

### *17.1 Term Loans and Corporate Notes*

Globe Telecom has unsecured term loans which consist of dollar and peso-denominated term loans subject to fixed and floating interest rates.

### *17.2 Retail Bonds Peso*

On July 17, 2013, Globe Telecom issued ₱7,000.00 million fixed rate bond. The amount comprises ₱4,000.00 million and ₱3,000.00 million bonds due in 2020 and 2023, with interest rate of 4.8875% and 5.2792%, respectively. The net proceeds of the issue were used to partially finance Globe Telecom's capital expenditure requirements in 2013.

The seven-year and ten-year retail bonds may be redeemed in whole, but not in part only, starting two years for the seven-year bonds and three years for the ten-year bonds before the maturity date and on the anniversary thereafter at a price ranging from 101.0% to 100.5% and 102.0% to 100.5%, respectively, of the principal amount of the bonds and all accrued interest depending on the year of redemption. Globe fully redeemed its ₱4,000.00 million and ₱3,000.00 million retail bonds in July 2020 and July 2023, respectively.

### *17.3 Retail Bonds Dollar*

On July 23, 2020, Globe Telecom issued a USD 300 million 10-year and USD 300 million 15-year US dollar denominated senior notes with a coupon rate of 2.5% and 3.0%, respectively. The notes are unrated and have been listed on the Singapore Exchange Securities Trading Limited on July 24, 2020. The net proceeds from the issue of the notes was used to finance Globe's capital expenditures, refinance maturing and/or existing obligations, and for general corporate requirements.

### *17.4 Loan Covenants*

The loan agreements with banks and other financial institutions provide for certain restrictions and requirements with respect to, among others, maintenance of financial ratios and percentage of ownership of specific shareholders, incurrence of additional long-term indebtedness or guarantees and creation of property encumbrances.

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

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

**Composed of loans payable and net derivative liabilities.*

As of December 31, 2024 and 2023, Globe is not in breach of any loan covenants.

## 18 Other Long-term Liabilities

This account consists of:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Asset retirement obligation (ARO) | **₱2,018,702** | ₱2,253,106 |
| Others | **1,409,096** | 1,433,974 |
| | **₱3,427,798** | ₱3,687,080 |

ARO represents Globe's estimated dismantling cost of property and equipment and obligation to restore leased properties to their original condition. The rollforward analysis of Globe's ARO follows:

| | **Notes** | **2024** | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| At beginning of year | | **₱2,253,106** | ₱2,689,423 |
| Accretion expense during the year | 25 | **11,272** | 8,250 |
| Capitalized to property and equipment during the year | 11 | **5,800** | - |
| Settlements and reversals | | **-** | (621,672) |
| Remeasurements | | **(251,476)** | 177,105 |
| At end of year | | **₱2,018,702** | ₱2,253,106 |

Gain on settlement and remeasurement of ARO recognized in consolidated profit or loss amounted to ₱2.63 million in 2022 (see Note 22).

## 19 Related Party Transactions

Parties are considered to be related to Globe if they have the ability, directly or indirectly, to control Globe or exercise significant influence over Globe in making financial and operating decisions, or vice versa, or where Globe and the party are subject to common control or common joint control. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or entities and include entities which are under the significant influence of related parties exercising control or joint control over Globe, and post-employment benefit plan which are for the benefit of employees of Globe or of any entity that is a related party of Globe.

Globe, in their regular conduct of business, enter into transactions with their major stockholders, AC and Singtel, joint ventures and certain related parties.

Globe's audit and related party transactions committee (Committee) reviews and approves all covered related party transactions in accordance with Globe's corporate governance policy. The Committee endorses the covered related party transactions to the Board of Directors for final approval.

The summary of balances arising from related party transactions for the relevant financial year follows (in thousand pesos):

**2024**

| | | Amount of transaction | | | Outstanding Balance | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Revenue and Other Income | Costs and Expenses charged to Profit or Loss | Cost and Expenses capitalized as Asset | Cash and Cash Equivalents | Amounts Owed by Related Parties | Amounts Owed to Related Parties | Terms | Conditions |
| **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** | **3,302,881** | **-** | **344,959** | **635,204** | **-** | Interest-free, settlement in cash | Unsecured, no impairment |
| Globe STT GDC, Inc. | 19.2 | **171,695** | **-** | **1,747,480** | **-** | **486,189** | **2,931,513** | Interest-free, settlement in cash | Unsecured, no impairment |
| **Other related parties** | | | | | | | | | |
| GRP | 19.3 | **155,424** | **-** | **-** | **-** | **2,547,935** | **-** | 3-5 years, 4.25-6.00%, settlement in cash | Unsecured, no impairment |
| BEAM | 19.3 | **-** | **203,000** | **-** | **-** | **-** | **-** | - | - |
| JVHI | 19.3 | **81,340** | **-** | **-** | **-** | **1,216,000** | **-** | 5-6 years, 5.94%-7.88%, settlement in cash | Unsecured, no impairment |
| Key management personnel | 19.4 | **-** | **373,500** | **-** | **-** | **-** | **-** | - | - |
| Others | 19.3 | **618,651** | **215,277** | **83,837** | **245,941** | **105,200** | **26,879** | Interest-free excluding cash and cash equivalents, settlement in cash | Unsecured, no impairment |
| | | **₱1,505,488** | **₱4,409,769** | **₱1,831,317** | **₱590,900** | **₱5,038,277** | **₱3,156,899** | | |

2023

| | Note | Amount of transaction: Revenue and Other Income | Amount of transaction: Costs and Expenses charged to Profit or Loss | Amount of transaction: Cost and Expenses capitalized as Asset | Outstanding Balance: Cash and Cash Equivalents | Outstanding Balance: Amounts Owed by Related Parties | Outstanding Balance: Amounts Owed to Related Parties | Terms | Conditions |
|---|---|---|---|---|---|---|---|---|---|
| Entities with joint control over the Company | | | | | | | | | |
| Singtel Group | 19.1 | ₱336,003 | ₱290,729 | ₱- | ₱- | ₱65,655 | ₱277,517 | Interest-free, settlement in cash | Unsecured, no impairment |
| AC | 19.1 | 39,215 | 54,873 | - | - | 23,505 | 1,745 | Interest-free, settlement in cash | Unsecured, no impairment |
| Jointly controlled entities | | | | | | | | | |
| BMPL | 19.2 | - | 20,142 | - | - | - | 2,784 | Interest-free, settlement in cash | Unsecured, no impairment |
| Mynt | 19.2 | 81,242 | 3,523,508 | - | 320,141 | 448,838 | - | Interest-free, settlement in cash | Unsecured, no impairment |
| Globe STT GDC, Inc. | 19.2 | 230,603 | - | 1,639,638 | - | 641,412 | 2,254,883 | Interest-free, settlement in cash | Unsecured, no impairment |
| Other related parties | | | | | | | | | |
| GRP | 19.3 | 154,999 | - | - | - | 2,547,935 | - | 3-5 years, 4.25-6.00%, settlement in cash | Unsecured, no impairment |
| BEAM | 19.3 | - | 215,000 | - | - | - | - | - | - |
| JVHI | 19.3 | 59,790 | - | - | - | 1,317,000 | - | 5-6 years, 5.94%-7.88%, settlement in cash | Unsecured, no impairment |
| Key management personnel | 19.4 | - | 423,800 | - | - | - | - | - | - |
| Others | 19.3 | 640,632 | 65,584 | 84,522 | 313,963 | 180,181 | 54,324 | Interest-free excluding cash and cash equivalents, settlement in cash | Unsecured, no impairment |
| | | ₱1,542,484 | ₱4,593,636 | ₱1,724,160 | ₱634,104 | ₱5,224,526 | ₱2,591,253 | | |

Globe

Amounts owed by related parties are presented in the statement of financial position as follows:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Trade receivables – net | | **₱103,923** | ₱238,139 |
| Due from related parties | 10.2 | **1,170,419** | 1,121,452 |
| Loans to related parties | 10.1 | **3,763,935** | 3,864,935 |
| | | **₱5,038,277** | ₱5,224,526 |

Amounts owed to related parties amounting to ₱3,156.90 million and ₱2,591.25 million as of December 31, 2024 and 2023, respectively are presented under trade payables and accrued expenses account in the statements of financial position.

As of December 31, 2024 and 2023, total related party trade and other receivables with and among subsidiaries that were eliminated at consolidation against related party trade and other payables amounted to ₱81,574.63 million and ₱67,812.23 million, respectively. These are mostly unsecured, interest-free and settled in cash.

### *19.1 Entities with Joint Control over Globe - AC and Singtel Group*

*Singtel Group*

*Interconnection agreements*

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

*Technical assistance agreement*

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

*AC*

*Subscription receivable*

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

*Cost reimbursements*

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

*19.2 Joint Ventures in which Globe is a venturer*

*BMPL*

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

*Mynt*

*Management support services*

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

*Leases*

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

*Service agreement*

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

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

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

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

*Share Purchase Agreement*

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

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

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

*Globe STT GDC, Inc.*

*Management fees*

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

*Reimbursement of expenses*

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

*Leases*

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

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

### *19.3 Transactions with the other related parties*

*Globe Retirement Plan (GRP)*

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

*BHI*

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

*BEAM*

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

*Altimax*

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

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

*JVHI*

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

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

*Others*

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

### *19.4 Transactions with key management personnel of Globe*

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

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

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

Globe

## 20 Equity and Other Comprehensive Income

As of December 31, 2024 and 2023, Globe Telecom's authorized capital stock consists of (amounts in thousand pesos and number of shares):

| | Shares | Amount |
|---|---|---|
| | *(In Thousand Pesos and Number of Shares)* | |
| 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** |

*Approval of the Stockholders to Increase the Authorized Common Capital Stock*

On April 26, 2022, the stockholders of Globe Telecom approved the amendments to the articles of incorporation to increase Globe Telecom's authorized common capital stock by 20,000,000 shares from 148,934,373 shares to 168,934,373 shares with par value being retained at ₱50.00 per share.

*Approval of the SEC to Increase the Authorized Common Capital Stock*

On October 24, 2022, the Securities and Exchange Commission approved the amendments to the articles of incorporation to increase Globe Telecom's authorized common capital stock from ₱7,446,719 to ₱8,446,719 consisting of 168,934,373 shares with par value being retained at ₱50.00 per share.

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

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Shares** | **Amount** | Shares | Amount |
| | *(In Thousand Pesos and Number of Shares)* | | | |
| 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 | **144,380** | **7,219,017** | 144,229 | 7,211,455 |
| Total capital stock | | **₱9,011,592** | | ₱9,004,030 |

Below is the summary of Globe Telecom's track record of registration of securities:

| | Number of shares registered | Issue/offer price | Date of approval |
|---|---|---|---|
| | *(In Thousands, Except for Issue/Offer price)* | | |
| 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, partnership, association or corporation regardless of nationality wherein at least 60% of the outstanding capital stock shall be owned by Filipino;
- No voting rights;
- Cumulative and non-participating;
- No pre-emptive rights over any sale or issuance of any share in Globe Telecom's capital stock; and
- Stocks shall rank ahead of the common shares and equally with the voting preferred stocks in the event of liquidation.

On August 22, 2021, Globe Telecom redeemed the 20 million non-voting preferred shares for ₱10,000.00 million which were recognized as treasury shares in the consolidated statements of financial position (see Note 20.4).

#### *Voting Preferred Stock*

Voting preferred stock has the following features:

- Issued at ₱5 par;
- Dividend rate to be determined by the BOD at the time of issue;
- One preferred share is convertible to one common share starting at the end of the 10th year of the issue date at a price to be determined by Globe Telecom's BOD at the time of issue which shall not be less than the market price of the common share less the par value of the preferred share;
- Call option - Exercisable any time by Globe Telecom starting at the end of the 5th year from issue date at a price to be determined by the BOD at the time of issue;
- Eligibility of investors - Only Filipino citizens or corporations or partnerships wherein 60% of the voting stock or voting power is owned by Filipino;
- With voting rights;
- Cumulative and non-participating;
- Preference as to dividends and in the event of liquidation; and
- No pre-emptive right to any share issue of Globe Telecom, and subject to yield protection in case of change in tax laws.

The dividends for preferred stocks are declared upon the sole discretion of Globe Telecom's BOD.

### *20.2 Common Stock*

The rollforward of outstanding common shares follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Shares** | **Amount** | Shares | Amount |
| | *(In Thousand Pesos and Number of Shares)* | | | |
| At beginning of year | **144,229** | **₱7,211,455** | 144,060 | ₱7,203,027 |
| Issuance of shares under share-based compensation plan and exercise of stock options | **151** | **7,562** | 169 | 8,428 |
| At end of year | **144,380** | **₱7,219,017** | 144,229 | ₱7,211,455 |

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

*Stock Rights Offering*

On June 17, 2022, the board of directors of Globe Telecom approved the offer and issuance of common shares by way of stock rights to eligible shareholders of record, and the subsequent listing of said shares. The common shares for this offer will be issued out of the increase in the Company's authorized capital stock, which was approved by Globe's board of directors and stockholders on April 25, 2022 and April 26, 2022, respectively.

On October 28, 2022, Globe Telecom formally listed 10,119,047 common shares newly issued to stockholders that participated in the recently concluded Rights Offer (the "Offer") on the Philippine Stock Exchange. The common shares were sold in the Offer at ₱1,680.00 per share, raising net proceeds of ₱16,804.48 million.

### *20.3 Capital Securities*

On November 2, 2021, Globe Telecom issued US$600 million senior perpetual capital securities with an initial distribution rate of 4.20% payable semi-annually and callable on or after August 2, 2026. The distribution rate is subject to step up on the fifth anniversary and shall be recalculated every five years thereafter.  The capital securities were classified as equity since there is no fixed redemption date and the redemption is at the option of Globe Telecom. Globe Telecom also has the right to defer payment of any or all of the distribution. On November 3, 2021, the capital securities were listed in Singapore Exchange Securities Trading Limited. On November 2024, Globe updated its distribution rate based on market.

Distributions to holders of capital securities amounted to ₱1,369.67 million, ₱1,330.62 million and ₱1,306.73 million in 2024, 2023 and 2022, respectively.

### *20.4 Treasury Shares*

Globe's treasury shares pertain to the 20 million non-voting preferred shares that were redeemed on August 22, 2021 for ₱10,000.00 million (see Note 20.1).

### 20.5 Cash Dividends

Information on Globe Telecom's BOD declaration of cash dividends follows:

| | | | Date | |
|---|---|---|---|---|
| | Per Share | Amount | Record | Payment |
| | *(In Thousand Pesos, Except Per Share Figures)* | | | |
| Dividends on Voting Preferred stock: | | | | |
| November 11, 2022 | 0.32 | 50,027 | November 25, 2022 | December 9, 2022 |
| November 3, 2023 | 0.32 | 50,027 | November 17, 2023 | December 1, 2023 |
| November 7, 2024 | 0.39 | 61,297 | November 21, 2024 | December 6, 2024 |
| Dividends on Common stock: | | | | |
| February 8, 2022 | 27.00 | 3,607,719 | February 22, 2022 | March 10, 2022 |
| May 4 2022 | 27.00 | 3,616,420 | May 19, 2022 | June 3, 2022 |
| August 11, 2022 | 27.00 | 3,616,420 | August 25, 2022 | September 9, 2022 |
| November 11, 2022 | 25.00 | 3,601,514 | November 25, 2022 | December 9, 2022 |
| February 6, 2023 | 25.00 | 3,601,514 | February 20, 2023 | March 8, 2023 |
| May 4, 2023 | 25.00 | 3,605,714 | May 18, 2023 | June 2, 2023 |
| August 11, 2023 | 25.00 | 3,605,715 | August 29, 2023 | September 8, 2023 |
| November 3, 2023 | 25.00 | 3,605,715 | November 17, 2023 | December 1, 2023 |
| February 6, 2024 | 25.00 | 3,605,716 | February 21, 2024 | March 7, 2024 |
| May 14, 2024 | 25.00 | 3,609,508 | May 28, 2024 | June 13, 2024 |
| August 6, 2024 | 25.00 | 3,609,508 | August 20, 2024 | September 5, 2024 |
| November 7, 2024 | 25.00 | 3,609,508 | November 21, 2024 | December 6, 2024 |

### 20.6 Common Stock Dividend

The dividend policy of Globe Telecom as approved by the BOD is to declare cash dividends to its common stockholders on a regular basis as may be determined by the BOD.

The dividend distribution policy is reviewed annually and subsequently each quarter of the year, taking into account Globe Telecom's operating results, cash flows, debt covenants, capital expenditure levels and liquidity.

In 2023, Globe Telecom distributes cash dividends to its shareholders at the rate of 60% to 75% of prior year's core net income, and is committed to a sustainable dividend policy in line with earnings and cash flow generation.

On February 6, 2024, the BOD approved the proposed change in the dividend policy to 60% to 90% of the prior year's core net income, to be applied starting 2024 dividend declarations.

### *20.7 Retained Earnings Available for Dividend Declaration*

The total unrestricted retained earnings available for dividend declaration amounted to ₱12,582.82 million and ₱19,998.15 million as of December 31, 2024 and 2023, respectively. This amount excludes the undistributed net earnings of consolidated subsidiaries, accumulated equity in net earnings of joint ventures accounted for under the equity method, and unrealized gains recognized on asset and liability, currency translations and unrealized gains on fair value adjustments. Globe is also subject to loan covenants that limits its ability to pay dividends (see Note 17).

### *20.8 Other Comprehensive Income*

*Other Reserves*

**2024**

| | Cash flow hedges (Note 8) | Investment in equity securities (Note 10) | Currency translation adjustment | Remeasurement on pension liabilities (Note 27) | Total |
|---|---|---|---|---|---|
| | *(Unaudited and In Thousand Pesos)* | | | | |
| **As of January 1** | **(₱996,453)** | **₱1,217,194** | **₱637,601** | **(₱2,191,595)** | **(₱1,333,253)** |
| **Fair value changes** | **262,102** | **229,660** | **-** | **-** | **491,762** |
| **Share in OCI from investment in joint venture** (see Note 14) | **-** | **(16,932)** | **4,949** | **(23,972)** | **(35,955)** |
| **Remeasurement on pension liabilities** | **-** | **-** | **-** | **(633,993)** | **(633,993)** |
| **Transferred to profit or loss** | **(1,422,711)** | **-** | **-** | **-** | **(1,422,711)** |
| **Exchange differences** | **-** | **-** | **265,470** | **-** | **265,470** |
| **Income tax effect** (see Note 28) | **290,152** | **(57,415)** | **-** | **158,498** | **391,235** |
| **Other comprehensive income for the period** | **(870,457)** | **155,313** | **270,419** | **(499,467)** | **(944,192)** |
| **Other comprehensive income attributable to non-controlling interest** | **-** | **-** | **7,055** | **763** | **7,818** |
| **Other comprehensive income attributable to equity holders of the Parent** | **(870,457)** | **155,313** | **277,474** | **(498,704)** | **(936,374)** |
| **As of December 31** | **(₱1,866,910)** | **₱1,372,507** | **₱915,075** | **(₱2,690,299)** | **(₱2,269,627)** |

2023

| | Cash flow hedges (Note 8) | Investment in equity securities (Note 10) | Currency translation adjustment | Remeasurement on pension liabilities (Note 27) | Total |
|---|---|---|---|---|---|
| | *(Unaudited and In Thousand Pesos)* | | | | |
| As of January 1 | (₱1,181,500) | ₱985,323 | ₱663,055 | (₱583,184) | (₱116,306) |
| 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 | (₱996,453) | ₱1,217,194 | ₱637,601 | (₱2,191,595) | (₱1,333,253) |

2022

| | Cash flow hedges (Note 8) | Investment in equity securities (Note 10) | Currency translation adjustment | Remeasurement on defined benefit plan (Note 27) | Total |
|---|---|---|---|---|---|
| | *(In Thousand Pesos)* | | | | |
| As of January 1 | ₱198,090 | ₱956,219 | (₱35,365) | (₱3,314,072) | (₱2,195,128) |
| Fair value changes | 1,791,710 | 2,492 | - | - | 1,794,202 |
| Share in OCI from investment in joint venture (see Note 14) | - | 27,235 | 5,276 | (9,381) | 23,130 |
| Remeasurement on pension liabilities | - | - | - | 3,666,776 | 3,666,776 |
| Transferred to profit or loss | (3,631,163) | - | - | - | (3,631,163) |
| Exchange differences | - | - | 693,257 | - | 693,257 |
| Income tax effect (see Note 28) | 459,863 | (623) | - | (916,694) | (457,454) |
| Other comprehensive income for the period | (1,379,590) | 29,104 | 698,533 | 2,740,701 | 2,088,748 |
| Other comprehensive income attributable to non-controlling interest | - | - | (113) | (9,813) | (9,926) |
| Other comprehensive income attributable to equity holders of the Parent | (1,379,590) | 29,104 | 698,420 | 2,730,888 | 2,078,822 |
| As of December 31 | (₱1,181,500) | ₱985,323 | ₱663,055 | (₱583,184) | (₱116,306) |

## 21 Interest Income

Interest income is earned from the following sources:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Short-term placements | 5 | **₱567,639** | ₱374,055 | ₱130,153 |
| Loans receivable: | | | | |
| GRP | 19.3 | **155,424** | 154,999 | 160,250 |
| JVHI | 19.3 | **81,340** | 59,790 | 21,490 |
| Cash in banks | 5 | **65,227** | 75,980 | 9,650 |
| Others | | **48,708** | 12,746 | 18,566 |
| | | **₱918,338** | ₱677,570 | ₱340,109 |

## 22 Other Income - net

This account consists of:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Gain (loss) on derivatives instruments – net | | **₱2,957,406** | (₱740,686) | ₱5,797,800 |
| Foreign exchange gain (loss) - net | | **(2,431,889)** | 1,042,052 | (5,343,019) |
| Management fees: | | | | |
| Mynt | 19.2 | **80,841** | 64,767 | 165,430 |
| Globe STT GDC | 19.2 | **36,557** | 75,750 | 83,143 |
| Others | | **98,446** | 45,142 | 13,138 |
| Lease | | **276,909** | 160,381 | 107,238 |
| Gain on sale of investments | | **-** | 76,669 | 101,655 |
| Gain on settlement and remeasurement of ARO | 18 | **-** | - | 2,629 |
| Others | | **716,674** | 235,823 | 1,546,800 |
| | | **₱1,734,944** | ₱959,898 | ₱2,474,814 |

## 23 General, Selling and Administrative Expenses

This account consists of:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Staff costs | 27 | **₱17,920,270** | ₱18,959,128 | ₱19,136,088 |
| Professional and other contracted services | | **14,095,009** | 14,938,459 | 15,361,332 |
| Repairs and maintenance | | **13,207,896** | 13,345,136 | 11,656,701 |
| Utilities, supplies and other administrative expenses | | **11,530,087** | 11,426,299 | 10,309,303 |
| Taxes and licenses | | **4,336,674** | 3,816,353 | 3,889,035 |
| Selling, advertising and promotions | | **3,978,198** | 4,776,126 | 6,385,740 |
| Lease | 13.3 | **2,983,982** | 2,828,275 | 2,794,315 |
| Insurance and security services | | **1,591,082** | 1,916,654 | 2,131,677 |
| Courier and delivery | | **437,757** | 246,937 | 574,883 |
| Others | | **2,755,798** | 2,427,683 | 1,988,232 |
| | | **₱72,836,753** | ₱74,681,050 | ₱74,227,306 |

## 24 Depreciation and amortization

The account consists of:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Property and equipment | 11 | **₱34,976,269** | ₱33,477,566 | ₱34,088,386 |
| Intangible assets | 12 | **6,531,125** | 6,979,156 | 6,283,860 |
| Right of use assets | 13 | **8,961,878** | 6,895,289 | 5,276,304 |
| Investment properties | 10 | **3,768** | 4,032 | 4,746 |
| | | **₱50,473,040** | ₱47,356,043 | ₱45,653,296 |

## 25 Financing Costs

This account consists of:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Loans payable* | 17 | **₱7,204,469** | ₱6,723,599 | ₱6,884,490 |
| Lease liabilities | 13.2 | **6,749,514** | 4,867,242 | 1,668,972 |
| Swap costs | 8.4 | **318,440** | 490,046 | 1,140,451 |
| Pension cost | 27.1.1 | **134,378** | 33,584 | 198,227 |
| ARO accretion expense | 18 | **11,272** | 8,250 | 187,760 |
| Others | | **26,197** | 23,158 | 11,389 |
| | | **₱14,444,270** | ₱12,145,879 | ₱10,091,289 |

**This account is net of the amount capitalized borrowing costs (see Notes 11 and 17).*

## 26 Impairment and other losses

This account consists of:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| Impairment loss on | | | | |
| Trade receivables | 6 | **₱2,892,034** | ₱3,494,061 | ₱4,108,704 |
| Contract assets | 7.1 | **667,471** | 947,087 | 723,167 |
| Property and equipment | 11 | **410,563** | 92,441 | - |
| Other assets | | **53,434** | 154,614 | - |
| Provisions for (reversal of): | | | | |
| Inventory obsolescence | 9 | **156,046** | 399,495 | 245,516 |
| Other probable losses – net | 16 | **432,964** | 377,517 | (185,243) |
| Other assets | | **78,778** | (1,236) | 14,603 |
| | | **₱4,691,290** | ₱5,463,979 | ₱4,906,747 |

## 27 Staff Cost

This account consist of:

| | Recognized in profit or loss (Note 23) | Recognized in OCI (Note 20.8) |
|---|---|---|
| **2024** | *(In Thousand Pesos)* | |
| Compensation and short-term benefits | **₱16,613,010** | **₱-** |
| Pension benefits | **930,637** | **633,993** |
| Share based compensation | **376,623** | **-** |
| | **₱17,920,270** | **₱633,993** |
| 2023 | | |
| Compensation and short-term benefits | ₱17,831,001 | ₱- |
| Pension benefits | 842,239 | 2,145,565 |
| Share based compensation | 285,888 | - |
| | ₱18,959,128 | ₱2,145,565 |
| 2022 | | |
| Compensation and short-term benefits | ₱17,605,471 | ₱- |
| Pension benefits | 1,089,723 | (3,666,776) |
| Share based compensation | 440,894 | - |
| | ₱19,136,088 | (₱3,666,776) |

### 27.1 Pension Benefits

The details of pension liability recognized in the consolidated statements of financial position are as follows:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Globe Retirement Plan (GRP) | **₱2,694,709** | ₱2,636,093 |
| Other pension benefits | **132,139** | 82,219 |
| | **₱2,826,848** | ₱2,718,312 |

The details of pension expense recognized in the consolidated statements of comprehensive income are as follows:

| | Recognized in profit or loss | Recognized in OCI |
|---|---|---|
| **2024** | *(In Thousand Pesos)* | |
| GRP | **₱901,657** | **₱629,584** |
| Others | **28,980** | **4,409** |
| | **₱930,637** | **₱633,993** |
| 2023 | *(In Thousand Pesos)* | |
| GRP | ₱773,424 | ₱2,224,333 |
| Others | 68,815 | (78,768) |
| | ₱842,239 | ₱2,145,565 |
| 2022 | *(In Thousand Pesos)* | |
| GRP | ₱1,020,459 | (₱3,639,967) |
| Others | 69,264 | (26,809) |
| | ₱1,089,723 | (₱3,666,776) |

#### 27.1.1 Globe Retirement Plan

Globe sponsors Globe Retirement Plan (GRP), a noncontributory defined benefit plan for qualifying employees of Globe Telecom and Innove. GRP is administered by a separate fund that is legally separated from the entity. The Board of Trustees (BOT) of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. The BOT members are unanimously appointed by Globe Telecom acting through its BOD.

The BOT are authorized to appoint one or more fund managers to hold, invest and reinvest the assets of the Plan and execute an Investment Agreement with the said fund managers. The BOT sets the investment policies and limits of the Plan, and appoints fund managers to assist in the investment management of the Plan. The objective of the portfolio is capital preservation by earning higher than regular deposit rates over a long period given a small degree of risk on principal interest.

*Asset - liability matching strategies*

The investment policy in managing liquidity is to have sufficient liquidity at all times to meet the Plan's maturing liabilities, including benefit payments to qualified employees who are expected to avail of their retirement benefits when due, without incurring unnecessary funding costs.

The Plan's liquidity risk is managed on a daily basis by the Plan's investment managers in accordance with the policies and procedures duly approved by the BOT. The Plan's overall liquidity position for the year is monitored on a regular basis by the BOT.

*Funding policy*

The plan should have at least 100% solvency levels at all times. If a solvency deficiency exists, the deficit must be immediately funded.

*Risks associated with the Plan*

The retirement plan typically expose the participants to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

*Investment risk*

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will result in remeasurement loss and may create a plan deficit.

*Interest rate risk*

A decrease in the government bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

*Salary risk*

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at December 31, 2024 by an Independent Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The components of pension expense (included in staff costs under "General, selling and administrative expenses" account) in the consolidated statements of comprehensive income are as follows:

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| | *(In Thousand Pesos)* | | |
| Current service cost | **₱994,654** | ₱847,295 | ₱1,110,085 |
| | **994,654** | 847,295 | 1,110,085 |
| Less: components capitalized as property and equipment | **(92,997)** | (73,871) | (89,626) |
| Amount recognized in profit or loss | **901,657** | 773,424 | 1,020,459 |
| Net interest expense (Note 25) | **134,378** | 33,584 | 198,227 |
| Components of defined benefit costs recognized in profit or loss | **1,036,035** | 807,008 | 1,218,686 |
| Remeasurement on the net defined benefit liability: | | | |
| Return on plan assets (excluding amounts included in net interest expense) | **(64,951)** | 528,921 | (710,521) |
| Actuarial gains and losses: | | | |
| from changes in assumptions | **523,065** | 1,764,509 | (3,931,884) |
| from experience adjustments | **171,470** | (69,097) | 1,002,438 |
| Components of defined benefit costs recognized in other comprehensive income | **629,584** | 2,224,333 | (3,639,967) |
| | **₱1,665,619** | ₱3,031,341 | (₱2,421,281) |

The breakdown of pension liability is as follows:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Present value of benefit obligation | **₱14,546,217** | ₱14,316,235 |
| Less: fair value of plan assets | **11,851,508** | 11,680,142 |
| Pension liability | **₱2,694,709** | ₱2,636,093 |

The following tables present the changes in the present value of defined benefit obligation and fair value of plan assets:

*Present value of defined benefit obligation*

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Balance at beginning of year | **₱14,316,235** | ₱11,392,648 |
| Current service cost | **994,654** | 847,295 |
| Interest cost | **841,355** | 849,664 |
| Benefits paid | **(2,244,554)** | (468,784) |
| Transfer of employees | **(56,008)** | - |
| Remeasurements in other comprehensive income: | | |
| Actuarial gains and losses arising from changes in assumptions | **523,065** | 1,764,509 |
| Actuarial gains and losses arising from experience adjustments | **171,470** | (69,097) |
| Balance at end of year | **₱14,546,217** | ₱14,316,235 |

*Fair value of plan assets*

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Balance at beginning of year | **₱11,680,142** | ₱9,561,767 |
| Remeasurement (gains)/losses: | | |
| Return on plan assets (excluding amounts included in net interest expense) | **64,951** | (528,921) |
| Contributions from the employer | **1,700,000** | 2,300,000 |
| Interest income | **706,977** | 816,080 |
| Benefits paid | **(2,244,554)** | (468,784) |
| Transfer payments | **(56,008)** | - |
| Balance at end of year | **₱11,851,508** | ₱11,680,142 |
| Actual return on plan assets | **₱771,928** | ₱287,159 |

The recommended contribution for Globe retirement fund for the year 2025 amounted to ₱1,066.91 million. This amount is based on Globe's actuarial valuation report as of December 31, 2024.

The allocation of the fair value of the plan assets of Globe as of December 31 is as follows:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Cash and cash equivalents | **₱157** | ₱3,852 |
| Investment in debt securities | **3,231,769** | 3,353,801 |
| Investment in equity shares | **8,619,582** | 8,322,489 |
| | **₱11,851,508** | ₱11,680,142 |

The assumptions used to determine pension benefits for Globe are as follows:

| | **2024** | 2023 |
|---|---|---|
| Discount rate | **6.15%** | 6.52% |
| Salary rate increase | **4.50%** | 4.50% |

The assumptions regarding future mortality rates which are based on the 2017 Philippine Intercompany Mortality Table which is based on a recent study by the Actuarial Society of the Philippines.

In 2024 and 2023, Globe applied a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2024 and 2023, assuming all other assumptions were held constant (in thousand pesos):

**December 31, 2024**

| | **Increase (decrease) in basis points** | **Increase (decrease) on defined benefit obligation** |
|---|---|---|
| Discount rates | **+0.50%** | **(699,605)** |
| | **-0.50%** | **758,647** |
| Future salary increases | **+0.50%** | **800,126** |
| | **-0.50%** | **(743,075)** |
| Mortality | **+10.00%** | **(20,3390** |
| | **-10.00%** | **19,725** |

December 31, 2023

| | Increase (decrease) in basis points | Increase (decrease) on defined benefit obligation |
|---|---|---|
| Discount rates | +0.50% | (672,126) |
| | -0.50% | 728,715 |
| Future salary increases | +0.50% | 771,445 |
| | -0.50% | (716,368) |
| Mortality | +10.00% | 2,640 |
| | -10.00% | (9,128) |

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The objective of the plan's portfolio is capital preservation by earning higher than regular deposit rates over a long period given a small degree of risk on principal and interest. Asset purchases and sales are determined by the plan's investment managers, who have been given discretionary authority to manage the distribution of assets to achieve the plan's investment objectives. The compliance with target asset allocations and composition of the investment portfolio is monitored by the BOT on a regular basis.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statement of financial position.

The plan contributions are based on the actuarial present value of accumulated plan benefits and fair value of plan assets are determined using an independent actuarial valuation.

The average duration of the defined benefit obligation at the end of the reporting period is 13.99 years and 14.92 years in 2024 and 2023, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31:

| | 2024 | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Within 1 year | **₱1,648,259** | ₱1,757,543 |
| More than 1 year to 5 years | **3,638,966** | 3,667,973 |
| 5 years to 10 years | **1,063,255** | 7,193,594 |
| | **₱6,350,480** | ₱12,619,110 |

### *27.2 Other Pension Benefits*

Other pension benefits pertain to the pension liabilities recognized by Globe's subsidiaries who do not participate in the GRP. Other pension benefits are primarily recognized for the minimum retirement benefits provided by the Philippine Retirement Law under Republic Act 7641.

### *27.3 Share-based Compensations*

Globe Telecom has stock plans for its employees. The number of shares allocated under these plans shall not exceed the aggregate equivalent of 6% of the authorized capital stock.

*27.3.1 Long-Term Incentive Plan*

In November 2014, Globe obtained approval from the BOD to implement a Long-Term Incentive Plan (LTIP) also called a Performance Share Plan (PSP) covering key executives and senior management. Under the PSP, the grantees are awarded a specific number of shares at the start of the performance period which vest over a specified performance period and contingent upon the achievement of specified long-term goals.

The following are the stock grants to key executives and senior management personnel of Globe under the LTIP:

| Date of Grant | Number of Grants at Grant Date | Settlement Dates | Fair Value of Each Grants | Fair Value Measurement |
|---|---|---|---|---|
| July 31, 2019 | 289,650 | 100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements | 1,997.35 | Market price |
| January 1, 2020 | 230,360 | 100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements | 1,970.2 | Market price |
| January 1, 2021 | 200,830 | 100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements | 2,027.30 | Market price |
| January 1, 2022 | 128,260 | 100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements | 3,384.00 | Market price |
| January 1, 2023 | 208,970 | 100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements | 2,199.00 | Market price |
| January 1, 2024 | 287,500 | 100% after 3 years subject to attainment of plan targets and subject to stock ownership requirements | 1,714.00 | Market price |

The fair value  is based on the average quoted market price for the last 20 trading days preceding the approval date of the stock option grant.

Cost of share-based compensation in 2024, 2023 and 2022 amounted to ₱376.62 million, ₱285.89 million and ₱440.89 million, respectively.

## 28 Income Tax

*Income Tax Expense*

Income tax expense charged to profit or loss includes the following:

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| | *(In Thousand Pesos)* | | |
| Current | **₱6,919,731** | ₱7,853,664 | ₱9,696,533 |
| Deferred | **(874,417)** | (16,004) | (200,132) |
| | **₱6,045,314** | ₱7,837,660 | ₱9,496,401 |

Deferred tax expense (benefit) recognized in the consolidated other comprehensive income amounted to (₱391.24) million, (₱418.69) million and ₱457.45 million in 2024, 2023 and 2022, respectively (see Note 20.8).

The reconciliation of the provision for income tax at statutory tax rate and the actual current and deferred provision for income tax follows:

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| | *(In Thousand Pesos)* | | |
| Income before income tax | **₱30,331,083** | ₱32,415,670 | ₱44,100,450 |
| Multiplied by statutory income tax rate | **25%** | 25% | 25% |
| Provision at statutory income tax rate | **7,582,771** | 8,103,918 | 11,025,113 |
| Add (deduct) tax effects of: | | | |
| Equity in net (income)losses of associates and joint ventures | **(974,253)** | (553,690) | (270,801) |
| Gain on sale of controlling interest on data center business subjected to lower rate | **-** | - | (796,812) |
| Income subjected to lower tax rates | **(340,443)** | 71,477 | (268,411) |
| Others | **(222,761)** | 215,955 | (192,688) |
| Actual provision for income tax | **₱6,045,314** | ₱7,837,660 | ₱9,496,401 |

The current provision for income tax includes the following:

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| | *(In Thousand Pesos)* | | |
| RCIT or MCIT, whichever is higher | **₱6,751,507** | ₱7,713,544 | ₱9,599,769 |
| Final tax | **168,224** | 140,120 | 96,764 |
| | **₱6,919,731** | ₱7,853,664 | ₱9,696,533 |

*Deferred Income Tax Assets and Liabilities*

Net deferred tax assets and (liabilities) presented in the consolidated statements of financial position on a net basis by entity are as follows:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| Net deferred income tax assets | **₱1,971,459** | ₱2,279,979 |
| Net deferred income tax liabilities | **(4,363,232)** | (5,983,954) |
| | **(₱2,391,773)** | (₱3,703,975) |

The significant components of the deferred income tax assets and liabilities of Globe represent the deferred income tax effects of the following (In Thousand Pesos):

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| **Deferred tax assets** | | |
| Lease liabilities | **₱29,239,641** | ₱23,009,073 |
| Allowance for impairment losses on receivables | **1,990,313** | 2,379,928 |
| Unrealized foreign exchange losses | **1,877,592** | 1,317,067 |
| Unearned revenues and advances already subjected to income tax | **1,121,544** | 1,007,499 |
| Accrued manpower cost | **1,047,897** | 1,227,903 |
| Accrued pension | **1,387,147** | 1,288,463 |
| ARO | **463,251** | 517,842 |
| Accumulated impairment losses on property and equipment | **496,419** | 497,020 |
| Provision for claims and assessment | **678,254** | 555,503 |
| Inventory obsolescence and market decline | **205,878** | 262,074 |
| Cost of share-based compensation | **217,931** | 200,675 |
| Others | **87,501** | 180,431 |
| | **38,813,368** | 32,443,478 |
| **Deferred tax liabilities** | | |
| Right of use assets | **(21,839,917)** | (18,132,820) |
| Excess of accumulated depreciation and amortization of Globe Telecom equipment for (a) tax reporting over (b) financial reporting | **(13,093,860)** | (11,581,427) |
| Contract asset | **(1,498,548)** | (1,975,014) |
| Unrealized gain on derivative transaction | **(1,161,537)** | (1,058,695) |
| Others | **(3,612,279)** | (3,399,497) |
| | **(41,206,141)** | (36,147,453) |
| Net deferred income tax (liabilities) assets | **(₱2,392,773)** | (₱3,703,975) |

The rollforward analysis of Globe's net deferred tax assets (liabilities) follows:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| At beginning of year | **(₱3,703,975)** | (₱4,218,242) |
| Deferred income tax recognized in profit or loss | | |
| Deferred tax relating to temporary difference | **874,417** | 16,004 |
| Deferred income tax recognized in comprehensive income | | |
| Deferred tax relating to temporary difference (Note 20.8) | **391,235** | 418,693 |
| Others | **46,550** | 79,570 |
| At end of year | **(₱2,391,773)** | (₱3,703,975) |

## 29 Earnings Per Share

Globe's earnings per share amounts were computed as follows:

| | **2024** | 2023 | 2022 |
|---|---|---|---|
| | *(In Thousand Pesos and Number of Shares Except per Share Figures)* | | |
| Net income attributable to common shareholders | **₱24,304,433** | ₱24,512,760 | ₱34,563,011 |
| Less dividends on preferred shares: | | | |
| Capital securities | **1,369,672** | 1,330,619 | 1,250,363 |
| Convertible voting preferred shares | **61,297** | 50,027 | 50,027 |
| Net income attributable to common shareholders for basic earnings per share (a) | **22,873,464** | 23,132,114 | 33,262,621 |
| Add dividends on convertible voting preferred shares | **61,297** | 50,027 | 50,027 |
| Net income attributable to common shareholders for diluted earnings per share (b) | **22,934,761** | 23,182,141 | 33,312,648 |
| Common shares outstanding, beginning | **144,229** | 144,060 | 133,619 |
| Add Weighted average number of issued shares under share-based compensation | **101** | 112 | 215 |
| Weighted average number of issued shares by way of stock rights | **-** | - | 1,687 |
| Weighted average number of shares for basic earnings per share (c) | **144,330** | 144,172 | 135,521 |
| Add Dilutive shares arising from: | | | |
| Convertible preferred shares | **390** | 442 | 338 |
| Share based compensation plans | **592** | 509 | 529 |
| Adjusted weighted average number of common shares for diluted earnings per share (d) | **145,312** | 145,123 | 136,388 |
| Basic earnings per share (a/c) | **₱158.48** | ₱160.45 | ₱245.44 |
| Diluted earnings per share (b/d) | **₱157.83** | ₱159.74 | ₱244.25 |

## 30 Capital and Financial Risk Management and Financial Instruments

Globe adopts an expanded corporate governance approach in managing its business risks. An Enterprise Risk Management Policy was developed to systematically view the risks and to provide a better understanding of the different risks that could threaten the achievement of Globe's mission, vision, strategies, and goals, and to provide emphasis on how management and employees play a vital role in achieving Globe's mission of transforming and enriching lives through communications.

The policies are not intended to eliminate risk but to manage it in such a way that opportunities to create value for the stakeholders are achieved. Globe risk management takes place in the context of the normal business processes such as strategic planning, business planning, operational and support processes.

The application of these policies is the responsibility of the BOD through the Chief Executive Officer. The Chief Finance Officer and concurrent Chief Risk Officer champion oversees the entire risk management function. Risk owners have been identified for each risk and they are responsible for coordinating and continuously improving risk strategies, processes and measures on an enterprise-wide basis in accordance with established business objectives.

The risks are managed through the delegation of management and financial authority and individual accountability as documented in employment contracts, consultancy contracts, letters of authority, letters of appointment, performance planning and evaluation forms, key result areas, terms of reference and other policies that provide guidelines for managing specific risks arising from Globe's business operations and environment.

Globe continues to monitor and manage its financial risk exposures according to its BOD approved policies.

The succeeding discussion focuses on Globe's capital and financial risk management.

### *30.1 Capital Risk Management Objectives and Policies*

Capital represents equity attributable to equity holders of the Parent Company.

The primary objective of Globe's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

Globe monitors its use of capital using leverage ratios, such as debt to total capitalization and makes adjustments to it in light of changes in economic conditions and its financial position. The ratio of debt to total capitalization for the years ended December 31, 2024 and 2023 was at 60% and 61%, respectively.

Globe's loan agreements include compliance with certain ratios which are also regularly monitored (see Note 17.4).

### *30.2 Financial Risk Management Objectives and Policies*

Globe's main risks arising from the use of financial instruments are market risk, credit risk and liquidity risk. Globe Telecom's BOD is ultimately responsible for reviewing and approving the policies for managing each of these risks. Globe's risk management policies are summarized below:

#### *30.2.1 Market Risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Globe is mainly exposed to two types of market risk: interest rate risk and foreign exchange risk.

Globe seeks to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. Globe uses a combination of natural hedges and derivative hedging to manage its foreign exchange exposure as discussed in Note 8. It uses interest rate derivatives to reduce earnings volatility related to interest rate movements, and principal only swaps to hedge the foreign exchange risk exposure to principal repayments on USD debt.

It is Globe's policy to ensure that capabilities exist for active but conservative management of its foreign exchange and interest rate risks. Globe does not engage in any speculative derivative transactions. Authorized derivative instruments include currency forward contracts, currency swap contracts, interest rate swap contracts and currency option contracts.

The sensitivity analyses in the following sections relate to the position as of December 31, 2024 and 2023. The analyses exclude the impact of movements in market variables on the carrying value of pension, provisions and on the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as of December 31, 2024 and 2023 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges for the effects of the assumed changes in the underlying.
- The assumed changes in market rates applied in the sensitivity analyses were based on historical information and may not necessarily reflect the actual movements that may occur in the future periods.

#### *30.2.1.1 Interest Rate Risk*

Globe's exposure to market risk from changes in interest rates relates primarily to Globe's long-term debt obligations.

Globe's policy is to manage its interest cost using a mix of fixed and variable rate debt. To manage this mix in a cost-efficient manner, Globe enters into interest rate swaps, in which Globe agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount.

After taking into account the effect of interest rate swaps, the ratio of loans with fixed interest rates to total loans are as follows:

| | **2024** | 2023 |
|---|---|---|
| USD fixed rate loans | **88%** | 88% |
| PHP fixed rate loans | **62%** | 68% |

The loans receivable from related parties are subject to fixed interest rates and therefore not exposed to market interest rate risk.

Due to the short term maturities of cash and cash equivalents, its exposure to interest rate risk is not considered to be significant.

The following tables demonstrate the sensitivity of income before tax and equity to a reasonably possible change in interest rates after the impact of hedge accounting, with all other variables held constant.

| | Increase/ Decrease in basis Points | Effect on income before income tax Increase (Decrease) | Effect on equity Increase (Decrease) |
|---|---|---|---|
| | *(In Thousand Pesos except changes in bps)* | | |
| **2024** | | | |
| USD | **+120bps** | **56,669** | **(11,636)** |
| | **-120bps** | **(56,669)** | **11,648** |
| PHP | **+100bps** | **(170,016)** | **5,822** |
| | **-100bps** | **164,880** | **(5,827)** |
| 2023 | | | |
| USD | +120bps | ₱96,296 | (₱16,503) |
| | -120bps | (96,296) | 16,514 |
| PHP | +200bps | 552,990 | 26,813 |
| | -200bps | (552,990) | (26,841) |

### *30.2.1.2 Foreign Exchange Risk*

Globe's foreign exchange risk results primarily from movements of the PHP against the USD with respect to USD-denominated financial assets, USD-denominated financial liabilities and certain USD-denominated revenues. Majority of revenues are generated in PHP, while substantially all of capital expenditures are in USD. In addition, 19.68% and 20.52% of debt as of December 31, 2024 and 2023, respectively, are denominated in USD before taking into account any swap and hedges.

Information on Globe's foreign currency-denominated monetary assets and liabilities and their PHP equivalents are as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **US Dollar** | **Peso Equivalent** | US Dollar | Peso Equivalent |
| | *(In Thousand)* | | | |
| Assets | | | | |
| Cash and cash equivalents | **$86,607** | **₱5,009,969** | $129,745 | ₱7,190,228 |
| Trade Receivables | **49,125** | **2,841,710** | 69,769 | 3,866,459 |
| | **135,732** | **7,851,679** | 199,514 | 11,056,687 |
| Liabilities | | | | |
| Trade payable and accrued expenses | **606,829** | **35,103,209** | 715,480 | 39,650,458 |
| Loans payable | **853,000** | **49,343,491** | 930,350 | 51,558,136 |
| | **1,459,829** | **84,446,700** | 1,645,830 | 91,208,594 |
| Net foreign currency - denominated liabilities | **$1,324,097** | **₱76,595,021** | $1,446,315 | ₱80,151,907 |

The following table demonstrates the sensitivity to a reasonably possible change in the PHP to USD exchange rate, with all other variables held constant, of Globe's income before tax (due to changes in the fair value of foreign currency-denominated assets and liabilities).

| | Increase/Decrease in Peso to US Dollar exchange rate | Effect on income before income tax Increase (Decrease) | Effect on equity Increase (Decrease) |
|---|---|---|---|
| | *(In Thousand Pesos except change in bps)* | | |
| **2024** | | | |
| | **+1.00** | **(₱878,234)** | **₱713,634** |
| | **-1.00** | **878,234** | **(713,634)** |
| 2023 | | | |
| | +.80 | (₱898,763) | ₱679,837 |
| | -.80 | 898,763 | (679,837) |

The movement in equity arises from changes in the fair values of derivative financial instruments designated as cash flow hedges.

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

### *30.2.2 Credit Risk*

#### *Credit Risk Exposure*

The table below details Globe's exposure to credit risk:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | *(In Thousand Pesos)* | |
| Cash and cash equivalents | 5 | **₱21,353,659** | ₱16,645,077 |
| Trade receivables – net | 6 | **19,660,468** | 18,097,898 |
| Contract assets – net | 7.1 | **5,442,961** | 6,223,595 |
| Derivative assets | 8 | **5,219,151** | 4,716,964 |
| Loans receivable from related parties | 10 | **3,763,935** | 3,864,935 |
| Non-trade receivables | 10 | **3,324,995** | 3,073,670 |
| Investment in debt securities | 31.1 | **142,304** | 150,739 |
| | | **₱58,907,473** | ₱52,772,878 |

Globe has not executed any credit guarantees in favor of other parties.

*Credit Risk Management*

Credit exposures from subscribers are managed closely by the Credit, Billing and Risk Management of Globe. Applications for postpaid service are subjected to standard credit evaluation and verification procedures. The Credit, Billing and Risk Management of Globe continuously reviews credit policies and processes and implements various credit actions, depending on assessed risks, to minimize credit exposure. Receivable balances of postpaid subscribers are being monitored on a regular basis and appropriate credit treatments are applied at various stages of delinquency. Likewise, net receivable balances from carriers of traffic are also being monitored and subjected to appropriate actions to manage credit risk.

Globe analyzes its subscribers' receivables and contract assets based on internal credit risk rating. The table below shows the analysis of Globe's subscribers' receivables and contract assets as of December 31, 2024 and 2023.

| | High Quality | Medium Quality | Low Quality | Terminated Accounts | Total |
|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | |
| **2024** | | | | | |
| Wireless subscribers receivables: | | | | | |
| Consumer | **₱5,821,415** | **₱909,916** | **₱572,368** | **₱1,234,782** | **₱8,538,481** |
| Key corporate accounts | **219,116** | **355,126** | **37,371** | **590,687** | **1,202,300** |
| Other corporations and SMEs | **418,238** | **81,057** | **3,610** | **163,083** | **665,988** |
| | **6,458,769** | **1,346,099** | **613,349** | **1,988,552** | **10,406,769** |
| Wireline subscribers receivables: | | | | | |
| Consumer | **626,729** | **582,511** | **464,889** | **720,635** | **2,394,764** |
| Key corporate accounts | **1,596,395** | **2,193,248** | **614,224** | **3,082,726** | **7,486,593** |
| Other corporations and SMEs | **179,267** | **174,344** | **69,584** | **563,304** | **986,499** |
| | **2,402,391** | **2,950,103** | **1,148,697** | **4,366,665** | **10,867,856** |
| Total subscribers' receivables | **8,861,160** | **4,296,202** | **1,762,046** | **6,355,217** | **21,274,625** |
| Wireless contract assets | | | | | |
| Consumer | **3,795,410** | **541,042** | **186,957** | **40,824** | **4,564,233** |
| Key corporate accounts | **230,832** | **230,875** | **8,992** | **4,870** | **475,569** |
| Other corporations and SMEs | **344,857** | **50,897** | **3,991** | **3,414** | **403,159** |
| | **4,371,099** | **822,814** | **199,940** | **49,108** | **5,442,961** |
| Total subscribers' receivables and contracts assets | **₱13,232,259** | **₱5,119,016** | **₱1,961,986** | **₱6,404,325** | **₱26,717,586** |

| | High Quality | Medium Quality | Low Quality | Terminated Accounts | Total |
|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | |
| 2023 | | | | | |
| Wireless subscribers receivables: | | | | | |
| Consumer | ₱4,350,167 | ₱734,266 | ₱755,808 | ₱611,691 | ₱6,451,932 |
| Key corporate accounts | 135,829 | 294,538 | 37,807 | 569,360 | 1,037,534 |
| Other corporations and SMEs | 358,651 | 68,600 | 6,137 | 227,294 | 660,682 |
| | 4,844,647 | 1,097,404 | 799,752 | 1,408,345 | 8,150,148 |
| Wireline subscribers receivables: | | | | | |
| Consumer | 401,454 | 709,349 | 426,672 | 4,060,363 | 5,597,838 |
| Key corporate accounts | 1,275,043 | 3,060,670 | 705,254 | 2,194,161 | 7,235,128 |
| Other corporations and SMEs | 141,267 | 104,304 | 29,749 | 445,396 | 720,716 |
| | 1,817,764 | 3,874,323 | 1,161,675 | 6,699,920 | 13,553,682 |
| Total subscribers' receivables | 6,662,411 | 4,971,727 | 1,961,427 | 8,108,265 | 21,703,830 |
| Wireless contract assets | | | | | |
| Consumer | 4,396,132 | 626,676 | 216,548 | 47,285 | 5,286,641 |
| Key corporate accounts | 282,818 | 282,871 | 11,018 | 5,966 | 582,673 |
| Other corporations and SMEs | 357,464 | 52,758 | 4,137 | 3,538 | 417,897 |
| | 5,036,414 | 962,305 | 231,703 | 56,789 | 6,287,211 |
| Total subscribers' receivables and contracts assets | ₱11,698,825 | ₱5,934,032 | ₱2,193,130 | ₱8,165,054 | ₱27,991,041 |

Globe's credit risk rating comprises the following categories:

- High quality accounts are accounts considered to be of good quality, have consistently exhibited good paying habits, and are unlikely to miss payments. High quality accounts primarily include strong corporate and consumer accounts with whom Globe has excellent payment experience.
- Medium quality accounts are accounts that exhibited good paying habits but may require minimal monitoring with the objective of moving accounts to high quality rating. Medium quality accounts primarily include subscribers whose creditworthiness can be moderately affected by adverse changes in economic and financial conditions, but will not necessarily, reduce the ability of the subscriber to fulfill its obligations. It includes customers with whom Globe has limited experience and therefore, creditworthiness needs to be further established over time.
- Low quality accounts are accounts which exhibit characteristics that are identified to have increased likelihood to miss payments. Low quality accounts are subject to closer monitoring and scrutiny with the objective of managing risk and moving accounts to improved rating category. It primarily includes mass consumer, corporate and SME customers whose creditworthiness are easily affected by adverse changes in economic and financial conditions.
- Terminated accounts are accounts in cancelled status. Although there is a possibility that terminated accounts may still be collected by exhausting collection efforts, the probability of recovery has significantly deteriorated.

For traffic settlements and other trade receivables, Globe uses delinquency and past due information to analyze the credit risk. The tables below show the aging analysis of Globe's traffic settlements and other trade receivables as of December 31, 2024 and 2023.

2024

| | Current | Less than 30 days past due | 31 to 60 days past due | 61 to 90 days past due | Over 90 days past due | Total |
|---|---|---|---|---|---|---|
| | *(In Thousand Pesos)* | | | | | |
| Traffic receivables: | | | | | | |
| Foreign | **₱333,591** | **₱-** | **₱39,851** | **₱30,623** | **₱209,875** | **₱613,940** |
| Local | **88,784** | **4,491** | **3,434** | **1,082** | **195,444** | **293,235** |
| | **422,375** | **4,491** | **43,285** | **31,705** | **405,319** | **907,175** |
| Other trade receivables | **3,070,561** | **25,221** | **385,389** | **168,741** | **1,838,511** | **5,488,423** |
| Total | **₱3,492,936** | **₱29,712** | **₱428,674** | **₱200,446** | **₱2,243,830** | **₱6,395,598** |

2023

| | Current | Less than 30 days past due | 31 to 60 days past due | 61 to 90 days past due | Over 90 days past due | Total |
|---|---|---|---|---|---|---|
| | *(In Thousand Pesos)* | | | | | |
| Traffic receivables: | | | | | | |
| Foreign | ₱348,938 | ₱- | ₱20,090 | ₱10,935 | ₱98,532 | ₱478,495 |
| Local | 350,245 | 5,309 | 179 | 283 | 289,865 | 645,881 |
| | 699,183 | 5,309 | 20,269 | 11,218 | 388,397 | 1,124,376 |
| Other trade receivables | 2,461,170 | 379,447 | 205,085 | 161,491 | 1,591,636 | 4,798,829 |
| Total | ₱3,160,353 | ₱384,756 | ₱225,354 | ₱172,709 | ₱1,980,033 | ₱5,923,205 |

With respect to receivables from related parties, the exposure to credit risk is managed on a group basis. Credit risks covering related party balances are reviewed based on credit worthiness of concern related parties. There are no assessed credit risks as of December 31, 2024 and 2023.

For investments with banks and other counterparties, Globe has a risk management policy which allocates investment limits based on counterparty credit rating and credit risk profile. Globe makes a quarterly assessment of the credit standing of its investment counterparties, and allocates investment limits based on size, liquidity, profitability, and asset quality. The usage of limits is regularly monitored.

Non-telco subsidiaries mainly trades with recognized and creditworthy third parties. Non-telco customers who wish to trade on credit terms are subject to credit verification procedures.

For its derivative counterparties, Globe deals only with counterparty banks with investment grade ratings and major universal and commercial local banks. Credit ratings of derivative counterparties are reviewed quarterly.

Globe's exposures with its investment counterparties for time deposits as of December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Local bank deposits | **61.65%** | 47.53% |
| Onshore foreign bank | **38.35%** | 52.47% |

### *30.2.3 Liquidity Risk*

Globe seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, Globe intends to use internally generated funds and available long-term and short-term credit facilities.

The following table shows Globe's available credit facilities (in millions):

| | **2024** | 2023 |
|---|---|---|
| Long-term committed | **₱-** | ₱2,000 |
| Short term | | |
| Committed | | |
| USD | **$50** | $- |
| PHP | **₱3,000** | ₱3,000 |
| Uncommitted | | |
| USD | **$114.26** | $114.26 |
| PHP | **₱85,788.32** | ₱71,379.84 |

As part of its liquidity risk management, Globe regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans, export credit agency facilities, and capital market issues.

The following tables show comparative information about Globe's financial instruments as of the end of the reporting period presented by maturity profile including forecasted interest payments for the next five years.

*Loans Payable*

**2024**

| | Less than 1 year | 1 to 3 years | Over 3 years |
|---|---|---|---|
| | | *(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 month-end USD LIBOR and Philippine Dealing and Exchange Corporation (PDEX) rates.*

Globe

2023

| | Less than 1 year | 1 to 3 years | Over 3 years |
|---|---|---|---|
| | | *(In Thousands)* | |
| Loans Payable | | | |
| Fixed Rate | | | |
| USD notes | $- | $- | $600,000 |
| Philippine peso | ₱20,739,064 | ₱48,643,500 | ₱86,567,000 |
| Floating rate | | | |
| USD notes | $77,350 | $253,000 | $- |
| Philippine peso | ₱11,830,000 | ₱1,032,500 | ₱30,845,000 |
| Interest payable* | | | |
| PHP debt | ₱10,563,604 | ₱23,773,367 | ₱26,414,220 |
| USD debt | $42,267 | $104,907 | $118,125 |

**Used month-end USD LIBOR and Philippine Dealing and Exchange Corporation (PDEX) rates.*

The following tables present the maturity profile of Globe's other liabilities and derivative instruments (undiscounted cash flows including swap costs payments/receipts except for other long-term liabilities) as of December 31, 2024 and 2023 (in thousand pesos).

**2024**

*Other Financial Liabilities*

| | **Less than 1 year** | **1 to 5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|
| Trade payables and accrued expenses* | **₱68,148,559** | **₱-** | **₱-** | **₱68,148,559** |
| Other long-term liabilities* | **-** | **-** | **1,018,474** | **1,018,474** |
| | **₱68,148,559** | **₱-** | **₱1,018,474** | **₱69,167,033** |

**Excludes ARO and taxes payable which are not financial instruments.*

*Derivative Instrument*

| | **Less than 1 year** | | **1 to 3 years** | | **Over 3 years** | |
|---|---|---|---|---|---|---|
| | **Receive** | **Pay** | **Receive** | **Pay** | **Receive** | **Pay** |
| Projected Swap Coupons: | | | | | | |
| Interest Rate Swaps-USD | **₱-** | **₱-** | **₱-** | **₱-** | **₱-** | **₱-** |
| Cross Currency Swaps | **₱511,786** | **₱397,007** | **₱693,727** | **₱568,980** | **₱-** | **₱-** |
| Principal Only Swaps | **₱-** | **₱579,872** | **₱-** | **₱1,616,908** | **₱-** | **₱1,475,040** |

| | **Less than 1 year** | | **1 to 3 years** | | **Over 3 years** | |
|---|---|---|---|---|---|---|
| | **Receive** | **Pay** | **Receive** | **Pay** | **Receive** | **Pay** |
| Projected Principal Exchanges: | | | | | | |
| Forward Purchase of USD | **$-** | **₱-** | **$ -** | **₱-** | **$ -** | **₱-** |
| Forward Sale of USD | **₱-** | **$-** | **₱-** | **$-** | **₱-** | **$ -** |
| FX Swap | **$448,500** | **₱26,243,373** | **$ -** | **₱-** | **$ -** | **₱-** |
| Cross Currency Swaps- PHP | **₱-** | **₱507,823** | **₱-** | **₱8,327,153** | **₱-** | **₱-** |
| Cross Currency Swaps- USD | **$9,725** | **$-** | **$163,275** | **$-** | **$-** | **$-** |
| Principal Only Swaps- PHP | **₱-** | **₱-** | **₱-** | **₱4,031,200** | **₱-** | **₱29,118,475** |
| Principal Only Swaps- USD | **$-** | **$-** | **$80,000** | **$-** | **$600,000** | **$-** |

2023

*Other Financial Liabilities*

| | Less than 1 year | 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| Trade payables and accrued expenses* | ₱76,520,166 | ₱- | ₱- | ₱76,520,166 |
| Other long-term liabilities* | - | - | 1,137,748 | 1,137,748 |
| | ₱76,520,166 | ₱- | ₱1,137,748 | ₱77,657,914 |

**Excludes ARO and taxes payable which are not financial instruments.*

*Derivative Instrument*

| | Less than 1 year | | 1 to 3 years | | Over 3 years | |
|---|---|---|---|---|---|---|
| | Receive | Pay | Receive | Pay | Receive | Pay |
| Projected Swap Coupons: | | | | | | |
| Interest Rate Swaps-USD | ₱- | ₱- | ₱- | ₱- | ₱- | ₱- |
| Cross Currency Swaps | ₱754,917 | ₱545,857 | ₱969,681 | ₱967,191 | ₱- | ₱- |
| Principal Only Swaps | ₱- | ₱721,917 | ₱- | ₱1,677,640 | ₱- | ₱718,207 |

| | Less than 1 year | | 1 to 3 years | | Over 3 years | |
|---|---|---|---|---|---|---|
| | Receive | Pay | Receive | Pay | Receive | Pay |
| Projected Principal Exchanges: | | | | | | |
| Forward Purchase of USD | $ 26,158 | ₱1,452,301 | $ - | ₱- | $ - | ₱- |
| Forward Sale of USD | ₱- | $- | ₱- | $ - | ₱- | $ - |
| FX Swap | $ 308,000 | ₱17,121,700 | $ - | ₱- | $ - | ₱- |
| Cross Currency Swaps- PHP | ₱- | ₱3,955,797 | ₱- | ₱8,834,976 | ₱- | ₱- |
| Cross Currency Swaps- USD | $77,350 | $- | $173,000 | $- | $- | $- |
| Principal Only Swaps- PHP | ₱- | ₱- | ₱- | ₱21,738,975 | ₱- | ₱11,410,700 |
| Principal Only Swaps- USD | $- | $- | $445,000 | $- | $235,000 | $- |

*Lease Liabilities*

The maturity profile of Globe's lease liabilities using undiscounted cash flows of future lease payments has been disclosed in Note 13.2.

## 31 Financial Assets and Liabilities

### *31.1* Categories of Financial Assets and Financial Liabilities

The table below presents the carrying value of Globe's financial instruments by category as of December 31 based on the classification requirements of PFRS 9:

| | **2024** | 2023 |
|---|---|---|
| | *(In Thousand Pesos)* | |
| **Financial Assets** | | |
| Derivative assets: | | |
| Derivative assets designated as cash flow hedges (FVOCI) | **₱5,209,490** | ₱4,713,641 |
| Derivative assets not designated as hedges (FVPL) | **9,661** | 3,323 |
| Financial assets at FVOCI: | | |
| Investment in equity securities | **3,941,493** | 3,661,987 |
| Financial assets at FVPL: | | |
| Investment in debt securities | **142,304** | 150,739 |
| Financial assets at amortized cost | | |
| Cash and cash equivalents | **21,353,659** | 16,645,077 |
| Trade receivables – net | **19,660,468** | 18,097,898 |
| Contract assets – net | **5,442,961** | 6,223,595 |
| Non-trade receivables | **3,324,995** | 3,073,670 |
| Loans receivable from related parties | **3,763,935** | 3,864,935 |
| | **₱62,848,966** | ₱56,434,865 |
| **Financial Liabilities:** | | |
| Derivative liabilities | | |
| Derivative liabilities designated as cash flow hedges (FVOCI) | **₱339,862** | ₱424,555 |
| Derivative liabilities not designated as hedges (FVPL) | **233,143** | 57,627 |
| Financial liabilities at amortized cost | | |
| Trade payables and accrued expenses* | **68,148,559** | 76,520,166 |
| Loans payable | **249,459,909** | 249,955,569 |
| Lease liabilities | **116,107,874** | 88,724,482 |
| Other long term liabilities** | **1,018,474** | 1,137,748 |
| | **₱435,307,821** | ₱416,820,147 |

**Trade payables and accrued expenses do not include taxes payables which are not considered financial liabilities.*
***Other long term liabilities do not include ARO and taxes payable which are not considered financial liabilities.*

### *31.2* Offsetting Financial Assets and Financial Liabilities

Globe has financial instruments that have offsetting arrangements as follows:

| | Gross amounts | Amounts offset under PAS 32 | Reported amounts in the consolidated statements of financial position | Amounts offset under master netting arrangements or other similar contracts | Net exposure |
|---|---|---|---|---|---|
| | | | *(In Thousand Pesos)* | | |
| **December 31, 2024** | | | | | |
| Derivative assets | **₱5,219,151** | **₱-** | **₱5,219,151** | **(₱573,005)** | **₱4,646,146** |
| Derivative liabilities | **573,005** | **-** | **573,005** | **(573,005)** | **-** |
| Traffic settlements receivable (Note 6) | **2,026,837** | **(1,119,662)** | **907,175** | **-** | **907,175** |
| Traffic settlements payable (Note 15) | **1,869,352** | **(1,119,662)** | **749,690** | - | **749,690** |
| December 31, 2023 | | | | | |
| Derivative assets | ₱4,716,964 | ₱- | ₱4,716,964 | (₱468,087) | ₱4,248,877 |
| Derivative liabilities | 482,182 | - | 482,182 | (468,087) | 14,095 |
| Traffic settlements receivable (Note 6) | 2,009,595 | (885,219) | 1,124,376 | - | 1,124,376 |
| Traffic settlements payable (Note 15) | 1,460,592 | (885,219) | 575,373 | - | 575,373 |

Globe makes use of master netting agreements with counterparties with whom a significant volume of transactions are undertaken. Such arrangements provide for single net settlement of all financial instruments covered by the agreements in the event of default on any one contract. Master netting arrangements do not normally result in an offset of balance sheet assets and liabilities unless certain conditions for offsetting under PAS 32 apply.

Although master netting arrangements may significantly reduce credit risk, it should be noted that:

- Credit risk is eliminated only to the extent that amounts due to the same counterparty will be settled after the assets are realized; and
- The extent to which overall credit risk is reduced may change substantially within a short period because the exposure is affected by each transaction subject to the arrangement and fluctuations in market factors.

### 31.3 Fair Values of Financial Assets and Financial Liabilities

The table below presents a comparison of carrying amounts and estimated fair values of all Globe's financial instruments as of December 31:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Carrying Value** | **Fair Value** | Carrying Value | Fair Value |
| | *(In Thousand Pesos)* | | | |
| **Financial Assets** | | | | |
| Derivative assets[1] | **₱5,219,151** | **₱5,219,151** | ₱4,716,964 | ₱4,716,964 |
| Investment in debt and equity securities[1] | **4,083,797** | **4,083,797** | 3,812,726 | 3,812,726 |
| | **₱9,302,948** | **₱9,302,948** | ₱8,529,690 | ₱8,529,690 |
| **Financial Liabilities** | | | | |
| Derivative liabilities[1] | **₱573,005** | **₱573,005** | ₱482,182 | ₱482,182 |
| Loans payables [2] | **249,459,909** | **249,032,055** | 249,955,569 | 250,895,575 |
| | **₱250,032,914** | **₱249,605,060** | ₱250,437,751 | ₱251,377,757 |

[1] *Measured at fair value on a recurring basis*
[2] *Fair value is disclosed only in the Notes to Financial Statements*

The following discussions are methods and assumptions used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value.

#### 31.3.1 Non-Derivative Financial Instrument

The fair values of cash and cash equivalents, trade receivables, contract assets, non-trade receivables, trade payables and accrued expenses are approximately equal to their carrying amounts considering the short-term maturities of these financial instruments.

The fair value of loans receivable from related parties was estimated based on the present value of all future cash flows discounted using the prevailing market rate of interest for a similar instrument. The resulting fair value of loans receivable from related parties approximates the carrying amount.

The fair value of investments in debt and equity securities are based on:

- Level 1 - Quoted prices of similar instruments
- Level 2 - Recent funding round prices of identical or similar instruments
- Level 3 - Sales enterprise value multiple of comparable companies ranging from 2.3x to 5.5x in 2024 and 1.5x to 26.3x in 2023

For variable rate loans payable that reprice every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates. For variable rate loans payable that reprice every six months, the fair value is determined by discounting the principal amount plus the next interest payment using the prevailing market rate for the period up to the next repricing date.

For noninterest bearing and fixed rate loans payable, the fair value was estimated as the present value of all future cash flows discounted using the prevailing market rate of interest for a similar instrument.

#### 31.3.2 Derivative Instrument

The fair value of freestanding and embedded forward exchange contracts is calculated by using the interest rate parity concept.

The fair values of interest rate swaps and cross currency swap transactions are determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for credit and liquidity risks existing at the end each of reporting period. The fair value of interest rate swap transactions is the net present value of the estimated future cash flows. The fair values of currency and cross currency swap transactions are determined based on changes in the term structure of interest rates of each currency and the spot rate.

The fair values were tested to determine the impact of credit valuation adjustments. However, the impact is immaterial given that Globe deals its derivatives with large foreign and local banks with very minimal risk of default.

### *31.3.3 Fair Value Hierarchy*

The following tables provide the fair value measurement hierarchy of Globe's assets and liabilities:

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **2024** | | *(In Thousand Pesos)* | | |
| **Financial Assets** | | | | |
| Derivative assets | **₱-** | **₱5,219,151** | **₱-** | **₱5,219,151** |
| Investment in debt and equity securities | **804,240** | **2,244,100** | **1,035,457** | **4,083,797** |
| **Financial Liabilities** | | | | |
| Derivative liabilities | **-** | **573,005** | **-** | **573,005** |
| Loans payable | **-** | **249,032,055** | **-** | **249,032,055** |
| 2023 | | | | |
| Financial Assets | | | | |
| Derivative assets | ₱- | ₱4,716,964 | ₱- | ₱4,716,964 |
| Investment in debt and equity securities | 648,240 | 2,387,863 | 776,623 | 3,812,726 |
| Financial Liabilities | | | | |
| Derivative liabilities | - | 482,182 | - | 482,182 |
| Loans payable | - | 250,895,575 | - | 250,895,575 |

There were no transfers from Level 1 and Level 2 fair value measurements for the years ended December 31, 2024 and 2023.

For financial instruments at fair value measured under Level 3, significant unobservable input includes sales enterprise value multiple of comparable companies and risk-adjustment rates.

As at December 31, 2024 and 2023, Globe's sensitivity analysis shows that if the sales enterprise value multiple of comparable companies increased by 100 basis points, with all other variables held constant, income before income tax and equity would increase while an increase in risk-adjustment rates by 100 basis points, with all other variables held constant, income before income tax and equity would decrease.

## 32 Operating Segment Information

Globe's reportable segments consist of: (1) mobile communications services; and (2) wireline communication services; which Globe operates and manages as strategic business units and organize by products and services. Globe presents its various operating segments based on segment net income.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in consolidation.

Most of Globe's revenues are derived from operations within the Philippines, hence, Globe does not present geographical information required by PFRS 8, *Operating Segments*. Globe does not have a single customer that will meet the 10% reporting criteria.

Globe also presents the different product types that are included in the report that is regularly reviewed by the chief operating decision maker in assessing the operating segments performance.

Segment assets and liabilities are not measures used by the chief operating decision maker since the assets and liabilities are managed on a group basis.

Globe's segment information is as follows:

| | 2024 | | | |
|---|---|---|---|---|
| | Mobile Communications Services | Wireline Communications Services | Others | Consolidated |
| | *(In Thousand Pesos)* | | | |
| REVENUES: | | | | |
| Service revenues: | | | | |
| External customers: | | | | |
| Data | ₱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 (loss) of JVs | 3,468,081 | 428,931 | - | 3,897,012 |
| Interest income | 480,720 | 197,400 | 240,218 | 918,338 |
| Other non-operating income-net[3] | 4,328,507 | (648,831) | (60,309) | 3,619,367 |
| | (5,968,552) | (194,618) | 153,617 | (6,009,553) |
| **Cash Flows** | | | | |
| Net cash from (used in): | | | | |
| Operating activities | ₱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) |

*[1]Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income*
*[2]Impairment and other losses includes impairment loss on receivables, contract assets, inventories, provision for probable losses and other assets*
*[3]Other non-operating income primarily includes, gain on sale 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 |
| | *(In Thousand Pesos)* | | | |
| REVENUES: | | | | |
| Service revenues: | | | | |
| External customers: | | | | |
| Data | ₱90,894,707 | ₱18,319,203 | ₱- | ₱109,213,910 |
| Voice | 13,505,925 | 1,595,674 | - | 15,101,599 |
| SMS | 7,975,319 | - | - | 7,975,319 |
| Broadband | - | 25,111,748 | - | 25,111,748 |
| Others | - | - | 4,930,908 | 4,930,908 |
| | 112,375,951 | 45,026,625 | 4,930,908 | 162,333,484 |
| Nonservice revenues: | | | | |
| External customers | 17,457,309 | 262,738 | 110,924 | 17,830,971 |
| Segment revenues | 129,833,260 | 45,289,363 | 5,041,832 | 180,164,455 |
| Operating costs and expenses-net | (64,308,442) | (30,812,730) | (3,616,537) | (98,737,709) |
| EBITDA | 65,524,818 | 14,476,633 | 1,425,295 | 81,426,746 |
| Depreciation and amortization | (32,471,473) | (14,599,070) | (285,500) | (47,356,043) |
| EBIT | 33,053,345 | (122,437) | 1,139,795 | 34,070,703 |
| Finance cost and non-operating expenses – net | (1,343,333) | (89,900) | (221,800) | (1,655,033) |
| NET INCOME (LOSS) BEFORE TAX | 31,710,012 | (212,337) | 917,995 | 32,415,670 |
| Provision for income tax | (7,654,942) | 45,664 | (228,382) | (7,837,660) |
| NET INCOME (LOSS) | ₱24,055,070 | (₱166,673) | ₱689,613 | ₱24,578,010 |
| Intersegment revenues | (₱1,091,461) | (₱2,028,645) | (₱6,841,972) | (₱9,962,078) |
| Core net income after tax | | | | ₱18,915,767 |
| Operating costs and expenses - net | | | | |
| Operating expenses-net[1] | (43,149,184) | (27,064,200) | (3,476,250) | (73,689,634) |
| Cost of inventories sold | (17,289,667) | (797,580) | (129,797) | (18,217,044) |
| Impairment/recovery and other losses[2] | (3,040,665) | (2,412,838) | (10,476) | (5,463,979) |
| Interconnect costs | (828,926) | (538,112) | (14) | (1,367,052) |
| | (64,308,442) | (30,812,730) | (3,616,537) | (98,737,709) |
| Finance costs and non-operating charges | | | | |
| Finance costs | (11,912,325) | (198,200) | (35,354) | (12,145,879) |
| Equity share in net profit (loss) of JVs | 1,851,350 | 363,411 | - | 2,214,761 |
| Interest income | 418,031 | 112,729 | 146,810 | 677,570 |
| Other non-operating income-net[3] | 8,299,611 | (367,840) | (333,256) | 7,598,515 |
| | (1,343,333) | (89,900) | (221,800) | (1,655,033) |
| Cash Flows | | | | |
| Net cash from (used in): | | | | |
| Operating activities | ₱65,974,197 | ₱14,292,582 | ₱180,101 | ₱80,446,880 |
| Investing activities | (35,606,141) | (18,821,989) | (50,472) | (54,478,602) |
| Financing activities | (25,303,012) | (2,222,596) | (33,166) | (27,558,774) |

*[1]Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income*
*[2]Impairment and other losses includes impairment loss on receivables, contract assets, inventories, provision for probable losses and other assets*
*[3]Other non-operating income primarily includes, gain on sale and leaseback of telecom towers – net under mobile communications services, net gain (loss) on derivative instruments, net foreign exchange gain (loss), net gain on disposal of property and equipment, net gain (loss) on ARO and other non-operating income/charges*

| | 2022 | | | |
|---|---|---|---|---|
| | Mobile Communications Services | Wireline Communications Services | Others | Consolidated |
| | | *(In Thousand Pesos)* | | |
| REVENUES: | | | | |
| Service revenues: | | | | |
| External customers: | | | | |
| Data | ₱83,758,035 | ₱17,198,099 | ₱- | ₱100,956,134 |
| Voice | 14,916,566 | 1,989,174 | - | 16,905,740 |
| SMS | 8,845,422 | - | - | 8,845,422 |
| Broadband | - | 27,093,520 | - | 27,093,520 |
| Others | - | - | 4,178,519 | 4,178,519 |
| | 107,520,023 | 46,280,793 | 4,178,519 | 157,979,335 |
| Nonservice revenues: | | | | |
| External customers | 16,564,819 | 390,033 | 106,536 | 17,061,388 |
| Segment revenues | 124,084,842 | 46,670,826 | 4,285,055 | 175,040,723 |
| Operating costs and expenses-net | (62,365,084) | (31,770,891) | (1,812,729) | (95,948,704) |
| EBITDA | 61,719,758 | 14,899,935 | 2,472,326 | 79,092,019 |
| Depreciation and amortization | (30,527,076) | (14,949,839) | (176,381) | (45,653,296) |
| EBIT | 31,192,682 | (49,904) | 2,295,945 | 33,438,723 |
| Finance cost and non-operating expenses – net | (423,221) | 10,966,676 | 118,272 | 10,661,727 |
| **NET INCOME (LOSS) BEFORE TAX** | 30,769,461 | 10,916,772 | 2,414,217 | 44,100,450 |
| Provision for income tax | (6,937,464) | (2,040,252) | (518,685) | (9,496,401) |
| **NET INCOME (LOSS)** | ₱23,831,997 | ₱8,876,520 | ₱1,895,532 | ₱34,604,049 |
| Intersegment revenues | (₱1,041,557) | (₱1,590,256) | (₱12,391,872) | (₱15,023,685) |
| Core net income after tax | | | | ₱19,168,650 |
| Operating costs and expenses - net | | | | |
| Operating expenses-net[1] | (42,705,117) | (27,585,579) | (1,697,275) | (71,987,971) |
| Cost of inventories sold | (16,696,797) | (887,733) | (107,147) | (17,691,677) |
| Impairment/recovery and other losses[2] | (2,124,732) | (2,773,708) | (8,307) | (4,906,747) |
| Interconnect costs | (838,438) | (523,871) | - | (1,362,309) |
| | (62,365,084) | (31,770,891) | (1,812,729) | (95,948,704) |
| Finance costs and non-operating charges | | | | |
| Finance costs | (9,887,855) | (183,339) | (20,095) | (10,091,289) |
| Equity share in net profit (loss) of JVs | 818,411 | 264,791 | - | 1,083,202 |
| Interest income | 274,617 | 23,619 | 41,873 | 340,109 |
| Other non-operating income-net[3] | 8,371,606 | 10,861,605 | 96,494 | 19,329,705 |
| | (423,221) | 10,966,676 | 118,272 | 10,661,727 |
| **Cash Flows** | | | | |
| Net cash from (used in): | | | | |
| Operating activities | ₱51,824,698 | ₱13,054,664 | ₱275,640 | ₱65,155,002 |
| Investing activities | (60,589,661) | (13,198,943) | (62,655) | (73,851,259) |
| Financing activities | 3,319,075 | (1,113,272) | (2,525) | 2,203,278 |

[1]*Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income*
[2]*Impairment and other losses includes impairment loss on receivables, contract assets, inventories, provision for probable losses and other assets*
[3]*Other non-operating income primarily includes gain on sale of controlling interest on data center business under wireline services, gain on sale and leaseback of telecom towers – net under mobile communications services, net gain (loss) on derivative instruments, net foreign exchange gain (loss), net gain on disposal of property and equipment, net gain (loss) on ARO and other non-operating income/charges*

The reconciliation of the EBITDA to income before income tax presented in the consolidated statements of comprehensive income is shown below:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| | | *(In Thousand Pesos)* | | |
| EBITDA | | **₱86,813,676** | ₱81,426,746 | ₱79,092,019 |
| Depreciation and amortization | 24 | **(50,473,040)** | (47,356,043) | (45,653,296) |
| Financing costs | 25 | **(14,444,270)** | (12,145,879) | (10,091,289) |
| Impairment of property and equipment | 26 | **(410,563)** | (92,441) | - |
| Equity in net income (losses) of joint ventures | 14 | **3,897,012** | 2,214,761 | 1,083,202 |
| Foreign exchange gain (loss) - net | 22 | **(2,431,889)** | 1,042,052 | (5,343,019) |
| Gain (loss) on derivative instruments | 22 | **2,957,406** | (740,686) | 5,797,800 |
| Interest income | 21 | **918,338** | 677,570 | 340,109 |
| Gain on disposal of property and equipment - net | | **206,500** | 371,655 | 321,354 |
| Gain on sale of controlling interest on data center business | 14.3 | **-** | - | 10,511,945 |
| Gain on sale and leaseback of telecom towers - net | 11 | **3,482,083** | 7,258,378 | 8,260,927 |
| Gain on sale of investments | | **-** | 76,669 | 101,655 |
| Other items | | **(184,170)** | (317,112) | (320,957) |
| Income before income tax | | **₱30,331,083** | ₱32,415,670 | ₱44,100,450 |

The reconciliation of core net income after tax (core NIAT) to NIAT is shown below:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| | *(In Thousand Pesos)* | | |
| Core NIAT | **₱21,497,995** | ₱18,915,767 | ₱19,168,650 |
| Foreign exchange gains (losses) | **(1,823,917)** | 781,538 | (4,007,264) |
| Gain (loss) on derivatives instruments | **2,218,055** | (555,515) | 4,348,350 |
| Gain on sale of controlling interest on data center business | **-** | - | 8,680,771 |
| Gain on sale and leaseback of telecom towers – net | **2,611,562** | 5,443,784 | 6,195,695 |
| Gain on sale of investments | **-** | - | 22,449 |
| Others | **(217,926)** | (7,564) | 195,398 |
| NIAT | **₱24,285,769** | ₱24,578,010 | ₱34,604,049 |

### *32.1 Mobile Communications Services*

This reporting segment is made up of digital cellular telecommunications services which includes mobile voice, mobile SMS and mobile data.

Globe Telecom offers its mobile communications services to consumers, corporate and small and medium enterprise (SME) clients through the following three (3) brands: Globe Postpaid, Globe Prepaid and TM (including fully Mobile, internet-on-the-go service and GOMO).

#### *32.1.1 Mobile Voice*

Mobile voice include local, national and international long-distance call services. In addition to Globe's standard, pay-per-use rates, subscribers can choose from bulk and unlimited voice offerings for all-day, and in several denominations.

#### 32.1.2 Mobile SMS

Mobile SMS consist of local and international revenues from inbound and outbound SMS.

#### 32.1.3 Mobile Data

Mobile Data services allow subscribers to access the internet using their internet-capable mobile devices or laptops with USB modems. Mobile data also includes local and international revenues from value-added services such as content downloading, mobile commerce services, and other add-on VAS.

### 32.2 Wireline Communications Services

This reporting segment is made up of fixed line voice, corporate data and home broad band services.

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

#### 32.2.1 Fixed Line Voice

Globe's fixed line voice services include local, national and international long-distance calling services in postpaid and prepaid packages through its Globelines brand. For corporate and enterprise customers, Globe offers voice solutions that include regular and premium conferencing, enhanced voice mail, IP-PBX solutions and domestic or international toll-free services.

#### 32.2.2 Corporate Data

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

- Connectivity - Globe connectivity services provides an up to speed with a fast and resilient connection powered by dedicated and reliable technologies. This service includes domestic data, international data, internet services and managed services.
- Cloud - Globe's range of cloud services provides improved efficiency and agility in the face of evolving business environments while keeping costs low.
- Data Centers - Globe Data Center offers outsourced data center hosting and management for a superior experience that goes beyond technology.
- Cybersecurity - Globe cybersecurity provides enterprises the access to the best-in-class tool sets, hardware, software, and even niche technology experts to handle security threats and IT infrastructure in a cost-effective manner.
- Business Continuity - Globe business continuity services provides the right digital solutions for uninterrupted business operations. The product offers seamless connectivity through Prepaid Mobile WiFi or Corporate Managed Broadband, empowered remote workforce using collaboration tools, and security for their business operations with Backup-as-a-Service (BaaS) and Disaster-Recovery-as-a-Service (DRaaS), among others.
- Business Applications - Globe offers a diverse range of business applications solutions to streamline and enhance the business' operations, and raise efficiency, productivity, and customer satisfaction.

#### *32.2.3 Home Broadband*

Globe offers wired and fixed wireless Broadband services, across various technologies and connectivity speeds for its residential and enterprise customers. Globe Home Broadband consists of wired postpaid and prepaid Fiber broadband packages and wireless Home Prepaid WiFi .

### *32.3 Others*

Globe offers non-telecommunications products and services in e-commerce, adtech and manpower among others.

## 33 Significant Agreements

### *33.1 Agreements and Commitments with Other Carriers*

Globe Telecom, Innove and BTI have existing international telecommunications service agreements with various foreign administrations and interconnection agreements with local telecommunications companies for their various services. Globe Telecom also has international roaming agreements with other foreign operators, which allow its subscribers access to foreign networks. The agreements provide for sharing of toll revenues derived from the mutual use of telecommunication networks.

The interconnect costs for the period 2024, 2023 and 2022 amounted to ₱1,619.79 million, ₱1,367.05 million and ₱1,362.31million, respectively.

Net traffic settlement receivables amounted to ₱907.18 million and ₱1,124.38 million while net traffic settlement payables amounted to ₱749.69 million and ₱575.37 million as of December 31, 2024 and 2023, respectively (see Notes 6 and 15).

### *33.2 Arrangements and Commitments with Suppliers*

Globe has entered into agreements with various suppliers for the development or construction, delivery and installation of property and equipment. Under the terms of these agreements, advance payments and down payments are made to suppliers upon submission of required documentation. While the development or construction is in progress, project costs are accrued based on the project status. Billings are based on the progress of the development or construction and advance payments are being applied proportionately to the milestone billings. When development or construction and installation are completed and the property and equipment is ready for service, the value of unbilled but delivered goods or services from the related purchase orders is accrued.

The accrued project costs as of December 31, 2024 and 2023 included in the "Trade payables and accrued expenses" account in the consolidated statements of financial position amounted to ₱30,740.90 million and ₱40,311.98 million , respectively (see Note 15). The settlement of these liabilities is dependent on the payment terms and project milestones agreed with the suppliers and contractors. As of December 31, 2024 and 2023, the unapplied advances made to suppliers and contractors relating to purchase orders issued amounted to ₱12,172.43 million and ₱19,863.87 million, respectively (see Note 10).

Also, Globe has existing agreements with various Tower Companies for the use of Telecom Towers. In relation to these arrangements, Globe has 776 tower lease commitments in which leases have not yet commenced as of December 31, 2024

## 34 Contingencies

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

*Interconnection Charge for Short Messaging Service*

On October 10, 2011, the NTC issued Memorandum Circular (MC) No. 02-10-2011 titled Interconnection Charge for Short Messaging Service requiring all public telecommunication entities to reduce their interconnection charge to each other from ₱0.35 to ₱0.15 per text, which Globe Telecom complied as early as November 2011. On December 11, 2011, the NTC One Stop Public Assistance Center (OSPAC) filed a complaint against Globe Telecom, Smart and Digitel alleging violation of the said MC No. 02-10-2011 and asking for the reduction of SMS off-net retail price from P1.00 to P0.80 per text. Globe Telecom filed its response maintaining the position that the reduction of the SMS interconnection charges does not automatically translate to a reduction in the SMS retail charge per text.

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

- Reduce its regular SMS retail rate from P1.00 to not more than ₱0.80;
- Refund/reimburse its subscribers the excess charge of ₱0.20; and
- Pay a fine of ₱200.00 per day from December 1, 2011 until date of compliance.

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

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

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

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

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

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

*Guidelines on Unit of Billing of Mobile Voice Service*

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

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

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

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

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

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

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

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

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

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

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

On June 10, 2016, Globe Telecom formally responded to the letter reiterating that the Notice, which sets forth the salient terms and conditions of the transaction, was filed pursuant to and in accordance with MC No. l6-002 issued by the PCC. MC No. 16-002 provides that before the implementing rules and regulations for RA No. 10667 (the Philippine Competition Act of 2015) come into full force and effect, upon filing with the PCC of a notice in which the salient terms and conditions of an acquisition are set forth, the transaction is deemed approved by the PCC and as such, it may no longer be challenged. Further, Globe Telecom clarified in its letter that the supposed deficiency in form and substance of the Notice is not a ground to prevent the transaction from being deemed approved. The only exception to the rule that a transaction is deemed approved is when a notice contains false material information. In this regard, Globe Telecom stated that the Notice does not contain any false information.

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

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

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

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

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

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

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

On August 31, 2017, Globe received another Resolution of the SC en banc, requiring the PCC to file a Consolidated Reply to the Comments respectively filed by Globe and PLDT, within ten (10) days from notice.

On November 16, 2017, after several extensions of time were granted to the PCC, the Corporation through its external counsel, received a copy of the Consolidated Reply dated November 7, 2017 filed by the PCC.

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

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

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

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

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

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

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

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

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

## 35 Events After Reporting Period

*Dividend Declaration*

On February 6, 2025, the BOD approved the declaration of the first quarter cash dividend of ₱25 per common share, payable to common stockholders of record as of February 20, 2025. Total dividends amounting to ₱3.6 billion will be payable on March 7, 2025.

## GLOBE TELECOM, INC. AND SUBSIDIARIES

### Index to the Consolidated Financial Statements and Supplementary Schedules


Schedule 1 - Financial Soundness Indicators

Schedule 2 - Reconciliation of retained earnings available for dividend declaration

Schedule 3 - Map of the relationships of the companies within Globe

Schedule 4 - Schedule of External Auditor Fee-Related information

Schedule 5 - Supplementary Schedules required by Annex 68-J

Globe

**Schedule 1**

| FINANCIAL SOUNDNESS INDICATORS | Formula | December 31 2024 | December 31 2023 |
|---|---|---|---|
| **FINANCIAL RATIOS** | | | |
| Interest Coverage Ratio | EBITDA / Interest Expense gross of capitalized borrowing costs | **4.55** | 4.95 |
| Debt to Equity (D/E Ratio) | Total Debt / Total Equity | **1.49** | 1.56 |
| Total Asset to Equity Ratio | Total Assets / Total Equity | **3.78** | 3.82 |
| Current Ratio | Current Assets / Current Liabilities | **0.62** | 0.61 |
| Solvency Ratio | Net Income + Depreciation and Amortization + Provisions for Doubtful Accounts / Total Liabilities | **0.17** | 0.17 |
| Acid test ratio | Current Assets – Inventories and Supplies – net / Current Liabilities | **0.60** | 0.58 |
| **PROFITABILITY MARGINS** | | | |
| EBITDA Margins | EBITDA / Service Revenues | **53%** | 50% |
| Net Profit Margin | Net Income / Service Revenues | **15%** | 15% |
| Return on Asset | Net Income / Total Assets | **4%** | 4% |
| Return on Equity | Net Income / Total Average Equity | **15%** | 16% |

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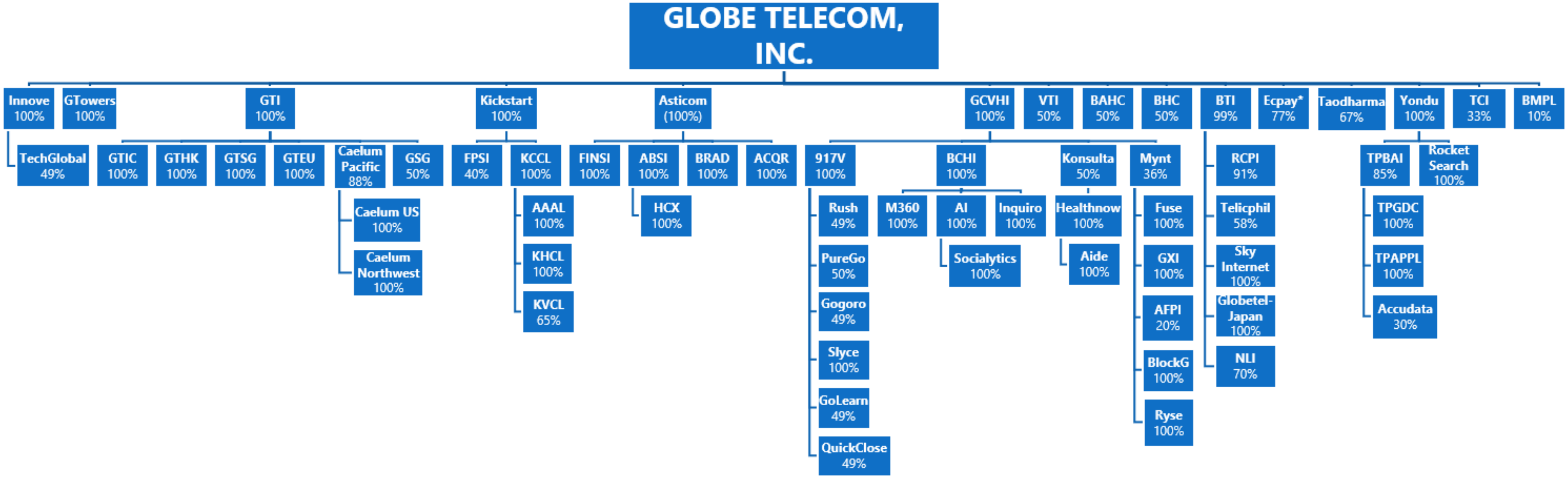
## Schedule 2

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION AS OF DECEMBER 31, 2024**

| Items | Amount (In thousands) |
|---|---|
| **Unappropriated Retained Earnings, beginning** | ₱19,998,150 |
| **Less: Category B – Items that are directly debited to Unappropriated Retained Earnings** | |
| Dividends during the reporting period | (14,495,537) |
| Distribution on capital securities | (1,369,672) |
| **Unappropriated Retained Earnings, as adjusted** | **4,132,941** |
| **Net income during the period closed to Retained Earnings** | **12,308,600** |
| **Less: Category C.1 – Unrealized income recognized in the profit or loss during the reporting period** | |
| Unrealized fair value gain on derivatives net of previously recognized accumulated unrealized loss | (5,834,163) |
| **Category C.1 – Subtotal** | **(5,834,163)** |
| **Add: Category C.2 – Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period** | |
| Unrealized foreign exchange gain from prior period realized during the year | 633,080 |
| Unrealized fair value gain on derivatives from prior period realized during the year | 4,497,985 |
| **Category C.2 – Subtotal** | **5,131,065** |
| **Adjusted net income during the period** | **11,605,502** |
| **Less: Category F - Other items that should be excluded from the determination of the amount of available dividends distribution** | |
| Deferred tax assets realized during the year | (3,155,623) |
| **Unappropriated Retained Earnings, as adjusted, ending** | **₱12,582,820** |

## Schedule 3

**MAP OF THE RELATIONSHIP OF THE COMPANIES WITHIN GLOBE**
**AS OF DECEMBER 31, 2024**




*Sale subject to PCC approval

Globe

## Schedule 4

### SCHEDULE EXTERNAL AUDITOR FEE-RELATED INFORMATION
### AS OF DECEMBER 31, 2024

| | **2024** | 2023 |
|---|---|---|
| | *(In millions)* | |
| **Total Audit Fees** | **₱17.34** | ₱17.02 |
| Non-audit services fees: | | |
| Other assurance services | **0.32** | 2.85 |
| All other services | **0.63** | 2.36 |
| **Total Non-audit Fees** | **0.95** | 5.21 |
| **Total Audit and Non-audit Fees** | **₱18.29** | ₱22.23 |

## SCHEDULE 5A – FINANCIAL ASSETS
## DECEMBER 31, 2024

| Name of Issuing entity and association of each issue | Number of shares or principal amount of bonds and notes | Amount shown in the balance sheet | Income received and accrued |
|---|---|---|---|

# Not Applicable

**SCHEDULE 5B – Amounts Receivable from Directors, Officers, Employees, Related Parties and principal Stockholders (Other than Related parties)**

| Name and Designation of debtor | Balance at the beginning of period (January 1, 2024) | Additions | Amounts collected | Current | Non-current | Balance at the end of period (December 31, 2024) |
|---|---|---|---|---|---|---|
| | | | *(In thousands)* | | | |
| Education Loan | ₱86,727 | ₱129,787 | ₱130,490 | ₱86,024 | ₱- | ₱86,024 |
| Hospitalization Loan | 19,138 | 10,635 | 15,461 | 14,312 | - | 14,312 |
| Housing and Renovation Loan | 55,169 | 89,286 | 94,390 | 50,065 | - | 50,065 |
| Medical and Health Related Loan | 7,953 | 8,711 | 5,742 | 10,922 | - | 10,922 |
| Others | - | 8,206 | 5,015 | 3,191 | - | 3,191 |
| Total | **₱168,987** | **₱246,625** | **₱251,098** | **₱164,514** | **₱-** | **₱164,514** |

## Schedule 5C - Trade & Other Receivables Eliminated During Consolidation

| Creditor | Creditor's Relationship to the Reporting Company (Subsidiary or Parent) | Account Type | Beginning Balance (January 1, 2024) | Net Movement | Outstanding Balance (December 31, 2024) |
|---|---|---|---|---|---|
| | | | | *(In thousands)* | |
| Globe | Parent | Traffic receivables | ₱240,590 | ₱74,199 | ₱314,789 |
| | Parent | Trade Receivables | (25,309) | 464,520 | 439,211 |
| | Parent | Other Receivables | 31,532,553 | 548,592 | 32,081,145 |
| | Subsidiary | Trade Receivables | 94,912 | (3,964) | 90,948 |
| | Subsidiary | Other Receivables | 20,132,602 | 12,170,060 | 32,302,662 |
| | Co-Subsidiary | Trade Receivables | 18,000 | 18,295 | 36,295 |
| | Co-Subsidiary | Other Receivables | 610,063 | (35,118) | 574,945 |
| | Co-Subsidiary | Traffic receivables | 110 | 41 | 151 |
| Asticom | Subsidiary | Trade Receivables | 957,149 | (265,757) | 691,392 |
| | Co-Subsidiary | Trade Receivables | 92,050 | (63,032) | 29,018 |
| | Co-Subsidiary | Other Receivables | 284,151 | (44,020) | 240,131 |
| BTI | Subsidiary | Other Receivables | 4,104,704 | 233,441 | 4,338,145 |
| | Subsidiary | Traffic receivables | 2,524 | 602 | 3,126 |
| | Subsidiary | Trade Receivables | 4,884 | 2 | 4,886 |
| | Co-Subsidiary | Trade Receivables | 6,048 | 120 | 6,168 |
| | Co-Subsidiary | Traffic receivables | 332 | 109 | 441 |
| | Co-Subsidiary | Other Receivables | 6,795,918 | (425,308) | 6,370,610 |

*(forward)*

| Creditor | Creditor's Relationship to the Reporting Company (Subsidiary or Parent) | Account Type | Beginning Balance (January 1, 2024) | Net Movement | Outstanding Balance (December 31, 2024) |
|---|---|---|---|---|---|
| GCVH | Subsidiary | Trade Receivables | 681,869 | (27,361) | 654,508 |
| | Subsidiary | Other Receivables | 76,378 | 194,692 | 271,070 |
| | Co-Subsidiary | Other Receivables | 122,877 | 1,648,268 | 1,771,145 |
| | Co-Subsidiary | Trade Receivables | 622,665 | (484,218) | 138,447 |
| GTI | Subsidiary | Other Receivables | 98,021 | 4,230 | 102,251 |
| | Subsidiary | Trade Receivables | - | 615 | 615 |
| | Co-Subsidiary | Trade Receivables | - | 1,177 | 1,177 |
| | Co-Subsidiary | Other Receivables | 520,345 | 18,978 | 539,323 |
| TAOD | Subsidiary | Other Receivables | 7,284 | - | 7,284 |
| | Co-Subsidiary | Other Receivables | 73 | - | 73 |
| Kickstart | Co-Subsidiary | Other Receivables | 136,854 | 15,088 | 151,942 |
| | Subsidiary | Other Receivables | 10,535 | (1,825) | 8,710 |
| Yondu | Subsidiary | Trade Receivables | 283,396 | (222,499) | 60,897 |
| | Co-Subsidiary | Trade Receivables | 169,462 | (13,135) | 156,327 |
| | Co-Subsidiary | Other Receivables | 231,191 | (44,392) | 186,799 |
| **TOTAL** | | | **₱67,812,231** | **₱13,762,400** | **₱81,574,631** |

Globe

**SCHEDULE 5D – LONG TERM DEBT**
**DECEMBER 31, 2024**

| 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** | **Interest rates** | **Maturity dates** |
| | | | *(In thousands)* | | |
| Term Loans: | | | | | |
| Peso | ₱217,192,000 | ₱25,788,437 | ₱174,683,893 | 4% to 7.11% | 2025-2039 |
| Dollar | $415,000 | 561,359 | 14,043,745 | 5.51% to 8.10% | 2025-2027 |
| Retail Bonds Dollar | $600,000 | - | 34,382,475 | 3.13% to 3.75% | 2030-2035 |
| | | **₱26,349,796** | **₱223,110,113** | | |

**SCHEDULE 5E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES**
**DECEMBER 31, 2024**

| Name of Related Party | Balances at beginning of period | Balance at end of period |
|---|---|---|
| Not Applicable | | |

**SCHEDULE 5F – GUARANTEES OF SECURITIES OF OTHER ISSUERS**
**DECEMBER 31, 2024**

| Name of issuing entity of securities guaranteed by the company for which this statement is filed | Title of issue of each class of securities guaranteed | Total amount guaranteed and outstanding | Amount owned by person for which this statement is filed | Nature of guarantee |
|---|---|---|---|---|
| Not Applicable | | | | |

**SCHEDULE 5G - CAPITAL STOCK**
**DECEMBER 31, 2024**

| Title of issue | Number of shares authorized | Number of shares issued and outstanding as shown under related balance sheet caption | Number of shares reserved for options, warrants, conversion and other rights | Number of shares held by related parties | Directors, officers and employees | Others |
|---|---|---|---|---|---|---|
| | | | *(In thousands)* | | | |
| Common* | 168,934 | 144,380 | 10,136 | 111,646 | 1,437 | 31,297 |
| Voting preferred stock | 160,000 | 158,515 | - | 158,515 | - | - |
| Non-voting preferred stock** | 40,000 | - | - | - | - | - |

**10,119,047 common shares were issued by way of stock rights*
***Reacquired as treasury shares*