



The maturities of loans payable at nominal values as of September 30, 2024 follow (in thousands pesos):

Due in:	
2024	₱12,270,000
2025	19,089,265
2026	22,236,129
2027	22,662,906
2028 and thereafter	165,882,200
	₱242,140,500

Total interest expense recognized in the interim consolidated profit or loss related to long-term debt amounted to ₱1,823.30 million and ₱1,706.41 million for the three-months period ended September 30, 2024 and 2023 and ₱5,330.39 million and ₱4,995.71 million for the nine-months period ended September 30, 2024 and September 30, 2023, respectively (see [Note 15.3](#)).

Total interest expenses capitalized as part of property and equipment amounted to ₱4,961.93 million and ₱4,941.90 million in September 30, 2024 and 2023, 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 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 Telecom fully redeemed its ₱4,000.00 million and ₱3,000.00 million retail bonds in July 2020 and July 2023, respectively.

12.3 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 will be used to finance Globe's capital expenditures, refinance maturing and/or existing obligations, and for general corporate requirements.

12.4 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 September 30, 2024 and December 31, 2023, Globe is not in breach of any loan covenants.

13 Equity

Globe Telecom's authorized capital stock as of September 30, 2024 and December 31, 2023 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		September 30, 2023	
	Shares	Amount	Shares	Amount
<i>(In Thousand Pesos and Number of Shares)</i>				
Voting preferred stock	158,515	₱792,575	158,515	₱792,575
Non-voting Preferred Stock	20,000	1,000,000	20,000	1,000,000
Common stock	144,380	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
<i>(In Thousands, Except for Issue/Offer price)</i>			
Voting preferred stock	158,515	₱5.00	June 2001
Non-voting preferred stock	20,000	500.00	August 11, 2014
Common stock*	30,000	0.50	August 11, 1975
Common stock*	10,119	1,680	October 28, 2022

**Initial number of registered shares only*



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](#)).

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			
	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 period	144,380	₱7,219,017	144,229	₱7,211,455

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, 2024 and 2023 amounted to ₱681.55 million and ₱658.45 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, 2023	25.00	3,601,514	February 20, 2023	March 8, 2023
May 4, 2023	25.00	3,605,713	May 18, 2023	June 2, 2023
August 11, 2023	25.00	3,605,714	August 29, 2023	September 8, 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



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.

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 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 ₱15,665.72 million and ₱19,988.15 million as of September 30, 2024 and December 31, 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 subject to loan covenants that restrict its ability to pay dividends.



13.8 Other Reserves

September 30, 2024

	Cash flow hedges	Investment in equity securities	Currency translation adjustment	Remeasurement on pension liabilities	Total
<i>(Unaudited and In Thousand Pesos)</i>					
As of January 1	(₱996,453)	₱1,217,194	₱637,601	(₱2,191,595)	(₱1,333,253)
Fair value changes	(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)

September 30, 2023

	Cash flow hedges	Investment in equity securities	Currency translation adjustment	Remeasurement on pension liabilities	Total
<i>(Unaudited and In Thousand Pesos)</i>					
As of January 1	(₱1,181,500)	₱985,323	₱663,055	(₱583,184)	(₱116,306)
Fair value changes	(20,724)	150,639	-	-	129,915
Share in OCI from investment in joint venture (see Note 10)	-	63,823	902	5,126	69,851
Remeasurement on pension liabilities	-	-	-	74,640	74,640
Transferred to profit or loss	(295,874)	-	-	-	(295,874)
Exchange differences	-	-	121,177	-	121,177
Income tax effect	79,150	(37,660)	-	(18,660)	22,830
Other comprehensive income (loss) for the period	(237,448)	176,802	122,079	61,106	122,539
Other comprehensive income attributable to non-controlling interest	-	-	2,363	(5,382)	(3,019)
Other comprehensive income attributable to equity holders of the Parent	(237,448)	176,802	124,442	55,724	119,520
As of September 30, 2023	(₱1,418,948)	₱1,162,125	₱787,497	(₱527,460)	₱3,214



14 Other Income (Loss)- net

This account consists of:

	Three-Month Period Ended September 30		Nine-Month Period Ended September 30	
	2024	2023	2024	2023
(Unaudited and In Thousand Pesos)				
Foreign exchange gain (loss)				
– net	₱3,449,955	(₱1,419,751)	(₱460,143)	(₱792,454)
Gain (loss) on derivative instruments – net	(3,482,126)	1,420,421	712,079	808,565
Management fees	28,194	(13,671)	101,906	119,610
Lease	67,833	43,254	208,809	110,452
Others	437,190	(46,515)	663,098	38,495
	₱501,046	(₱16,262)	₱1,225,749	₱284,668

15 Cost and Expenses

15.1 General, selling and administrative expenses:

This account consists of:

	Three-Month Period Ended September 30		Nine-Month Period Ended September 30	
Note	2024	2023	2024	2023
(Unaudited and In Thousand Pesos)				
Staff costs	₱4,755,914	₱4,922,881	₱14,059,864	₱13,500,841
Professional and other contracted services	3,391,862	3,897,158	10,517,660	11,869,503
Repairs and maintenance	3,536,469	3,447,015	10,280,636	10,402,760
Utilities, supplies and other administrative expenses	2,738,309	2,871,814	8,619,583	8,230,746
Selling, advertising and promotions	928,778	1,190,115	2,567,267	3,475,073
Lease	673,588	728,476	2,336,329	2,178,860
Taxes and licenses	1,364,263	902,213	3,081,359	2,686,866
Insurance and security services	383,462	432,258	1,186,980	1,379,736
Courier, delivery and miscellaneous expenses	77,329	29,838	293,076	220,572
Others	893,584	437,758	2,312,834	1,520,959
	₱18,743,558	₱18,859,526	₱55,255,588	₱55,465,916

Staff cost includes pension expense amounting to ₱220.48 million and ₱333.12 million, for the three-month period, ₱645.56 million and ₱807.56 million, for the nine-month period ended September 30, 2024 and 2023, and share based compensation amounting to ₱253.58 million and ₱76.88 million for the three-month period, ₱444.07 million and ₱233.19 million for the nine-month period ended September 30, 2024 and 2023, respectively.



15.2 Depreciation and amortization

The account consist of:

	Notes	Three-Month Period Ended September 30		Nine-Month Period Ended September 30	
		2024	2023	2024	2023
(Unaudited and In Thousand Pesos)					
Property and equipment	7	₱8,390,375	₱8,166,066	₱25,965,195	₱24,974,397
Right of use assets- net	9.1	2,370,426	1,677,340	6,349,094	4,571,063
Intangible assets	8	1,778,956	1,760,072	4,984,321	4,945,682
Investment properties	6	942	1,030	2,826	3,304
		₱12,540,699	₱11,604,508	₱37,301,436	₱34,494,446

15.3 Finance Costs

This account consists of:

	Notes	Three-Month Period Ended September 30		Nine-Month Period Ended September 30	
		2024	2023	2024	2023
(Unaudited and In Thousand Pesos)					
Loans payable	12	₱1,823,300	₱1,706,413	₱5,330,393	₱4,995,708
Lease liabilities - net	9.2	1,843,364	1,322,440	4,833,680	3,414,512
Swap costs		84,483	111,995	219,270	402,449
Pension liabilities		33,653	8,396	100,959	25,188
ARO accretion expense		3,261	1,978	8,079	6,395
Others		5,985	5,307	18,655	16,043
		₱3,794,046	₱3,156,529	₱10,511,036	₱8,860,295

15.4 Impairment and other losses

This account consists of:

	Notes	Three-Month Period Ended September 30		Nine-Month Period Ended September 30	
		2024	2023	2024	2023
(Unaudited and In Thousand Pesos)					
Impairment loss on:					
Trade receivables	4	₱637,607	₱818,119	₱2,291,037	₱2,521,375
Contract assets	5	180,211	176,418	493,691	680,813
Provisions for:					
Inventory obsolescence and market decline		23,078	61,254	79,087	168,891
Other probable losses		(110,330)	105,163	101,213	320,398
		₱730,566	₱1,160,954	₱2,965,028	₱3,691,477



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	
	2024	2023	2024	2023
<i>(Unaudited)</i>				
Net income attributable to common shareholders	₱6,021,921	₱4,965,697	₱20,575,483	₱19,292,751
Less: Dividends on preferred shares and distributions on capital securities				
Convertible voting preferred shares	12,507	12,507	37,521	37,251
Capital securities	340,773	329,227	1,022,319	987,679
Net income attributable to common shareholders for basic earnings per share (a)	5,668,641	4,623,963	19,515,643	18,267,821
Add dividends on preferred shares				
Convertible voting preferred shares	12,507	12,507	37,521	37,521
Net income attributable to common shareholders for diluted earnings per share (b)	5,681,148	4,636,470	19,553,164	18,305,342
Common shares outstanding, beginning	144,229	144,060	144,229	144,060
Add Weighted average number of issued shares under sharebased compensation	63	70	63	70
Weighted average number of shares for basic earnings per share (c)	144,292	144,130	144,292	144,130
Dilutive shares arising from:				
Dilutive effect of share based compensation plans	592	310	592	310
Convertible preferred shares	397	437	397	437
Adjusted weighted average number of common stock for diluted earnings per share (d)	145,281	144,877	145,281	144,877
Basic earnings per share (a/c)	₱39.29	₱32.08	₱135.25	₱126.74
Diluted earnings per share (b/d)	₱39.10	₱32.00	₱134.59	₱126.35



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:

	September 30 2024	December 31 2023
Notes	(Unaudited)	(Audited)
<i>(In Thousand Pesos)</i>		
Financial Assets		
Derivative assets		
Designated as cash flow hedges (FVOCI)	₱4,237,674	₱4,713,641
Not designated as hedges (FVPL)	-	3,323
Financial assets at FVOCI:		
Investment in equity securities	6 3,861,049	3,661,987
Financial assets at FVPL:		
Investment in debt securities	6 151,246	150,739
Financial assets at amortized cost		
Cash and cash equivalents	3 22,256,024	16,645,077
Trade receivables – net	4 17,707,198	18,097,898
Contract assets – net	5 5,379,450	6,223,595
Non-trade receivables	6 5,609,341	5,383,670
Loans receivable from related parties	6 3,864,935	3,864,935
	₱63,066,917	₱58,744,865
Financial Liabilities:		
Derivative liabilities		
Designated as cash flow hedges (FVOCI)	₱463,344	₱424,555
Not designated as hedges (FVPL)	436,269	57,627
Financial liabilities at amortized cost		
Trade payables and accrued expenses*	11 68,625,176	76,520,166
Loans payable	12 240,937,412	249,955,569
Other long term liabilities**	962,061	1,137,748
	₱311,424,262	₱328,095,665

*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 payables which is not considered 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 2024 (Unaudited)	December 31 2023 (Audited)		
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Derivative assets ¹	₱4,237,674	₱4,237,674	₱4,716,964	₱4,716,964
Investment in debt and equity securities ¹	4,012,295	4,012,295	3,812,726	3,812,726
	₱8,249,969	₱8,249,969	₱8,529,690	₱8,529,690
Financial Liabilities				
Derivative liabilities ¹	₱899,613	₱899,613	₱482,182	₱482,182
Loans payable	240,937,412	244,692,756	249,955,569	250,895,575
	₱241,837,025	₱245,592,369	₱250,437,751	₱251,377,757

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 1.5x to 26.3x.

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, 2024	<i>(In Thousand Pesos)</i>			
Financial Assets				
Derivative assets	₱-	₱4,237,674	₱-	₱4,237,674
Investment in debt and equity securities	816,240	2,420,421	775,634	4,012,295
Financial Liabilities				
Derivative liabilities	-	899,613	-	899,613
Loans payable	-	244,692,756	-	244,692,756
December 31, 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 period ended September 30, 2024.

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):

	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)

¹Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income

²Impairment and other losses includes impairment loss on receivables, contract assets, inventories, and provision for probable losses

³Other non-operating income primarily includes gain on sale and leaseback of telecom towers – net under mobile communications services, net gain (loss) on derivative instruments, net foreign exchange gain (loss), net gain on disposal of property and equipment, net gain (loss) on ARO and other non-operating income/charges



	Mobile Communications Services	Wireline Communications Services	Others	Consolidated
September 30, 2023 (Unaudited)				
<i>(In Thousand Pesos)</i>				
REVENUES:				
Service revenues:				
External customers:				
Data	₱67,046,878	₱13,559,353	₱-	₱80,606,231
Voice	10,168,490	1,248,665	-	11,417,155
SMS	5,964,287	-	-	5,964,287
Broadband	-	18,993,848	-	18,993,848
Others	-	-	4,080,579	4,080,579
	83,179,655	33,801,866	4,080,579	121,062,100
Nonservice revenues:				
External customers	12,417,537	226,762	86,004	12,730,303
Segment revenues	95,597,192	34,028,628	4,166,583	133,792,403
Operating costs and expenses-net	(47,343,772)	(22,825,753)	(2,926,439)	(73,095,964)
EBITDA	48,253,420	11,202,875	1,240,144	60,696,439
Depreciation and amortization	(23,815,988)	(10,472,056)	(206,402)	(34,494,446)
EBIT	24,437,432	730,819	1,033,742	26,201,993
Finance cost and non-operating expenses – net	(655,436)	(66,449)	34,806	(687,079)
NET INCOME (LOSS) BEFORE TAX	23,781,996	664,370	1,068,548	25,514,914
Provision for income tax	(5,694,582)	(193,258)	(263,076)	(6,150,916)
NET INCOME (LOSS)	₱18,087,414	₱471,112	₱805,472	₱19,363,998
Intersegment revenues	(₱811,719)	(₱1,543,349)	(₱5,164,308)	(₱7,519,376)
Core net income after tax				14,791,310
Operating costs and expenses - net				
Operating expenses-net ¹	(31,936,872)	(20,353,500)	(2,770,472)	(55,060,844)
Cost of inventories sold	(12,630,161)	(549,650)	(150,765)	(13,330,576)
Impairment and other losses ²	(2,164,393)	(1,522,309)	(4,775)	(3,691,477)
Interconnect costs	(612,346)	(400,294)	(427)	(1,013,067)
	(47,343,772)	(22,825,753)	(2,926,439)	(73,095,964)
Finance costs and non-operating charges				
Finance costs	(8,682,339)	(149,809)	(28,147)	(8,860,295)
Equity share in net income (losses) of joint ventures	1,239,662	274,244	-	1,513,906
Interest income	319,190	76,466	71,220	466,876
Other non-operating income-net ³	6,468,051	(267,350)	(8,267)	6,192,434
	(655,436)	(66,449)	34,806	(687,079)

Cash Flows

Net cash from (used in):

Operating activities	₱47,526,431	₱9,744,078	₱137,649	₱57,408,158
Investing activities	(22,101,906)	(17,203,583)	(18,402)	(39,323,891)
Financing activities	(20,331,264)	(81,295)	51,524	(20,361,035)

¹Operating expenses-net primarily includes general, selling and admin expenses net of income from leases, management fees and other operating income

²Impairment and other losses includes impairment loss on receivables, contract assets, inventories, and provision for probable losses

³Other non-operating income primarily includes gain on sale and leaseback of telecom towers – net under mobile communications services, net gain (loss) on derivative instruments, net foreign exchange gain (loss), net gain on disposal of property and equipment, net gain (loss) on ARO and other non-operating income/charges



The reconciliation of core net income after tax (core NIAT) to NIAT is shown below:

	Nine-Month Period Ended September 30	
	2024 (Unaudited)	2023 (Unaudited)
	<i>(In Thousand Pesos)</i>	
CORE NIAT	₱17,614,225	₱14,791,310
Gain (Loss) on derivative instruments - net	534,059	606,424
Foreign exchange gains (losses) – net	(345,107)	(594,341)
Gain on sale and leaseback of telecom towers - net	2,720,858	4,516,106
Others	32,313	44,499
NIAT	₱20,556,348	₱19,363,998

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 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 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.

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 computing– Globe's range of cloud computing services provides improved efficiency and agility in the face of evolving business environments while keeping costs low.
- Data Centers - Globe Data Center offers outsourced data center hosting and management for a superior experience that goes beyond technology.
- Cybersecurity –Globe cybersecurity provides enterprises the access to the best-in-class tool sets, hardware, software, and even niche technology experts to handle security threats and IT infrastructure in a cost-effective manner.
- Business Continuity - Globe business continuity services provides the right digital solutions for uninterrupted business operations. The product offers seamless connectivity through Prepaid Mobile WiFi or Corporate Managed Broadband, empowered remote workforce using collaboration tools, and security for their business operations with Backup-as-a-Service (BaaS) and Disaster-Recovery-as-a-Service (DRaaS), among others.
- Business Applications – Globe offers a diverse range of business applications solutions to streamline and enhance the business' operations, and raise efficiency, productivity, and customer satisfaction.

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 Broadband packages bundled with voice, or Broadband data-only services.

19.2.4 Others

Globe offers non-telecommunications products and services in e-commerce, 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 ₱415.51 million and ₱308.48 million for the three-month period ended and ₱1,186.76 million and ₱1,013.07 million for the nine-month period ended September 30, 2024 and 2023, respectively.

Net traffic settlements receivables amounted to ₱1,183.18 million and ₱1,124.38 million while net traffic settlements payable amounted to ₱831.78 million and ₱575.37 million as of September 30, 2024 and December 31, 2023, 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, 2024 and December 31, 2023 included in the "Trade payables and accrued expenses" account in the consolidated statements of financial position amounted to ₱31,642.84 million and ₱40,311.98 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, 2024 and December 31, 2023, the unapplied advances made to suppliers and contractors relating to purchase orders issued amounted to ₱12,768.23 million and ₱19,863.87 million, respectively (see [Note 6](#)).

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 them 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 13 February 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. I6-002 issued by the PCC. MC No. 16-002 provides that before the implementing rules and regulations for RA No. 10667 (the Philippine Competition Act of 2015) come into full force and effect, upon filing with the PCC of a notice in which the salient terms and conditions of an acquisition are set forth, the transaction is deemed approved by the PCC and as such, it may no longer be challenged. Further, Globe Telecom clarified in its letter that the supposed deficiency in form and substance of the Notice is not a ground to prevent the transaction from being deemed approved. The only exception to the rule that a transaction is deemed approved is when a notice contains false material information. In this regard, Globe Telecom stated that the Notice does not contain any false information.

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



22 Events After Reporting Period

Sale and Leaseback of Telecom Towers

Globe completed the sale of 25 telecom towers on October 28, 2024 for cash consideration of ₱300.00 million. The corresponding leaseback arrangements for those telecom towers sold took effect at the date of sale.

To date, Globe completed the sale of 6,653 telecom towers representing 89% of the total towers portfolio subject to sale.

Dividend Declaration

On November 7, 2024, 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 21, 2024. Total dividends amounting to ₱3.6 billion will be payable on December 6, 2024.

On the same date, the BOD approved the declaration of cash dividend for holders of voting preferred shares on record as of November 21, 2024. 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 6, 2024.

23 Financial Soundness Indicators

	September 30 2024	December 31 2023
Financial Ratios		
Debt to EBITDA	2.54	2.75
Debt Service Coverage Ratio	1.65	2.18
Interest Coverage Ratio	4.67	4.95
Debt to Equity (D/E Ratio) - gross	1.42	1.56
Debt to Equity (D/E Ratio) - net	1.29	1.46
Debt to Total Capitalization - book	0.59	0.61
Debt to Total Capitalization - market	0.43	0.50
Total Asset to Equity Ratio	3.72	3.82
Current Ratio	0.62	0.61
Solvency Ratio	0.17	0.17
Profitability Margins		
EBITDA Margins	52%	50%
Net Profit Margin	17%	15%
Return on Equity	16%	16%

EXHIBIT II: GLOBE SUSTAINABILITY

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

Progress towards sustainability ambitions are disclosed in the Globe Sustainability website (<https://www.globe.com.ph/about-us/sustainability.html>) and in the annual Integrated Report (<https://www.globe.com.ph/about-us/sustainability/integrated-report.html#gref>). The 2023 Integrated Report is guided by the principles of the following frameworks:

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

The annual integrated report is in compliance with the recommendations made in the Philippines SEC Memorandum Circular No. 4, series of 2019 on Sustainability Reporting for Publicly-Listed Companies (PLCs) and has undergone third-party external assurance for select sustainability metrics and GHG accounting conducted by DNV Business Assurance Singapore Pte. Ltd.

3Q 2024 Sustainability Updates

ENVIRONMENT

Sustainability Ambition	3Q 2024 Milestones
<p>Overall:</p> <p>Reach net-zero greenhouse gas emissions across the value chain by 2050 as approved by the Science Based Target initiative (SBTi)</p> <p>Near Term:</p> <ul style="list-style-type: none"> ● 42% absolute reduction target in Scope 1 and 2 ● 25% absolute reduction target in Scope 3 <p>Long Term:</p> <ul style="list-style-type: none"> ● 90% absolute reduction target in Scope 1 and 2 ● 90% absolute reduction target in Scope 3 	<p>Emission Reduction Measures</p> <p>Globe has renewed its strategic partnership with First Gen Corporation, a leading power generation company supplying renewable and clean energy in the Philippines, to further its commitment to attaining net-zero emissions by 2050. Renewable energy for one of its key network facilities of Globe and a data center under the subsidiary ST Telemedia Global Data Centres (Philippines) [STT GDC Philippines] sourced from the Tongonan Geothermal Power Plant in Leyte. https://www.globe.com.ph/about-us/newsroom/corporate/globe-first-gen-netzero-goals#gref</p>

SOCIAL

Sustainability Ambition	3Q 2024 Milestones
Advance a holistic Diversity, Equity, and Inclusion (DEI) agenda	<p>DEI Initiatives Globe's support for the LGBTQIA+ community has been on full display this Pride Month, celebrating with a host of events and activities aimed at fostering an inclusive workplace environment to queer community feel more at home. https://www.globe.com.ph/about-us/newsroom/corporate/inclusive-work-place-for-lgbtqia#gref</p> <p>Aiming to remove the cancer stigma and provide greater support for stricken employees, Globe has joined the Working With Cancer pledge led by French multinational advertising and public relations firm Publicis Groupe. https://www.globe.com.ph/about-us/newsroom/corporate/globe-publicis-groupe-working-with-cancer#gref</p>
Promote digital skills and online safety to enable the digital-first Filipino	<p>Digital Inclusion</p> <p>Globe recorded an average of 245 cable incidents per month in the first half of the year as thieves continue to target internet cable, derailing the company's efforts to continuously enhance the network. In the first half of 2024, Globe logged 1,472 cases of cable theft across the country, averaging over 245 incidents per month. The highest number of cases occurred in May, with a total of 273 incidents reported. https://www.globe.com.ph/about-us/newsroom/corporate/245-cable-theft-h1-2024#gref</p> <p>Globe has reported an 18.6% increase in cable theft incidents in the Greater Manila Area (GMA) in the first half of 2024, a concerning uptrend that undermines efforts to expand connectivity amid steadily increasing demand. From January to June 2024, Globe logged 906 cases of cable theft, a significant rise from 764 cases during the same period in 2023. June had the highest number of cases this year at 169 incidents. https://www.globe.com.ph/about-us/newsroom/corporate/cable-theft-greater-manila-area-h1-2024#gref</p> <p>Globe recently held a successful end-to-end satellite SMS customer trial in a remote area with no reception in Zambales, a milestone in the company's initiative to deliver connectivity in Geographically Isolated and Disadvantaged Areas (GIDAs). In the breakthrough test, Globe transmitted text messages using standard phones via Globe and TM SIMs through partner Lynk Global Inc.'s low-earth orbit (LEO) satellites, marking a major breakthrough in providing reliable and inclusive connectivity. https://www.globe.com.ph/about-us/newsroom/corporate/globe-and-lynk-first-satellite-sms-trial#gref</p> <p>The country's telcos recently presented a blueprint to Malacañang to reach Geographically Isolated and Disadvantaged Areas (GIDAs) by expanding network infrastructure with new tower builds between 2025</p>

	<p>and 2028. In a recent meeting of the Private Sector Advisory Council (PSAC), the body's Connectivity Plan Task Force (CPTF), headed by Ernest Cu, Globe President and CEO, proposed the construction of new towers in remote parts of the country through a public-private collaboration.</p> <p>https://www.globe.com.ph/about-us/newsroom/corporate/gida-blueprint-proposal#gref</p> <p>Digital Skills</p> <p>Globe and Phil-Tower Consortium Inc. (PhilTower) recently joined forces to facilitate a digital literacy session for elderly leaders of Baguio City to equip them with knowledge on cybersecurity and address misconceptions on the effect of cell towers on health.</p> <p>https://www.globe.com.ph/about-us/newsroom/sustainability/digital-literacy-training-baguio-city-elderly#gref</p> <p>The Senior Digizen campaign of Globe was brought to the San Miguel Elementary School in Barangay San Miguel, Pasig City, gathering some 80 seniors from various barangays across Pasig for half a day of learning digital skills.</p> <p>https://www.globe.com.ph/about-us/newsroom/sustainability/seniordigien-helps-pasig-city-seniors#gref</p> <p>Reaffirming its dedication to promoting digital citizenship and online safety, Globe held a school tour as part of the annual G DAY celebration, bringing its Digital Thumbprint Program (DTP) to five schools nationwide. The training workshops were held at Pamantasan ng Lungsod ng Marikina, STI Caloocan, Pamantasan ng Lungsod ng Maynila, Bintawan National High School in Nueva Vizcaya, and the University of Southern Mindanao, which brought together over 1,000 students.</p> <p>Cybersecurity and Data Privacy</p> <p>In the first half of 2024, Globe successfully intercepted 1,718 domains and 190,167 URLs related to child pornography, a substantial rise from the 1,295 domains and 129,652 URLs blocked during the same period in 2023. Similarly, Globe intensified its crackdown on illegal gambling sites, deactivating 2,726 domains in the first six months of 2024, compared to 1,828 in the same period the previous year.</p> <p>https://www.globe.com.ph/about-us/newsroom/corporate/globe-blocks-child-porn-illegal-gambling-sites#gref</p> <p>Globe has stepped up its collaboration with law enforcement authorities to go after scammers, as it continues its crackdown against fraud. This has led to significant wins, including the arrest and prosecution of suspects.</p> <p>https://www.globe.com.ph/about-us/newsroom/corporate/globe-collaboration-with-law-enforcement#gref</p>
Empowering Communities Towards Sustainable Development	<p>Community Development</p> <p>In a move to empower the next generation of engineers and support rebuilding efforts in Marawi, Globe recently donated P1.8 Million worth of network equipment to the Mindanao State University (MSU) College of Engineering.</p>

	<p>https://www.sunstar.com.ph/cagayan-de-oro/globe-donates-p18-m-telco-equipment-to-msu-marawi#:~:text=8%2DM%20telco%20equipment%20to%20MSU%2DMarawi,-Contributed%20photo&text=IN%20A%20move%20to%20empower.(MSU)%20College%20of%20Engineering</p> <p>Hapag Movement</p> <p>Globe, SM Development Corporation (SMDC), and Scholars of Sustenance Philippines have joined forces for the Hapag Movement to address involuntary hunger that still plagues millions of Filipinos. The partnership aims to rescue over 110 tons of surplus food from SMDC developments to provide 450,000 meals to 90,000 families over the next 18 months. More than 40 SMDC mixed-use residential developments in Metro Manila, Central Luzon, and Southern Luzon will take part in the initiative starting this July.</p> <p>https://www.globe.com.ph/about-us/newsroom/corporate/globe-smdc-sos-ph-hapag-movement#gref</p> <p>In celebration of Project PEARLS' 14th anniversary, Globe and TM customers can now help combat hunger in the country and give disadvantaged children a better life by donating their Rewards points to the organization through the GlobeOne app. Project PEARLS, a partner of Globe's hunger alleviation program, The Hapag Movement, has been tirelessly working since 2010 to provide education, empowerment, nutrition, and healthcare to communities in need across Metro Manila, Bulacan, Cavite, Zamboanga Sibugay, and Zambales.</p> <p>https://www.globe.com.ph/about-us/newsroom/sustainability/globeone-app-project-pears#gref</p>
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GOVERNANCE

Sustainability Ambition	3Q 2024 Milestones
Maintain or increase ESG Ratings	<p>ESG-linked Recognitions</p> <p>For the ninth consecutive year, Globe has retained its spot in the prestigious FTSE4Good Index Series, underscoring the mobile leader's unwavering commitment to sustainable practices.</p> <p>https://www.globe.com.ph/about-us/newsroom/sustainability/9th-year-ftse4good-index-series#gref</p> <p>Globe has maintained its MSCI ESG Rating of "AA" for the second consecutive year, solidifying its position as an Environment, Social, and Corporate Governance (ESG) leader in the telecom industry.</p> <p>https://www.globe.com.ph/about-us/newsroom/sustainability/globe-esg-a-rating-two-years#gref</p> <p>Cementing its corporate governance leadership, Globe has secured the prestigious Five Golden Arrow Award from the Institute of Corporate Directors (ICD) this year, the third consecutive time for the company to receive the coveted recognition.</p> <p>https://mb.com.ph/2024/10/1/globe-receives-coveted-five-golden-arrow-award-for-third-consecutive-year#google_vignette</p> <p>For the fourth consecutive year, Globe has been named a winner of the prestigious HR Asia Best Companies to Work For in Asia, The Philippines Chapter (2024). This recognition is a testament to Globe's</p>

unwavering commitment to workplace excellence and reflects the company's strong focus on employee well-being, offering comprehensive wellness, learning, and growth programs that empower its workforce to live their best lives.

<https://www.globe.com.ph/about-us/newsroom/corporate/globe-best-company-to-work-for-2024#gref>

Globe has emerged victorious at the prestigious 2024 Stevie® Great Employer Awards, securing an impressive tally of one Gold and three Silver awards. This achievement not only underscores Globe's leadership in human resources but also highlights its relentless pursuit of creating a world-class workplace.

<https://www.globe.com.ph/about-us/newsroom/corporate/2024-stevie-great-employer-awards#gref>

For three years running, Globe has been honored as Employer of the Year at the 3rd HR Excellence Awards 2024. With a total of six awards, Globe's dedication to a supportive, and forward-thinking work culture continues to set the company apart. In addition to the coveted Employer of the Year gold accolade, Globe secured two more golds in the Total Rewards Strategy and In-House Talent Pipeline Strategy categories. It also received silver awards for Best HR Team (MNC), Business Transformation, and Change Management.

<https://www.globe.com.ph/about-us/newsroom/corporate/globe-employer-of-the-year-2024#gref>



Information about Globe's Sustainability and Social Responsibility initiatives, may be found at The Globe Newsroom

<https://www.globe.com.ph/about-us/newsroom/sustainability.html> and

The Globe Sustainability Page

<https://www.globe.com.ph/about-us/sustainability.html>