



February 28, 2025

The Philippine Stock Exchange, Inc.

6/F Philippine Stock Exchange Tower
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: Atty. Stefanie Ann B. Go
Officer-in-Charge – Disclosure Department

Securities & Exchange Commission

7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City

Attention: Atty. Oliver O. Leonardo
Director – Markets and Securities Regulation Department

Dear All:

In accordance with Section 17.1 (b) of the Securities Regulation Code ("SRC") and SRC Rule 17.3, we submit herewith copies of SEC Form 17-A, with Management's Discussion and Analysis, accompanying audited consolidated financial statements as at and for the year ended December 31, 2024, and Sustainability Report.

This submission shall also serve as our compliance with Section 17.1 of the Securities Regulation Code regarding the filing of reports on significant developments.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark David P. Martinez", written over a light grey circular stamp.

Mark David P. Martinez
Assistant Corporate Secretary

COVER SHEET

SEC Registration Number

P	W		5	5					

Company Name

P	L	D	T		I	N	C	.											

Principal Office (No./Street/Barangay/City/Town/Province)

R	A	M	O	N		C	O	J	U	A	N	G	C	O		B	U	I	L	D	I	N	G						
M	A	K	A	T	I		A	V	E	N	U	E		M	A	K	A	T	I		C	I	T	Y					

Form Type

1	7	-	A

Department requiring the report

M	S	R	D

Secondary License Type, If
Applicable

COMPANY INFORMATION

Company's Email Address

gdgarcia@pldt.com.ph

Company's Telephone Number/s

(632) 8816-8056

Mobile Number

No. of Stockholders

11,338 as at December 31, 2024

Annual Meeting
Month/Day

Every 2 nd Tuesday in June

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Gil Samson D. Garcia

Email Address

gdgarcia@pldt.com.ph

Telephone Number/s

(632) 8816-8056

Mobile Number

Contact Person's Address

19/F Smart Tower, Ayala Ave., Makati City

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

SEC Number
File Number

PW-55

PLDT INC.

(Company's Full Name)

**Ramon Cojuangco Building
Makati Avenue, Makati City**

(Company's Address)

(632) 82500254

(Telephone Number)

December 31st
(Fiscal Year Ending)
(month & day)

**SEC Form 17-A
(Annual Report)**

Form Type

Not Applicable

Amendment Designation (if applicable)

December 31, 2024
Period Ended Date

Not Applicable

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND
SECTION 141 OF THE CORPORATION CODE
OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2024
2. SEC Identification Number PW-55
3. BIR Tax Identification No. 000-488-793-000
4. Exact name of registrant as specified in its charter PLDT Inc.
5. Republic of the Philippines
Province, country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. Ramon Cojuangco Building, Makati Avenue, Makati City
Address of principal office
- 1200
Postal Code
8. (632) 8250-0254
Registrant's telephone number, including area code
9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code, or Sections 4 and 8 of the then Revised Securities Act.

Title of Each Class

Number of Shares of Common Stock Outstanding

Common Capital Stock, Php5 par value

216,055,775 shares as at December 31, 2024

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [X] No []

12. Check whether the registrant

- (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and paragraph (2)(a) Rule 17 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes [X] No []

- (b) has been subject to such filing requirements for the past 90 days.

Yes [X] No []

13. Aggregate market value of the voting stock held by non-affiliates:

Php117,740,095,935 (90,918,993 shares @ Php1,295 per share as at December 31, 2024)

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CERTAIN CONVENTIONS AND TERMS USED IN THIS ANNUAL REPORT

Unless the context indicates or otherwise requires, references to “we,” “us,” “our” or “PLDT Group” in this annual report mean PLDT Inc. (formerly Philippine Long Distance Telephone Company) and its consolidated subsidiaries, and references to “PLDT” or “the Company” mean PLDT Inc., excluding consolidated subsidiaries (see *Note 2 – Summary of Material Accounting Policies* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for a list of these subsidiaries, including a description of their respective principal business activities).

Unless the context indicates or otherwise requires, “Board of Directors” or the “Board” refer to the board of directors of PLDT.

Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

In this annual report, each reference to:

- ARPU means average revenue per user;
- BIR means Bureau of Internal Revenue;
- BSP means Bangko Sentral ng Pilipinas;
- CMTS means cellular mobile telephone system;
- CPCN means Certificate of Public Convenience and Necessity;
- DFON means domestic fiber optic network;
- DICT means Department of Information and Communications Technology;
- Digitel means Digital Telecommunications Phils., Inc.;
- DMPI means Digitel Mobile Philippines, Inc.;
- First Pacific means First Pacific Company Limited;
- First Pacific Group means First Pacific and its Philippine affiliates;
- FP Parties means First Pacific and certain Philippine affiliates and wholly-owned non-Philippine subsidiary;
- FTTH means Fiber-to-the-HOME;
- GAAP means Generally Accepted Accounting Principles;
- GSM means global system for mobile communications;
- HSPA means high-speed packet access;
- ICT means Information and Communication Technology
- IGF means international gateway facility;
- IP means internet protocol;
- IT means information technology;
- LEC means local exchange carrier;
- LTE means long-term evolution;
- NTC means the National Telecommunications Commission of the Philippines;
- NTT means Nippon Telegraph and Telephone Corporation;
- NTT Communications means NTT Communications Corporation, a wholly-owned subsidiary of NTT;
- NTT DOCOMO means NTT DOCOMO, Inc., a majority-owned and publicly traded subsidiary of NTT;
- NYSE means New York Stock Exchange;
- PAPTELCO means Philippine Association of Private Telephone Companies, Inc.;
- PAS means Philippine Accounting Standards;
- PCEV means PLDT Communications and Energy Ventures, Inc.;
- PFRS means Philippine Financial Reporting Standards;
- PDRs means Philippine Depositary Receipts;
- Philippine SEC means the Philippine Securities and Exchange Commission;

- PLDT Beneficial Trust Fund means the beneficial trust fund created by PLDT to pay the benefits under the PLDT Employees' Benefit Plan;
- PSE means the Philippine Stock Exchange, Inc.;
- R.A. means Republic Act;
- SIM means Subscriber Identification Module;
- Smart means Smart Communications, Inc.;
- U.S. SEC means the United States Securities and Exchange Commission;
- VAS means Value-Added Service;
- VoIP means Voice over Internet Protocol;
- VPN means virtual private network;
- WCDMA means Wideband-Code Division Multiple Access; and
- WiFi means a wireless network technology that uses radio waves to provide high-speed internet and network connections.

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Description of Business

Overview

We are one of the leading telecommunications and digital services providers in the Philippines, serving the fixed line, wireless and broadband markets. Through our three principal business segments, Wireless, Fixed Line and Others, we offer a wide range of telecommunications and digital services across our extensive fiber optic backbone and wireless and fixed line networks.

As at December 31, 2024, we served 66.6 million users through the provision of mobile, fixed line and data services.

Our common shares are listed and traded on the PSE and our ADSs are listed and traded on the NYSE in the United States.

Our three business units are as follows:

Wireless. Our wireless business focuses on driving growth in our data services while managing our legacy business of voice and SMS. We generate data revenues across all segments of our wireless business, whether through the access of mobile internet via smartphones, mobile broadband using pocket WiFi or home WiFi using fixed wireless broadband devices. We provide the following mobile telecommunications services through our wireless business: (i) mobile services, (ii) fixed wireless broadband services, and (iii) other services.

Fixed Line. We are the leading provider of fixed line telecommunications services throughout the Philippines, servicing retail, corporate and small and medium-sized enterprise (SME) clients. Our fixed line business group offers data, voice, data center, cloud, cybersecurity services, managed information technology (IT) and others.

Others. Our other business consists primarily of our interests in digital platforms and other technologies, including our interests in Maya Innovations Holdings, Pte. Ltd. (MIH) and (formerly Voyager Innovations Holdings, Pte. Ltd.) and Kayana Solutions, Inc. (Kayana) (formerly Limitless Growth Ventures, Inc.).

We had a market capitalization of approximately Php279,792 million as at December 31, 2024. We had total revenues of Php216,833 million and net income attributable to equity holders of PLDT of Php32,307 million for the year ended December 31, 2024.

We operate under the jurisdiction of the NTC, which jurisdiction extends, among other things, to approving major services that we offer and rates that we can charge.

Our principal executive offices are located at the Ramon Cojuangco Building, Makati Avenue, Makati City, Philippines and our telephone number is +(632) 8250-0254. Our website address is www.pldt.com. The contents of our website are not a part of this annual report.

Business Groups

As at December 31, 2024, our business activities were categorized into three business units: Wireless, Fixed Line and Others.

We monitor the operating results of each business unit separately for purposes of making decisions about resource allocation and performance assessment. See Note 4 – *Operating Segment Information* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

Wireless

Our wireless business focuses on driving growth in our data services while managing our legacy business of voice and SMS. We generate data revenues across all segments of our wireless business, whether through the access of mobile internet using smartphones, mobile broadband using pocket WiFi or home WiFi using fixed wireless broadband devices.

We provide (i) mobile services, (ii) fixed wireless broadband services, and (iii) other services, through our wireless business, with mobile services contributing 98% of our 2024 wireless service revenues, and fixed wireless broadband and other services contributing the remaining 2% of our 2024 wireless service revenues. Mobile data usage has surged in the past several years and now accounts for 81% of our mobile service revenues. Wireless revenues, gross of intersegment transactions, contributed 49% of our consolidated revenues for each of the years ended December 31, 2024 and 2023 as compared to 51% in 2022.

Our mobile services, which accounted for 98% of our wireless service revenues for the year ended December 31, 2024, are provided through Smart and DMPI with 58,989,807 total subscribers as at December 31, 2024 as compared to

57,827,126 total subscribers as at December 31, 2023, and 66,304,761 total subscribers as at December 31, 2022. Based on corporate public disclosures, our estimated mobile subscriber market share stood at 45%, 47% and 39% as at September 30, 2024, December 31, 2023 and 2022, respectively.

As at December 31, 2024, approximately 96% of our mobile subscribers were prepaid service subscribers. The predominance of prepaid service reflects one of the distinguishing characteristics of the Philippine mobile market, allowing us to reduce billing and administrative costs, as well as to control credit risk.

Our mobile internet revenues, which primarily consist of our mobile data service revenues, increased by Php3,793 million, or 5%, to Php75,061 million in 2024 from Php71,268 million in 2023 primarily due to the increase in video streaming, gaming and social media data usage by our subscribers driven by the enhanced product offerings, marketing promotions and content partnerships. Migration initiatives also resulted in higher numbers of LTE and 5G device and data users. Our mobile internet revenues contributed 96% and 95% of our mobile data service revenues in 2024 and 2023, respectively.

Mobile data traffic on Smart's network increased from 4,393 petabytes in 2022 to 4,898 petabytes in 2023 and 5,359 petabytes in 2024, 22% higher compared to 2022.

Fixed Line

We believe we are the leading provider of fixed line telecommunications services throughout the Philippines, servicing retail, corporate and small and medium-sized (SME) clients. Our fixed line business group offers (i) data services; (ii) voice services; and (iii) miscellaneous services.

We had 3,711,371 fixed line voice subscribers as at December 31, 2024, a decrease of 54,734, or 1%, from 3,766,105 fixed line subscribers as at December 31, 2023, while our fixed line broadband subscribers increased by 162,789, or 5%, to 3,431,785 as at December 31, 2024 from 3,268,996 as at December 31, 2023. Revenues, gross of intersegment transactions, from our fixed line business were 58%, 57% and 63% of our consolidated revenues for the years ended December 31, 2024, 2023 and 2022, respectively. Voice revenues have been declining largely due to a drop in call volumes as a result of the availability of alternative calling options and OTT services, as well as subscribers' shift to mobile services. An increase in our data service revenues in recent years has mitigated such decline to a certain extent. Recognizing the growth potential of data services, we have put considerable emphasis on the development of new data-capable and IP-based networks.

Our fixed line network reaches all of the major cities and municipalities in the Philippines, with a concentration in the greater Metro Manila area. We believe our network offers the country's most extensive connections to our customers with the FTTH and fiber to the building (FTTB) installations. Fiber optic cables are also being deployed aggressively to our wireless base stations for the high bandwidth requirement that surpasses current microwave radio capacities. The nationwide fiber backbone DFON extends to underground inland and submarine cables. It is a fully resilient network spanning the whole archipelago. Our international network is comprised of various regional and transoceanic submarine cable systems in which we have economic interests.

We offer postpaid and prepaid fixed line services. Our prepaid fixed line services are intended to be an affordable alternative telephone service for consumers under difficult economic conditions.

See Item 1. "Description of Business – Infrastructure – Fixed Line Network Infrastructure" for further information on our fixed line infrastructure.

Others

Our other business consists primarily of our interests in digital platforms and other technologies, including our interests in MIH and Kayana.

Historical Background

PLDT was incorporated in the Philippines under the old Corporation Law of the Philippines (Act 1459, as amended) on November 28, 1928 as Philippine Long Distance Telephone Company, following the merger of four telephone companies under common U.S. ownership. Pursuant to Section 11 of the Revised Corporation Code, which states that corporations shall have perpetual existence unless the corporation elects to retain the specific corporate term indicated in its Articles of Incorporation, PLDT has a perpetual corporate term.

PLDT's original franchise was granted in 1928 and was last amended in 1991, extending its term until 2028 and broadening its franchise to permit it to provide virtually every type of telecommunications service. PLDT's franchise covers the business of providing basic and enhanced telecommunications services in and between the provinces, cities and municipalities in the Philippines and between the Philippines and other countries and territories including mobile, wired or wireless telecommunications systems, fiber optics, multi-channel transmission distribution systems, VAS (including, but not limited to, the transmission of voice, data, audio and video), information services bureau and all other telecommunications systems technologies available. Our subsidiaries, including Smart and DMPI, also maintain their

own franchises with a different range of services and periods of legal effectiveness for their licenses.

Recent Developments

Green Loan and Social Loan Facilities

On March 6 and May 7, 2024, PLDT secured Php1.0 billion and Php4.0 billion Green Loan Facilities from HSBC Philippines and Metropolitan Bank & Trust Company, respectively, to partially fund the company's ongoing nationwide modernization and expansion of its fiber network. The upgrade of the network to fiber and the resultant energy-efficient operations support the PLDT Group decarbonization roadmap, which aims to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 40% by 2030, from a 2019 baseline.

On October 23, 2024, PLDT secured a Php2.0 billion Social Loan Facility from HSBC Philippines to partially fund the company's network fiber expansion to reach the country's fourth to sixth class municipalities. This initiative aligns with the government's focus on enhancing connectivity in geographically isolated and disadvantaged areas (GIDAs).

Investment in Kayana

In March 2024, PLDT invested in Kayana to serve as a digital entity designed to harness the data assets of Kayana's shareholders, including PLDT, and provide a platform for Group-wide digitalization initiatives.

Kayana will leverage a technology platform capable of enabling its shareholders to scale operations and achieve seamless integration of services and capabilities. Additionally, payments and rewards systems are expected to play a pivotal role in enhancing the overall user experience.

As of September 27, 2024, PLDT has invested Php840 million in Kayana representing 840 million common shares, or 60% equity interest, including subscription payable of Php288 million.

On September 30, 2024, Kayana entered into share subscription agreements with its shareholders, wherein PLDT subscribed to additional shares valued at Php46.5 million and the remaining shareholders subscribed to additional shares valued at Php523.5 million. As a result, PLDT's equity ownership in Kayana is reduced to 45%, leading PLDT to account for its remaining interest as an investment in associate.

Investment in Radius Telecom, Inc. ("Radius")

On April 30, 2024, PLDT Inc. invested Php2,116 million in 2,491,516 common shares, or 34.9% equity interest in Radius. This strategic investment aims to enhance PLDT's market share through an integrated alignment of solution capabilities and expanded market coverage.

Investment in Class C2 Convertible Preference Shares in MIH

On April 5, 2024, PCEV paid the subsequent consideration of US\$15.3 million or Php857 million for 6.7 million MIH Class C2 convertible preferred shares and received warrants for 2.7 million MIH Class C2 convertible preferred shares valued at Php152 million, resulting in an increase of PCEV's ownership in MIH from 36.97% to 37.66%.

Sale of Interest in Multisys

On January 5, 2024, Philippine Global Investment Holdings, Inc. ("PGIH") entered into a Share Purchase Agreement for the sale of 227 common shares of Multisys, representing a 4.99% equity interest, for a total consideration of Php270 million. The sale transaction was completed and fully paid on January 12, 2024. Following this sale, PGIH retained ownership of 2,080 common shares representing 45.73% equity interest in Multisys. Pursuant to the Third Restated Shareholders' and related Amendment Agreement signed on January 30, 2024 and March 1, 2024, respectively, PGIH remains entitled to nominate three out of the five directors in Multisys who manage and control the operations of Multisys. Consequently, the results of operations and financial position of Multisys will continue to be consolidated with the PLDT Group.

Other Matters

For updates on matters relating to the (1) Sale and Leaseback of Telecom Towers, see *Note 9 – Property and Equipment and Note 10 – Leases* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements"; (2) Class Action Suit against PLDT; (3) DOLE Compliance Order Issued Against PLDT; (4) Notice of Material Breach and Demand for Payment on DITO; and (5) Attys. Baquiran and Tecson vs. NTC, et al., see Item 3. Legal Proceedings and *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements"; and (6) Petition against the PCC, see Item 3. Legal Proceedings and *Note 11 – Investment in Associates and Joint Ventures*, to the accompanying audited consolidated financial statements in Item 7. "Financial Statements".

Strategy

The key elements of our business strategy are:

- *Focus on the customer and improving customer experience.* One of the key pillars of PLDT's strategy is a greater focus on customer-centricity through the delivery of an improved customer experience. The critical enabler of this is a network that serves our customers' data and communication needs. In addition to investments in our network, we have also invested in platforms that support after-sales customer support, including call center capability, and data analytics. Our capabilities in the latter also allow us to better understand our customers and design products and plans that are tailored to their specific preferences.
- *Build on Our Strong Positions in the Fixed Line and Wireless Businesses.* We continue to leverage on our strong brand equity in the market to help grow and expand our fixed and wireless businesses. In addition, having an expanded on-ground distribution network of retailers, complemented by our store presence nationwide, allows us to reach existing and potential customers. With the growing adoption of e-commerce, we are expanding our distribution network to include digital channels. We will continue to leverage our unique position of being an integrated network operator to further extract operational efficiencies and economies of scale.
- *Capitalize on Our Strength as a Fully Integrated Telecommunications Service Provider.* We are committed to investing in our integrated fixed and wireless networks in the Philippines as we believe this is key to our ability to continue providing a differentiated experience and value proposition to our customers. We will primarily focus on improving our network capacity, coverage and reliability, areas in which we are market leaders, based on third party surveys. We intend to further enhance our leading position through strategic and synergetic investments in the network and IT platforms.

We offer a broad range of telecommunications and ICT services. We plan to capitalize on this position to maximize revenue opportunities by cross-selling our products and services, and by developing convergent products that feature the combined benefits of voice and data, broadband, wireless, data center, cloud, managed services, and other products and services, such as our content portfolio which includes videos, streaming services, entertainment, music, shopping channels, and games.

- *Maintain a Strong Financial Position.* We are focused on growing profitability by complementing revenue growth with more effective cost management and operating efficiencies. We have a well spread out debt maturity profile, with 68% of debt maturing after 2028. We are focused on sequentially reducing our capital expenditure investments and capital intensity as we aim to attain positive free cash flow and maintain a leverage ratio of 2.0x net debt to EBITDA. We also have in place a dividend payout policy of 60% of core telecommunications income and regularly assess the return of capital to investors vis-à-vis the need to invest to grow the business.
- *Identifying new areas for growth.* As the digital space continues to evolve, PLDT continues to identify trends and evaluate business opportunities as possible sources of new growth, whether in the existing telco space or in adjacent businesses such as fintech, among others.
- *Commitment to sustainability.* PLDT recognizes that in order to ensure long-term profitability, it must do business responsibly. As such, PLDT is committed to embedding sustainability in the business, and aims to be a leading ESG telecommunications operator in the region. It recognizes its responsibility to identify risks and opportunities in the environmental, social and governance space, including the impact of climate change to the business, and implements the appropriate strategies in response. PLDT has a decarbonization roadmap that aims to reduce Scope 1 and 2 greenhouse gas emissions by 40% by 2030 against a 2019 baseline. It has also included sustainability targets in the organizational scorecard, including that of the CEO.

Subsidiaries

As part of our competitive and overall development strategy, we have made strategic acquisitions and investments to further enhance our ability to provide not only basic telephony but also a wide range of value-added and enhanced services, as well as advanced and bundled services.

Wireless

Smart

Smart was incorporated in the Philippines in 1991 and was granted a legislative franchise under R.A. No. 7294, which took effect on April 15, 1992 to establish, install, maintain, lease and operate integrated telecommunications, computer, electronic services, and stations throughout the Philippines for public domestic and international telecommunications, and for other purposes.

In March 2000, PLDT acquired Smart in an all-stock transaction to further strengthen the PLDT Group's market leadership in the telecommunications sector. Combined with PLDT's existing fixed line business, the investment resulted in revenue-generating enhancements as well as cost efficiencies for the PLDT Group.

On April 21, 2017, R.A. 10926, which effectively extends Smart's franchise until 2042, was signed into law by the President.

The following are the major subsidiaries of Smart:

Smart Broadband, Inc. or SBI

SBI was incorporated and registered with the Philippine SEC on July 11, 1996 and was granted a 25-year legislative franchise under R.A. No. 8337 to construct, install, establish, maintain, lease and operate wire and/or wireless telecommunications systems throughout the Philippines. On April 8, 2022, the Philippine president approved R.A. 11678, an act renewing for another 25 years the franchise granted to SBI from November 11, 2022 to November 11, 2047.

PLDT Communications and Energy Ventures, Inc., or PCEV (formerly Pilipino Telephone Corporation)

PCEV was incorporated on July 18, 1968. In April 2018, PCEV acquired 100% of MIH but subsequently lost control in November 2018. PCEV owns 37.66% of MIH as at December 31, 2024.

DMPI

On September 18, 2001, Digitel established its wholly-owned subsidiary, DMPI, to provide wireless telecommunications services in the country. It offered GSM technology, provisioning voice services (local, national, international calling), messaging services (short text or multi-messaging), outbound and inbound international roaming, and VAS. On December 11, 2002, R.A. No. 9180 was signed into law, and it granted DMPI a franchise to construct, install, establish, operate and maintain wired and/or wireless telecommunications systems throughout the Philippines. DMPI has operated its wireless services under the *Sun* mobile brand since March 29, 2003.

Fixed Line

PLDT Clark Telecom, Inc., or ClarkTel

ClarkTel was incorporated on January 28, 1997. It was previously a joint venture between PLDT, owning 60%, and Clark Development Corporation, or CDC, holding the remaining 40%. In August 1999, CDC ceded its 40% ownership interest in ClarkTel to PLDT, thus, making ClarkTel a wholly-owned subsidiary of PLDT. ClarkTel provides basic and enhanced telecommunications services within the Clark Special Economic Zone, or CSEZ, in Clark Field, Pampanga, and between the CSEZ and other cities and municipalities in the country as well as other countries and territories worldwide.

ClarkTel's franchise expired on July 1, 2024. Prior to the expiration, ClarkTel's Board of Directors applied for a national franchise. The franchise application has been filed and for evaluation of Congress as of report date. Considering the timeline for the national franchise grant, the Company also applied for VAS license with the NTC to ensure continued services to subscribers. The license was approved on November 20, 2024 with a validity period of up to November 19, 2029.

Bonifacio Communications Corporation, or BCC

In 2002 and 2003, PLDT entered into a separate Deed of Assignment of Subscription with Smart and Fort Bonifacio Development Corporation, or FBDC, respectively, where Smart and FBDC assigned, transferred and conveyed in favor of PLDT their total subscription to 750,000 common shares and 750,000 preferred shares of BCC and all their interest and rights therein for a total consideration of Php93 million. The assignment included a subscription payable of Php68 million. The shares represent 75% of the subscribed capital stock of BCC.

BCC was incorporated primarily to own, construct, establish, maintain, lease and otherwise operate, to the extent allowed by law, communication infrastructure and to provide related services, including but not limited to, VAS, within the Fort Bonifacio Global City and Villamor Air Base.

PLDT Global Corporation, or PLDT Global

PLDT Global, a wholly-owned subsidiary, was incorporated on December 15, 2000 in the British Virgin Islands to position PLDT as a full service global telecommunications player through a strategy of establishing presence in key countries with substantial Overseas Filipino Professionals or Workers. The following are the subsidiaries of PLDT Global:

- *PLDT (HK) Limited* is a Unified Carrier License and Service-Based Operator License holder that offers wholesale termination, enterprise solutions and retail business. PLDT (HK) Limited has four wholly-owned subsidiaries in 2024, namely, *PLDT 1528 Limited*, *PLDT Japan GK*, *PLDT Global (HK) Limited*, and *PLDT Global Middle East FZ LLC*. *PLDT 1528 Limited* conducts telecommunications and other

related services in Hong Kong. *PLDT Japan GK* offers mobile data services and other telecommunication-related businesses in Japan. *PLDT Global (HK) Limited* was dissolved in March 2024. *PLDT Global Middle East FZ LLC*, which was set up to offer management services and marketing of telecommunication and related products in the United Arab Emirates, is in the process of dissolution;

- *PLDT (SG) Pte Ltd.* is a holding company and provides enterprise solutions and general wholesale trade of telecommunication products & services in Singapore. Its wholly-owned subsidiary, *PLDT (SG) Retail Service Pte Ltd.*, conducts telecommunication and other related services in Singapore;
- *PLDT (US) LTD* is a licensed international common carrier that provides a range of Private Line solutions and related services to its enterprise customers;
- *PLDT Online, Inc.* is incorporated in the British Virgin Islands and registered in Hong Kong, specializes in selling telecommunication products and services through an online portal;
- *PLDT (UK) Limited* is a company incorporated under the laws of the United Kingdom which conducts telecommunication and other related services; and
- *PLDT Global Malaysia Sdn. Bhd.* is in the process of dissolution.

ePLDT Inc., or ePLDT

ePLDT, as the ICT subsidiary of PLDT, is solely focused on developing customized ICT services through its suite of secure multi-cloud, cyber security, data and AI solutions.

For its multi-cloud offerings, ePLDT delivers solutions tailored to enterprises' unique business needs as they go through their digital transformation journey — may it be public, private, and hybrid infrastructure-as-a-service (IaaS), software-as-a-service (SaaS), contact-center-as-a-service (CCaaS), disaster recovery-as-a-service (DRaaS), and AI-powered platforms.

To further support its clients, ePLDT offers a comprehensive range of professional and managed services for multi-cloud and cyber security. Its professional services include cloud assessment, migration, and optimization, as well as the enhancement of cyber security defenses and AI adoption. Additionally, its managed services enable customers to focus more on their core business to drive growth and innovation by having ePLDT manage their IT infrastructure and operations.

ePLDT's strategic competitive advantage is strengthened by its global partner ecosystem, which includes leading cloud and cyber security tech brands. This ecosystem allows ePLDT to serve the diverse needs of local enterprises and national government agencies. It also holds high-tier partner status with Microsoft, Google, AWS, Salesforce, Palo Alto, Alibaba Cloud, Genesys, and more recently, Huawei Cloud.

VITRO

To address the surging demand for data center solutions, PLDT established *VITRO*, a wholly-owned subsidiary of ePLDT, to serve as its dedicated data center operations company. *VITRO* spearheads the Group's advancement in data center builds, innovations, and services while optimizing operations to meet evolving industry requirements. This strategic move underscores PLDT's commitment to innovation and meeting the growing needs of hyperscalers, AI applications and enterprise clients.

VITRO operates the Philippines' premier data center provider, operates the country's largest network of data centers and hosts its richest digital ecosystem. In July 2024, it energized *VITRO* Sta. Rosa, the country's first AI-ready hyperscale data center, solidifying its leadership in the industry.

Others

Our other business consisted primarily of investments in digital platforms and other technologies, made through our investment companies, PCEV, PGIH and PLDT Digital and its subsidiaries.

See Note 2 – Summary of Material Accounting Policies, Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions and Note 11 – Investments in Associates and Joint Ventures to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion of our subsidiaries.

Products and Services, Rates and Revenues

Wireless

We provide mobile, fixed wireless broadband, and other services, through our Wireless business segment.

The following table summarizes key measures of our wireless business as at and for the years ended December 31, 2024, 2023 and 2022:

	December 31,		
	2024	2023	2022
Systemwide mobile subscriber base	58,989,807	57,827,126	66,304,761
Prepaid	56,731,489	55,667,880	64,287,019
Postpaid	2,258,318	2,159,246	2,017,742
Fixed Wireless Broadband subscriber base	446,082	439,815	742,110
Growth rate of mobile subscribers			
Prepaid	2%	(13%)	(7%)
Postpaid	5%	7%	—
Growth rate of Fixed Wireless Broadband subscribers	1%	(41%)	(22%)
Wireless service revenues (in millions)	Php97,779	Php95,677	Php95,852
Mobile	96,246	94,007	93,724
Fixed Wireless Broadband	1,481	1,629	2,028
Other services	52	41	100
Percentage to wireless service revenues			
Mobile	98%	98%	98%
Fixed Wireless Broadband	2%	2%	2%
Other services	—	—	—
Percentage of wireless service revenues to total service revenues	47%	47%	49%

Mobile Services

We offer prepaid and postpaid mobile communications services all over the country under the brand names Smart and TNT, each of which focuses on the needs of specific market segments. With a continuous and in-depth consumer understanding program, each of our brands commits to providing relevant products that will cater to the communications, entertainment and services requirements of its respective target market segments.

- Prepaid

Smart continued its brand campaigns to boost data usage, anchored on new product launches in 2024. In line with this, Smart introduced new variants of *Power All* and *Saya All* data-packed promos for Smart Prepaid and TNT, respectively, in 2024.

Smart introduced the first prepaid eSIM in the country in July 2023 and introduced digital delivery of eSIMs in September 2023. For 2024, Smart expanded eSIMs for TNT and opened eSIM upgrade with current subscribers.

- Postpaid

Smart Postpaid offers Signature plans with data priority powered by Smart LTE. Smart Signature subscribers receive real-time billing and usage alerts on Smart app and has access to exclusive rewards and events and the latest smartphones.

Smart Signature Data Plans are set of Signature Plans specifically tailored for pure data usage fit for online productivity needs. The plans come with bigger data allocation and are bundled with Smart's broadband devices.

Smart also offers enhanced postpaid *Signature Plans+*, a postpaid line that features unlimited 5G access for 12 months.

Fixed Wireless Broadband Services

Prepaid Home WiFi

PHW is a wireless internet service introduced to address the growing demand for affordable home broadband in the Philippines. It is a plug-and-play device powered by Smart's network that can simultaneously connect multiple WiFi-capable devices.

Wireless revenues are driven and influenced by the following key metrics: (i) growing data users and usages; (ii) mobile network quality and continuous roll-outs and (iii) strategic brand building campaigns and product innovations.

- (i) Growing data users and usages

Our active data users reached 41 million as of December 31, 2024, while mobile data traffic as of December 31, 2024 increased to 5,359 petabytes, higher by 9% from 2023. Data traffic on Smart's 5G network grew in the fourth quarter of 2024, increasing by 78% as compared to the fourth quarter of 2023. This growth was driven by aggressive 5G network roll-outs and 5G product offerings.

- Mobile network quality and continuous roll-outs

Smart rolled out over 1,600 new sites in 2024 and approximately 900 sites with expanded LTE capacity.

- Strategic brand building campaigns and product innovations
 - a. Aggressive 5G handset and usage offers for Postpaid and device financing for Prepaid

To further stimulate and maximize the customer experience on 5G network, Smart offers various plans bundled with 5G capable handsets. Smart also offers device financing for prepaid devices including Apple devices for Smart Prepaid and TNT.

- b. Smart App (formerly GigaLife app)

Brand building and customer engagement hit new strides with Smart App, Smart's mobile app which enables Smart subscribers to manage their accounts and enjoy exclusive offers and special promotions. Other features and integrations also enhance further the customers' digital lifestyle. GigaPay enables digital payments by allowing users to link their digital wallet for in-app transactions such as buying load, subscribing to promos, and paying bills.

- c. mWell Partnership

In December 2022, Smart, through its Postpaid brands, launched its partnership with mWell to provide a mobile healthcare app offering virtual consultations with medical professionals, e-prescriptions and access to health-related content.

Rates for wireless services

Smart Prepaid data, call and text cards are sold in denominations of Php100, Php300 and Php500, while TNT Prepaid cards are sold in denominations of Php50, Php100 and Php300. Our eLoad's over-the-air reloads, which ranges from Php10 to Php1,000 are available through the Smart app, Smart and PLDT online stores, e-wallet providers such as Maya, e-commerce platforms such as Lazada and Shopee and via Smart eLoad retailers nationwide. The stored value of a prepaid card and eLoads remain valid for 365 days regardless of the denomination, pursuant to the MC No. 05-12-2017 issued by the NTC and the DICT.

Smart also provides open-access data offers with its Giga Power, Magic Data, All Data and Power All services. These data packages provide access to any app or website and are priced from Php50 to Php499.

In view of the SIM Registration Act, we recognize a prepaid mobile subscriber as active upon registration of the SIM card. Beginning in the fourth quarter of 2023, we consider a prepaid mobile subscriber as churned if the subscriber does not reload within 180 days after the full usage or expiry of the last reload and does not latch to the network within 180 days.

Smart postpaid "Signature" plans were further enhanced to provide higher data allocations with Unli 5G promo for 12 months, unlimited texts and calls to all networks including landline in the form of small, medium, large and extra-large plans, ranging from Php999 to Php2,499. Plans ranging from Php499 to Php599 were also introduced with unlimited texts and calls to all networks including landline. These fixed monthly plans alleviate concerns of unwanted charges.

"Smart Infinity" is our premium mobile postpaid brand with plans ranging from Php3,500 to Php8,000. With "Smart Infinity", customers can enjoy local non-stop surf and uninterrupted local mobile services with the "Smart Infinity Limitless Plan". This plan comes with a premium mobile device bundled with exclusive lifestyle perks and privileges accessible through a dedicated concierge.

Smart Enterprise Postpaid is a mobile plan comprised of data, voice, and short message services, with a built-in data bill-cap feature that automatically protects the subscriber from unwanted excess charges up to Php2,500. Postpaid plans may be availed with or without a device bundle at a fixed monthly subscription, defined by a standard contract period.

For international roaming, we offer various data roaming packages such as GigaRoam with up to 100GB for 10 days on popular travel destinations like Japan, South Korea, Thailand, Saudi Arabia, USA and many more. Data roaming plans ranges from Php150 to Php9,999, and are open to both prepaid and postpaid subscribers.

Our SmartBro Home WiFi 4G devices start at Php599 with free unlimited WiFi valid for 30 days and connectivity of up to five devices, while Smart Bro Home WiFi 5G is offered at Php7,995 with 20GB open access data valid for seven days and connectivity of up to 10 devices.

Fixed Line

We provide data, voice services, including LEC, international and domestic services, and miscellaneous services under our fixed line business.

The following table summarizes key measures of our fixed line services as at and for the years ended December 31, 2024, 2023 and 2022:

	December 31,		
	2024	2023	2022
Systemwide fixed line voice subscriber base	3,711,371	3,766,105	3,825,424
Postpaid	3,709,586	3,763,206	3,803,234
Prepaid	1,785	2,899	22,190
Growth rate of fixed line subscribers	(1%)	(2%)	6%
Postpaid	(1%)	(1%)	6%
Prepaid	(38%)	(87%)	(5%)
Number of LEC employees	9,543	10,035	10,511
Number of LEC subscribers per employee	389	375	364
Systemwide broadband subscriber base	3,432,149	3,269,726	3,250,193
Fixed Line broadband	3,431,785	3,268,996	3,247,979
Fixed Wireless broadband	364	730	2,214
Growth rate of broadband subscribers	5%	1%	8%
Fixed Line broadband	5%	1%	9%
Fixed Wireless broadband	(50%)	(67%)	(92%)
Fixed line service revenues (in millions)	Php125,994	Php120,336	Php127,214
Data	95,666	93,212	90,068
Voice	29,660	26,686	36,727
Miscellaneous	668	438	419
Percentage to fixed line service revenues			
Data	76%	78%	71%
Voice	24%	22%	29%
Miscellaneous	—	—	—
Percentage of fixed line service revenues to total service revenues	60%	60%	65%

Data Services

Our data services revenues include charges for broadband, leased lines, Ethernet-based and IP-based services. These services are used for broadband internet and domestic and international private data networking communications. Our data services also include ICT portfolio with data center, cloud, cyber security and managed information technology offerings.

Recognizing the growth potential of data services, and in light of their importance to our business strategy, we have placed considerable emphasis on these service segments. Our data services segments registered the highest percentage growth in revenues among our fixed line services from 2022 to 2024.

Home Broadband Services

We believe that PLDT Home is the country's leading and fastest home broadband service provider, serving 3.3 million subscribers nationwide as at December 31, 2024.

We believe that PLDT Home is the Philippines' fastest fixed network providing broadband data services. PLDT's FTTH fixed line network has the most extensive transmission and distribution network infrastructure that provide broadband availability to 18.5 million homes passed in 73% of the country's towns and 91% of total provinces as at December 31, 2024. The number of homes passed refers to the approximate potential number of residences that could avail of broadband connectivity services provided through PLDT facilities.

PLDT's superior FTTH network enables subscribers to enjoy up to 10 Gbps of symmetrical internet speeds or equal upload and download speeds. To give customers the best digital experience with the most value for their money, PLDT Home launched its enhanced Fiber Unli All Plans with double the speeds versus previous plans. It has improved unlimited mobile calls, a feature that lets the whole family enjoy free calls and texts from mobile to mobile, unlimited calls from mobile to landline, landline to landline, and landline to mobile. The Fiber Unli All plan has two variants, PLDT Home Fiber Unli All Plan 1399 at 100 Mbps and Unli All Plan 1799 at 200 Mbps. Both plans are also bundled with endless entertainment from Cignal TV's diverse contents.

As part of its initiatives to make internet more accessible for Filipinos, PLDT Home continuously enriched its fixed wireless service, Home Wifi Prepaid. In 2024, PLDT Home enhanced its Famload All Access packages that gave families options to choose data for as low as P99 and enjoy free 1GB data every day to livestream Eat Bulaga! program.

Leading the next wave of fixed wireless solutions in the Philippines, PLDT Home ushered a new era of 5G technology with the newly launched PLDT Home WiFi 5G+, which features WiFi 6 technology capable of delivering uncapped speeds of up to 1.5 Gbps.

As part of the PLDT Group's long-standing commitment to help the Philippines attain the United Nations Sustainable Development Goals (UNSDG) particularly SDG No. 9 – Industry, Innovation, and Infrastructure, PLDT Home relentlessly pushes its initiatives to provide connectivity for more households in the country. In 2024, PLDT continuously rolled out its fiber-to-the-home services in key tourist islands in the country including Negros Island, Bantayan Island in Cebu, and Camiguin Island.

PLDT Smart Home

In 2024, PLDT Home unveiled StreamTV, an entertainment solution that seamlessly combines the functionalities of an Android TV device, an AI-powered smart speaker, and a virtual assistant. StreamTV allows customers to transform any TV into a smart TV with easy plug-and-play feature, enabling 4K resolution and enhancing the audio experience through its Dolby-supported speakers. Customers can control the audio and other smart home devices connected to the Google Home app using simple voice commands with Google Assistant.

PLDT Home and TP-Link joined forces to launch the country's first ever WiFi 7 router, the Archer BE230. WiFi 7's implementation of 4K Quadrature Amplitude Modulation (QAM) supports a greater amount of data transmission over wireless networks, while Multi-Link Operation (MLO) enables devices to manage multiple WiFi connections simultaneously, drastically reducing latency and enhancing data throughput. WiFi 7 can support up to 16 streams of Multi-User Multiple Input Multiple Output (MU-MIMO), allowing more devices to operate efficiently without interference. These technologies collectively ensure that users can enjoy ultra-high-definition video streaming, high-intensity online gaming, and seamless telecommuting without interruption. Thus, WiFi 7 not only accelerates internet speeds but also enhances the reliability and quality of the connection.

PLDT Home served as the broadband partner in the Philippines of Warner Bros. Discovery when it debuted in Southeast Asia its streaming service Max. Max houses movies and TV series from HBO Original, Cartoon Network, DC, and Warner Bros. Discovery collections. Further strengthening its entertainment content portfolio, PLDT Home released PLDT-Netflix bundles for existing customers, which included a free Netflix subscription—either Basic or Standard, depending on the plan chosen. These partners also complement PLDT Home's existing partnerships with the NBA for the NBA League Pass, and Lionsgate Play. For those who prefer IPTV, PLDT Home has already mirrored the Cignal Postpaid Plans in its product lineup, providing existing customers specifically those in Unli All Plan 1399 and 1799 to upgrade to a higher Cignal Plan, ranging from Plan 290 to Plan 1990, offering a greater variety of channels.

PLDT Home continues to provide WiFi Mesh Systems designed for seamless wireless connectivity throughout the entire home, eliminating dead spots and making homes smart-home ready. Leading its roster of mesh systems are top-of-the-line WiFi 6 solutions that boost performance, speed, and reliability. These systems can cover up to 7,500 square feet and are well-suited for homes with multiple devices, supporting up to 150 devices engaged in high-bandwidth activities simultaneously. The WiFi 6 devices also come with a companion app to manage bandwidth for devices and set up parental controls.

In safety and security, PLDT Home maintains its comprehensive line of home security devices from Eufy. This product lineup includes items such as 2K indoor and outdoor cameras, smart locks, and video doorbells. All these devices have built-in intelligence and operate on a WiFi connection.

Home Rewards

As a way of giving back to its valued customers, PLDT Home continues to boost its loyalty program. With the Home Rewards program, subscribers can earn and use Crystals to pay for PLDT and Smart products and services, get bill rebates from Cignal, Maynilad and Easytrip, accumulate raffle entries and instantly avail of exclusive deals and discounts from various partner merchants.

In 2024, PLDT Home partnered with Caltex for an exclusive Fuel your Fiber Promo, which gave Home Rewards subscribers an instant Php150 fuel discount at Caltex and a chance to win Php10,000 worth of fuel vouchers and Php10,000 Maya cash prize.

Powered by PLDT Home's reliable connectivity, subscribers get to enjoy better digital experiences at home with exciting promos and exclusive treats through the PLDT Home Rewards program.

Rates for home broadband services

Monthly charges for our home fixed broadband services vary depending on the amount of bandwidth, speed, market demand and the competitive landscape.

Corporate Data and ICT

PLDT Enterprise stands as the trusted partner for digital transformation in the B2B market. As the corporate arm of the PLDT Group, we are driven by a mission to empower businesses across industries with innovative solutions that simplify complexity and drive success. With a comprehensive portfolio of fixed line, wireless, and ICT offerings, we enable businesses to harness the power of technology to adapt, thrive and grow. From enhancing operational efficiency and ensuring seamless connectivity to strengthening continuity and elevating customer experiences, PLDT Enterprise is committed to delivering solutions that matter to our customers' success.

PLDT, through ePLDT Inc. and Smart Communications, offers comprehensive digital transformation tools, including multi-cloud, data center, cybersecurity, Application-to-Person (A2P), and Internet of Things (IoT), designed to meet evolving business needs with security and operational excellence.

ePLDT Inc., as the ICT subsidiary of PLDT, is solely focused on developing customized ICT services through its suite of secure multi-cloud, cybersecurity, data, and AI solutions.

For its multi-cloud offerings, ePLDT delivers solutions tailored to enterprises' unique business needs as they go through their digital transformation journey – may it be public, private, and hybrid infrastructure-as-a-service (“IaaS”), or software-as-a-service (“SaaS”), contact-center-as-a-service (“CCaaS”), disaster recovery-as-a-service (“DRaaS”), and AI-powered platforms. PLDT enables businesses to thrive in an increasingly digital economy by offering secure, AI powered solutions that enhance productivity and future-proof organizations.

To further support its clients, ePLDT offers a comprehensive range of professional and managed services for multi-cloud and cybersecurity. Its professional services include cloud assessment, migration, and optimization, as well as the enhancement of cybersecurity defenses and AI adoption. Additionally, its managed services enable customers to focus more on their core business to drive growth and innovation by having ePLDT manage their IT infrastructure and operations.

ePLDT's strategic competitive advantage is strengthened by its global partner ecosystem, which includes leading cloud and cybersecurity tech brands. This ecosystem allows ePLDT to serve the diverse needs of local enterprises and national government agencies. It also holds partner status with Microsoft, Google, AWS, Salesforce, Palo Alto, Alibaba Cloud, Genesys, and more recently, Huawei Cloud.

To address the surging demand for data center solutions, PLDT established VITRO Inc., a wholly owned subsidiary of ePLDT, to meet market requirements and drive sustained growth in the Group's data center portfolio. PLDT's VITRO data centers provide world-class colocation and connectivity solutions for enterprises, hyperscalers and the public sector, ensuring guaranteed uptime for their IT infrastructure. This positions PLDT as the premier digital infrastructure provider, enabling enterprises to scale their AI workloads and data-intensive applications with the highest levels of security, connectivity, and operational excellence.

VITRO Inc. leads the Group's advancements in data center construction, innovation, and services, consistently raising design and operational standards to meet the evolving needs of both international and domestic enterprises.

This strategic initiative underscores PLDT's commitments to innovation and to building the data center platform's capability to support the full spectrum of IT workloads—from enterprise and hyperscale to AI.

As the Philippines' premier data center provider, VITRO Inc. operates the country's largest network of data centers and hosts its digital ecosystem, which includes top telcos, carriers, enterprises, hyperscalers, and the public sector. In July 2024, it energized VITRO Sta. Rosa, the country's first AI-ready hyperscale data center, further solidifying its leadership in the industry.

Smart enhances PLDT Enterprise's portfolio with IoT solutions, offering real-time monitoring and automation for industries such as utilities, transport, and fintech, driving operational efficiency through advanced analytics and connected devices. By integrating a comprehensive IoT platform with a global-class 5G Network, Smart enables businesses to seamlessly connect, monitor, and manage their devices, optimizing workflows and enabling data-driven decision-making.

Additionally, Smart's Fixed Wireless Access (FWA) solutions provide robust last-mile connectivity for businesses in areas where traditional wired connections are not feasible. This ensures seamless operations and continuity, even in remote or underserved locations, empowering businesses to maintain high performance regardless of geographic challenges.

Core Connectivity Services

Our fixed line corporate data services address diverse needs for internet, networking, and managed services across enterprises of all sizes.

We offer iGate, a dedicated internet access solution with management and support for enterprises requiring high-performance connectivity with resilient international infrastructure, peered with Tier 1 Global Internet Service Providers & Internet Exchanges, and managed locally by globally certified personnel. Enterprise Fiber and BEYOND FIBER leverage PLDT and Smart's extensive and reliable network infrastructure to deliver high-speed, dependable internet solutions. Enterprise Fiber provides fast, reliable connectivity, while BEYOND FIBER offers business-grade internet with dual network capability and enterprise-class security features, catering to the diverse connectivity needs of businesses, from micro and small enterprises to multi-branch operations.

To further address the diverse requirements of modern enterprises, we also provide a range of domestic and international data solutions. These include domestic data solutions such as Metro Ethernet, a high-bandwidth, reliable network solution for seamless business operations and IP-VPN, a fully managed, end-to-end IP-based network for secure and efficient data transfer. PLDT also offers Managed SD-WAN, a next-generation wide area networking solution that provides enhanced resiliency, integrated security, and faster access to cloud applications, ensuring that the network business transformation.

For international data needs, we offer International Ethernet Private Line Services, a dependable option for secure international connectivity, and International IP-VPN, a managed service for data, voice, video, and multimedia applications integrated over a single IP network.

Our enterprise networking services are enabled by our Managed Service Provider capabilities. PLDT Enterprise provides businesses with expertise in designing their network, implementing complex programs across geographies, and monitoring, managing, and optimizing networks, ensuring seamless connectivity, improved performance, and real-time data-driven insights to empower smarter decision-making across multiple locations.

All our internet and networking services are powered by the country's most expansive fiber optic network with about 1.2 million kilometers of fiber across 11 resilient rings connected to cable landing stations in key locations across the country. For international data services, PLDT Group maintains 35.6 Tbps of capacity across 12 cable systems and operates Global Points of Presence through our subsidiary, PLDT Global Corporation.

Global Connectivity and Infrastructure

PLDT continues to strengthen its position as a leader in global connectivity through its robust international cable infrastructure. With a network of 12 international submarine cable system, PLDT ensures high-speed, low-latency and resilient connectivity.

This extensive infrastructure enables seamless global operations for enterprises and positions the Philippines as a vital digital hub in the Asia-Pacific region. By investing in state-of-the-art submarine cable systems and continuously expanding its international partnerships, PLDT ensures that its customers have access to reliable and scalable global connectivity, empowering them to compete and succeed in an interconnected world.

Commitment to our Customers' Success

At PLDT Enterprise, our focus is on empowering customers to succeed by delivering practical solutions tailored to their most pressing business needs. Recognizing the challenges businesses face in today's rapidly evolving environment, our commitment is to provide support at every stage of their journey. Through innovative tools and services, customers are equipped to operate more efficiently and effectively.

Equally important is the care we bring to our customer relationships. We listen to their needs, work collaboratively to design tailored solutions, and provide consistent support to ensure that these solutions deliver the desired results. Our teams are dedicated to making sure businesses not only adopt new technologies but also maximize their value over time.

At its heart, our commitment is simple: to help businesses grow and navigate change with confidence by offering the expertise, services, and support they can rely on. With PLDT Enterprise, businesses adopt technology and build partnerships that help them achieve their goals in a sustainable and meaningful way.

Rates for Corporate Data and ICT Services

Charges for our corporate data service vary by customer.

Voice Services

Our voice services are delivered through our (i) local exchange service; (ii) international service; and (iii) domestic service.

Local Exchange Service

Our local exchange service, which consists of the basic voice telephony business, is provided primarily through PLDT. We also provide local exchange services through our subsidiaries.

Rates for local exchange service

Basic monthly charges for the local exchange service varies according to the type of customer (business or residential) and location, with charges for urban customers generally being higher than those for rural/provincial customers.

International Service

We have been pursuing a number of initiatives to sustain our international service business, including: (i) rationalizing our inbound voice termination rates; (ii) managing unauthorized voice traffic terminating to our network; (iii) partnering with Saudi Telecom Company for inbound international long distance (ILD) traffic management; and (iv) growing international data sales by leveraging PLDT's sub-sea cable ownership and PLDT Global's reach.

In addition, PLDT Global is enhancing the presence of PLDT in other international markets by providing high quality communications infrastructure and innovative platforms to its global network of carriers, corporate customers and distribution partners, enabling it to achieve its desired connectivity, reach and business relevance. With offices in key markets abroad, PLDT Global also delivers a full range of digital consumer and enterprise solutions that serve the evolving needs of Filipinos overseas and global enterprises.

Rates for international service

Our rates for outbound international calls are quoted in U.S. dollars and are billed in Philippine pesos. The Philippine peso amounts are determined at the time of billing. We charge a flat rate of US\$0.40 per minute to retail customers, applicable to most destinations at any time on any day of the week.

Domestic Service

Our domestic services are provided primarily through PLDT. This service consists of voice services for calls made by our fixed line customers outside of their local service areas within the Philippines and the domestic interconnect access charges by other telecommunications carriers for wireless and fixed line calls carried through PLDT's backbone network and/or terminating to our fixed line customers.

Mobile substitution, OTT voice call alternatives and the widespread availability of free non-voice means of communications, such as e-mails, SMS, video conferencing applications and social networking sites, have negatively affected our domestic call volumes.

Rates for domestic service

Rates for domestic calls traditionally were based on the type of service provided, such as whether the call is operator-assisted or direct-dialed. However, PLDT simplified these rates in recent years for calls originating from and terminating to the PLDT fixed line network and for calls terminating to fixed line networks of other local exchange carriers. PLDT also simplified its rates for calls terminating to mobile subscribers.

In addition, PLDT bundles the free PLDT-to-PLDT calls in some promotions and product/service launches to stimulate fixed line usage.

Miscellaneous

Miscellaneous services include the provision of facilities management, rental fees and other services.

We sell and distribute our products and services through the following channels:

Distributors and Dealers

We sell our fixed line and mobile services primarily through our regional and key account partners who generally have their own direct sales forces and retail networks. We have field sales distribution partners and key account partners for fixed line services, and exclusive regional and provincial distributors and key account partners for wireless services. A number of our trade partners are likewise major distributors of smartphones and devices that are retailed in their owned telecommunications outlets. Account managers from our sales force manage the distribution network and regularly update these business partners on upcoming marketing strategies, promotional campaigns and new products. Our distribution network encompasses approximately over one million retailers. With the prepaid reloading distribution network extended to corner store and individual retailer levels and minimum reloading denominations as low as Php10, Smart's prepaid service has become even more affordable and accessible to subscribers.

Retail Stores

Retail stores are the Company-owned PLDT and Smart Sales and Service Centers that showcase our Company's products and services to customers nationwide. Our frontlines enable unique digital experiences through daily customer interaction. We offer enticing products and services based on the customer needs. We also cater to customers' after-sales requests and inquiries. Our stores also accept payment for bills, postpaid and prepaid sales.

Satellite branches are partner-owned Smart branded stores operating as auxiliary touchpoints for converged wired and wireless sales, aftersales and bills payment.

Enterprise Business

PLDT's Enterprise Business Group is responsible for the sales and marketing of fixed line, wireless products, corporate data and ICT products, solutions and services to corporate clients. Fixed line services include domestic data solutions, such as SD-WAN, Metro-Ethernet, IPVPN, High-Bandwidth Optical Services, and Beyond Fiber; and international data solutions, such as iGate, international ethernet private line, and international IP VPN. Wireless services include wireless products, such as Smart and Sun postpaid and broadband services that may be bundled with mobile phones, tablets, and

other relevant devices. Additionally, our offerings cover Machine to Machine and Internet-of-Things platform solutions that enable the managed connectivity requirements of key verticals such as Utilities, Transport, and Fintech. Moreover, Smart Enterprise offers Bizload, a corporate loading service that allows companies to control and automate prepaid loading among its employees and Smart Messaging Suite, an application-to-person (A2P) messaging platform that allows companies to send high-volume SMS through an easy-to-use online account to broadcast advisories, marketing campaigns, one-time passwords, payment reminders and transactional notifications. Our ICT solutions span from colocation services, connectivity services adjacent to colocation such as VITRO Internet Access, VITRO Internet Exchange, VITRO Cloud Exchange to complement the basic inter and intra-rack connection. Additionally, ePLDT's Cloud and Cybersecurity solutions and Professional Services are made available to enterprises looking for innovative solutions that will help drive their digital transformation journeys.

Telesales

As part of our telesales, we reach out to our subscribers to offer the latest services, solutions and promotions. Our telesales agents, in partnership with different contact center providers, enable new connect application and existing subscribers to avail value-added solutions, upgrade and migrate their fixed line and wireless accounts, as well as recontract their expiring accounts over the phone. All orders are delivered directly to customer's address for devices and handsets.

Online sales

Customers can conveniently access our services through our PLDT Home website and Smart Online Store, an end-to-end portal, where they can conduct various online transactions, including selecting fiber broadband or mobile subscription plans, avail of a wide array of the latest 5G and 4G mobile handsets, renewing or upgrading an existing plan, purchasing prepaid SIMs, network devices, Smart Home devices, or subscribing for e-load and various add-on promotions. All orders are delivered directly to the customers' addresses.

Smart App is a mobile application which allows users to link and manage multiple prepaid and postpaid accounts. With the Smart App, users can buy load, pay bills, subscribe to promotions, and earn Gigapoints. By offering various marketing promotions and events within the app, the Smart App has gained a lot of traction. Other online channels include My Smart website, Smart Chatbot, and Paywall which allow our mobile subscribers to avail of add-on promotions.

For e-Commerce, the PLDT and Smart flagship stores are now available in Lazada and Shopee. Our presence in these e-commerce platforms will further enhance the accessibility of our products to customers.

Postpaid Field Sales (PFS)

PFS was established to address postpaid markets belonging to corporate individual and capable communities. The channel intends to strategically regain the wireless postpaid stronghold by identifying and approaching customer segments that do not frequent the store outlets, those upgrading from prepaid, and most importantly, those using postpaid for the first time.

Others

Our other business consists primarily of our interests in digital platforms and other technologies, including our interests in MIH.

MIH, Maya Philippines, and Maya Bank

MIH is the parent holding company of Maya Philippines, Inc. (formerly PayMaya Philippines, Inc.) and Maya Bank. Maya Philippines is registered with the BSP as an electronic money issuer, remittance and transfer company, operator of payment system, and virtual asset services provider. Maya Bank is one of only six digital banks in the Philippines licensed by the BSP. Together, Maya Philippines and Maya Bank power the platforms under the Maya brand, providing the next generation of integrated financial products to both consumers and enterprises in the Philippines. Maya continues to scale its digital banking ecosystem, expanding its portfolio into a fully integrated financial services, including lending, savings, and credit cards. As digital banking adoption accelerates, Maya's approach enables it to capture both retail and SME growth, reinforcing its position as a key player in the Philippines' digital financial landscape.

In December 2023, MIH announced a US\$80 million funding round, led by global investors including PLDT, KKR, Tencent, SIG Venture Capital, and First Pacific Company Ltd. This capital injection is earmarked to expand digital banking services, particularly credit, across the MIH platform.

In 2024, Maya's digital bank garnered 5.4 million bank customers and disbursed Php68 billion in loans, signifying strong demand for its artificial intelligence-powered lending services. Maya's credit products, tailored for a range of needs, including consumers, micro-entrepreneurs, and SMEs, have played a pivotal role in this growth.

Infrastructure

Wireless Network Infrastructure

Mobile

Our mobile network supports 5G, 4G and other technologies. We continue to expand our LTE capacity, increase our 5G coverage, and roll out more physical sites to widen our coverage in order to sustain the growing demand for our services. We believe our mobile network covers 97% of the population and is present in 97% of the country's cities and municipalities, as at December 31, 2024.

Fixed wireless services are also offered to residential and corporate clients through our high capacity mobile network. This complements our fibered fixed network as our fixed wireless services are able to reach areas that are not currently serviced through wired connections. To support the delivery of this huge amount of traffic, the backhaul of our cell sites are being migrated to fiber. To date, more than three-fourths of our cell sites are connected through fiber.

Our data core network will be transformed through a two-year modernization program allowing and enabling 5G standalone capabilities such as automation, network slicing and improved resiliency, while supporting massive data traffic growth.

Furthermore, we will also modernize and expand our voice core network in anticipation of more subscribers adopting "Voice over LTE" which provides high quality voice calls and faster call setup times. This modernized calls will also support "Voice over WiFi" allowing users to make and receive calls in WiFi environments.

Fixed Line Network Infrastructure

Domestic

PLDT's fixed line infrastructure is comprised of the latest technologies, delivering voice, broadband and ICT services to home and corporate customers. We deliver voice and high-speed broadband to each home through our all-fiber network, FTTH, an IP-based platform. At present, FTTH is capable of delivering 2.5 Gbps and up to 10 Gbps, and we have deployed FTTH in all cities and in the majority of municipalities in the Philippines. We have already started retiring the legacy copper network, replacing it with FTTH to provide high speed broadband and improve customer experience. This network provides broadband availability to approximately 18.5 million homes passed, as at December 31, 2024.

PLDT provides enterprise and ICT services through its Carrier Ethernet network (CEN). PLDT's CEN is based on Metro Ethernet Forum (MEF) 3.0, the latest standardized, carrier-class service and network. This highly reliable and resilient system provides high capacity and high-speed VPN services for all corporate customers. It supports enterprise requirements such as data storage, headquarter to branch connectivity, headquarter to disaster recovery site connectivity, cloud services and backhaul for mobile/LTE services. PLDT also uses the "Software Defined Wide Area Network" to deliver such enterprise services across different service providers and over the internet in a secured manner.

We likewise have an IP backbone (IPBB) network, composed of high-capacity, high-performance core and edge routers, with capacities of up to 100Gbps per port in key exchanges that provide IP connectivity to the different network elements built for PLDT, Smart and other subsidiaries and affiliates. It serves as a common and highly resilient IP transport platform for all of our IP-based services. In 2020, the IPBB underwent a transformation project called the "Transport Network Transformation Project" (TNT Project), which significantly increased the network's capacity and upgraded its routing technology to the latest technology, including segment routing and software defined network (SDN) technology.

All our networks are connected nationwide through PLDT's nationwide fiber backbone, the DFON. DFON is comprised of transport nodes connected by terrestrial and submarine cable links configured in 11 loops and two appendages extending to Palawan and Iligan. The DFON loops provide self-healing and alternative segment route protection for added resiliency against single and multiple fiber breaks along the different segments. The DFON has a capacity of 19.2 Tbps per fiber pair. The DFON network also connects three of PLDT's international cable landing stations. Following the implementation of the TNT Project, the DFON network gained added resiliency and network reliability as we implemented an automatic fail capability into the DFON network to automatically transfer traffic to other redundancy links in the event the DFON experiences downtime. The DFON is complemented by a terrestrial microwave backbone network to deliver services to remote areas unreachable by the fixed terrestrial transport network.

Both the DFON and IPBB serve as the common high bandwidth fiber optic cable-based backbone for the PLDT Group. DFON is part of the approximately 1.2 million total fiber kilometers of the PLDT Group, as at December 31, 2024. These networks are supported by SDN technology, which simplifies and automates network provisioning and operations.

International

PLDT's international network was designed and built to support IP-based international services, including voice, messaging, international enterprise solutions, and the biggest use of international network resources today, the Internet services of the PLDT Group. The international network also supports in part requirements of the international retail business run by PLDT Global in various locations in Asia, Europe and the United States.

For voice services, PLDT operates two IP voice gateways. As at December 31, 2024, PLDT's facilities allow the exchange of traffic with 63 foreign carriers from 33 countries and can reach almost 1,000 foreign destinations (including fixed and wireless network destination "breakouts", or specific areas within a country) worldwide.

As at December 31, 2024, the Company has five international internet gateways to fortify PLDT Group's infrastructure for internet and IP-based services, as well as connections of our fixed and wireless networks to content and internet services available from, and businesses connected to, the global internet. All these gateways employ high-capacity and high-performance routers. Together with ancillary facilities (such as security against network/service attacks), they provide premium and differentiated internet and/or IP services to all types of customers ranging from ordinary broadband to high bandwidth internet requirements of corporate customers, knowledge processing solution providers, internet service providers (ISPs) and even other service providers. As at December 31, 2024, PLDT also operates six offshore/forward gateway routers in Hong Kong, Singapore, United States, and Japan to support optimized and direct access to content providers and businesses connected to the internet in Asia, as well as the continental U.S., which we expect to result in faster internet speed. All gateway routers utilize high capacity 100 Gbps interface and transmission facilities.

To localize international internet content, PLDT employs local transparent caching network, and additionally, a network of content provider/distributor-supplied local caching servers at key locations. With these facilities, high demand contents from popular content and content delivery network providers are available locally and are delivered to PLDT customers.

PLDT operates the Philippines' most extensive international submarine cable network. As at December 31, 2024, PLDT maintains and operates three international cable landing stations in La Union and Batangas for international cables coming from the West Philippine Sea, and in Daet in the east for international cables coming from the Pacific Ocean. In May 2023, NTC issued provisional authority to build new international cable landing stations in Baler, Aurora in the Northeast, and in Digos, Davao in the Southern coastal borders of the Philippines, which are targeted to be completed in 2025. These will provide telco carriers new alternative routes which do not traverse the usual West Philippine Sea Waters.

Connecting the country to the rest of the world via PLDT's international cable stations are cable systems in which PLDT had invested in and/or acquired capacities. The table below shows the cable systems in which PLDT has interests, which terminate in the Philippines or connect with other submarine cable systems from the Philippines or other countries or territories:

Cable System	Countries Being Linked
JUPITER	Japan, U.S. and the Philippines
Asia-Pacific Cable Network 2, or APCN2	Philippines, Hong Kong, Japan, South Korea, Malaysia, Singapore, China and Taiwan
East Asia Crossing, or EAC Cable, City-to-City Cable System or C2C	Japan, Hong Kong, China, South Korea, Taiwan, Singapore and the Philippines
Pacific Crossing-1, or PC1, TGN-Pacific, Unity, FASTER	Japan and the U.S.
Asia-America Gateway, or AAG, Cable Network	Malaysia, Singapore, Thailand, Vietnam, Brunei, Hong Kong, Philippines, Guam, Hawaii and the U.S. Mainland
Asia Submarine-cable Express, or ASE	Philippines, Japan, Singapore, Malaysia and Hong Kong
TGN-Intra Asia	Hong Kong and Japan
Asia Africa Europe-1, or AAE-1 Cable	Hong Kong, Vietnam, Cambodia, Thailand, Malaysia, Singapore, Myanmar, India, Pakistan, Oman, UAE, Qatar, Yemen, Djibouti, Saudi Arabia, Egypt, Greece, Italy and France
TEA2 (Terrestrial)	Hong Kong and Sweden

PLDT continues to work with major Asian carriers to implement the new Asia Direct Cable (ADC) to support the expected new fixed and mobile services requirements. ADC is estimated to be completed and ready for service within 2025.

PLDT is also working closely with other Asian carriers and Hyperscalers to build the Apricot Cable. The completion of the Apricot cable in 2027 will further augment PLDT's international capacity for data traffic, particularly to the U.S. and across Asia and the Pacific, and raise PLDT's total international capacity to more than 140Tbps once fully equipped.

PLDT's international automatic optical transport switching system and carrier ethernet network continues to provide effective redundancy and continuity of service to Hong Kong, Japan, Singapore, and the U.S. Mainland for premium enterprise clients. Additional dedicated submarine cable circuits were provisioned, and capacity of nodes upgraded, to support growing business requirements. Also, our Guam node, PLDT's 5th international point-of-presence (POP), was launched in April 2024.

Cyber Security

The PLDT Group remains committed to investing in cybersecurity. In addition to safeguarding its critical infrastructure and information assets, the PLDT Group is also focused on acquiring advanced technology, enhancing capabilities, and forming partnerships with various organizations, both local and international, to secure the Philippine cyberspace, combat online child abuse and sexual exploitation, and pursue other worthwhile initiatives.

Cyber Security Operations Group (CSOG) has adopted the National Institute of Standards and Technology (NIST) Framework which is organized around five key functions: Identify, Protect, Detect, Respond and Recover. By identifying the risks, the organization is able to understand and manage the cybersecurity risks to systems, assets, data and capabilities and, at the same time, implement safeguards to ensure the delivery of critical infrastructure services. Detection is achieved by developing and implementing activities to identify the occurrence of a cybersecurity event. Not only is the Company able to respond upon detection of a cybersecurity incident but it also has a recovery plan, i.e., maintain plans for resilience and restore any capabilities or services impaired due to a cybersecurity incident. In other words, by adopting the NIST framework, the Company is able to improve its ability to prevent, detect and respond to cyber threats, ultimately enhancing the overall cybersecurity posture.

We continuously deploy an endpoint advance security agent to all corporate workstations to detect and prevent attacks. Our fully operational 24x7 Cyber Security Incident and Response Team (CSIRT) enables the detection of and response to security incidents within less than thirty minutes, on average. We continue to prevent attacks on our corporate websites through the use of our web application firewalls. We adopted an automated periodic user access management review as a cyber security protection practice for PLDT Group critical applications, databases and operating systems. To continuously enhance our predictive capability, we regularly conduct threat-hunting activities to update our threat intelligence database with the latest threats. We continue to improve our anti-distributed denial of service (Anti-DDoS) strategy to cover all layers of defenses (e.g. external, perimeter, internal, and people/process) in response to a significant increase in the number and frequency of DDoS attacks. We have established corporate governance processes around the procurement and deployment of Internet of Things (IoT) and hardening of customer-premises equipment through vulnerability assessment and penetration testing. For application and data security, we have an automated data visibility across the organization and across platforms and operationalized monitoring of sensitive data assets, alert threats and remediation, which are in compliance with local and global data protection laws and regulations. In terms of database security, we have full visibility of activities in all critical and sensitive databases to define the details of each transaction while being able to identify and/or block malicious activities/queries. For cloud and web security, we continue to boost our efforts to achieve full visibility of cloud assets and activities, secure shadow IT, obtain the ability to discover malicious activities through user and entity behavior analytics, and secure critical and sensitive data in the cloud. To further improve our investigation and response capabilities, we have a real-time dashboard and improved reporting and visualization, consolidated and standardized event logs from managed systems and devices across the network, sufficient data retention enabling backtracking and pattern visualization, while enhancing event processing capabilities for security incident investigations. To ensure continuous validation of our security controls, a cyber attack and breach simulation tool has been deployed to enable us to identify successful attack techniques and exploits and better prevent such attacks. In terms of security infrastructure and application monitoring system, we utilize real-time visibility and alerting of security solutions' performance and utilization, automated pro-active monitoring to prevent unplanned disruptions, and ensuring higher availability/uptime of all CSOG security solutions. In line with the Company's Child Safeguarding Policy and Human Rights Policy to ensure the online protection of children and in compliance with regulatory requirements, we utilize our Child Protection Platform that can block URLs that involve online sexual abuse and exploitation of children (OSAEC) and child sexual abuse and exploitation materials (CSAEM).

We recognize that the bottom-up engagement of our employees is one of our key success factors for an effective cyber security program execution. We continue to vigorously conduct regular cyber security awareness campaigns for our employees and mandatory annual e-learning course to all employees. While we continue to see persistent phishing attacks targeting our employees, we perform periodic phishing simulations to assess the awareness of our employees on social engineering schemes. These periodic exercises resulted in heightened awareness among employees of phishing and scamming tactics which resulted in a decline in phishing bait rate for 2024.

Interconnection Agreements

Since the issuance of Executive Order, or E.O., No. 59 in 1993, which requires the non-discriminatory interconnection of Philippine carriers' networks, we have entered into bilateral interconnection arrangements with other Philippine fixed line and mobile carriers. See Item 1. "Description of Business – Licenses and Regulations – Regulatory Tariffs" for further discussion.

As at December 31, 2024, PLDT has direct interconnection agreements with 63 foreign carriers from 33 countries. The average international termination rate for calls to PLDT fixed line was approximately US\$0.1150 per minute in 2024. PLDT also carries international calls terminating to Smart and Sun networks where they have no direct interconnections.

Franchises, Licenses and Regulations

Franchises

The table below provides the expiry dates of franchises for each company indicated:

Company	Expiry Dates of Franchises
PLDT	November 28, 2028
Clarktel ⁽¹⁾	June 30, 2024
Smart	May 19, 2042
SBI	November 11, 2047
DMPI	April 1, 2028
CURE ⁽²⁾	May 26, 2026
PDSI	January 26, 2026

⁽¹⁾ Clarktel filed for an extension of its franchise which remains pending with the Congress as of report date.

⁽²⁾ In the case of CURE, PLDT has agreed to divest the CURE spectrum as a part of the NTC decision with respect to PLDT's acquisition of a controlling interest in Digitel.

Licenses

Pursuant to RA 7925, a franchise holder is required to obtain a Certificate of Public Convenience and Necessity (CPCN) / Provisional Authority (PA) from the National Telecommunications Commission (NTC) to provide specific telecommunications services authorized under its franchise. The NTC, an attached agency of the Department of Information and Communications Technology (DICT) regulates and supervises our business under the provisions of the Public Service Act (RA 11659, as amended), Executive Order (EO) Nos. 59 and 109, and RA 7925.

The following table sets forth the frequency bands of our LTE, broadband wireless access, code-division multiple access, GSM, HSPA and 5G networks held and used by our wireless service subsidiaries:

Assignees	Service/Technology	Bands (in MHz)	Bandwidth Assignment
Smart	WCDMA	850	10MHz x 2
	GSM 900	900	7.5MHz x 2
	GSM 1800	1800	20MHz x 2
	WCDMA	2100	15MHz x 2
DMPI	CDMA 2000	1900	2 channels of 1.25 MHz of bandwidth
	WCDMA	2100	10MHz x 2
	TD-LTE	2500	15MHz
	TD-LTE	3400	30MHz
	GSM 1800	1800	17.5MHz x 2
SBI	TD-LTE	2500	20MHz
	TD-LTE	3400	30MHz
PDSI	TD-LTE	2300	30MHz

On May 27, 2016, the NTC approved the frequency co-use arrangement between Smart and Globe of various frequencies under LTE 700, GSM/3G 900, GSM/LTE 1800, BWA/LTE 2300, and LTE 2500 assigned to Bell Telecommunications Philippines, Inc.

As a condition of our acquisition of a controlling interest in Digitel, we have agreed with the NTC to divest the congressional franchise, spectrum and related permits held by CURE following the migration of CURE's *Red Mobile* subscriber base to Smart.

Material Effects of Regulation on our Business

Laws enacted by the Philippine Congress and issuances of certain Philippine Government Agencies regulate the manner in which we conduct our business, including:

- Executive Order No. 109, requires operators of international gateway facilities and mobile telephone operators to install a minimum number of local exchange lines. Smart and PCEV were required to install 700,000 and 400,000 rural lines, respectively, and each received a certificate of compliance from the NTC in 1999.
- Republic Act No. 11930, otherwise known as the Anti-Online Sexual Abuse or Exploitation of Children (OSAEC) and Anti-Child Sexual Abuse or Exploitation Materials (CSAEM) Act. Internet Service Providers are required to develop, establish and install mechanisms or measures designed to prevent, detect, respond or report violations of this Act.
- NTC Memorandum Circular No. 5-07-2009, issued on July 23, 2009, amends the mode of billing for voice services from per minute to per pulse billing, with a maximum of 6 seconds per pulse. On December 9, 2009, the NTC issued Show Cause and Cease and Desist Orders against Smart and other providers, alleging non-compliance with the Circular. On appeal, the CA in its December 28, 2010 Decision, reversed and set aside the NTC Orders. This decision was later upheld by the Supreme Court on February 13, 2023, finding that the NTC failed to provide Smart and other providers due process.

- NTC Memorandum Order No. 07-07-2011, issued on July 15, 2011, prescribes a formula for computing service reliability and sets the minimum service reliability at 80% for fixed broadband/internet.
- NTC Memorandum Circular No. 07-08-2015, issued on August 13, 2015, sets the rules on the measurement of fixed broadband/internet speed.
- NTC Memorandum Order No. 10-12-2016, issued on December 13, 2016, sets out the rules for measuring mobile broadband and internet access service, including guidelines for testing mobile broadband and internet speed.
- NTC Memorandum Order No. 10-10-2017, issued on October 27, 2017, prescribes the migration of all existing seven-digit telephone numbers to eight-digit telephone numbers for local telephone service within the “02” local exchange area.
- Joint Memorandum Circular (JMC) No. 05-12-2017 jointly issued by NTC, DICT and Department of Trade and Industry, (DTI), on December 20, 2017, extends the validity of all prepaid load to one year from the date of the latest top-up. Prepaid loads purchased for promotions and bucket of services with a specific period of use duly approved by the DTI and/or NTC are excluded from the mandatory one-year validity period.
- Executive Order No. 56, issued by former President Rodrigo Duterte on May 25, 2018, institutionalized the Emergency 911 Hotline as the nationwide emergency answering point and replaced Patrol 117.
- Memorandum No. 2018-055 issued by the National Electrification Administration (NEA) on August 15, 2018, sets the standard pole rental rate of electric cooperatives at Php420 per cable position per pole per annum.
- Memorandum Order No. 04, series of 2018 issued by the DICT on December 14, 2018 and NTC Memorandum Circular No 01-05-2019, issued on May 31, 2019, directed PTEs and/or wireless service providers who offer customers mobile phones and devices, free of charge or at a subsidized cost, in exchange for an agreed fixed lock-in period to provide their customers convenient sites, facilities and processes to unlock the mobile phones and devices of customers who wish to change between compatible wireless service providers, provided that such customers must have completed the applicable lock-in periods and have no outstanding obligations under their subscription agreement.
- Republic Act No. 11202 or the Mobile Number Portability (MNP) Act and NTC Memorandum Circular No. 03-06-2019 (the IRR of MNP Act, issued on June 11, 2019), allow qualified customers to retain their mobile numbers when they move from one mobile service provider (MSP) to another, or change the type of subscription from postpaid to prepaid or vice versa. MNP is completely free of charge.
- JMC No. 2019-001, series of 2019 (the IRR of the Ease of Doing Business Act), jointly issued by the Civil Service Commission, (CSC), Anti-Red Tape Authority (ARTA), and DTI on July 17, 2019, directs all agencies which provide Government service to reduce bureaucratic red tape and processing time, and to promote efficiency and simplicity of process.
- Rules on the Accelerated Roll-Out of Common Towers, issued by the DICT on May 24, 2019, provides for the speedy roll-out of common towers and/or conversion of common towers including hard-to-access areas.
- Department Circular No. 008 issued by the DICT on May 29, 2020, provides for the policy guidelines on the co-location and sharing of passive telecommunication tower infrastructure (PTTIs) for macro cell sites.
- Executive Order No. 32 (“Streamlining the Permitting Process for the Construction of Telecommunications and Internet Infrastructure”) signed by President Ferdinand Marcos, Jr. on July 4, 2023, streamlined the permitting process for the construction of telecommunications and internet infrastructure. EO 32 further extends the implementation of streamlined permitting processes and procedures under the Bayanihan to Recover as One Act (RA 11494) and the Joint Memorandum Circulars issued by the Anti Red Tape Authority, et al. which expired in September 2023. On December 1, 2023, ARTA released the signed copy of EO 32’s Implementing Rules and Regulations (IRR).
- RA 11659 or the Amendment to the Public Service Act took effect on April 12, 2022, limits the definition of public utilities to the distribution and transmission of electricity, petroleum and petroleum products pipeline transmission systems, water pipeline distribution and wastewater pipeline systems, seaports and public utility vehicles. This law excludes telecommunications from the definition of public utility thereby allowing full foreign ownership in companies engaged in telecommunications.
- RA 11934 or the SIM Registration Act took effect on October 28, 2022. Under this law, all end-users are required to register their SIMs with PTEs as a pre-requisite to the activation thereof. On September 18, 2023, the NTC issued Memorandum Order No. 010-09-2023 providing for guidelines for PTEs in the

conduct of processes to verify submitted information and data by end-users of SIMs under the SIM Registration Act and its IRR.

- Memorandum Circular No. 2023-017 issued by the DILG on January 25, 2023, reiterated previous DILG issuance/policy enjoining local officials to exercise their powers to reclaim and clear public roads which are being used for private purposes. As a consequence, many PLDT poles, including cables and cabinets, were required to be removed or relocated.
- On September 27, 2023, the NTC issued a Memorandum ordering Public Telecommunications Entities to block or deactivate person-to-person text messages with clickable domains, Uniform Resource Locators (URLs), URL shortening services links, Smart Links and/or QR Codes.
- NTC Memorandum Circular No. 006-010-2023, issued on October 20, 2023, provides for a Zero Spectrum User Fee (SUF) for the use of radio frequency bands 2400MHz to 2483.5MHz, 5150MHz-5350MHz, 5470MHz-5850MHz for wireless connectivity under: (a) Short-Range Devices; b) Wireless Data Networks (WDN); and c) Broadband Wireless Access (BWA).

See Item 6. “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Risk and Uncertainties – Risks Relating to Us – Our business is subject to extensive laws and regulations, including regulations in respect of our service rates, taxes and antitrust laws” for further discussion.

Regulatory Tariffs

Interconnect access charges are paid by one carrier to another for calls originating from a carrier’s network and terminating to another carrier’s network. Pursuant to NTC Memorandum Circular No. 05-07-2018, effective on September 1, 2018, PLDT’s interconnection charges for all calls is uniformly set at Php0.50 per minute.

PLDT has continually and actively negotiated with other legitimate Philippine fixed and CMTS carriers for interconnection based on the guidelines issued by the NTC or any authorized government agency. These carriers include the major fixed and mobile players in the industry with nationwide operations, PAPTELCO and other non-PAPTELCO players, both of which usually operate in selected towns in the countryside.

By virtue of RA No. 11202 or the MNP Act, interconnection fees or charges are no longer imposed by MSPs for domestic calls and SMS made by subscribers. This provision does not cover interconnection fees charged by fixed-line operators. Thus, as of January 2, 2020, no interconnect fees are charged for mobile domestic calls and SMS.

Competition

Including us, there are five major local exchange carriers, seven major international gateway facility providers and three major mobile operators in the Philippines. Some new entrants in the Philippine telecommunications market have entered strategic alliances with foreign telecommunications companies, which provide them with access to technological and funding support, as well as service innovations and marketing strategies. To protect our market position, we need to continually invest in our network infrastructure to comply with regulatory obligations and to ensure that our services remain competitive. We also need to be able to identify market trends and customer preferences in order for our services to remain relevant.

Mobile Services

Currently, there are three major mobile operators, namely Smart, Globe and Dito. As at December 31, 2024, mobile market penetration in the Philippines was approximately 123%, based on the number of SIM cards issued.

Competition in the mobile telecommunications industry has remained active with greater availability of offers from telecommunications operators including increased data allocations and calls and texts resulting in declining yields. Competition has also increased in the postpaid space with more promotions involving greater handset subsidies. The principal bases of competition are price, including handset prices in the case of postpaid plans, quality of service, network reliability, geographic coverage and attractiveness of packaged services, including video content.

In recent years, the prevalence of OTT services, such as social media, instant messaging and internet telephone, also known as VoIP services, has greatly affected our legacy revenues from voice and SMS services. We are also facing growing competition from providers offering services using alternative wireless technologies and IP-based networks, including efforts by the Philippine Government to roll-out its free WiFi services to various municipalities in the country.

Data Services

In recent years, the market for data services has been the fastest growing segment in the Philippine telecommunications industry. This development has been spurred by the significant growth in demand for consumer and retail broadband internet access, enterprise resource planning applications, customer relationship management, knowledge processing solutions, online gaming and other e-services that drive the need for broadband and internet-protocol based solutions both in the Philippines and abroad. Our major competitors in this area are Globe and Converge ICT Solutions, Inc. The

principal bases of competition in the data services market are coverage, price, content, value for money, bundles or free gifts, user experience, and customer service. PLDT remains committed to compete in this segment by leveraging on its overall strategy to focus on customer-centricity, maintain network leadership, broaden its distribution platform and increase its ability to deliver multimedia content.

Voice Services

Local Exchange

Although the growth of the fixed line voice market has been impacted by higher demand for mobile services, we have sustained our leading position in the fixed line market on account of PLDT's extensive fixed line and transmission network nationwide. In most areas, we face one or two competitors. Our principal competitor in the local exchange market, Globe, provides local exchange service through both fixed and fixed wireless landline services.

Fixed wireless landline services are delivered using mobile technology to a fixed device in the home with a tariff structure similar to that of a fixed line service such as the charging of monthly service fees. Our major competitor, Globe, offers services in limited areas of Metro Manila such as Makati and Las Piñas, the Visayas region and selected areas of Southern Luzon, such as Cavite and Batangas.

International

While we believe we have maintained a leadership position in this highly competitive service segment of the industry, our market share in recent years has declined as a result of: (i) competition from other IGF operators; (ii) the popularity of alternative and cheaper modes of communication such as e-mail, instant messaging, social-networking (such as Facebook, Twitter and Instagram), including “free services” over the internet (such as Skype, Viber, Line, Facebook Messenger, GoogleTalk, Zoom and WhatsApp, and similar services); and (iii) the establishment of VPNs for several corporate entities, which have further heightened competition.

With respect to outbound calls from the Philippines, we compete for market share through our local exchange and mobile businesses, which are the origination points of outbound international calls. We also have introduced a number of marketing initiatives to stimulate growth of outbound call volumes, including tariff reductions and volume discounts for large corporate subscribers.

As in recent years, the number of inbound international voice calls into the Philippines has been negatively impacted by the popularity of OTT services due to improved internet access and continued increase of smartphone adoption. However, with PLDT's strategic partnership with Saudi Telecom Company, the decline of inbound ILD traffic has slowed down. Joint efforts on traffic sales management and anti-fraud programs have resulted in sustained business value for the ILD business.

Domestic

Our domestic service business has been negatively affected by the widespread availability and growing popularity of alternative economical to free non-voice methods of communication, particularly OTT services, e-mail and social media, resulting in the change in the market's communications habits as evidenced by the growing number of mobile subscribers in the Philippines. In addition, various ISPs have launched voice services via the internet to their subscribers nationwide.

While domestic call volumes have been declining, we have remained the leading provider of domestic service in the Philippines due to our significant subscriber base and ownership of the Philippines' most extensive transmission network.

Principal Competitor

The table below sets out our principal competitor's market share and other relevant information for 2024:

				Market Share	
				Subscriber base	
	Asset Base	Service Revenues (in millions)	Net Income (Loss)	Fixed Line ⁽¹⁾	Mobile
Globe ⁽²⁾	628,918	124,009	20,556	17%	45%
Converge ⁽³⁾	105,430	29,938	8,212	35%	–
DITO ⁽⁴⁾	215,279	11,579	(25,857)	–	10%

⁽¹⁾ Includes Fixed Line broadband.

⁽²⁾ Based on Globe's Third Quarter 2024 Form 17-Q filed with the Philippine SEC on November 7, 2024.

⁽³⁾ Based on Converge's Third Quarter 2024 Form 17-Q filed with the Philippine SEC on November 12, 2024.

⁽⁴⁾ Based on Dito's Third Quarter 2024 Form 17-Q filed with the Philippine SEC on November 14, 2024.

Competitive Strengths

We believe our business is characterized by the following competitive strengths:

- *Exposure to Large and Attractive Markets.* Our mobile data and home broadband services are well positioned to serve markets with continuing growth potential. As data adoption continues to grow in a market largely comprised of a young, digitally savvy population, combined with greater smartphone ownership, the increasing utility of data for everyday activities, and with around 70% of our mobile subscribers being active data users as at December 31, 2024, we believe that demand for mobile data will continue to grow meaningfully. Meanwhile, we believe there is still room to grow in the home broadband market. After the opening of the economy and increased mobility after the pandemic lockdowns, PLDT continues to significantly serve the market demand for connectivity and home broadband services which allow our customers to work, study, conduct business and enjoy entertainment.
- *Superior Integrated Networks.* With our extensive fixed and integrated telecommunications networks in the Philippines, we are able to offer a wide array of communications services. As part of our capital expenditure program, we continue to invest in expanding the reach and capability of our transmission and FTTH network and increasing our international bandwidth capacity. We also continue to invest in capacity and coverage of our mobile network to serve the unabated growth in mobile data traffic and provide our customers with faster, more reliable services and a superior data experience. To supplement our current LTE network and to prepare our network for the future, we have started to rollout 5G base stations. Our network architecture and investments also increase the resiliency and robustness of the network to enable minimum disruption to network services. PLDT's domestic and international fiber optic networks connect to VITRO's network of data centers which enables the seamless transfer and secured hosting of massive data flowing in and out of the country.
- *Recognized Brands.* PLDT has a strong and diverse portfolio of brands, including PLDT Home, Smart, TNT, and PLDT Enterprise, among others, which are widely recognized brand names in the Philippines.
- *Diversified Revenue Sources.* We have a diverse portfolio of business lines across our wireless and fixed line business segments, serving a wide spectrum of customer segments, including individuals, households and enterprises. Revenue sources of our wireless business include mobile (mobile data, voice, SMS, and inbound roaming and other mobile services), wireless home broadband, and other services. The revenues from data services, particularly mobile data services, have increased steadily over the past several years and account for 89% of the wireless consumer segment revenues as at December 31, 2024. Our fixed line business derives service revenues from consumer data/broadband, with 92% of service revenues in 2024 attributable to fiber, voice (local exchange, international and domestic services) and miscellaneous services. The fixed line business revenues also include contribution from our enterprise business, which mainly comprises corporate data and ICT services such as data center, cloud and cybersecurity solutions which are considered as an emerging growth driver because of the country's rapid digital adoption.
- *Innovative Products and Services.* We launched consumer products that answer the needs for Connectivity, Entertainment, and E-Games such as the Smart App, our customer management app, Smart Live Stream, our video player app which houses the PBA and FIBA. To allow subscribers easy access to healthcare products and services, Smart has partnered with mWell for convenient access to online doctor consultations and other services via the mWell app, the Philippines' first fully integrated health app. Smart also partnered with Metro Pacific Tollways Corporation to introduce a simpler and easier way of reloading the Easytrip RFID using the country's first toll top-up via mobile load service. To support businesses in their journey towards digitalization and cloud, PLDT Enterprise offers a fully-managed Software-Defined Wide Area Networking (SD-WAN) solution which enables customers to securely connect their multiple offices and branches and Smart Internet of Things (IoT) and obtain full control, transparency, visibility, and self-management of their Smart IoT SIMs.

We also create and launch platforms, services and solutions for emerging markets in the area of digital financial services through our associated companies MIH, Maya Philippines, Inc. and Maya Bank, which was awarded the sixth and last digital banking license in 2021.

- *Strong and Experienced Management Team and Key Strategic Relationships.* Our senior management combines decades of deep expertise in the telecommunications industry with diverse backgrounds in various industries, including banking, utilities, infrastructure and venture capital. We continue to refresh our talent pool with new hires who have either regional experience or digital expertise, among others. In addition, we have important strategic relationships with our institutional investors, namely, First Pacific, NTT DOCOMO and NTT Communications. We believe the technological support, international experience, and management expertise made available to us through these strategic relationships will enable us to enhance our market leadership and provide/cross-sell a wider range of products and services.

Intellectual Property Rights

We do not own any material intellectual property rights apart from our brand names and logos. We are not dependent on patents, licenses or other intellectual property which are material to our business or results of operations, other than licenses to use the software that accompany most of our equipment purchases and licenses for certain contents used in

VAS of our wireless business. See *Note 14 – Goodwill and Intangible Assets* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

Major Suppliers

Substantially all the telecommunications equipment thus far obtained in connection with our development programs have been purchased outside the Philippines, and we expect that a large portion of the equipment requirements of our future development programs will also be purchased from foreign sources.

The major suppliers for Smart for its LTE New Site Rollout and Expansion Program and 5G Deployments are Huawei Technologies, Co. Ltd., and Ericsson Telecommunications, Inc. Core network is also being expanded and replaced with Next Generation Cloud-based Core Network obtained from Nokia and Huawei Technologies, Co. Ltd.

For mobile devices, Smart’s principal suppliers are Apple South Asia and Samsung Electronics Co., Ltd.

For PLDT’s continued expansion of optical transmission backbone and core equipment, Huawei Technologies, Co., Ltd. and CISCO Systems, Inc. are the principal suppliers of the hardware equipment and software component.

For FTTH, principal suppliers for active equipment and passive components are Huawei Technologies, Co. Ltd., Fiberhome International Technology Co., Ltd., ZTE Philippines, Inc. and HXPT Philippines, Inc.

For Information Technology (IT), PLDT engaged the services of Amdocs, Salesforce, SAP, Amazon, Microsoft, Google and other global technology leaders to transform IT platforms, modernize IT infrastructure, including Cloud Transformation, and broaden its digital technologies adoption for consumer and employee engagements.

Governmental Regulations

We are subject to governmental regulations with respect to our operations, services, rates and ownership. We believe that we are in compliance with all applicable governmental regulations and that our relations with government regulators are satisfactory. For further discussion on governmental laws and regulations affecting our business, see Item 6. “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Risks and Uncertainties – Risks Relating to Us – Our business is significantly affected by governmental laws and regulations, including regulations in respect of rates and taxes and laws relating to anti-competitive practices and monopoly.”

Compliance with Environmental Laws

In line with PLDT’s sustainability roadmap and commitment towards responsible business operations, we integrate environmental management and stewardship measures into our business operations. These are aimed not only at strengthening compliance with regulatory requirements, but also as addressing identified risks that may impact our business and the communities where we operate.

Our environmental management programs are thus implemented by and across various functions of the organization, institutionalized through policies and capacity-building programs for employees, and are continuously guided by the oversight of the PLDT Board of Directors through its Governance, Nomination and Sustainability Committee (GNSC).

Climate Change

The PLDT Group continues to recognize climate change as one of its top enterprise risks. This considers the high-risk profile and vulnerability of the Philippines to the worsening impacts of climate change, such as more frequent and extreme typhoons and weather disturbances. The effects of climate change increase the likelihood of damage to the Group’s physical infrastructure and network equipment, which can consequently disrupt operations and delivery of services. Because we recognize the importance of connectivity to our customers and the impact of our operations on the broader community, we aim to mitigate the material adverse effects of climate change by integrating these nature-related risks and corresponding mitigation strategies into our strategic planning, operational design, resource allocation, resiliency and contingency measures, and supply chain management.

Aside from these physical impacts, climate change also shapes corresponding focus and requirements of local laws and regulations. The urgency of addressing climate change in the Philippines may lead to the enactment of more stringent laws and regulations, which will further entail necessary investments, resources, and capacity-building efforts for PLDT Group in order to remain compliant and competitive.

Operational Resource Efficiency

In support of the Philippines’ Nationally Determined Contribution under the Paris Agreement and the global ambition to achieve Net Zero by 2050, the PLDT Group developed a decarbonization roadmap that aims to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 40% by 2030 against a 2019 baseline. Such target is underpinned by various initiatives that promote energy and operational resource efficiency, as well as the adoption of renewable energy and green technologies across our operations. These measures are also aimed at achieving cost-efficiencies and ensuring uninterrupted operations and delivery of services.

We have set up internal mechanisms to monitor our consumption of electricity, fuel, and water within our facilities and operations. Such mechanisms consequently facilitate the continuous implementation of solutions on energy efficiency and resource conservation.

For our building facilities, we have been shifting to newer and more energy efficient air conditioning units and chillers. We have been provisioning for building automation systems and utilizing Internet of Things-powered sensors for enhanced temperature and humidity monitoring and control. Initiatives such as building-envelopes are being explored to further lower down energy demand from air-conditioning systems which account for the most significant energy consumption in our facilities.

In support of the Green Energy Option Program of the Department of Energy, the PLDT Group has also been switching strategic sites and facilities to solar energy use. We are also continuously expanding supply partnerships to further increase the share of renewables in our energy mix.

For our network facilities, we formed energy management teams that lead and implement energy efficiency initiatives such as the installation of direct current generator sets, solar panels, and photovoltaic cells, as well as battery storage systems to enable powering of assets during peak hours and storage of surplus energy during off-peak hours and for future use. These have been designed to enable us to ensure wireless network coverage in remote areas and reduce our dependence on diesel-fueled generators in cases of power failures and emergency situations.

The PLDT Group has also put in place a company-wide mechanism for fuel requests, as well as active tools to validate electricity use and improve resource consumption efficiency.

To conserve water, we have set up rainwater catchment systems in selected areas and developed a scheme to continuously expand these in all facilities across the country.

Waste Management and Circularity

Effective waste management and circularity are among the key focus areas of the PLDT Group's environmental management roadmap. We ensure the establishment of solid waste segregation and management mechanisms within our facilities nationwide, facilitating adherence with national and local government regulations and collection schemes. For our major facilities, we have built sewage treatment plants to ensure effective management of building effluents. Meanwhile, to manage hazardous waste from our facilities and value chain, we maintain partnerships with various DENR-accredited hazardous waste transporters and treaters, particularly for used lead acid batteries.

The PLDT Group also endeavors to continuously promote waste reduction and recycling through various programs and campaigns within our organization and stakeholder communities. Although PLDT and Smart are not producers of electronic waste, the delivery of our services involves the use of electronic devices such as phones, modems, chargers, routers. Thus, we implement an e-waste management program called "Be Kind. Recycle." to help ensure the proper treatment and disposal of such electronic devices.

Among the strategic objectives of this program is to make proper e-waste disposal accessible and convenient to PLDT and Smart employees, customers, and the public. We hence work to continuously increase the number of e-waste collection sites and partnerships nationwide, with the goal of scaling up impact in strategic areas and communities where we operate.

Management Approach

Our management approach to Environmental Management is guided by commitments set in the PLDT and Smart Occupational Safety, Health, and Environmental Commitments, as approved by our President and CEO. These commitments provision for the continuous allocation of resources to ensure our alignment with the highest standards of environmental performance in all facets of company operations, as well as measures to ensure a dynamic approach in the setting up of priority areas, performance targets, and corresponding action plans. We also align and benchmark with relevant environmental principles and indicators of the United Nations Global Compact, Task Force for Climate-related Financial Disclosures, Taskforce on Nature-related Financial Disclosures, CDP and ISO 14001:2015 (Environmental Management System) Standards.

The PLDT Group commits compliance with all national and environmental laws and regulations. Our Corporate Environment, Health, and Safety (CEHS), Property, Facilities, Asset Resilience Management (PFARM) and Network units spearhead the implementation of environmental management processes and mechanisms to manage our environmental footprint, as well as ensure regular monitoring of the performance of all facilities, equipment, and generator sets across the country. These teams also lead the creation of management plans covering strategies for facilities located in ecologically protected areas. CEHS learning materials and various trainings are also made available to all employees on a periodic basis, as part of capacity-building efforts and initiatives to institutionalize understanding of the impact of workplace operations on the environment and in communities where we operate.

In addition, the PLDT Group has also designated Pollution Control Officers (PCOs) within each company facility to reinforce environmental performance review and report on operational progress on a quarterly basis to the Department of Environment and Natural Resources (DENR), the Laguna Lake Development Authority, and other national and local regulatory bodies. The PCOs monitor compliance with laws and regulations on air, water, and even noise pollution. We also work with various contractors and service providers through regular assessments and stakeholder consultations to

manage the environmental impact of new facilities. Additionally, we support the DENR's National Greening Program and reforestation efforts, particularly focusing on areas where we roll-out our network sites and equipment.

To aid in the review and evaluation of our performance, we undertake periodic audits of our environmental management system through trained Internal Auditors and IRCA certified Lead Auditors facilitating the implementation of the EHS audit program across the different sites.

To foster continuous improvements in our environmental management, we have adopted digital innovations to streamline processes and enhance employee engagement. This includes the introduction of a comprehensive suite of applications, including the EHS Incident Reporting App, Self-Monitoring Report Automation, Emergency Drill Report, Weather Disturbance Activation, Situational Report, and Job Hazard Analysis. These tools addressed common challenges arising from manual reporting, such as human error, inconsistent data, and time-consuming workflows.

This digital transformation not only optimized reporting and compliance but also empowered employees to take a proactive role in promoting workplace safety. Through intuitive tools and real-time data, such program fostered a culture of accountability and engagement. By aligning with sustainability and corporate responsibility goals, this initiative underscored the PLDT Group's leadership in leveraging technology to create safer, more resilient, and efficient workplaces.

The PLDT Group also puts importance on building a sustainability program involving our supply chain, which includes promoting awareness and collective action on the impact of business operations on the environment. As part of our supply chain management processes, we enforce a Supplier Code of Conduct and complementing sustainability guidelines and EHS manuals that mandate suppliers to actively manage their environmental impact and comply with applicable environmental laws and regulations. We also integrate environmental criteria in the screening performance of suppliers, as well as hold forums and various engagements with suppliers to ensure their alignment with our policies on environmental management.

In 2024, PLDT earned certifications on ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018 (Occupational Health and Safety Management System). Smart was also recommended for the same set of certifications. These certifications underscore the PLDT Group's dedication in implementing best practices that drive continuous improvement, enhance customer satisfaction, reduce environmental impact, and ensure a safe working environment for its most important asset – the workforce. Furthermore, these milestones are testament to the hard work and support of the different business units across all levels of the organization to adopt the highest standards of occupational health and safety and environmental performance, fortifying its operational focus on employee welfare, customer experience, and sustainability.

External Citations/ National Recognitions

In 2024 PLDT and Smart were considered top finalists of the Pollution Control Association of the Philippines, Inc. Sustainability Awards for the following categories: a) Top Pollution Control Officer accredited by DENR, b) Mother Nature Award, and c) Sustainability Award. These Environmental Awards are national awards given in recognition of outstanding achievements of establishments and PCOs in promoting pollution control, waste minimization and implementation of an effective environmental management system in their respective companies. It also provides recognition to a successful project implemented by a company that addresses specific environmental problem or major environmental impact of the organization.

Alongside this increased recognitions are Awards from Safety Organization of the Philippines given for Outstanding DOLE Accredited OSH Practitioners and Consultants, Award of Merit and Award of Excellence for achieving significant safe man-hours with zero lost time accidents and a remarkable show of grit demonstrating skills and abilities to foster enhanced capability building efforts on emergency preparedness and response and workplace resilience during the National Fire Brigade Team Competition.

Employees and Labor Relations

As at December 31, 2024, we had 14,904 employees, with 10,813 and 4,091 employees in our fixed line and wireless businesses, respectively. PLDT had 9,513 employees as at December 31, 2024, of which 40% were rank and file employees, 52% were management/supervisory staff and 8% were executives.

PLDT has three employee unions, representing in the aggregate 7,702, or 52% of the employees of the PLDT Group. PLDT considers its relationship with our rank-and-file employees' union, our supervisors' union and our sales supervisors' union to be good.

We and our business units had the following employees as at December 31 of each of the following years:

	December 31,		
	2024	2023	2022
PLDT Group	14,904	15,596	17,579
<i>Fixed Line</i>	10,813	11,373	12,855
<i>LEC</i>	9,543	10,035	10,511
<i>Others</i>	1,270	1,338	2,344
<i>Wireless</i>	4,091	4,223	4,724
PLDT Only	9,513	10,004	10,480

For a detailed discussion of Department of Labor and Employment (DOLE) Compliance Order to PLDT, See Item 3. “Legal Proceedings” and *Note 26 – Provisions and Contingencies – DOLE Compliance Order to PLDT* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

Pension and Retirement Benefits

Defined benefit pension plans

PLDT has defined benefit pension plans, operating under the legal name “The Board of Trustees for the account of the Beneficial Trust Fund created pursuant to the Benefit Plan of PLDT Co.” and covering all of our permanent and regular employees, in which case, benefits are computed based on R.A. 7641 (Retirement Pay Law) or the minimum mandated benefit by the law. For the purpose of complying with Revised PAS 19, *Employee Benefits*, pension benefit expense has been actuarially computed based on defined benefit plan.

Defined contribution plans

Smart’s and certain of its subsidiaries’ contributions to the plan are made based on the employees’ years of tenure and range from 5% to 10% of the employee’s monthly salary. Additionally, an employee has an option to make a personal contribution to the fund, at an amount not exceeding 10% of his monthly salary. The employer then provides an additional contribution to the fund ranging from 10% to 50% of the employee’s contribution based on the employee’s years of tenure. Although the plan has a defined contribution format, Smart and certain of its subsidiaries regularly monitor their compliance with Republic Act No. 7641. As at December 31, 2023 and 2022, Smart and certain of its subsidiaries were in compliance with the requirements of Republic Act No. 7641.

See *Note 2 – Summary of Material Accounting Policies – Retirement Benefits* and *Note 25 – Pension and Other Employee Benefits* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for a discussion of our defined benefit pension plans and defined contribution plans.

Item 2. Description of Property

As at December 31, 2024, the PLDT Group owns three office buildings located in Makati City and owns and operates 289 fixed line exchanges nationwide, of which 45 are located in Metro Manila. The remaining 244 exchanges are located in cities and small municipalities outside the Metro Manila.

As at December 31, 2024, our principal properties, excluding property under construction, consisted of the following, based on net book values:

- 47% consisted of central office equipment and network facilities, including IGFs, pure national toll exchanges and combined local and toll exchanges;
- 40% consisted of cable, wire and mobile facilities, including our DFON, subscriber cable facilities, inter-office trunking and toll cable facilities and mobile facilities;
- 5% consisted of land and improvements and buildings and improvements, which we acquired to house our telecommunications equipment, personnel, inventory and/or fleet; and
- 8% consisted of other work equipment.

For more information on these properties, see *Note 9 – Property and Equipment* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

These properties are located in areas where our subscribers are being served. In our opinion, these properties are in good condition, except for ordinary wear and tear, and are adequately insured.

The majority of our connecting lines are above or under public streets and properties owned by others. For example, for many years, the PLDT Group has been using the power pole network of Meralco in Metro Manila for PLDT’s fixed line aerial cables in this area pursuant to short-term lease agreements with Meralco with typically five-year and more recently one-year terms.

The PLDT Group has various lease contracts for periods ranging from one to thirty years covering various items of sites, buildings, leased circuits and poles used in our operations. For more information on the obligations relating to these properties and long-term obligations, see *Note 10 – Leases*, *Note 20 – Interest-bearing Financial Liabilities* and *Note 27 – Financial Assets and Liabilities* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

We expect that in 2025, cash from operating activities should enable us to increase the level of our capital expenditures for the continued expansion and upgrading of our network infrastructure. We expect to make additional investments in our core facilities to leverage existing technologies and increase capacity. Our current estimate for consolidated capital expenditures in 2025 will be between Php70 billion to Php73 billion. See Item 6. “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Plans” for further discussion on our capital expenditures.

Item 3. Legal Proceedings

Except as disclosed in the following paragraphs, neither PLDT nor any of its subsidiaries is a party to, and none of their respective properties is subject to, any pending legal proceedings that PLDT considers to be potentially material to its and its subsidiaries’ business.

Class Action Suit Against PLDT

On February 6, 2023, Sophia Olsson, an investor in PLDT American Depositary Shares (“ADSs”), filed a putative class action in the United States District Court for the Central District of California (the “Court”) against PLDT and certain current and former directors and officers on behalf of herself and all other persons similarly situated who purchased or otherwise acquired ADSs between January 1, 2019 and December 19, 2022 (“U.S. Class Action”). On April 7, 2023, Ms. Olsson and another individual, Kevin Douglas, submitted separate motions to the Court to serve as lead plaintiff in the U.S. Class Action. On May 1, 2023, the Court granted Mr. Douglas’s (“Plaintiff”) motion to serve as the lead plaintiff.

On July 7, 2023, Plaintiff filed an amended complaint. The amended complaint alleges that PLDT and certain of its current and former directors and officers made materially false and misleading statements regarding PLDT’s capital expenditures and internal controls (among other matters) during the period April 23, 2020 through December 19, 2022. On October 10, 2023, PLDT and defendants Manuel V. Pangilinan, Alfredo S. Panlilio, and Marilyn A. Victorio-Aquino (together, “Defendants”) moved for dismissal of the amended complaint in its entirety.

On December 1, 2023, Defendants and Plaintiff notified the Court that they had reached an agreement in principle to settle the U.S. Class Action. The notification indicated that, accordingly, Defendants and Plaintiff jointly sought to vacate the schedule for further briefing on PLDT’s pending motion to dismiss to allow the parties to finalize the settlement. On December 4, 2023, the Court granted the request to vacate the briefing schedule.

On February 16, 2024, PLDT entered into a Stipulation of Settlement to resolve the U.S. Class Action, and on the same day Plaintiff submitted a motion seeking preliminary approval of the proposed settlement. Under the proposed settlement, which is subject to approval by the Court following notice to the settlement class, the settlement class will receive payment of a settlement amount of \$3,000,000. The proposed settlement agreement contains no admission of liability, fault or wrongdoing by the Company or any of the named defendants. On March 7, 2024, the Court entered an order preliminarily approving the proposed settlement and scheduling a hearing for August 5, 2024 to determine whether to finally approve the settlement.

On June 6, 2024, the Court rescheduled the final approval hearing from August 5, 2024 to August 9, 2024. On August 9, 2024, following Plaintiff’s filing of a motion for final approval of the settlement (together with other motions relating to Plaintiff’s proposed plan for allocating settlement proceeds, attorneys’ fees for counsel for the class, litigation expenses and an award for Plaintiff), the Court held a hearing to address whether to grant final approval of the settlement. After counsel for the class orally presented these motions, the Court reserved judgment.

On September 17, 2024, the Court granted final approval to PLDT’s case-ending settlement of securities class action litigation. The Judgment and Order of the Court provides that the Court will retain jurisdiction over (among other matters) implementation of the settlement and the distribution and disposition of the settlement fund. There is a 30-day period to appeal but any such appeal by a class member on the Plan of Allocation or the amount of attorney’s fees will not affect the finality of the Judgment and Order as to the approval of the Settlement vis-a-vis PLDT and the individual defendants. Given that the 30-day period expired with no appeal on record, the case is now considered closed and terminated.

See *Note 26 – Provisions and Contingencies – Class Action Suit Against PLDT* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

Notice of Material Breach and Demand for Payment on DITO

PLDT and DITO entered into an agreement in February 2021 for the construction of a transmission facility that served as the point of interconnection for their subscribers. Under the agreement, PLDT established and managed the interconnection facility that operated as the primary physical interface for both companies. The planned facility was completed in March 2021.

PLDT served on DITO on October 6, 2022 a Notice of Material Breach and Demand for Payment due to DITO's refusal to pay the outstanding balance of Php430 million for contracted services provided by PLDT in relation to the building and provisioning of transmission facilities used by DITO to deliver telecommunication services to its subscribers. Upon DITO's request, PLDT agreed to limit the scope of work, resulting in a reduction of the outstanding balance to Php280 million, which will be payable in three tranches. As of the date of this Annual Report, DITO has only paid the first and second tranche amounting to Php168 million, with a remaining balance of Php112 million.

Meanwhile, DITO filed a petition with the NTC on September 22, 2021 seeking the latter's intervention in directing Smart to grant DITO's request for additional capacity for interconnection. In response, Smart filed an answer on October 4, 2021 stating that the petition should be denied for DITO's failure to prevent, detect, or block International Simple Resale, or ISR/Bypass Traffic emanating from its network and DITO's failure to set up an effective fraud management system; and requesting for compensation for losses incurred due to these ISR/ bypass activities, in violation of its Interconnection Agreement with Smart, the provisions of R.A. No. 7925, and NTC MC No. 14-07-2000. The NTC facilitated mediation conferences on November 5, 2021, November 18, 2021, February 4, 2022, and February 16, 2022. On March 6, 2024, Smart filed a Manifestation informing the NTC that Smart already provided additional capacity for interconnection to DITO, and that Smart and DITO executed a memorandum of agreement on bypass activities. On May 9, 2024, Smart filed a Motion to Dismiss in light of the aforementioned supervening events.

Following news reports on August 8, 2022 that DITO had filed a complaint with the PCC against Globe and Smart involving the same issue pending with the NTC on ISR, Smart received a *subpoena duces tecum* dated December 7, 2022 ("December Subpoena") from the PCC Competition Enforcement Office in relation to an ongoing full administrative investigation involving the telecommunications industry. The subpoena notified Smart that it was the subject of ongoing investigation pursuant to Section 2.9 of the 2017 PCC Rules of Procedure, involving allegations of violations by Smart of Section 14(b)(1), 15(b), 15(c) and 15(i) of the Philippine Competition Act. Smart was directed to submit its corporate documents, documents and information pertaining to its operations as a PTE and its relationship with other PTEs, and documents and information on ISR. to the PCC on January 23, 2023, followed by the submission of a supplemental submission on January 27, 2023. On May 26, 2023, Smart received a *subpoena ad testificandum* from the PCC directing duly authorized representative(s) knowledgeable on: (i) Smart's operations, including but not limited to interconnection with other public telecommunications entities, products and services offered, and corporate structure; and (ii) submitted documents in relation to the December Subpoena, to appear before the PCC Enforcement Office on June 8, 2023. Accordingly, Smart representatives appeared before the PCC on the said date for the clarificatory hearing. On July 4, 2023, Smart received a PCC Resolution setting another hearing and requiring Smart's representatives to appear and address pending matters on competitor information, market distinction between postpaid and prepaid services, network coverage, interconnection agreements, clarificatory questions on documents already submitted, and other related matters. Accordingly, representatives attended the clarificatory hearings before the PCC on July 20 and November 20, 2023. On January 19, 2024, DITO informed Smart that it had signed the Memorandum of Agreement (Cooperation Against Bypass Activity) and provided a fully-signed copy on said date. On March 2, 2024, Smart filed a Manifestation informing the PCC-Competition Enforcement Office (PCC-CEO) that an agreement had been reached with DITO on bypass activities and that DITO acknowledged its ISR liabilities for 2021 to August 2023. Smart filed another Manifestation on March 8, 2024, informing the PCC-CEO that it granted DITO additional capacity for interconnection following the execution of the agreement on bypass activities. Smart has not received any subsequent order or resolution from the PCC.

See Note 26 – Provisions and Contingencies – Notice of Material Breach and Demand for Payment on DITO to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

DOLE Compliance Order Issued Against PLDT

In a series of orders, including a compliance order issued by the DOLE in 2018, PLDT was ordered to regularize 7,344 workers from 38 of PLDT's third party service contractors. PLDT questioned these regularization orders before the CA. The CA partially ruled in favor of PLDT by holding that the following services can be validly outsourced: (i) janitorial, messengerial, clerical; (ii) IT support and application development; (iii) back office support and BPOs; and (iv) sales, and other professional services. This ruling considerably reduced by at least half, the number of workers of service contractors required to be regularized. PLDT filed a petition for review with the Supreme Court because the CA ordered the regularization of individuals performing installation, repair, and maintenance functions on the basis that they are usually necessary and desirable to the usual course of PLDT's business.

The Supreme Court resolved the consolidated Petitions in a Decision promulgated on February 14, 2024. The Decision affirmed the Court of Appeals in setting aside the Secretary of Labor's orders for PLDT to regularize the 7,344 workers of its contractors, except those workers performing "installation, repair and maintenance" services, whose regularization is subject to a remand of proceedings before the Regional Director of the DOLE. In setting aside the Secretary of Labor's orders, the Supreme Court ruled that the exercise of the Secretary's visitatorial and enforcement powers is subject to the "basic tenets of appreciating evidence," and that it was improper to rely on the anecdotal evidence that was used as basis in the Secretary's orders because such evidence is "malleable and may be tailored to suit any narrative or conclusion." The remand will require the Regional Director of DOLE to determine the appropriateness of regularization of employees of contractors engaged in installation, repair, and maintenance, by undertaking the following: (a) to review and properly determine the effects of the regularization of the workers performing installation, repair, and maintenance services; (b) to review, compute, and properly determine, the monetary award on the labor standards violation, to which PLDT, and the concerned contractors are solidarily liable; and (c) to conduct further appropriate proceedings, consistent with this

Decision. Motions for Reconsideration may be filed by the parties, subject to their receipt of the Supreme Court decision by official service.

See *Note 26 – Provisions and Contingencies – DOLE Compliance Order to PLDT* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

Petition against the PCC

In July 2016, PLDT filed before the CA a petition for certiorari and prohibition (with urgent application for a temporary restraining order and/or writ of preliminary injunction) against the PCC. The Petition seeks to enjoin the PCC from proceeding with the review of the acquisition by PLDT and Globe of equity interest, including outstanding advances and assumed liabilities, in the telecommunications business of SMC, and performing any act which challenges or assails the “deemed approved” status of the said transactions. In August 2016, the CA issued a writ of preliminary injunction enjoining the PCC to cease and desist from conducting further proceedings for the pre-acquisition review and/or investigation of the SMC Transactions. In April 2017, the PCC filed before the Supreme Court a petition to annul the writ of preliminary injunction issued by the CA. The petition remains pending with the Supreme Court.

See *Note 11 – Investments in Associates and Joint Ventures – In the Matter of the Petition against the PCC* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

Attys. Baquiran and Tecson vs. NTC, et al.

In October 2018, a petition for mandamus was filed against the NTC, the PCC, Liberty Telecoms Holdings, Inc. (also known as Tori Spectrum Telecom, Inc.), Bell Telecommunication, Inc., Globe, PLDT and Smart. This involves the 700 MHz frequency, among others, that was originally assigned to Liberty and which eventually became subject of a co-use agreement between Globe, PLDT and Smart. The petition remains pending with the Supreme Court.

See *Note 26 – Provisions and Contingencies – Attys. Baquiran and Tecson vs. NTC, et al.* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

Arbitration with Eastern Telecommunications Philippines, Inc., or ETPI

Since 1990 up to the present, PLDT and ETPI have been engaged in legal proceedings involving a number of issues in connection with their business relationship. To avoid protracted litigation and to preserve their business relationship, PLDT and ETPI agreed to submit their differences and issues to voluntary arbitration. In April 2008, PLDT and ETPI signed an Arbitration Settlement Agreement. Subsequent to such submissions, PLDT and ETPI agreed to suspend the arbitration proceedings.

See *Note 26 – Provisions and Contingencies – Arbitration with Eastern Telecommunications Philippines, Inc.* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

Local Business and Franchise Taxes

As at December 31, 2024, PLDT has no contested LGU assessments for franchise taxes based on gross receipts received or collected for services within their respective territorial jurisdiction.

Smart and DMPI currently face various local business and franchise tax assessments by different local government units, while Digitel is discussing with various local government units as to the settlement of its local taxes.

ACeS Philippines entered into an amicable settlement with the Bureau of Internal Revenue in 2021 pursuant to the provisions of the Civil Code of the Philippines for its withholding tax assessments.

See *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this annual report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters

Market Information

Common Capital Stock and ADSs

The shares of common stock of PLDT are listed and traded on the PSE under the symbol of “TEL”. On October 19, 1994, an American Depositary Receipt (ADR) facility was established, pursuant to which Citibank, N.A., as the depositary, issued ADRs evidencing ADSs with each ADS representing one PLDT common share with a par value of Php5.00 per share. Effective February 10, 2003, PLDT appointed JP Morgan Chase Bank as successor depositary of PLDT’s ADR facility. The ADSs are listed on the NYSE and are traded on the NYSE under the symbol of “PHI”.

The public ownership level of PLDT common shares listed on the PSE as at December 31, 2024 is 42.08%.

As at December 31, 2024, 9,826 stockholders were Philippine persons and held approximately 64.31% of PLDT's common capital stock. In addition, as at December 31, 2024, there were a total of approximately 16,477 million ADSs outstanding, substantially all of which PLDT believes were held in the United States by 205 holders.

High and low sales prices for PLDT's common shares on the PSE and ADSs on the NYSE for each of the full quarterly period during 2024 and 2023 and for the first two months of 2025 were as follows:

	Philippine Stock Exchange		New York Stock Exchange	
	High	Low	High	Low
2025				
First Quarter	1,406.00	1,272.00	24.10	21.73
January	1,357.00	1,272.00	23.06	21.73
February (through February 26)	1,406.00	1,300.00	24.10	22.50
2024				
First Quarter	1,425.00	1,255.00	30.39	22.07
Second Quarter	1,480.00	1,286.00	26.00	22.56
Third Quarter	1,624.00	1,420.00	29.05	24.29
Fourth Quarter	1,565.00	1,245.00	27.73	21.00
2023				
First Quarter	1,547.00	1,240.00	27.98	22.63
Second Quarter	1,368.00	1,190.00	25.19	20.89
Third Quarter	1,349.00	1,094.00	24.30	19.02
Fourth Quarter	1,308.00	1,159.00	23.97	20.27

Holders

As at December 31, 2024, there were 11,346 holders of record of PLDT's common shares. Listed below were the top 20 common shareholders, including their nationalities, the number of shares held, the amount of their holdings, and the approximate percentages of their respective shareholdings to PLDT's total outstanding common stocks:

Name of Holder of Record	Nationality	Number of Shares Held	Amount of Holding	Approximate % to Total Outstanding Common Stock
1. PCD Nominee Corporation	Various – Filipino	52,938,713	Php264,693,565	38.18
	Various – Foreign	29,547,655		
2. Philippine Telecommunications Investment Corporation	Filipino	26,034,263	130,171,315	12.05
3. JG Summit Holdings, Inc.	Filipino	24,255,732	121,278,660	11.23
4. NTT DOCOMO, INC.	Japanese	22,796,902	113,984,510	10.55
5. Metro Pacific Resources, Inc.	Filipino	21,556,676	107,783,380	9.98
6. NTT Communications Corporation	Japanese	12,633,487	63,167,435	5.85
7. J. P. Morgan Hong Kong Nominees Limited	Chinese	11,515,131	57,575,655	5.33
8. Social Security System, or SSS	Filipino	9,613,282	48,066,410	4.45
9. James L. Go	Filipino	885,724	4,428,620	0.41
10. Pan-Malayan Management & Investment Corp.	Filipino	781,124	3,905,620	0.36
11. Malayan Insurance Co., Inc.	Filipino	288,000	1,440,000	0.13
12. Manuel V. Pangilinan	Filipino	271,611	1,358,055	0.13
13. Social Security System Assigned to Employees Compensation Fund	Filipino	134,700	673,500	0.06
14. Alfonso T. Yuchengco	Filipino	118,458	592,290	0.05
15. Albert F. del Rosario &/or Margaret Gretchen V. del Rosario	Filipino	106,780	533,900	0.05
16. JG Digital Equity Ventures, Inc.	Filipino	86,723	433,615	0.04
17. Enrique T. Yuchengco, Inc.	Filipino	59,868	299,340	0.03
18. Social Security System Assigned to Mandatory Provident Fund	Filipino	50,100	250,500	0.02
19. Henry O. Chusuey / Henry O. Chusuey or Anna Lissa Chusuey / Chusuey Henry Ong or Anna Lissa Chusuey	Filipino	49,385	246,925	0.02
20. JDC Investment Realty Enterprises, Inc.	Filipino	47,708	238,540	0.02
		213,772,022	Php1,068,860,110	

Dividends

The following table shows the dividends declared to common shareholders from the earnings for the years ended December 31, 2022, 2023 and 2024:

Earnings	Date			Amount	
	Approved	Record	Payable	Per share (in Php)	Total Declared (amounts in million Php)
2020	August 6, 2020	August 20, 2020	September 4, 2020	38	8,210
2020	March 4, 2021	March 18, 2021	April 6, 2021	40	8,642
				78	16,852
2021	August 5, 2021	August 19, 2021	September 3, 2021	42	9,075
2021	March 3, 2022	March 17, 2022	April 4, 2022	42	9,075
				84	18,150
2022	August 4, 2022	August 18, 2022	September 5, 2022	47	10,155
2022	August 4, 2022	August 18, 2022	September 5, 2022	28	6,049
2022	March 23, 2023	April 11, 2023	April 21, 2023	45	9,722
2022	March 23, 2023	April 11, 2023	April 21, 2023	14	3,025
				134	28,951
2023	August 3, 2023	August 17, 2023	September 4, 2023	49	10,587
2023	March 7, 2024	March 21, 2024	April 5, 2024	46	9,939
				95	20,526
2024	August 13, 2024	August 27, 2024	September 11, 2024	50	10,803
	February 27, 2025	March 13, 2025	April 3, 2025	47	10,155
				97	20,958

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes as at December 31, 2024 and 2023 and for each of the three years ended December 31, 2024, 2023 and 2022 included elsewhere in this Annual Report. This discussion contains forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements.

Selected Financial Data and Key Performance Indicators

	Years ended December 31,		
	2024	2023	2022 ⁽¹⁾
Income Statement Data:			
Revenues	216,833	210,953	204,362
Service revenues	208,382	201,832	195,344
Non-service revenues	8,451	9,121	9,018
Expenses	166,346	170,259	209,427
Other income (expenses) – net	(7,794)	(4,217)	19,097
Income before income tax	42,693	36,477	14,032
Net income	32,555	26,824	10,735
Continuing operations	32,555	26,865	11,335
Discontinued operations	—	(41)	(600)
Core income	34,232	32,421	30,152
Continuing operations	34,232	32,462	30,752
Discontinued operations	—	(41)	(600)
Telco core income	35,138	34,341	33,301
EBITDA	108,515	104,233	100,262
Continuing operations	108,515	104,297	100,588
Discontinued operations	—	(64)	(326)
EBITDA margin ⁽²⁾	52%	52%	51%
Reported earnings per common share:			
Basic	149.26	122.91	48.26
Diluted	149.26	122.91	48.26
Reported earnings per common share from continuing operations:			
Basic	149.26	123.10	51.03
Diluted	149.26	123.10	51.03
Core earnings per common share:			
Basic	158.17	149.78	139.29
Diluted	158.17	149.78	139.29
Core earnings per common share from continuing operations:			
Basic	158.17	149.97	142.06
Diluted	158.17	149.97	142.06
Other Data:			
Net cash provided by operating activities	81,731	85,765	76,200
Net cash used in investing activities	(65,704)	(55,118)	(33,006)
<i>Payment for purchase of property and equipment, including capitalized interest</i>	<i>(68,257)</i>	<i>(78,435)</i>	<i>(95,551)</i>
Net cash used in financing activities	(22,331)	(39,418)	(42,304)
Operational Data			
Number of mobile subscribers	58,989,807	57,827,126	66,304,761
Prepaid	56,731,489	55,667,880	64,287,019
Postpaid	2,258,318	2,159,246	2,017,742
Number of fixed line voice subscribers	3,711,371	3,766,105	3,825,424
Number of broadband subscribers	3,878,231	3,709,541	3,992,303
Fixed Line broadband	3,431,785	3,268,996	3,247,979
Fixed Wireless broadband	446,446	440,545	744,324
Number of employees:	14,904	15,596	17,579
Fixed Line	10,813	11,373	12,855
<i>LEC</i>	<i>9,543</i>	<i>10,035</i>	<i>10,511</i>
<i>Others</i>	<i>1,270</i>	<i>1,338</i>	<i>2,344</i>
Wireless	4,091	4,223	4,724

⁽¹⁾ To be comparable with 2023, certain amounts for the year ended December 31, 2022 have been reclassified to reflect the discontinued operations of certain ePLDT subsidiaries. See Note 2 – Summary of Material Accounting Policies – Discontinued Operations to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

⁽²⁾ EBITDA margin for the year is measured as EBITDA from continuing operations divided by service revenues.

Overview

We are one of the leading telecommunications and digital services providers in the Philippines, serving the fixed line, wireless and broadband markets. Through our three principal business segments, Wireless, Fixed Line and Others, we offer a wide range of telecommunications and digital services across our extensive fiber optic backbone and wireless and fixed line networks. See Note 4 – Operating Segment Information to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further information on each of these segments.

Key performance indicators and drivers that our management uses to monitor and direct the operation of our businesses include, among others, the general economic conditions in the Philippines; market trends, such as customer demands, behavior and satisfaction parameters; technological developments; network performance (in terms of speed, coverage and capacity); market share; and profitability.

In addition, our results of operations and financial position are increasingly affected by fluctuations of the Philippine peso against the U.S. dollar.

Performance Indicators

We use a number of non-GAAP performance indicators to monitor financial performance. These are summarized below and discussed later in this report.

EBITDA

EBITDA for the year is measured as net income excluding depreciation and amortization, amortization of intangible assets, asset impairment on noncurrent assets, financing costs – net, interest income, equity share in net earnings (losses) of associates and joint ventures, foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net, provision for (benefit from) income tax, other income (expense) – net, manpower rightsizing program (MRP) and non-recurring income (expenses). EBITDA is monitored by management for each business unit separately for purposes of making decisions about resource allocation and performance assessment. EBITDA is presented because our management believes that it is widely used by investors in their analysis of the performance of PLDT and can assist them in their comparison of PLDT's performance with those of other companies in the technology, media and telecommunications sector. Companies in the technology, media and telecommunications sector have historically reported EBITDA as a supplement to financial measures in accordance with PFRS. EBITDA should not be considered as alternative to net income as an indicator of our performance, nor should EBITDA be considered as an alternative to cash flows from operating activities, as a measure of liquidity or as an alternative to any other measure determined in accordance with PFRS. Unlike net income, EBITDA does not include depreciation and amortization, or financing costs and, therefore, does not reflect current or future capital expenditures or the cost of capital. We compensate for these limitations by using EBITDA as only one of several comparative tools, together with PFRS-based measurements, to assist in the evaluation of operating performance. Such PFRS-based measurements include income before income tax, net income, and operating, investing and financing cash flows. We have significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in EBITDA. Our calculation of EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited. A reconciliation of our consolidated net income to our consolidated EBITDA for the years ended December 31, 2024, 2023 and 2022 is presented in Item 6. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review"

Core Income and Telco Core Income

Core income for the year is measured as net income attributable to equity holders of PLDT (net income less net income attributable to noncontrolling interests), excluding foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net (excluding hedge costs), asset impairment on noncurrent assets, non-recurring gains (losses), net of tax effect of aforementioned adjustments, as applicable, and similar adjustments to equity share in net earnings (losses) of associates and joint ventures. Core income results are monitored by management for each business unit separately for purposes of making decisions about resource allocation and performance assessment.

Meanwhile, telco core income for the year is measured as net income attributable to equity holders of PLDT (net income less net income attributable to noncontrolling interests), excluding foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net (excluding hedge costs), asset impairment on noncurrent assets, non-recurring gains (losses), net of tax effect of aforementioned adjustments, as applicable, and similar adjustments to equity share in net earnings (losses) of associates and joint ventures, adjusted for the effect of the share in Maya Innovations Holdings, Pte. Ltd., or MIH, (formerly Voyager Innovations Holdings Pte. Ltd.), losses, asset sales, and depreciation due to change in accounting estimate. Telco core income is used by the management as a basis for determining the level of dividend payouts to shareholders and one of the bases for granting incentives to employees.

Core income and telco core income should not be considered as alternatives to income before income tax or net income determined in accordance with PFRS as an indicator of our performance. Unlike net income, core income and telco core income do not include certain items, among others, foreign exchange gains and losses, gains and losses on derivative financial instruments, impairment on non-current assets and non-recurring gains and losses. We compensate for these limitations by using core income and telco core income as a few of several comparative tools, together with PFRS-based measurements, to assist in the evaluation of operating performance. Such PFRS-based measurements include income before income tax and net income. Our calculation of core income may be different from the calculation methods used by other companies and, therefore, comparability may be limited. A reconciliation of our consolidated net income to our consolidated core income and consolidated telco core income for the years ended December 31, 2024, 2023 and 2022 is presented in Item 6. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review".

Management's Financial Review

We use our EBITDA and our core income to assess our operating performance. Set forth below is a reconciliation of our consolidated net income to our consolidated EBITDA and a reconciliation of our consolidated net income to our consolidated core income and consolidated telco core income for the years ended December 31, 2024, 2023 and 2022.

The following table shows the reconciliation of our consolidated net income to our consolidated EBITDA for the years ended December 31, 2024, 2023 and 2022:

	December 31,		
	2024	2023	2022 ⁽¹⁾
	(amounts in million Php)		
Net income from continuing operations	32,555	26,865	11,335
Net loss from discontinued operations	—	(41)	(600)
Consolidated net income	32,555	26,824	10,735
Add (deduct) adjustments to continuing operations:			
Depreciation and amortization	55,988	58,441	98,631
Financing costs – net	15,500	13,755	11,759
Provision for income tax	10,138	9,612	2,697
Manpower rightsizing program (MRP)	1,688	2,021	5,028
Equity share in net earnings of associates and joint ventures	990	2,806	3,304
Amortization of intangible assets	240	221	228
Impairment of non-current assets	69	—	283
Foreign exchange losses (gains) – net	36	(1,149)	4,687
Additional amortization of subscriber contract cost to obtain	—	2,135	—
Net loss on debt modification	—	—	295
Gain on dilution in MIH	—	—	(660)
Income from prescription of liability on redeemable preferred shares	(71)	—	(7,839)
Interest income	(916)	(1,016)	(653)
Gain on sale and leaseback of telecom towers - net of expenses	(951)	(6,992)	(24,563)
Gains on derivative financial instruments – net	(4,023)	(1,198)	(2,322)
Others	(2,728)	(1,204)	(1,622)
Total adjustments	75,960	77,432	89,253
EBITDA from continuing operations	108,515	104,297	100,588
EBITDA from discontinued operations	—	(64)	(326)
Consolidated EBITDA	108,515	104,233	100,262

⁽¹⁾ To be comparable with 2023, certain amounts for the year ended December 31, 2022 have been reclassified to reflect the discontinued operations of certain ePLDT subsidiaries. See Note 2 – Summary of Material Accounting Policies – Discontinued Operations to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

The following table shows the reconciliation of our consolidated net income to our consolidated core income and telco core income for the years ended December 31, 2024, 2023 and 2022:

	December 31,		
	2024	2023	2022 ⁽¹⁾
	(amounts in million Php)		
Net income from continuing operations	32,555	26,865	11,335
Net loss from discontinued operations	—	(41)	(600)
Consolidated net income	32,555	26,824	10,735
Add (deduct) adjustments to continuing operations:			
Accelerated depreciation and amortization ⁽²⁾	5,686	13,924	51,204
MRP	1,688	2,021	5,028
Amortization of debt discount from debt modification	183	177	470
Other non-recurring expenses	151	433	194
Impairment of non-current assets	69	—	283
Foreign exchange losses (gains) – net	36	(1,152)	4,685
Impairment of investments	—	70	50
Core income adjustment on equity share in net loss (income) of associates and joint ventures	(5)	466	(195)
Income from prescription of liability on redeemable preferred shares	(71)	—	(7,839)
Net income attributable to noncontrolling interests	(248)	(210)	(250)
Gain on sale and leaseback of telecom towers – net of expenses	(951)	(6,992)	(24,563)
Gains on derivative financial instruments – net, excluding hedge costs	(4,252)	(1,436)	(2,572)
Net tax effect of aforementioned adjustments	(609)	(1,704)	(7,078)
Total adjustments	1,677	5,597	19,417
Core income from continuing operations	34,232	32,462	30,752
Core loss from discontinued operations	—	(41)	(600)
Consolidated core income	34,232	32,421	30,152
Core income from continuing operations	34,232	32,462	30,752
Add (deduct) adjustments:			
Share in MIH losses	1,006	2,175	3,239
Share in Kayana losses	46	—	—
Gain on dilution in MIH, net of tax	—	—	(660)
Gain on asset sales, net of tax	—	(296)	(30)
Gain on deconsolidation of Kayana	(146)	—	—
Total adjustments	906	1,879	2,549
Consolidated telco core income	35,138	34,341	33,301

⁽¹⁾ To be comparable with 2023, certain amounts for the year ended December 31, 2022 have been reclassified to reflect the discontinued operations of certain ePLDT subsidiaries. See Note 2 – Summary of Material Accounting Policies – Discontinued Operations to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

⁽²⁾ In 2023, accelerated depreciation and amortization includes subscriber contract cost to obtain of Php2,135 million and cost to fulfill of Php11,789 million.

The following table shows the reconciliation of our consolidated basic and diluted earnings per share, or EPS, attributable to common equity holders of PLDT to our consolidated basic and diluted core EPS for the years ended December 31, 2024, 2023 and 2022:

	2024		2023		2022	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
			(in Php)			
EPS from continuing operations	149.26	149.26	123.10	123.10	51.03	51.03
EPS from discontinued operations	—	—	(0.19)	(0.19)	(2.77)	(2.77)
Consolidated EPS attributable to common equity holders of PLDT	149.26	149.26	122.91	122.91	48.26	48.26
Add (deduct) adjustments:						
Accelerated depreciation and amortization	19.74	19.74	48.34	48.34	177.75	177.75
Manpower rightsizing program	5.86	5.86	7.02	7.02	17.46	17.46
Net loss/(gain) on debt modification	0.64	0.64	0.61	0.61	1.63	1.63
Foreign exchange losses (gains) – net	0.13	0.13	(4.00)	(4.00)	16.26	16.26
Impairment of investments/noncurrent assets	0.31	0.31	0.32	0.32	0.23	0.23
Gains on derivative financial instruments – net, excluding hedge costs	(14.76)	(14.76)	(4.99)	(4.99)	(8.93)	(8.93)
Gain on sale and leaseback of telecom towers	(3.30)	(3.30)	(24.59)	(24.59)	(86.91)	(86.91)
Income from prescription of liability on redeemable preferred shares	(0.33)	(0.33)	—	—	(27.21)	(27.21)
Core income adjustment on equity share in net (income) losses of associates and joint ventures	(0.02)	(0.02)	2.16	2.16	(0.90)	(0.90)
Other non-recurring expenses	0.64	0.64	2.00	2.00	1.65	1.65
Total adjustments	8.91	8.91	26.87	26.87	91.02	91.02
Core EPS from continuing operations	158.17	158.17	149.97	149.97	142.05	142.05
Core EPS from discontinued operations	—	—	(0.19)	(0.19)	(2.77)	(2.77)
Consolidated core EPS	158.17	158.17	149.78	149.78	139.29	139.29

Results of Operations

The table below shows the contribution by each of our business segments to our consolidated revenues, expenses, other income (expenses), income (loss) before income tax, provision for (benefit from) income tax, net income (loss), segment profit (loss), EBITDA, EBITDA margin and core income for the years ended December 31, 2024, 2023 and 2022. In each of the years ended December 31, 2024, 2023 and 2022, the majority of our revenues was derived from our operations within the Philippines. Our revenues derived from outside the Philippines consist primarily of revenues from incoming international calls to the Philippines.

	Wireless	Fixed Line	Others	Inter-segment Transactions	Consolidated
	(amounts in million Php)				
For the year ended December 31, 2024					
Revenues	105,734	126,490	—	(15,391)	216,833
Expenses	86,653	95,357	90	(15,754)	166,346
Other income (expenses) – net	(4,745)	7,760	(988)	(9,821)	(7,794)
Income (loss) before income tax	14,336	38,893	(1,078)	(9,458)	42,693
Provision for (benefit from) income tax	3,276	6,501	(9)	370	10,138
Net income (loss)/Segment profit (loss)	11,060	32,392	(1,069)	(9,828)	32,555
EBITDA	55,634	61,953	(48)	(9,024)	108,515
EBITDA margin ⁽¹⁾	57 %	49 %	—	—	52 %
Core income	10,852	34,518	(1,084)	(10,054)	34,232
Telco core income	10,852	34,372	(32)	(10,054)	35,138
For the year ended December 31, 2023					
Revenues	104,401	120,734	—	(14,182)	210,953
Expenses	82,827	102,352	18	(14,938)	170,259
Other income (expenses) – net	1,485	12,147	(2,251)	(15,598)	(4,217)
Income (loss) before income tax	23,059	30,529	(2,269)	(14,842)	36,477
Provision for (benefit from) income tax	5,537	4,015	1	59	9,612
Net income (loss)/Segment profit (loss)	17,522	26,514	(2,270)	(14,901)	26,824
Continuing operations	17,522	26,514	(2,270)	(14,901)	26,865
Discontinued operations	—	—	—	—	(41)
EBITDA	54,369	59,102	(18)	(9,156)	104,233
Continuing operations	54,369	59,102	(18)	(9,156)	104,297
Discontinued operations	—	—	—	—	(64)
EBITDA margin ⁽¹⁾	57 %	49 %	—	—	52 %
Core income	11,750	37,886	(2,110)	(15,064)	32,421
Continuing operations	11,750	37,886	(2,110)	(15,064)	32,462
Discontinued operations	—	—	—	—	(41)
Telco core income	11,750	37,590	65	(15,064)	34,341
For the year ended December 31, 2022 ⁽²⁾					
Revenues	104,274	127,810	—	(27,722)	204,362
Expenses	104,058	133,148	13	(27,792)	209,427
Other income (expenses) – net	18,681	21,002	(2,790)	(17,796)	19,097
Income (loss) before income tax	18,897	15,664	(2,803)	(17,726)	14,032
Provision for (benefit from) income tax	3,793	(1,102)	(134)	140	2,697
Net income (loss)/Segment profit (loss)	15,104	16,766	(2,669)	(17,866)	10,735
Continuing operations	15,104	16,766	(2,669)	(17,866)	11,335
Discontinued operations	—	—	—	—	(600)
EBITDA	55,215	55,051	(12)	(9,666)	100,262
Continuing operations	55,215	55,051	(12)	(9,666)	100,588
Discontinued operations	—	—	—	—	(326)
EBITDA margin ⁽¹⁾	58 %	43 %	—	—	51 %
Core income (loss)	13,034	38,613	(2,958)	(17,937)	30,152
Continuing operations	13,034	38,613	(2,958)	(17,937)	30,752
Discontinued operations	—	—	—	—	(600)
Telco core income	13,034	38,135	69	(17,937)	33,301

⁽¹⁾ EBITDA margin for the year is measured as EBITDA from continuing operations divided by service revenues.

⁽²⁾ To be comparable with 2023, certain amounts for the year ended December 31, 2022 have been reclassified to reflect the discontinued operations of certain ePLDT subsidiaries. See Note 2 – Summary of Material Accounting Policies – Discontinued Operations to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

Years Ended December 31, 2024 and 2023

On a Consolidated Basis

Revenues

We reported consolidated revenues of Php216,833 million in 2024, an increase of Php5,880 million, or 3%, as compared with Php210,953 million in 2023, primarily due to higher consolidated revenues from data, voice and SMS services, partially offset by lower consolidated non-service revenues and fixed wireless broadband service revenues.

Our consolidated service revenues of Php208,382 million in 2024, increased by Php6,550 million, or 3%, from Php201,832 million in 2023. Our consolidated non-service revenues of Php8,451 million in 2024, decreased by Php670 million, or 7%, from Php9,121 million in 2023.

Consolidated service revenues, net of interconnection costs of Php13,718 million, amounted to Php194,664 million in 2024, an increase of Php3,250 million, or 2%, from Php191,414 million in 2023.

The following table shows the breakdown of our consolidated revenues by service for the years ended December 31, 2024 and 2023:

	Wireless	Fixed Line	Inter-segment Transactions	Consolidated
(amounts in million Php)				
For the year ended December 31, 2024				
Service Revenues				
Wireless	97,779		(790)	96,989
Mobile	96,246		(738)	95,508
Fixed Wireless broadband	1,481		—	1,481
Other services	52		(52)	—
Fixed Line		125,994	(14,601)	111,393
Voice		29,660	(1,560)	28,100
Data		95,666	(12,773)	82,893
Home broadband		51,759	(18)	51,741
Corporate data and ICT		43,907	(12,755)	31,152
Miscellaneous		668	(268)	400
Total Service Revenues	97,779	125,994	(15,391)	208,382
Non-Service Revenues				
Sale of phone units, mobile handsets, broadband data modems, devices and others	7,955	448	—	8,403
Point-product sales	—	48	—	48
Total Non-Service Revenues	7,955	496	—	8,451
Total Revenues	105,734	126,490	(15,391)	216,833
For the year ended December 31, 2023				
Service Revenues				
Wireless	95,677		(683)	94,994
Mobile	94,007		(642)	93,365
Fixed Wireless broadband	1,629		—	1,629
Other services	41		(41)	—
Fixed Line		120,336	(13,498)	106,838
Voice		26,686	(1,526)	25,160
Data		93,212	(11,703)	81,509
Home broadband		50,876	(24)	50,852
Corporate data and ICT		42,336	(11,679)	30,657
Miscellaneous		438	(269)	169
Total Service Revenues	95,677	120,336	(14,181)	201,832
Non-Service Revenues				
Sale of phone units, mobile handsets, broadband data modems, devices and others	8,724	396	(1)	9,119
Point-product sales	—	2	—	2
Total Non-Service Revenues	8,724	398	(1)	9,121
Total Revenues	104,401	120,734	(14,182)	210,953

The following table shows the breakdown of our consolidated revenues by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
(amounts in million Php)						
Wireless	105,734	49	104,401	50	1,333	1
Fixed Line	126,490	58	120,734	57	5,756	5
Inter-segment transactions	(15,391)	(7)	(14,182)	(7)	(1,209)	(9)
Consolidated	216,833	100	210,953	100	5,880	3

Expenses

Consolidated expenses decreased by Php3,913 million, or 2%, to Php166,346 million in 2024 from Php170,259 million in 2023, primarily due to lower expenses related to selling, general and administrative expenses, depreciation and amortization, cost of sales and services, and provisions, partially offset by higher interconnection costs and asset impairment.

The following table shows the breakdown of our consolidated expenses by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
(amounts in million Php)						
Wireless	86,653	52	82,827	49	3,826	5
Fixed Line	95,357	57	102,352	60	(6,995)	(7)
Others	90	—	18	—	72	400
Inter-segment transactions	(15,754)	(9)	(14,938)	(9)	(816)	(5)
Consolidated	166,346	100	170,259	100	(3,913)	(2)

Other Income (Expenses) – Net

Consolidated other expenses – net amounted to Php7,794 million in 2024, an increase of Php3,577 million, or 85%, from Php4,217 million in 2023, primarily due to the combined effects of the following: (i) lower other income – net from our Wireless business segment mainly on account of a lower gain on sale and leaseback of telecom towers, and from our Fixed Line business segment owing mainly to lower dividend income recognized from the subsidiaries of Wireless business segment; (ii) higher net financing costs from our Fixed Line and Wireless business segments; (iii) net foreign exchange losses from our Fixed Line business segment in 2024 as compared with net foreign exchange gains in 2023;

- (iv) higher net gains on derivative financial instruments from our Fixed Line and Wireless business segments; and
(v) lower equity share in net losses from our Fixed Line and Other business segments.

The following table shows the breakdown of our consolidated other income (expenses) – net by business segment for the years ended December 31, 2024 and 2023:

	2024	2023	Change	
			Amount	%
		(amounts in million Php)		
Wireless	(4,745)	1,485	(6,230)	(420)
Fixed Line	7,760	12,147	(4,387)	(36)
Others	(988)	(2,251)	1,263	56
Inter-segment transactions	(9,821)	(15,598)	5,777	37
Consolidated	(7,794)	(4,217)	(3,577)	(85)

Net Income

Consolidated net income increased by Php5,731 million, or 21%, to Php32,555 million in 2024 from Php26,824 million in 2023. The increase was mainly due to the combined effects of the following: (i) higher consolidated revenues by Php5,880 million; (ii) lower consolidated expenses by Php3,913 million; (iii) higher consolidated other expenses – net by Php3,577 million; (iv) higher provision for income tax by Php526 million; and (v) net loss from discontinued operations of Php41 million in 2023. Our consolidated basic and diluted EPS increased to Php149.26 in 2024 from Php122.91 in 2023. Our weighted average number of outstanding common shares was approximately 216.06 million for each of the years ended December 31, 2024 and 2023.

The following table shows the breakdown of our consolidated net income by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
					(amounts in million Php)	
Wireless	11,060	34	17,522	65	(6,462)	(37)
Fixed Line	32,392	99	26,514	99	5,878	22
Others	(1,069)	(3)	(2,270)	(8)	1,201	53
Inter-segment transactions	(9,828)	(30)	(14,901)	(56)	5,073	34
Continuing operations	32,555	100	26,865	100	5,690	21
Discontinued operations	—	—	(41)	—	41	100
Consolidated	32,555	100	26,824	100	5,731	21

EBITDA

Our consolidated EBITDA amounted to Php108,515 million in 2024, an increase of Php4,282 million, or 4%, as compared with Php104,233 million in 2023.

The following table shows the breakdown of our consolidated EBITDA by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
					(amounts in million Php)	
Wireless	55,634	51	54,369	52	1,265	2
Fixed Line	61,953	57	59,102	57	2,851	5
Others	(48)	—	(18)	—	(30)	(167)
Inter-segment transactions	(9,024)	(8)	(9,156)	(9)	132	1
Continuing operations	108,515	100	104,297	100	4,218	4
Discontinued operations	—	—	(64)	—	64	100
Consolidated	108,515	100	104,233	100	4,282	4

See Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review for the reconciliation of our consolidated net income to our consolidated EBITDA.

Core Income (Loss)

Our consolidated core income amounted to Php34,232 million in 2024, an increase of Php1,811 million, or 6%, as compared with Php32,421 million in 2023, mainly on account of higher EBITDA and lower equity share in net losses of associates and joint ventures, partially offset by higher depreciation and amortization and financing costs. Our consolidated basic and diluted core EPS increased to Php158.17 in 2024 from Php149.78 in 2023.

The following table shows the breakdown of our consolidated core income by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
			(amounts in million Php)			
Wireless	10,852	32	11,750	36	(898)	(8)
Fixed Line	34,518	101	37,886	117	(3,368)	(9)
Others	(1,084)	(3)	(2,110)	(7)	1,026	49
Inter-segment transactions	(10,054)	(30)	(15,064)	(46)	5,010	33
Continuing operations	34,232	100	32,462	100	1,770	5
Discontinued operations	—	—	(41)	—	41	100
Consolidated	34,232	100	32,421	100	1,811	6

Telco Core Income

Our consolidated telco core income amounted to Php35,138 million in 2024, an increase of Php797 million, or 2%, as compared with Php34,341 million in 2023, mainly due to higher EBITDA and lower equity share in net losses of associates and joint ventures, partially offset by higher depreciation and amortization and financing costs.

The following table shows the breakdown of our consolidated telco core income by business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Change	
					Amount	%
			(amounts in million Php)			
Wireless	10,852	31	11,750	34	(898)	(8)
Fixed Line	34,372	98	37,590	110	(3,218)	(9)
Others	(32)	—	65	—	(97)	(149)
Inter-segment transactions	(10,054)	(29)	(15,064)	(44)	5,010	33
Consolidated	35,138	100	34,341	100	797	2

See Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review for the reconciliation of our consolidated net income to our consolidated telco core income.

On a Business Segment Basis

Wireless

Revenues

We generated revenues of Php105,734 million from our Wireless business segment in 2024, an increase of Php1,333 million, or 1%, from Php104,401 million in 2023.

The following table summarizes our total revenues by service from our Wireless business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Service Revenues:						
Mobile	96,246	91	94,007	90	2,239	2
Fixed Wireless broadband	1,481	1	1,629	2	(148)	(9)
Other services ⁽¹⁾	52	—	41	—	11	27
Total Wireless Service Revenues	97,779	92	95,677	92	2,102	2
Non-Service Revenues:						
Sale of mobile handsets and broadband data modems	7,955	8	8,724	8	(769)	(9)
Total Wireless Revenues	105,734	100	104,401	100	1,333	1

⁽¹⁾ Includes facility service fees.

Service Revenues

Our wireless service revenues increased by Php2,102 million, or 2%, to Php97,779 million in 2024 as compared with Php95,677 million in 2023, primarily due to higher revenues from mobile, partially offset by lower revenues from fixed wireless broadband. As a percentage of our total wireless revenues, service revenues accounted for 92% in each of 2024 and 2023.

Wireless service revenues, net of interconnection costs, amounted to Php96,808 million in 2024, an increase of Php1,965 million, or 2%, from Php94,843 million in 2023.

Mobile Services

Our mobile service revenues amounted to Php96,246 million in 2024, an increase of Php2,239 million, or 2%, from Php94,007 million in 2023. Mobile service revenues accounted for 98% of our wireless service revenues in each of 2024 and 2023.

The following table shows the breakdown of our mobile service revenues for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
(amounts in million Php)						
Mobile Services:						
Data	78,194	81	74,990	80	3,204	4
Voice	9,310	10	11,387	12	(2,077)	(18)
SMS	6,751	7	5,724	6	1,027	18
Inbound roaming and others ⁽¹⁾	1,991	2	1,906	2	85	4
Total	96,246	100	94,007	100	2,239	2

⁽¹⁾ Refers to other non-subscriber-related revenues consisting primarily of inbound international roaming fees and facility service fees.

Data Services

Mobile revenues from our data services, which include mobile internet, mobile broadband and other data services, increased by Php3,204 million, or 4%, to Php78,194 million in 2024 from Php74,990 million in 2023 due to higher mobile internet revenues driven mainly by the continued strength of our mobile network, and promotion of data offers such as Power All, Double Giga and Magic Data, which cater to the needs of prepaid subscribers, partially offset by lower mobile broadband data revenues.

Data services accounted for 81% and 80% of our mobile service revenues for the years ended December 31, 2024 and 2023, respectively.

The following table shows the breakdown of our mobile data service revenues for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Data Services:						
Mobile internet ⁽¹⁾	75,061	96	71,268	95	3,793	5
Mobile broadband	2,255	3	2,900	4	(645)	(22)
Other data	878	1	822	1	56	7
Total	78,194	100	74,990	100	3,204	4

⁽¹⁾ Includes revenues from web-based services, net of discounts and content provider costs.

Mobile Internet

Mobile internet service revenues increased by Php3,793 million, or 5%, to Php75,061 million in 2024 from Php71,268 million in 2023, primarily due to our mobile data offerings, such as All Access+, Power All, Magic Data, TNT's Saya All, and Smart Postpaid's Unli 5G plans. Smart continues to drive usage and top-ups via Smart App, the Smart Online Store and its retailer network.

Smart has also rolled out 5G offers and device financing through partnerships with credit card companies to drive more users on 5G. Smart also launched iPhones on prepaid to drive 5G adoption in the prepaid category.

Mobile internet services accounted for 78% and 76% of our mobile service revenues in 2024 and 2023, respectively.

Mobile Broadband

Mobile broadband revenues generated from the use of pocket WiFi, amounted to Php2,255 million in 2024, a decrease of Php645 million, or 22%, from Php2,900 million in 2023, primarily due to lower mobile broadband subscriber base.

Mobile broadband services accounted for 2% and 3% of our mobile service revenues in 2024 and 2023, respectively.

Other Data

Revenues from our other data services, which include value-added services (VAS) and domestic leased lines, increased by Php56 million, or 7%, to Php878 million in 2024 from Php822 million in 2023.

Voice Services

Mobile revenues from our voice services, which include all voice traffic, decreased by Php2,077 million, or 18%, to Php9,310 million in 2024 from Php11,387 million in 2023, due to subscribers' shift to alternative calling options, digital teleconferencing solutions, and other OTT services. To adapt to these evolving consumer behaviors, PLDT is

accelerating its transition toward a mobile-data-centric ecosystem, leveraging its extensive 4G and 5G networks and investing in next-generation voice technologies.

To enhance call quality and improve customer experience, Smart has been providing its mobile users with Voice over LTE (VoLTE) and Voice over WiFi (VoWiFi) services, enabling voice calls to be transmitted over high-speed digital networks. These technologies provide superior voice clarity and better integration with mobile data service, ensuring continued relevance of voice offerings within a data-first environment.

PLDT is also optimizing its network investments to sustain growth in high-speed connectivity and digital voice solutions, ensuring long-term revenue stability despite the industry-wide decline in traditional voice services.

Mobile voice services accounted for 10% and 12% of our mobile service revenues in 2024 and 2023, respectively.

Domestic voice service revenues decreased by Php1,956 million, or 19%, to Php8,533 million in 2024 from Php10,489 million in 2023, mainly due to lower traffic from domestic outbound voice services.

International voice service revenues decreased by Php121 million, or 13%, to Php777 million in 2024 from Php898 million in 2023 resulting from the declining trend of international inbound voice traffic due to subscribers' shift to application-based form of communications and other OTT services.

SMS Services

Mobile revenues from our SMS services, which include all SMS-related services, increased by Php1,027 million, or 18%, to Php6,751 million in 2024 from Php5,724 million in 2023, mainly due to the increase in application-to-person (A2P) messaging services. While traditional person-to-person (P2P) SMS volumes continue to decline due to the rise of OTT messaging, social media, and chat applications, A2P messaging remains a key growth driver. Businesses are increasingly utilizing SMS for secure authentication, customer engagement, and real-time notifications, reinforcing its role as a critical communication channel for enterprises. Mobile SMS services accounted for 7% and 6% of our mobile service revenues in 2024 and 2023, respectively.

Inbound Roaming and Others

Mobile revenues from inbound roaming and other services increased by Php85 million, or 4%, to Php1,991 million in 2024 from Php1,906 million in 2023 mainly due to higher other subscriber-related revenues.

Subscriber Base, ARPU and Churn Rates

R.A. No. 11934 or the SIM Registration Act took effect on October 28, 2022. Under this law, all end-users are required to register their SIMs with public telecommunications entities ("PTEs") as a pre-requisite to the activation thereof. On September 18, 2023, the NTC issued Memorandum Order No. 010-09-2023 providing for guidelines for PTEs in the conduct of processes to verify submitted information and data by end-users of SIMs under the SIM Registration Act and its IRR.

The following table shows our mobile subscriber base as at December 31, 2024 and 2023:

	2024	2023	Increase (Decrease)	
			Amount	%
Mobile subscriber base ⁽¹⁾				
Prepaid	56,731,489	55,667,880	1,063,609	2
Smart	21,759,728	21,530,993	228,735	1
TNT	34,971,761	34,136,887	834,874	2
Postpaid	2,258,318	2,159,246	99,072	5
Total	58,989,807	57,827,126	1,162,681	2

⁽¹⁾ Includes mobile broadband subscribers.

In view of the SIM Registration Act, we recognize a prepaid mobile subscriber as active upon registration of the SIM card. Beginning the fourth quarter of 2023, we consider a prepaid mobile subscriber as churn if the subscriber does not reload within 180 days after the full usage or expiry of the last reload, and does not latch to the network within 180 days.

The average monthly churn rates for Smart Prepaid subscribers were 2.2% and 2.6% in 2024 and 2023, respectively, while the average monthly churn rates for TNT subscribers were 2.0% and 2.8% in 2024 and 2023, respectively.

The average monthly churn rates for Postpaid subscribers were 1.1% and 1.4% in 2024 and 2023, respectively.

Smart introduced the first prepaid eSIM in the country in July 2023 and introduced digital delivery of eSIMs in September 2023. Smart enabled physical SIM to eSIM upgrades in the second quarter of 2024 to help mitigate churn.

The following table summarizes our average monthly ARPUs for the years ended December 31, 2024 and 2023:

	Gross ⁽¹⁾		Increase (Decrease)		Net ⁽²⁾		Increase (Decrease)	
	2024	2023	Amount	%	2024	2023	Amount	%
	(amounts in Php)							
Prepaid								
<i>Smart</i>	137	135	2	1 %	123	119	4	3 %
<i>TNT</i>	115	110	5	5 %	105	99	6	6 %
Postpaid	729	727	2	—	688	688	—	—

⁽¹⁾ Gross monthly ARPU is calculated by dividing gross mobile service revenues for the year, including interconnection income, but excluding inbound roaming revenues, gross of discounts, and content provider costs, by the average number of subscribers for the period.

⁽²⁾ Net monthly ARPU is calculated by dividing gross mobile service revenues for the year, including interconnection income, but excluding inbound roaming revenues, net of discounts, and content provider costs, by the average number of subscribers for the period.

Fixed Wireless Broadband

Revenues from our Fixed Wireless Broadband services amounted to Php1,481 million in 2024, a decrease of Php148 million, or 9%, from Php1,629 million in 2023.

Other Services

Revenues from our other services amounted to Php52 million in 2024, an increase of Php11 million, or 27%, from Php41 million in 2023.

Non-Service Revenues

Our wireless non-service revenues consist of sale of mobile handsets, broadband data routers and devices. Our wireless non-service revenues decreased by Php769 million, or 9%, to Php7,955 million in 2024 from Php8,724 million in 2023, primarily due to a lower sale of postpaid mobile handsets.

Expenses

Expenses associated with our Wireless business segment amounted to Php86,653 million in 2024, an increase of Php3,826 million, or 5%, from Php82,827 million in 2023. The increase was attributable to higher expenses related to depreciation and amortization, provisions, selling, general and administrative expenses, and interconnection costs, partially offset by lower cost of sales and services. As a percentage of our total wireless revenues, expenses associated with our Wireless business segment accounted for 82% and 79% in 2024 and 2023, respectively.

The following table summarizes the breakdown of our total wireless-related expenses for the years ended December 31, 2024 and 2023 and the percentage of each expense item in relation to the total:

	2024		2023		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
	(amounts in million Php)					
Selling, general and administrative expenses	37,999	44	37,829	46	170	—
Depreciation and amortization	36,297	42	31,498	38	4,799	15
Cost of sales and services	10,480	12	12,018	14	(1,538)	(13)
Interconnection costs	971	1	834	1	137	16
Provisions	905	1	648	1	257	40
Impairment on noncurrent assets	1	—	—	—	1	100
Total	86,653	100	82,827	100	3,826	5

Selling, general and administrative expenses increased by Php170 million from 2023 to Php37,999 million in 2024, primarily due to higher expenses related to repairs and maintenance, and rent, partially offset by lower professional and other contracted services, compensation and employee benefits, selling and promotions, and communication, training and travel.

Depreciation and amortization charges increased by Php4,799 million from 2023, or 15%, to Php36,297 million in 2024, mainly on account of accelerated depreciation recognized for the modernization of certain technology equipment resulting mainly from the migration to cloud-based platform, combined with the depreciation of newly capitalized property and equipment, and the higher amortization of capitalized leases of telecom towers.

Cost of sales and services decreased by Php1,538 million from 2023, or 13%, to Php10,480 million in 2024, primarily due to lower number of units issued for mobile handsets, and lower SIM registration and SIM printing costs.

Interconnection costs increased by Php137 million from 2023, or 16%, to Php971 million in 2024, primarily due to higher interconnection costs on A2P transactions.

Provisions increased by Php257 million from 2023, or 40%, to Php905 million in 2024, primarily due to higher provision for expected credit losses and provision for inventory obsolescence.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total wireless-related other income (expenses) – net for the years ended December 31, 2024 and 2023:

	2024	2023	Change	
			Amount	%
	(amounts in million Php)			
Other Income (Expenses) – Net:				
Gains on derivative financial instruments – net	1,434	114	1,320	1,158
Foreign exchange gains – net	775	981	(206)	(21)
Interest income	698	720	(22)	(3)
Financing costs – net	(9,763)	(9,034)	(729)	(8)
Other income – net	2,111	8,704	(6,593)	(76)
Total	(4,745)	1,485	(6,230)	(420)

Our Wireless business segment's other expenses – net amounted to Php4,745 million in 2024, a change of Php6,230 million as against other income – net of Php1,485 million in 2023, primarily due to the combined effects of the following: (i) lower other income – net by Php6,593 million mainly due to lower gain on sale and leaseback of telecom tower, gross of transactions, which decreased by Php6,335 million to Php1,442 million in 2024 from Php7,777 million in 2023; (ii) higher net financing costs by Php729 million mainly due to higher interest rates and lower capitalized interest; (iii) lower net foreign exchange gains by Php206 million mainly on account of revaluation of net foreign currency-denominated liabilities due to depreciation of the Philippine peso relative to the U.S. dollar in 2024 as compared to the appreciation of the Philippine peso relative to the U.S. dollar in 2023; (iv) lower interest income by Php22 million; and (v) higher net gains on derivative financial instruments by Php1,320 million mainly due to the depreciation of the Philippine peso relative to the U.S. dollar in 2024 as compared to the appreciation of the Philippine peso relative to the U.S. dollar in 2023.

Provision for Income Tax

Provision for income tax amounted to Php3,276 million in 2024, a decrease of Php2,261 million, or 41%, from Php5,537 million in 2023, mainly due to lower net income before tax.

Net Income

As a result of the foregoing, our Wireless business segment's net income decreased by Php6,462 million, or 35%, to Php11,060 million in 2024 from Php17,522 million in 2023.

EBITDA

Our Wireless business segment's EBITDA increased by Php1,265 million, or 2%, to Php55,634 million in 2024 from Php54,369 million in 2023. EBITDA margin remained stable at 57% in 2024 and 2023.

Core Income

Our Wireless business segment's core income decreased by Php898 million, or 11%, to Php10,485 million in 2024 from Php11,750 million in 2023, mainly on account of higher depreciation and amortization, and financing costs, partially offset by higher EBITDA and lower provision for income tax.

Fixed Line

Revenues

Revenues generated from our Fixed Line business segment amounted to Php126,490 million in 2024, an increase of Php5,756 million, or 5%, from Php120,734 million in 2023.

The following table summarizes our total revenues by service from our Fixed Line business segment for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Service Revenues:						
Data	95,666	76	93,212	77	2,454	3
Voice	29,660	23	26,686	22	2,974	11
Miscellaneous	668	1	438	1	230	53
Total Fixed Line Service Revenues	125,994	100	120,336	100	5,658	5
Non-Service Revenues:						
Sale of phone units, devices and others	496	—	398	—	98	25
Total Fixed Line Revenues	126,490	100	120,734	100	5,756	5

Service Revenues

Our fixed line service revenues increased by Php5,658 million, or 5%, to Php125,994 million in 2024 from Php120,336 million in 2023, primarily due to higher revenues from our voice, data and miscellaneous services.

Fixed Line service revenues, net of interconnection costs, amounted to Php111,675 million in 2024, an increase of Php2,469 million, or 2%, from Php109,206 million in 2023.

Data Services

Our data services, which include Home broadband, corporate data, and ICT portfolio with data center, cloud, cybersecurity, and managed IT offerings, posted revenues of Php95,666 million in 2024, an increase of Php2,454 million, or 3%, from Php93,212 million in 2023, primarily due to higher revenues from Home broadband, corporate data and leased lines, and ICT services, inclusive of intersegment transactions. The percentage contribution of this service segment to our fixed line service revenues accounted for 76% and 77% in 2024 and 2023, respectively.

The following table shows information of our data service revenues for the years ended December 31, 2024 and 2023:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
(amounts in million Php)						
Data service revenues						
Home broadband	51,759	54	50,876	55	883	2
Corporate data and ICT	43,907	46	42,336	45	1,571	4
Total	95,666	100	93,212	100	2,454	3

Home Broadband

Home broadband data revenues amounted to Php51,759 million in 2024, an increase of Php883 million, or 2%, from Php50,876 million in 2023, mainly driven by the increasing demand for broadband services. Home broadband revenues accounted for 54% and 55% of fixed line data service revenues in 2024 and 2023, respectively.

Corporate Data and ICT

Corporate data services amounted to Php36,073 million in 2024, an increase of Php869 million, or 2%, as compared with Php35,204 million in 2023, mainly due to the sustained demand for broadband internet and data networking services. Corporate data revenues accounted for 38% of our total data service revenues in each of 2024 and 2023.

ICT revenues increased by Php702 million, or 10%, to Php7,834 million in 2024 from Php7,132 million in 2023, mainly due to higher revenues from managed IT, data center and cloud services. The percentage contribution of this service segment to our total data service revenues accounted for 8% and 7% in 2024 and 2023, respectively.

Voice Services

Revenues from our voice services increased by Php2,974 million, or 11%, to Php29,660 million in 2024 from Php26,686 million in 2023, primarily due to higher revenues from international services of PLDT Global driven by higher traffic volume. The percentage contribution of voice service revenues to our fixed line service revenues accounted for 24% and 22% in 2024 and 2023, respectively.

Miscellaneous Services

Miscellaneous service revenues are derived mostly from rentals and management fees. These service revenues increased by Php230 million, or 53%, to Php668 million in 2024 from Php438 million in 2023.

Non-service Revenues

Non-service revenues increased by Php98 million, or 25%, to Php496 million in 2024 from Php398 million in 2023, primarily due higher sale of devices.

Expenses

Expenses related to our Fixed Line business segment totaled Php95,357 million in 2024, a decrease of Php6,995 million, or 7%, as compared with Php102,352 million in 2023. The decrease was primarily due to lower depreciation and amortization, selling, general and administrative expenses and provisions, partly offset by higher interconnection costs, cost of sales and services and impairment on noncurrent assets. As a percentage of our total fixed line revenues, expenses associated with our Fixed Line business segment accounted for 75% and 85% in 2024 and 2023, respectively.

The following table shows the breakdown of our total fixed line-related expenses for the years ended December 31, 2024 and 2023 and the percentage of each expense item in relation to the total:

	2024	%	2023	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Selling, general and administrative expenses	44,917	47	47,469	46	(2,552)	(5)
Depreciation and amortization	29,065	30	36,855	36	(7,790)	(21)
Interconnection costs	14,319	15	11,130	11	3,189	29
Cost of sales and services	3,641	4	3,114	3	527	17
Provisions	3,347	4	3,784	4	(437)	(12)
Impairment on non-current assets	68	—	—	—	68	100
Total	95,357	100	102,352	100	(6,995)	(7)

Selling, general and administrative expenses decreased by Php2,552 million, or 5%, to Php44,917 million in 2024, primarily due to lower expenses related to selling and promotions, repairs and maintenance, professional and other contracted services, and communication, training and travel. This is partly offset by higher expenses related to rent and compensation and employee benefits.

Depreciation and amortization charges decreased by Php7,790 million, or 21%, to Php29,065 million in 2024, mainly due to accelerated depreciation and amortization in 2023 of subscriber contract cost to fulfill, partially offset by accelerated depreciation recognized in 2024 for the modernization of some core and transport network equipment, and depreciation of newly capitalized property and equipment.

Interconnection costs increased by Php3,189 million, or 29%, to Php14,319 million in 2024, primarily due to higher international interconnection costs of PLDT Global driven by higher traffic volume.

Cost of sales and services increased by Php527 million, or 17%, to Php3,641 million in 2024, primarily due to higher cost of services, mainly from higher cost of content, and managed IT solutions and services.

Provisions decreased by Php437 million, or 12%, to Php3,347 million in 2024, primarily due to lower provision for expected credit losses, mainly on account of higher collection efficiency for Home.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total fixed line-related other income (expenses) – net for the years ended December 31, 2024 and 2023:

	2024	2023	Change	
			Amount	%
	(amounts in million Php)			
Other Income (Expenses) – Net:				
Gains on derivative financial instruments – net	2,589	1,084	1,505	139
Interest income	230	324	(94)	(29)
Equity share in net losses of associates and joint ventures	(67)	(595)	528	89
Foreign exchange gains (losses) – net	(819)	138	(957)	(693)
Financing costs – net	(7,456)	(6,824)	(632)	(9)
Other income – net	13,283	18,020	(4,737)	(26)
Total	7,760	12,147	(4,387)	(36)

Our Fixed Line business segment's other income – net amounted to Php7,760 million in 2024, a decrease of Php4,387 million, or 36%, from Php12,147 million in 2023, primarily due to the combined effects of the following: (i) lower other income – net by Php4,737 million mainly due to lower dividend income recognized from the subsidiaries of Wireless business segment; (ii) net foreign exchange losses of Php819 million in 2024 as against net foreign exchange gains of Php138 million in 2023 mainly due to the depreciation of the Philippine peso relative to the U.S. dollar in 2024 as compared to the appreciation of the Philippine peso relative to the U.S. dollar in 2023; (iii) higher net financing costs by Php632 million mainly due to higher interest rates and higher accretion on lease liabilities, partly offset by higher capitalized interest; (iv) lower interest income by Php94 million; (v) lower equity share in net losses of associates by Php528 million mainly due to lower equity share in net losses of Cignal TV; (vi) higher net gains on derivative financial instruments by Php1,505 million mainly due to the depreciation of the Philippine peso relative to the U.S. dollar in 2024 as compared to the appreciation of the Philippine peso relative to the U.S. dollar in 2023.

Provision for (Benefit from) Income Tax

Provision for income tax amounted to Php6,501 million in 2024, an increase of Php2,486 million, or 62%, from Php4,015 million in 2023, mainly due to higher net income before tax.

Net Income

As a result of the foregoing, our Fixed Line business segment registered a net income of Php32,392 million in 2024, an increase of Php5,878 million, or 22%, as compared with Php26,514 million in 2023.

EBITDA

Our Fixed Line business segment's EBITDA increased by Php2,851 million, or 5%, to Php61,953 million in 2024 from Php59,102 million in 2023. EBITDA margin remained stable at 49% in 2024 and 2023.

Core Income

Our Fixed Line business segment's core income decreased by Php3,368 million, or 9%, to Php34,518 million in 2024 from Php37,886 million in 2023, primarily due to lower other miscellaneous income and higher financing costs, partially offset by higher EBITDA.

Others

Revenues

Revenues generated from our Other business segment amounted to nil for each of the years ended December 31, 2024 and 2023.

Expenses

Expenses related to our Other business segment increased by Php72 million to Php90 million in 2024 from Php18 million in 2023.

Other Income (Expenses) – Net

The following table summarizes the breakdown of other income (expenses) – net for Other business segment for the years ended December 31, 2024 and 2023:

	2024	2023	Change	
			Amount	%
	(amounts in million Php)			
Other Income (Expenses) – Net:				
Interest income	15	7	8	114
Foreign exchange losses – net	(75)	(76)	1	1
Equity share in net losses of associates and joint ventures	(923)	(2,211)	1,288	58
Other income – net	(5)	29	(34)	(117)
Total	(988)	(2,251)	1,263	56

Our Other business segment's other expenses – net amounted to Php988 million in 2024, a decrease of Php1,263 million, or 56%, from Php2,251 million in 2023, primarily due to lower equity share in net losses of associates and joint ventures by Php1,288 million mainly on account of lower equity share in net losses in MIH.

Net Loss

As a result of the foregoing, our Other business segment registered a net loss of Php1,069 million in 2024, a decrease of Php1,201 million, or 53%, from Php2,270 million in 2023.

Core Loss

Our Other business segment's core loss amounted to Php1,084 million in 2024, a decrease of Php1,026 million, or 49%, from Php2,110 million in 2023.

Years ended December 31, 2023 and 2022

On a Consolidated Basis

Revenues

We reported consolidated revenues of Php210,953 million in 2023, an increase of Php6,591 million, or 3%, as compared with Php204,362 million in 2022, primarily due to higher consolidated revenues from data services, partially offset by lower consolidated revenues from voice, SMS and fixed wireless broadband services.

Our consolidated service revenues of Php201,832 million in 2023, increased by Php6,488 million, or 3%, from Php195,344 million in 2022. Our consolidated non-service revenues of Php9,121 million in 2023, increased by Php103 million, or 1%, from Php9,018 million in 2022.

Consolidated service revenues, net of interconnection costs of Php10,418 million, amounted to Php191,414 million in 2023, an increase of Php2,174 million, or 1%, from Php189,240 million in 2022.

The following table shows the breakdown of our consolidated revenues by service for the years ended December 31, 2023 and 2022:

	Wireless	Fixed Line	Inter-segment Transactions	Consolidated
	(amounts in million Php)			
For the year ended December 31, 2023				
Service Revenues				
Wireless	95,677		(683)	94,994
Mobile	94,007		(642)	93,365
Fixed Wireless broadband	1,629		—	1,629
Other services	41		(41)	—
Fixed Line		120,336	(13,498)	106,838
Voice		26,686	(1,526)	25,160
Data		93,212	(11,703)	81,509
Home broadband		50,876	(24)	50,852
Corporate data and ICT		42,336	(11,679)	30,657
Miscellaneous		438	(269)	169
Total Service Revenues	95,677	120,336	(14,181)	201,832
Non-Service Revenues				
Sale of phone units, mobile handsets, broadband data modems and devices	8,724	396	(1)	9,119
Point-product sales	—	2	—	2
Total Non-Service Revenues	8,724	398	(1)	9,121
Total Revenues	104,401	120,734	(14,182)	210,953
For the year ended December 31, 2022 ⁽¹⁾				
Service Revenues				
Wireless	95,852		(792)	95,060
Mobile	93,724		(695)	93,029
Fixed Wireless broadband	2,028		—	2,028
Other services	100		(97)	3
Fixed Line ⁽¹⁾		127,214	(26,930)	100,284
Voice		36,727	(14,478)	22,249
Data		90,068	(12,179)	77,889
Home broadband		48,975	(31)	48,944
Corporate data and ICT		41,093	(12,148)	28,945
Miscellaneous		419	(273)	146
Total Service Revenues	95,852	127,214	(27,722)	195,344
Non-Service Revenues				
Sale of phone units, mobile handsets, broadband data modems and devices	8,422	495	—	8,917
Point-product sales	—	101	—	101
Total Non-Service Revenues	8,422	596	—	9,018
Total Revenues	104,274	127,810	(27,722)	204,362

⁽¹⁾ To be comparable with 2023, certain amounts for the year ended December 31, 2022 have been reclassified to reflect the discontinued operations of certain ePLDT subsidiaries. See Note 2 – Summary of Material Accounting Policies – Discontinued Operations to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for further discussion.

The following table shows the breakdown of our consolidated revenues by business segment for the years ended December 31, 2023 and 2022:

	2023	%	2022	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	104,401	50	104,274	51	127	—
Fixed Line	120,734	57	127,810	63	(7,076)	(6)
Inter-segment transactions	(14,182)	(7)	(27,722)	(14)	13,540	49
Consolidated	210,953	100	204,362	100	6,591	3

Expenses

Consolidated expenses decreased by Php39,168 million, or 19%, to Php170,259 million in 2023 from Php209,427 million in 2022, primarily due to lower expenses related to depreciation and amortization, selling, general and administrative expenses, provisions, and asset impairment, partially offset by higher interconnection costs, and cost of sales and services.

The following table shows the breakdown of our consolidated expenses by business segment for the years ended December 31, 2023 and 2022:

	2023	%	2022	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	82,827	49	104,058	50	(21,231)	(20)
Fixed Line	102,352	60	133,148	63	(30,796)	(23)
Others	18	—	13	—	5	38
Inter-segment transactions	(14,938)	(9)	(27,792)	(13)	12,854	46
Consolidated	170,259	100	209,427	100	(39,168)	(19)

Other Income (Expenses) – Net

Consolidated other expenses – net amounted to Php4,217 million in 2023, a change of Php23,314 million as against consolidated other income – net of Php19,097 million in 2022, primarily due to the combined effects of the following: (i) lower other income – net from our Wireless business segment mainly on account of a lower gain on sale and leaseback of telecom towers, and from our Fixed Line business segment owing mainly to lower dividend income recognized from the subsidiaries of Wireless business segment, and the income from prescription of liability on redeemable preferred shares in 2022; (ii) higher net financing costs from our Fixed Line and Wireless business segments; (iii) lower net gains on derivative financial instruments from our Fixed Line and Wireless business segments; (iv) lower equity share in net losses mainly from our Other business segment; and (v) net foreign exchange gains from our Wireless and Fixed Line business segments in 2023 as against net foreign exchange losses in 2022.

The following table shows the breakdown of our consolidated other income (expenses) – net by business segment for the years ended December 31, 2023 and 2022:

	2023	2022	Change	
			Amount	%
		(amounts in million Php)		
Wireless	1,485	18,681	(17,196)	(92)
Fixed Line	12,147	21,002	(8,855)	(42)
Others	(2,251)	(2,790)	539	19
Inter-segment transactions	(15,598)	(17,796)	2,198	12
Consolidated	(4,217)	19,097	(23,314)	(122)

Net Income

Consolidated net income increased by Php16,089 million to Php26,824 million in 2023 from Php10,735 million in 2022. The increase was mainly due to the combined effects of the following: (i) higher consolidated revenues by Php6,591 million; (ii) lower consolidated expenses by Php39,168 million; (iii) consolidated other expenses of Php4,217 million in 2023 as against consolidated other income of Php19,097 million in 2022; (iv) higher provision for income tax by Php6,915 million; and (v) lower net loss from discontinued operations by Php559 million. Our consolidated basic and diluted EPS increased to Php122.91 in 2023 from Php48.26 in 2022. Our weighted average number of outstanding common shares was approximately 216.06 million for each of the years ended December 31, 2023 and 2022.

The following table shows the breakdown of our consolidated net income (loss) by business segment for the years ended December 31, 2023 and 2022:

	2023	%	2022	%	Change	
					Amount	%
			(amounts in million Php)			
Wireless	17,522	65	15,104	141	2,418	16
Fixed Line	26,514	99	16,766	156	9,748	58
Others	(2,270)	(8)	(2,669)	(25)	399	15
Inter-segment transactions	(14,901)	(56)	(17,866)	(166)	2,965	17
Continuing operations	26,865	100	11,335	106	15,530	137
Discontinued operations	(41)	—	(600)	(6)	559	93
Consolidated	26,824	100	10,735	100	16,089	150

EBITDA

Our consolidated EBITDA amounted to Php104,233 million in 2023, an increase of Php3,971 million, or 4%, as compared with Php100,262 million in 2022.

The following table shows the breakdown of our consolidated EBITDA by business segment for the years ended December 31, 2023 and 2022:

	2023	%	2022	%	Change	
					Amount	%
			(amounts in million Php)			
Wireless	54,369	52	55,215	55	(846)	(2)
Fixed Line	59,102	57	55,051	55	4,051	7
Others	(18)	—	(12)	—	(6)	(50)
Inter-segment transactions	(9,156)	(9)	(9,666)	(10)	510	5
Continuing operations	104,297	100	100,588	100	3,709	4
Discontinued operations	(64)	—	(326)	—	262	80
Consolidated	104,233	100	100,262	100	3,971	4

Our EBITDA from continuing operations, excluding MRP and expenses related to the sale of our telecom assets, amounted to Php104,297 million in 2023, an increase of Php3,709 million, or 4%, as compared with Php100,588 million in 2022.

See Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review for the reconciliation of our consolidated net income to our consolidated EBITDA.

Core Income (Loss)

Our consolidated core income amounted to Php32,421 million in 2023, an increase of Php2,269 million, or 8%, as compared with Php30,152 million in 2022, mainly on account of higher EBITDA excluding MRP and expenses related to the sale of our telecom assets, lower equity share in net losses of associates and joint ventures, and lower depreciation and amortization expenses, partially offset by higher financing costs and provision for income tax. Our consolidated basic and diluted core EPS increased to Php149.78 in 2023 from Php139.29 in 2022.

The following table shows the breakdown of our consolidated core income by business segment for the years ended December 31, 2023 and 2022:

	2023	%	2022	%	Change	
					Amount	%
					(amounts in million Php)	
Wireless	11,750	36	13,034	43	(1,284)	(10)
Fixed Line	37,886	117	38,613	128	(727)	(2)
Others	(2,110)	(7)	(2,958)	(10)	848	29
Inter-segment transactions	(15,064)	(46)	(17,937)	(59)	2,873	16
Continuing operations	32,462	100	30,752	102	1,710	6
Discontinued operations	(41)	—	(600)	(2)	559	93
Consolidated	32,421	100	30,152	100	2,269	8

Telco Core Income

Our consolidated telco core income amounted to Php34,341 million in 2023, an increase of Php1,040 million, or 3%, as compared with Php33,301 million in 2022, mainly due to higher EBITDA excluding MRP and expenses related to the sale of our telecom assets, as well as lower depreciation and amortization expenses, partially offset by higher financing costs and provision for income tax.

The following table shows the breakdown of our consolidated telco core income by business segment for the years ended December 31, 2023 and 2022:

	2023	%	2022	%	Change	
					Amount	%
			(amounts in million Php)			
Wireless	11,750	34	13,034	39	(1,284)	(10)
Fixed Line	37,590	110	38,135	115	(545)	(1)
Others	65	—	69	—	(4)	(6)
Inter-segment transactions	(15,064)	(44)	(17,937)	(54)	2,873	16
Consolidated	34,341	100	33,301	100	1,040	3

See Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations – Management's Financial Review for the reconciliation of our consolidated net income to our consolidated telco core income.

On a Business Segment Basis

Wireless

Revenues

We generated revenues of Php104,401 million from our Wireless business segment in 2023, an increase of Php127 million from Php104,274 million in 2022.

The following table summarizes our total revenues by service from our Wireless business segment for the years ended December 31, 2023 and 2022:

	2023	%	2022	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Service Revenues:						
Mobile	94,007	90	93,724	90	283	—
Fixed Wireless broadband	1,629	2	2,028	2	(399)	(20)
Other services ⁽¹⁾	41	—	100	—	(59)	(59)
Total Wireless Service Revenues	95,677	92	95,852	92	(175)	—
Non-Service Revenues:						
Sale of mobile handsets and broadband data modems	8,724	8	8,422	8	302	4
Total Wireless Revenues	104,401	100	104,274	100	127	—

⁽¹⁾ Includes facility service fees.

Service Revenues

Our wireless service revenues decreased by Php175 million to Php95,677 million in 2023 as compared with Php95,852 million in 2022, primarily due to lower revenues from fixed wireless broadband, and other services, partially offset by higher revenues from our mobile services. As a percentage of our total wireless revenues, service revenues accounted for 92% in each of 2023 and 2022.

Wireless service revenues, net of interconnection costs, amounted to Php94,843 million in 2023, a decrease of Php142 million from Php94,985 million in 2022.

Mobile Services

Our mobile service revenues amounted to Php94,007 million in 2023, an increase of Php283 million from Php93,724 million in 2022. Mobile service revenues accounted for 98% of our wireless service revenues in each of 2023 and 2022.

The following table shows the breakdown of our mobile service revenues for the years ended December 31, 2023 and 2022:

	2023	%	2022	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Mobile Services:						
Data	74,990	80	72,169	77	2,821	4
Voice	11,387	12	14,268	15	(2,881)	(20)
SMS	5,724	6	5,900	6	(176)	(3)
Inbound roaming and others ⁽¹⁾	1,906	2	1,387	2	519	37
Total	94,007	100	93,724	100	283	

⁽¹⁾ Refers to other non-subscriber-related revenues consisting primarily of inbound international roaming fees and facility service fees.

Data Services

Mobile revenues from our data services, which include mobile internet, mobile broadband and other data services, increased by Php2,821 million, or 4%, to Php74,990 million in 2023 from Php72,169 million in 2022 due to higher mobile internet revenues driven mainly by the continued strength of our mobile network, and promotion of data offers such as Power All, Double Giga and Magic Data, which cater to the needs of prepaid subscribers looking for data flexibility as consumers shift from working and studying from home to a more hybrid work and school environment, partially offset by lower mobile broadband and other data revenues.

Data services accounted for 80% and 77% of our mobile service revenues for the years ended December 31, 2023 and 2022, respectively.

The following table shows the breakdown of our mobile data service revenues for the years ended December 31, 2023 and 2022:

	2023	%	2022 ⁽¹⁾	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Data Services:						
Mobile internet ⁽²⁾	71,268	95	67,714	94	3,554	5
Mobile broadband	2,900	4	3,368	5	(468)	(14)
Other data	822	1	1,087	1	(265)	(24)
Total	74,990	100	72,169	100	2,821	4

⁽¹⁾ Certain amounts for the year ended December 31, 2022 were reclassified to conform with the current year presentation.

⁽²⁾ Includes revenues from web-based services, net of discounts and content provider costs.

Mobile Internet

Mobile internet service revenues increased by Php3,554 million, or 5%, to Php71,268 million in 2023 from Php67,714 million in 2022, primarily due to the increase in mobility and new product offerings, such as Free Tiktok for All, Power All, Affordaloads, and the continued promotion of Smart Postpaid's Unli 5G plans.

Smart continues to drive GigaLife App, which now supports more payment solutions for top-up. Smart also has Smart Live App, which provides its subscribers exclusive video access to live sports streaming such as the UAAP, PBA, PVL and NBA TV Philippines channel, as well as pay-per-view (PPV) concerts. In addition, Smart recently launched the *Giga Arena*, an online arcade and e-Sport tournament platform exclusively available to Smart subscribers to cater to subscribers' gaming demands.

Mobile internet services accounted for 76% and 72% of our mobile service revenues in 2023 and 2022, respectively.

Mobile Broadband

Mobile broadband revenues generated from the use of pocket WiFi, amounted to Php2,900 million in 2023, a decrease of Php468 million, or 14%, from Php3,368 million in 2022, primarily due to lower mobile broadband subscriber base.

Mobile broadband services accounted for 3% and 4% of our mobile service revenues in 2023 and 2022, respectively.

Other Data

Revenues from our other data services, which include value-added services (VAS) and domestic leased lines, decreased by Php265 million, or 24%, to Php822 million in 2023 from Php1,087 million in 2022. The decrease was primarily due to lower revenues from VAS via direct carrier billing, driven by the game publishers' shift to digital payment solutions.

Voice Services

Mobile revenues from our voice services, which include all voice traffic, decreased by Php2,881 million, or 20%, to Php11,387 million in 2023 from Php14,268 million in 2022, due to subscribers' shift to alternative calling options, digital teleconferencing solutions, and other OTT services. In view of these new digital solutions and to improve its voice service, Smart has been provisioning its mobile users for Voice over LTE (VoLTE) and Voice over Wifi (VoWiFi)

services which routes the voice calls through digital channels. VoLTE and VoWifi offer better voice quality. Mobile voice services accounted for 12% and 15% of our mobile service revenues in 2023 and 2022, respectively.

Domestic voice service revenues decreased by Php2,418 million, or 19%, to Php10,489 million in 2023 from Php12,907 million in 2022, mainly due to lower traffic from domestic outbound voice services.

International voice service revenues decreased by Php463 million, or 34%, to Php898 million in 2023 from Php1,361 million in 2022 resulting from the declining trend of international inbound voice traffic due to subscribers' shift to application-based form of communications and other OTT services.

SMS Services

Mobile revenues from our SMS services, which include all SMS-related services, decreased by Php176 million, or 3%, to Php5,724 million in 2023 from Php5,900 million in 2022, mainly due to the decline in SMS volumes arising from the increased adoption of alternative messaging solutions such as OTT services, social media, and messenger application, partially offset by the increase in A2P service revenues. Mobile SMS services accounted for 6% of our mobile service revenues in each of 2023 and 2022.

Inbound Roaming and Others

Mobile revenues from inbound roaming and other services increased by Php519 million, or 37%, to Php1,906 million in 2023 from Php1,387 million in 2022 mainly due to higher revenues from inbound roaming services driven by the increase in international travel and higher revenues from other subscriber-related income.

Subscriber Base, ARPU and Churn Rates

In October 2022, R.A. No. 11934, or the SIM Registration Act, took effect which mandates that all SIMs be registered before activation. The law aims to address the proliferation of text scams in the country, as well as other crimes committed through text messages. Under the law, telecommunication companies are required to collect the full name, date of birth, complete address, gender, valid government IDs and the attestation of the end users. Smart officially launched its registration portal on December 27, 2022. The original deadline for mandatory SIM registration was April 26, 2023, which was subsequently extended until July 25, 2023. Smart registered over 52.5 million of Smart's subscribers as at July 30, 2023.

The following table shows our mobile subscriber base as at December 31, 2023 and 2022:

	2023	2022	Increase (Decrease)	
			Amount	%
Mobile subscriber base ⁽¹⁾				
Prepaid	55,667,880	64,287,019	(8,619,139)	(13)
Smart	21,530,993	24,394,379	(2,863,386)	(12)
TNT	34,136,887	39,892,640	(5,755,753)	(14)
Postpaid	2,159,246	2,017,742	141,504	7
Total	57,827,126	66,304,761	(8,477,635)	(13)

⁽¹⁾ Includes mobile broadband subscribers.

In view of the SIM Registration Act, we recognize a prepaid mobile subscriber as active upon registration of the SIM card. Beginning the fourth quarter of 2023, we consider a prepaid mobile subscriber as churn if the subscriber does not reload within 180 days after the full usage or expiry of the last reload, and does not latch to the network within 180 days.

The average monthly churn rates for Smart Prepaid subscribers were 2.6% and 4.6% in 2023 and 2022, respectively, while the average monthly churn rates for TNT subscribers were 2.8% and 4.6% in 2023 and 2022, respectively.

The average monthly churn rates for Postpaid subscribers were 1.4% and 1.6% in 2023 and 2022, respectively.

Smart launched the prepaid eSim in July 2023. Smart is first to launch the prepaid eSim in the Philippines.

The following table summarizes our average monthly ARPUs for the years ended December 31, 2023 and 2022:

	Gross ⁽¹⁾		Increase (Decrease)		Net ⁽²⁾		Increase (Decrease)	
	2023	2022	Amount	%	2023	2022	Amount	%
	(amounts in Php)							
Prepaid								
Smart	135	123	12	10	119	105	14	13
TNT	110	97	13	13	99	85	14	16
Postpaid	727	732	(5)	(1)	688	697	(9)	(1)

⁽¹⁾ Gross monthly ARPU is calculated by dividing gross mobile service revenues for the period, including interconnection income, but excluding inbound roaming revenues, gross of discounts, and content provider costs, by the average number of subscribers in the period.

⁽²⁾ Net monthly ARPU is calculated by dividing gross mobile service revenues for the period, including interconnection income, but excluding inbound roaming revenues, net of discounts, and content provider costs, by the average number of subscribers in the period.

Fixed Wireless Broadband

Revenues from our Fixed Wireless Broadband services amounted to Php1,629 million in 2023, a decrease of Php399 million, or 20%, from Php2,028 million in 2022 primarily due to lower subscriber base.

Other Services

Revenues from our other services amounted to Php41 million in 2023, a decrease of Php59 million, or 59%, from Php100 million in 2022.

Non-Service Revenues

Our wireless non-service revenues consist of sale of mobile handsets, broadband data routers, tablets and accessories. Our wireless non-service revenues increased by Php302 million, or 4%, to Php8,724 million in 2023 from Php8,422 million in 2022, primarily due to a higher sale of postpaid mobile handsets.

Expenses

Expenses associated with our Wireless business segment amounted to Php82,827 million in 2023, a decrease of Php21,231 million, or 20%, from Php104,058 million in 2022. The decrease was attributable to lower expenses related to depreciation and amortization, provisions, asset impairment, selling, general and administrative expenses, and interconnection costs, partially offset by higher cost of sales and services. As a percentage of our total wireless revenues, expenses associated with our Wireless business segment accounted for 79% and 100% in 2023 and 2022, respectively.

The following table summarizes the breakdown of our total wireless-related expenses for the years ended December 31, 2023 and 2022 and the percentage of each expense item in relation to the total:

	2023	%	2022	%	Increase (Decrease)	
					Amount	%
					(amounts in million Php)	
Selling, general and administrative expenses	37,829	46	37,872	36	(43)	—
Depreciation and amortization	31,498	38	52,660	51	(21,162)	(40)
Cost of sales and services	12,018	14	11,486	11	532	5
Interconnection costs	834	1	867	1	(33)	(4)
Provisions	648	1	1,077	1	(429)	(40)
Asset impairment	—	—	96	—	(96)	(100)
Total	82,827	100	104,058	100	(21,231)	(20)

Selling, general and administrative expenses decreased by Php43 million to Php37,829 million in 2023, primarily due to lower expenses related to compensation and employee benefits, selling and promotions, professional and other contracted services, insurance and security services, and rent, partially offset by higher expenses related to repairs and maintenance, and taxes and licenses.

Depreciation and amortization charges decreased by Php21,162 million, or 40%, to Php31,498 million in 2023, mainly on account of lower depreciation due to shortened life of 3G technology-related equipment in 2022 resulting from the migration to faster speed LTE and 5G technologies, partly offset by higher amortization of capitalized leases arising from the sale and leaseback of telecom towers.

Cost of sales and services increased by Php532 million, or 5%, to Php12,018 million in 2023, primarily due to SIM registration and higher SIM printing costs.

Interconnection costs decreased by Php33 million, or 4%, to Php834 million in 2023, primarily due to lower interconnection costs on A2P transactions and international voice services.

Provisions decreased by Php429 million, or 40%, to Php648 million in 2023, primarily due to lower provision for inventory obsolescence, and lower provision for expected credit losses arising from tightening of credit policies.

Asset impairment for PPE amounted to nil in 2023 as against Php96 million in 2022 due to impairment charges on certain network equipment damaged by Typhoon Odette.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total wireless-related other income (expenses) – net for the years ended December 31, 2023 and 2022:

	2023	2022	Change	
			Amount	%
	(amounts in million Php)			
Other Income (Expenses) – Net:				
Foreign exchange gains (losses) – net	981	(1,567)	2,548	163
Interest income	720	451	269	60
Gains on derivative financial instruments – net	114	530	(416)	(78)
Financing costs – net	(9,034)	(8,349)	(685)	(8)
Other income – net	8,704	27,616	(18,912)	(68)
Total	1,485	18,681	(17,196)	(92)

Our Wireless business segment's other income – net amounted to Php1,485 million in 2023, a decrease of Php17,196 million, or 92%, Php18,681 million in 2022, primarily due to the combined effects of the following: (i) lower other income – net by Php18,912 million mainly due to lower gain on sale and leaseback of telecom tower, which decreased by Php18,075 million to Php7,777 million in 2023 from Php25,852 million in 2022; (ii) higher net financing costs by Php685 million mainly due to accretion on lease liabilities and higher interest rates, partially offset by higher capitalized interest; (iii) lower net gains on derivative financial instruments by Php416 million; (iv) higher interest income by Php269 million; and (v) net foreign exchange gains of Php981 million in 2023 as against net foreign exchange losses of Php1,567 million in 2022 mainly on account of revaluation of net foreign currency-denominated liabilities due to the appreciation of the Philippine peso relative to the U.S. dollar in 2023 as compared to the depreciation of the Philippine peso relative to the U.S. dollar in 2022.

Provision for Income Tax

Provision for income tax amounted to Php5,537 million in 2023, an increase of Php1,744 million, or 46%, from Php3,793 million in 2022, mainly due to higher income before tax, lower optional standard deduction savings from Digitel Mobile Philippines, Inc. (DMPI) in 2023, and local tax deficiency settlement made by Smart Broadband Inc. in 2023 for which no tax benefit has been realized.

Net Income

As a result of the foregoing, our Wireless business segment's net income increased by Php2,418 million, or 16%, to Php17,522 million in 2023 from Php15,104 million in 2022.

EBITDA

Our Wireless business segment's EBITDA decreased by Php848 million, or 2%, to Php54,369 million in 2023 from Php55,215 million in 2022. EBITDA margin decreased to 57% in 2023 from 58% in 2022.

Core Income

Our Wireless business segment's core income decreased by Php1,284 million, or 10%, to Php11,750 million in 2023 from Php13,034 million in 2022, mainly on account of lower EBITDA, excluding MRP and expenses related to the sale of our telecom assets, and lower other miscellaneous income, partially offset by lower depreciation and amortization.

Fixed Line

Revenues

Revenues generated from our Fixed Line business segment amounted to Php120,734 million in 2023, a decrease of Php7,076 million, or 6%, from Php127,810 million in 2022.

The following table summarizes our total revenues by service from our Fixed Line business segment for the years ended December 31, 2023 and 2022:

					Increase (Decrease)	
	2023	%	2022	%	Amount	%
	(amounts in million Php)					
Service Revenues:						
Data	93,212	77	90,068	71	3,144	3
Voice	26,686	22	36,727	29	(10,041)	(27)
Miscellaneous	438	1	419	—	19	5
	120,336	100	127,214	100	(6,878)	(5)
Non-Service Revenues:						
Sale of phone units, point-product sales and devices	398	—	596	—	(198)	(33)
Total Fixed Line Revenues	120,734	100	127,810	100	(7,076)	(6)

Service Revenues

Our fixed line service revenues decreased by Php6,878 million, or 5%, to Php120,336 million in 2023 from Php127,214 million in 2022, primarily due to lower revenues from our voice services, partially offset by higher revenues from our data services.

Fixed Line service revenues, net of interconnection costs, amounted to Php109,206 million in 2023, an increase of Php1,735 million, or 2%, from Php107,471 million in 2022.

Data Services

Our data services, which include Home broadband, corporate data, and ICT portfolio with data center, cloud, cyber security, and managed IT offerings, posted revenues of Php93,212 million in 2023, an increase of Php3,144 million, or 3%, from Php90,068 million in 2022, primarily due to higher revenues from Home broadband and corporate data and leased lines, partially offset by lower ICT services, inclusive of intersegment transactions. The percentage contribution of this service segment to our fixed line service revenues accounted for 77% and 71% in 2023 and 2022, respectively.

The following table shows information of our data service revenues for the years ended December 31, 2023 and 2022:

	2023	2022	Increase	
			Amount	%
			(amounts in million Php)	
Data service revenues	93,212	90,068	3,144	3
Home broadband	50,876	48,975	1,901	4
Corporate data and ICT	42,336	41,093	1,243	3

Home Broadband

Home broadband data revenues amounted to Php50,876 million in 2023, an increase of Php1,901 million, or 4%, from Php48,975 million in 2022. This growth is driven by increasing demand for broadband services, including fixed wired (PLDT Home Fibr), which the company is providing through the nationwide roll-out of its FTTH network. Home broadband revenues accounted for 54% of fixed line data service revenues in each of 2023 and 2022. PLDT's FTTH nationwide network roll-out has reached over 17.5 million homes passed as of December 31, 2023, while the number of ports has grown to about 6.3 million.

Corporate Data and ICT

Corporate data services amounted to Php35,204 million in 2023, an increase of Php1,422 million, or 4%, as compared with Php33,782 million in 2022, mainly due to the sustained demand for broadband internet and data networking services. Corporate data revenues accounted for 38% of our total data service revenues in each of 2023 and 2022.

ICT revenues decreased by Php179 million, or 2%, to Php7,132 million in 2023 from Php7,311 million in 2022, mainly due to lower intersegment revenues with our Wireless business. Excluding intersegment transactions, ICT services would have increased by Php699 million, or 15%, to Php5,327 million in 2023 from Php4,628 million in 2022. The percentage contribution of this service segment to our total data service revenues accounted for 8% in each of 2023 and 2022.

Voice Services

Revenues from our voice services decreased by Php10,041 million, or 27%, to Php26,686 million in 2023 from Php36,727 million in 2022, primarily due to lower revenues from international services of PLDT Global resulting from the transfer of load business to Wireless business segment. The percentage contribution of voice service revenues to our fixed line service revenues accounted for 22% and 29% in 2023 and 2022, respectively.

Miscellaneous Services

Miscellaneous service revenues are derived mostly from rentals and management fees. These service revenues increased by Php19 million, or 5%, to Php438 million in 2023 from Php419 million in 2022.

Non-service Revenues

Non-service revenues decreased by Php198 million, or 33%, to Php398 million in 2023 from Php596 million in 2022, primarily due to lower point-product sales, partially offset by higher sale of WiFi mesh.

Expenses

Expenses related to our Fixed Line business segment totaled Php102,352 million in 2023, a decrease of Php30,796 million, or 23%, as compared with Php133,148 million in 2022. The decrease was primarily due to lower depreciation and amortization, interconnection costs, selling, general and administrative expenses, provisions, cost of sales and services, and asset impairment. As a percentage of our total fixed line revenues, expenses associated with our Fixed Line business segment accounted for 85% and 104% in 2023 and 2022, respectively.

The following table shows the breakdown of our total fixed line-related expenses for the year ended December 31, 2023 and 2022 and the percentage of each expense item in relation to the total:

	2023	%	2022	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Selling, general and administrative expenses	47,469	46	49,229	37	(1,760)	(4)
Depreciation and amortization	36,855	36	55,707	42	(18,852)	(34)
Interconnection costs	11,130	11	19,743	15	(8,613)	(44)
Provisions	3,784	4	4,684	3	(900)	(19)
Cost of sales and services	3,114	3	3,599	3	(485)	(13)
Asset impairment	—	—	186	—	(186)	(100)
Total	102,352	100	133,148	100	(30,796)	(23)

Selling, general and administrative expenses decreased by Php1,760 million, or 4%, to Php47,469 million in 2023, primarily due to lower expenses related to compensation and employee benefits on account of lower MRP, repairs and maintenance, insurance and security services, and other expenses. This is partly offset by higher expenses related to selling and promotions primarily due to additional amortization of subscriber contract cost to obtain, taxes and licenses, professional and other contracted services, and rent.

Depreciation and amortization charges decreased by Php18,852 million, or 34%, to Php36,855 million in 2023, mainly driven by additional depreciation in 2022 due to change in estimated useful life of copper-based technology, resulting from the migration to FTTH, and the modernization of network equipment. This is partly offset by additional depreciation and amortization of subscriber contract cost to fulfill in 2023 due to the change in estimated useful life.

Interconnection costs decreased by Php8,613 million, or 44%, to Php11,130 million in 2023, primarily due to lower international interconnection costs of PLDT Global mainly due to the transfer of load business to Wireless business segment.

Provisions decreased by Php900 million, or 19%, to Php3,784 million in 2023, primarily due to lower provision for ECLs mainly due to improved collection rate and lower provision for inventory obsolescence.

Cost of sales and services decreased by Php485 million, or 13%, to Php3,114 million in 2023, primarily due to lower cost of services, mainly from ePLDT's lower cost of data center with our Wireless business.

Asset impairment for property and equipment amounted to nil in 2023 as compared with Php186 million in 2022 due to impairment on certain network equipment damaged by Typhoon Odette and impairment of property and equipment related to managed IT services of ePLDT.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total fixed line-related other income (expenses) – net for the years ended December 31, 2023 and 2022:

	2023	2022	Change	
			Amount	%
(amounts in million Php)				
Other Income (Expenses) – Net:				
Gains on derivative financial instruments – net	1,084	1,792	(708)	(40)
Interest income	324	202	122	60
Foreign exchange gains (losses) – net	138	(3,230)	3,368	104
Equity share in net losses of associates and joint ventures	(595)	(253)	(342)	(135)
Financing costs – net	(6,824)	(6,100)	(724)	(12)
Other income – net	18,020	28,591	(10,571)	(37)
Total	12,147	21,002	(8,855)	(42)

Our Fixed Line business segment's other income – net amounted to Php12,147 million in 2023, a decrease of Php8,855 million, or 42%, from Php21,002 million in 2022, primarily due to the combined effects of the following: (i) lower other income – net by Php10,571 million mainly due to lower dividend income recognized from the subsidiaries of Wireless business segment, and PLDT's income from prescription of liability on redeemable preferred shares of Php7,839 million in 2022; (ii) higher net financing costs by Php724 million mainly due to higher interest rates and higher weighted average outstanding principal amounts, as well as lower capitalized interest; (iii) lower net gains on derivative financial instruments by Php708 million; (iv) higher equity share in net losses of associates by Php342 million; (v) higher interest income by Php122 million; and (vi) net foreign exchange gains of Php138 million in 2023 as against net foreign exchange losses of Php3,230 million in 2022 mainly on account of revaluation of net foreign currency-denominated liabilities due to the appreciation of the Philippine peso relative to the U.S. dollar in 2023 as compared to the depreciation of the Philippine peso relative to the U.S. dollar in 2022.

Provision for Income Tax

Provision for income tax amounted to Php4,015 million in 2023 as against benefit from income tax of Php1,102 million in 2022, mainly due to higher taxable income. Net income before tax in 2022 included significant non-taxable income from the dividends recognized from our Wireless subsidiaries.

Net Income

As a result of the foregoing, our Fixed Line business segment registered a net income of Php26,514 million in 2023, an increase of Php9,748 million, or 58%, as compared with Php16,766 million in 2022.

EBITDA

Our Fixed Line business segment's EBITDA increased by Php4,051 million, or 7%, to Php59,102 million in 2023 from Php55,051 million in 2022. EBITDA margin increased to 49% in 2023 from 43% in 2022.

Core Income

Our Fixed Line business segment's core income decreased by Php727 million, or 2%, to Php37,886 million in 2023 from Php38,613 million in 2022, primarily due to higher provision for income tax and lower other miscellaneous income, partially offset by higher EBITDA excluding MRP.

Others

Revenues

Revenues generated from our Other business segment amounted to nil for each of the years ended December 31, 2023 and 2022.

Expenses

Expenses related to our Other business segment increased by Php5 million, or 38%, to Php18 million in 2023 from Php13 million in 2022.

Other Income (Expenses) – Net

The following table summarizes the breakdown of other income (expenses) – net for Other business segment for the years ended December 31, 2023 and 2022:

	2023	2022	Change	
			Amount	%
(amounts in million Php)				
Other Income (Expenses) – Net:				
Interest income	7	14	(7)	(50)
Foreign exchange gains (losses) – net	(76)	1	(77)	(7,700)
Equity share in net losses of associates and joint ventures	(2,211)	(3,051)	840	28
Other income – net	29	246	(217)	(88)
Total	(2,251)	(2,790)	539	19

Our Other business segment's other expenses – net amounted to Php2,251 million in 2023, a decrease of Php539 million, or 19%, from Php2,790 million in 2022, primarily due to the combined effects of the following: (i) lower equity share in net losses of associates and joint ventures by Php840 million mainly due to lower equity share in net losses in MIH; (ii) lower interest income by Php7 million; (iii) net foreign exchange losses of Php76 million in 2023 as against net foreign exchange gains of Php1 million in 2022; and (iv) lower other income – net by Php217 million mainly due to gain on dilution in MIH in 2022, partially offset by the loss on acquisition of Multisys in 2022.

Net Loss

As a result of the foregoing, our Other business segment registered a net loss of Php2,270 million in 2023, a decrease of Php399 million, or 15%, from Php2,669 million in 2022.

Core Loss

Our Other business segment's core loss amounted to Php2,110 million in 2023, a decrease of Php848 million, or 29%, from Php2,958 million in 2022.

Capital Expenditure Plans

We are one of the leading telecommunications and digital services providers in the Philippines. We are committed to reinforcing our leading position by offering a broader range and higher quality of products and services.

Our consolidated capital expenditures, net of additions subject to sale and leaseback from tower companies, totaled Php78,246 million, Php85,083 million and Php96,810 million for the years ended December 31, 2024, 2023 and 2022, respectively. Our capex spending was primarily focused on Wireless LTE (4G) coverage and capacity expansion, and rollout of new sites and 5G base stations in key business areas and dense communities nationwide, and Fixed Line's install, rollout, expansion and modernization of fiber optic transport network and backbone resiliency, and expansion of international submarine cable network. PLDT Group's capital expenditures were financed from internally generated funds, complemented by our borrowings and proceeds from sale of assets.

Our current estimate for our consolidated capital expenditures in 2025 will be between Php70 billion to Php73 billion, which is expected to be spent on network maintenance and expansion and IT projects, mainly to support the exponential rise in mobile data traffic, for broadband installations, and investments to support the growth of the corporate data and ICT businesses, including the data center. Our capital spending is focused on our objective of supporting the changing demand profile of our customers, allowing the delivery of a superior customer experience, and helping corporate customers to grow their businesses.

We plan to expand our LTE network in line with our intention to expand capacity in step with the growth in customer usage, and our desire to provide coverage to substantially all of the country's cities and municipalities. We are also heeding the government's call to expand telecommunications facilities to reach GIDAs. Furthermore, we are investing in building our 5G network to support an identified growth area in the mobile space. We intend to expand and upgrade our national and domestic transport network for cable fortification and resiliency in various locations. We continue to invest to expand capacity and improve resiliency of our international cable network which is critical in connecting the Philippines to the world. The design of our integrated network architecture optimizes the ability of PLDT to deliver a diverse products and services offering to as wide a market as possible in the most cost-effective manner.

We also plan to continue upgrading of our IT and service delivery platforms in order to facilitate a real-time, on demand and personalized customer experience across all touch points and channels.

Our capital expenditure budget includes projects addressing the following objectives:

- (1) Commercial expansion of capacity and footprint of our wired and wireless services, as well as new platforms to expand service offerings;
- (2) Technical modernization of the PLDT Group's service delivery platform in order to realize operating and cost efficiencies, provision of greater resilience and redundancy for the network, and investments in additional cable systems;
- (3) Continuing investments to expand our LTE and 5G network coverage and capacity;
- (4) IT/Support Systems –upgrade of our IT and support systems, including investments to reinforce our cybersecurity platforms; and
- (5) Investments to support the growth of our corporate data and ICT businesses, including the data center

We expect to fund incremental capital expenditures from internally generated funds, debt financing and proceeds from sale of assets.

We have adopted and implemented various operational enhancements to our policies, procedures and controls relating to our capital expenditure management processes, and we continue to review the same for any appropriate enhancements.

Liquidity and Capital Resources

The following table shows our consolidated cash flows for the years ended December 31, 2024, 2023 and 2022, as well as our consolidated capitalization and other consolidated selected financial data as at December 31, 2024 and 2023:

	2024	2023	2022
	(amounts in million Php)		
Cash Flows			
Net cash flows provided by operating activities	81,731	85,765	76,200
Net cash flows used in investing activities	(65,704)	(55,118)	(33,006)
<i>Payment for purchase of property and equipment, including capitalized interest</i>	(68,257)	(78,435)	(95,551)
Net cash flows provided by (used in) financing activities	(22,331)	(39,418)	(42,304)
Net increase (decrease) in cash and cash equivalents	(6,166)	(9,034)	1,304
	2024	2023	
	(amounts in million Php)		
Capitalization			
Interest-bearing financial liabilities:			
Long-term financial liabilities:			
Long-term debt	258,246	243,152	
Current portion of interest-bearing financial liabilities:			
Long-term debt maturing within one year	23,340	11,646	
Total interest-bearing financial liabilities	281,586	254,798	
Total equity attributable to equity holders of PLDT	115,419	105,218	
	397,005	360,016	
Other Selected Financial Data			
Total assets	623,275	609,519	
Property and equipment	318,069	287,103	
Cash and cash equivalents	10,011	16,177	
Short-term investments	136	391	

Our consolidated cash and cash equivalents and short-term investments totaled Php10,147 million as at December 31, 2024. Principal sources of consolidated cash and cash equivalents in 2024 were cash flows from operating activities amounting to Php81,731 million, proceeds from availment of long-term debt of Php37,000 million, proceeds from disposal of property of equipment of Php4,827 million, mainly proceeds from the sale and leaseback of telecom towers, interest received of Php881 million, collection of derivative financial instruments of Php704 million, and proceeds from redemption of investment in debt securities of Php200 million. These funds were used principally for: (1) purchase of property and equipment, including capitalized interest, of Php68,257 million; (2) long-term debt principal and interest payments of Php12,059 million and Php10,740 million, respectively; (3) cash dividends paid of Php20,750 million; (4) settlement of obligations under lease liabilities of Php12,079 million; (5) payment for redemption of perpetual notes of Php4,200 million; (6) payment for acquisition of investment in associates and joint ventures of Php3,770 million, mainly PLDT's respective investments in Radius and Kayana, PCEV's additional investment in MIH, and Smart's investment in DFTI.

Our consolidated cash and cash equivalents and short-term investments totaled Php16,568 million as at December 31, 2023. Principal sources of consolidated cash and cash equivalents in 2023 were cash flows from operating activities amounting to Php85,765 million, proceeds from availment of long-term debt of Php38,000 million, proceeds from disposal of property of equipment of Php23,971 million, mainly proceeds from the sale and leaseback of telecom towers, interest received of Php973 million and proceeds from maturity of short-term investments of Php440 million. These funds were used principally for: (1) purchase of property and equipment, including capitalized interest, of Php78,435 million; (2) long-term debt principal and interest payments of Php22,611 million and Php9,715 million, respectively; (3) cash dividends paid of Php23,328 million; (4) payment of short-term debt of Php10,000 million; (5) settlement of obligations under lease liabilities of Php10,707 million; (6) payment for acquisition of investment in associates and joint ventures of Php1,636 million, mainly PCEV's additional investment in MIH's preferred shares; (7) settlement of derivative financial instruments of Php607 million; and (8) payment for purchase of short-term investments of Php449 million.

Financing Requirements

We believe that our available cash, including cash flow from operations, will provide sufficient liquidity to fund our projected operating, investment, capital expenditures and debt service requirements for the next 12 months and in the long-term; however, we may finance a portion of these costs from external sources if we consider it prudent to do so.

See Note 27 – *Financial Assets and Liabilities – Financial Risk Management Objectives and Policies* to the accompanying consolidated financial statements in Item 7. “Financial Statements” for a detailed discussion on our financing requirements.

Operating Activities

Our consolidated net cash flows provided by operating activities decreased by Php4,034 million, or 5%, to Php81,731 million in 2024 from Php85,765 million in 2023 primarily due to lower level of collection of receivables, higher level of settlement of accounts payable and accrued expenses and other current liabilities, and higher income taxes paid, partially offset by lower prepayments and higher operating income.

Our consolidated net cash flows provided by operating activities increased by Php9,565 million, or 13%, to Php85,765 million in 2023 from Php76,200 million in 2022 primarily due to higher level of collection of receivables, higher operating income, lower income taxes paid and lower payment of pension and other employee benefits, partially offset by higher level of settlement of accounts payable and accrued expenses and other current liabilities.

Cash flows provided by operating activities of our Wireless business segment decreased by Php8,866 million, or 13%, to Php58,093 million in 2024 from Php66,959 million in 2023, primarily due to higher level of settlement of accounts payable, and accrued expenses and other current liabilities, and lower level of collection of receivables, partially offset by higher operating income and lower prepayments. Cash flows provided by operating activities of our Fixed Line business segment decreased by Php7,175 million, or 13%, to Php46,597 million in 2024 from Php53,772 million in 2023, primarily due to higher level of settlement of accounts payable, accrued expenses and other current liabilities, higher prepayments and lower level of collection of accounts receivables, partially offset by higher operating income. Cash flows provided by operating activities of our Other business segment amounted to Php3,299 million in 2024 as against cash flows used in operating activities of Php133 million in 2023, primarily due to higher level of collection of receivables and lower level of settlement of accounts payable.

Cash flows provided by operating activities of our Wireless business segment increased by Php27,426 million, or 69%, to Php66,959 million in 2023 from Php39,533 million in 2022, primarily due to lower prepayments, lower level of settlement of accrued expenses and other current liabilities, and lower income taxes paid, partially offset by higher settlement of accounts payable and lower operating income. Cash flows provided by operating activities of our Fixed Line business segment decreased by Php7,039 million, or 12%, to Php53,772 million in 2023 from Php60,811 million in 2022, primarily due to higher level of settlement of accrued expenses and other current liabilities, and higher prepayments, partially offset by higher operating income, lower level of settlement of accounts payable, higher level of collection of accounts receivable, and lower payment of pension and other employee benefits. Cash flows used in operating activities of our Other business segment amounted to Php133 million in 2023 as against cash flows provided by operating activities of Php2,787 million in 2022, primarily due to lower level of collection of receivables and higher level of settlement of accounts payable.

Investing Activities

Consolidated net cash flows used in investing activities amounted to Php65,704 million in 2024, an increase of Php10,586 million, or 19%, from Php55,118 million in 2023, primarily due to the combined effects of the following: (1) lower proceeds from disposal of property and equipment by Php19,144 million, mainly lower proceeds from the sale and leaseback of telecom towers; (2) higher payment for acquisition of investments in associates and joint ventures by Php2,134 million, mainly PLDT's respective investments in Radius and Kayana, PCEV's additional investment in MIH, and Smart's investment in DFTI; (3) lower payment for purchase of property and equipment, including capitalized interest, by Php10,178 million; and (4) proceeds from redemption of investment in debt securities on Php200 million in 2024.

Consolidated net cash flows used in investing activities amounted to Php55,118 million in 2023, an increase of Php22,112 million, or 67%, from Php33,006 million in 2022, primarily due to the combined effects of the following: (1) lower proceeds from disposal of property and equipment by Php36,862 million, mainly lower proceeds from the sale and leaseback of telecom towers; (2) net payment for purchase of short-term investments of Php9 million in 2023 as against net proceeds from maturity of short-term investments of Php2,332 million in 2022; and (3) lower payment for acquisition of investments in associates and joint ventures by Php1,878 million, mainly PCEV's additional investment in MIH's preferred shares; and (4) lower payment for purchase of property and equipment, including capitalized interest, by Php17,116 million.

Our consolidated payment for purchase of property and equipment, including capitalized interest, in 2024 totaled Php68,257 million, a decrease of Php10,178 million, or 13%, as compared with Php78,435 million in 2023. Smart's payment for purchase of property and equipment, including capitalized interest, decreased by Php4,717 million, or 11%, to Php37,366 million in 2024 from Php42,083 million in 2023. PLDT's payment for purchase of property and equipment, including capitalized interest, decreased by Php4,727 million, or 14%, to Php28,089 million in 2024 from Php32,816 million in 2023. The balance represents other subsidiaries' capital spending.

Our consolidated payment for purchase of property and equipment, including capitalized interest, in 2023 totaled Php78,435 million, a decrease of Php17,116 million, or 18%, as compared with Php95,551 million in 2022. Smart's payment for purchase of property and equipment, including capitalized interest, decreased by Php3,815 million, or 8%, to Php42,083 million in 2023 from Php45,898 million in 2022. PLDT's payment for purchase of property and equipment, including capitalized interest, decreased by Php13,576 million, or 29%, to Php32,816 million in 2023 from Php46,392 million in 2022. The balance represents other subsidiaries' capital spending.

As part of our growth strategy, we may from time to time, continue to make acquisitions and investments in companies or businesses.

Financing Activities

On a consolidated basis, cash flows used in financing activities amounted to Php22,331 million in 2024, a decrease of Php17,087 million, or 43%, from Php39,418 million in 2023, primarily due to the combined effects of the following: (1) lower payment of long-term debt by Php10,552 million; (2) payment of short-term debt of Php10,000 million in 2023; (3) lower cash dividends paid by Php2,578 million; (4) collection from derivative financial instruments of

Php704 million in 2024 as against settlement of Php607 million in 2023; (5) payment for redemption of perpetual notes of Php4,200 million in 2024; (6) higher settlement of obligations under lease liabilities by Php1,372 million; (7) higher interest paid by Php1,025 million; and (8) lower proceeds from availment of long-term debt by Php1,000 million.

On a consolidated basis, cash flows used in financing activities amounted to Php39,418 million in 2023, a decrease of Php2,886 million, or 7%, from Php42,304 million in 2022, primarily due to the combined effects of the following: (1) higher proceeds from availment of long-term debt by Php33,000 million; (2) lower cash dividends paid by Php1,907 million; (3) higher interest paid by Php702 million; (4) higher settlement of obligations under lease liabilities by Php2,376 million; (5) proceeds from the release of preferred shares redemption fund of Php7,839 million in 2022; and (6) payment of short-term debt of Php10,000 million in 2023 as against net proceeds from availment of short-term debt of Php10,000 million in 2022.

Debt Financing

Proceeds from availment of long-term debt for the year ended December 31, 2024 amounted to Php37,000 million mainly from PLDT, Smart and ePLDT's drawings related to financing of capital expenditure requirements. Payments of principal on long-term debt amounted to Php12,059 million, while payments of interest on our total debt amounted to Php10,679 million for the year ended December 31, 2024.

Proceeds from availment of long-term debt for the year ended December 31, 2023 amounted to Php38,000 million mainly from PLDT, Smart and ePLDT's drawings related to financing of capital expenditure requirements. Payments of principal on long-term and short-term debts amounted to Php22,611 million and Php10,000 million, respectively, while payments of interest on our total debt amounted to Php9,596 million for the year ended December 31, 2023.

Our consolidated long-term and short-term debts increased by Php26,788 million, or 11%, to Php281,586 million as at December 31, 2024 from Php254,798 million as at December 31, 2023 primarily due to drawings from our long-term facilities and the revaluation of foreign currency-denominated debt, partially offset by debt amortizations. As at December 31, 2024, PLDT's long-term and short-term debt level increased by Php14,630 million, or 9%, to Php170,502 million from Php155,872 million as at December 31, 2023, Smart's long-term and short-term debt level increased by Php9,531 million, or 10%, to Php103,493 million from Php93,962 million as at December 31, 2023, and ePLDT's long-term debt level increased by Php2,627 million, or 53%, to Php7,591 million from Php4,964 million as at December 31, 2023.

Our consolidated long-term and short-term debts increased by Php5,218 million, or 2%, to Php254,798 million as at December 31, 2023 from Php249,580 million as at December 31, 2022 primarily due to drawings from our long-term facilities, partially offset by debt amortizations and the revaluation of foreign currency-denominated debt. As at December 31, 2023, PLDT's long-term and short-term debt level decreased by Php944 million, or 1%, to Php155,872 million from Php156,816 million as at December 31, 2022, Smart's long-term and short-term debt level increased by Php1,198 million, or 1%, to Php93,962 million from Php92,764 million as at December 31, 2022, and ePLDT's long-term debt level at Php4,964 million.

See *Note 20 – Interest-bearing Financial Liabilities – Long-term Debt* to the accompanying audited consolidated financial statements for a more detailed discussion of our long-term and short-term debts.

Debt Covenants

Our consolidated debt instruments contain restrictive covenants, including covenants that require us to comply with specified financial ratios, such as total debt to EBITDA and interest coverage ratio, at relevant measurement dates, principally at the end of each quarterly period. We have complied with all of our maintenance financial ratios as required under our loan covenants and other debt instruments.

As at December 31, 2024 and 2023, we are in compliance with all of our debt covenants.

See *Note 20 – Interest-bearing Financial Liabilities – Compliance with Debt Covenants* to the accompanying audited consolidated financial statements for a more detailed discussion of our debt covenants.

Financing Requirements

We believe that our available cash, including cash flow from operations, will provide sufficient liquidity to fund our projected operating, investment, capital expenditures and debt service requirements for the next 12 months and in the long-term; however, we may finance a portion of these costs from external sources if we consider it prudent to do so.

The following table shows the dividends declared to common and preferred shareholders for the years ended December 31, 2024 and 2023:

Earnings	Date		Payable	Amount	
	Approved ⁽¹⁾	Record		Per share	Total Declared
	(amounts in million Php, except per share amount)				
2024					
Common Stock					
Regular Dividend	March 7, 2024	March 21, 2024	April 5, 2024	46	9,938
	August 13, 2024	August 27, 2024	September 11, 2024	50	10,803
Preferred					
Series IV Cumulative Non-convertible Redeemable Preferred Stock ⁽¹⁾	January 30, 2024	February 14, 2024	March 15, 2024	—	12
	May 9, 2024	May 24, 2024	June 15, 2024	—	13
	August 13, 2024	August 28, 2024	September 15, 2024	—	12
	November 12, 2024	November 28, 2024	December 15, 2024	—	12
Voting Preferred Stock	March 21, 2024	April 5, 2024	April 15, 2024	—	2
	June 11, 2024	June 28, 2024	July 15, 2024	—	3
	August 13, 2024	September 16, 2024	October 15, 2024	—	2
	December 3, 2024	December 17,2024	January 15, 2025	—	3
Charged to Retained Earnings					<u>20,800</u>
2023					
Common Stock					
Regular Dividend	March 23, 2023	April 11, 2023	April 24, 2023	45	9,722
	August 3, 2023	August 17, 2023	September 4, 2023	49	10,587
	March 23, 2023	April 11, 2023	April 24, 2023	14	3,025
Preferred					
Series IV Cumulative Non-convertible Redeemable Preferred Stock ⁽¹⁾	January 31, 2023	February 27, 20	March 15, 2023	—	12
	May 4, 2023	May 19, 2023	June 15, 2023	—	12
	August 3, 2023	August 19, 2023	September 15, 2023	—	13
	November 7, 2023	November 22, 2023	December 15, 2023	—	12
Voting Preferred Stock	March 2, 2023	March 17, 2023	April 15, 2023	—	3
	June 13, 2023	June 28, 2023	July 15, 2023	—	3
	August 29, 2023	September 13, 2023	October 15, 2023	—	2
	December 5, 2023	December 22, 2023	January 15, 2024	—	2
Charged to Retained Earnings					<u>23,393</u>

⁽¹⁾ Dividends were declared based on total amount paid up.

Our dividends declared after December 31, 2024 are detailed as follows:

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
	(in million Php, except per share amount)				
Common					
Regular Dividend	February 27, 2025	March 13, 2025	April 3, 2025	47	10,155
Preferred					
Series IV Cumulative Non-convertible Redeemable Preferred Stock ⁽¹⁾	January 28, 2025	February 11, 2025	March 15, 2025	—	12
Charged to Retained Earnings					10,167

⁽¹⁾ Dividends were declared based on total amount paid up.

See Item 5. “Market for Registrant’s Common Equity and Related Stockholder Matters – Dividends” and Note 19 – Equity to the accompanying audited consolidated financial statements in Item 7. “Financial Statements” for a detailed discussion of our dividend payments.

Credit Ratings

None of our existing indebtedness contains provisions under which credit rating downgrades would trigger a default, changes in applicable interest rates or other similar terms and conditions.

As at February 27, 2025, PLDT maintained its investment grade credit ratings as follows:

Rating Agency	Credit Rating
Moody’s Investor Service, or Moody’s	Baa2 with stable outlook (issued on May 26, 2023)
S&P Global (formerly Standard & Poor’s Ratings Services)	BBB with stable outlook (issued on November 22, 2023)

On January 6, 2014, CRISP rated PLDT’s inaugural peso retail bonds as “AAA with stable outlook”, the highest on the scale. CRISP cited PLDT’s market leadership, strong historical financial performance and excellent management and governance as key considerations for providing their rating. The credit rating agreement with CRISP ended in 2024 with the full redemption of PLDT’s retail peso bonds.

Changes in Financial Conditions

Assets

Our total assets amounted to Php623,275 million as at December 31, 2024, an increase of Php13,756 million, or 2%, from Php609,519 million as at December 31, 2023, primarily due to higher noncurrent assets, partly offset by lower current assets.

Our total assets amounted to Php609,519 million as at December 31, 2023, a decrease of Php14,643 million, or 2%, from Php624,162 million as at December 31, 2022, primarily due to lower noncurrent assets and current assets.

Noncurrent Assets

Our noncurrent assets increased by Php20,051 million, or 4%, to Php559,447 million in 2024 from Php539,396 million in 2023 primarily due to the combined effects of the following:

Property and equipment increased by Php30,966 million, or 11%, mainly due to higher capital expenditures, partly offset by depreciation and disposal for the year including sale to tower companies.

Right-of-use assets increased by Php6,394 million, or 20%, mainly due to the leaseback of telecom assets sold to tower companies, partially offset by depreciation for the year.

Investments in associates and joint ventures increased by Php2,456 million, or 5%, mainly due to PLDT's investments in Radius and Kayana, PCEV's additional investment in MIH and Smart's investment in DFTI, partially offset by equity share in net losses of MIH and other associates and joint ventures.

Deferred income tax assets decreased by Php3,529 million, or 19%, mainly due to lower deferred tax on unearned revenues and unamortized past service pension costs.

Other noncurrent assets decreased by Php16,236 million, or 11%, mainly due to lower advances to suppliers and contractors.

Our noncurrent assets decreased by Php3,437 million, or 1%, to Php539,396 million in 2023 from Php542,833 million in 2022 primarily due to the combined effects of the following:

Property and equipment decreased by Php5,642 million, or 2%, mainly due to the reclassification of information origination and termination equipment to subscriber contract costs, depreciation, and disposal for the year including sale to tower companies, partly offset by capital expenditures.

Right-of-use assets increased by Php3,854 million, or 13%, mainly due to the leaseback of telecom assets sold to tower companies, partially offset by depreciation for the year.

Investments in associates and joint ventures decreased by Php1,238 million, or 2%, mainly due to equity share in net losses of MIH and other associates and joint ventures, partially offset by PCEV's additional investment in MIH's preferred shares.

Deferred income tax assets increased by Php536 million, or 3%, mainly due to higher deferred tax on provisions for impairment of other assets, partly offset by lower deferred tax on unearned revenues and provisions.

Goodwill and intangible assets decreased by Php214 million mainly due to amortization of franchise and other intangibles for the year.

Other noncurrent assets decreased by Php733 million, or 29%, mainly due to lower advances to suppliers and contractors, partially offset by the reclassification of subscriber contract costs from property and equipment.

Current Assets

Our current assets decreased by Php6,295 million, or 9%, to Php63,828 million in 2024 from Php70,123 million in 2023 primarily due to the combined effects of the following:

Cash and cash equivalents decreased by Php6,166 million, or 38%, mainly due to the combined effects of cash flows provided by operating activities of Php81,731 million, cash flows used in investing activities of Php65,704 million, and cash flows used in financing activities of Php22,331 million.

Trade and other receivables increased by Php5,526 million, or 21%, mainly due to higher receivables from corporate subscribers, and receivables from dealers, agents and others.

Other current assets decreased by Php5,655 million, or 20%, mainly due to lower current portion of prepayments and assets classified as held-for-sale.

Our current assets decreased by Php11,206 million, or 14%, to Php70,123 million in 2023 from Php81,329 million in 2022 primarily due to the combined effects of the following:

Cash and cash equivalents decreased by Php9,034 million, or 36%, mainly due to the combined effects of cash flows provided by operating activities of Php85,765 million, cash flows used in investing activities of Php55,118 million, and cash flows used in financing activities of Php39,418 million.

Inventories and supplies decreased by Php228 million, or 6%, mainly due to net issuances of commercial inventories.

Other current assets decreased by Php1,944 million, or 4%, mainly due to lower current portion of prepayments.

Liabilities

Our total liabilities amounted to Php506,540 million as at December 31, 2024, an increase of Php7,407 million, or 1%, from Php499,133 million as at December 31, 2023, primarily due to higher noncurrent liabilities by Php15,618 million, or 5%, partially offset by lower current liabilities by Php8,211 million, or 4%.

Noncurrent and current interest-bearing financial liabilities increased by Php26,788 million, or 11%, primarily due to drawings from our long-term facilities and the revaluation of foreign currency-denominated debt, partially offset by debt amortizations.

Other noncurrent liabilities increased by Php524 million, or 1%, primarily due to higher lease liabilities – net of current portion, partly offset by lower pension and other employee benefits and unearned revenues.

Accounts payable decreased by Php14,292 million, or 18%, primarily due to lower payables to suppliers and contractors.

Other current liabilities decreased by Php5,613 million, or 5%, primarily due to accrued expenses and other current liabilities and lower income tax payable.

Our total liabilities amounted to Php499,133 million as at December 31, 2023, a decrease of Php11,068 million, or 2%, from Php510,201 million as at December 31, 2022, primarily due to higher noncurrent liabilities by Php39,261 million, or 15%, partially offset by lower current liabilities by Php50,329 million, or 20%.

Noncurrent and current interest-bearing financial liabilities increased by Php5,218 million, or 2%, primarily due to drawings from our long-term facilities, partially offset by debt amortizations and the revaluation of foreign currency-denominated debt.

Other noncurrent liabilities increased by Php13,397 million, or 29%, primarily due to higher lease liabilities – net of current portion and pension and other employee benefits.

Accounts payable decreased by Php24,173 million, or 23%, primarily due to lower payables to suppliers and contractors.

Other current liabilities decreased by Php5,510 million, or 5%, primarily due to lower lease liabilities, accrued taxes and utilities, partially offset by higher income tax payable.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have any current or future effect on our financial position, results of operations, cash flows, changes in stockholders' equity, liquidity, capital expenditures or capital resources that are material to investors.

Equity Financing

The PLDT Board of Directors approved the amendment of our dividend policy on August 2, 2016, reducing our dividend payout rate to 60% of our core earnings per share as regular dividends. This was in view of our elevated capital expenditures to build-out a robust, superior network to support the continued growth of data traffic, plans to invest in new adjacent businesses that will complement the current business and provide future sources of profits and dividends, and management of our cash and gearing levels. We began basing our dividend payout on telco core income in 2019. In declaring dividends, we take into consideration the interest of our shareholders, as well as our working capital, capital expenditures and debt servicing requirements. The retention of earnings may be necessary to meet the funding requirements of our business expansion and development programs. Depending on business funding requirements and investment opportunities, we may consider the option of returning additional cash to our shareholders in the form of special dividends of up to the balance of our core earnings or to undertake share buybacks. We were able to pay out approximately 100% of our core earnings for seven consecutive years from 2007 to 2013, approximately 90% of our core earnings for 2014, 75% of our core earnings for 2015, 60% of our core earnings from 2016 to 2018, and 60% of our telco core income from 2019 to 2024. In addition, we paid special dividends of 28% of our telco core earnings in 2022, bringing the total payout ratio to 88% for that year. The accumulated equity in the net earnings of our subsidiaries, which form part of our retained earnings, are not available for distribution unless realized in the form of dividends from such subsidiaries. Dividends are generally paid in Philippine pesos. In the case of shareholders residing outside the

Philippines, PLDT's transfer agent in Manila, Philippines, as the dividend-disbursing agent, converts the Philippine peso dividends into U.S. dollars at the prevailing exchange rate and remits the dollar dividends abroad, net of any applicable withholding tax and fees, in the case of the ADS.

Our subsidiaries pay dividends subject to the requirements of applicable laws and regulations and availability of unrestricted retained earnings, without any restriction imposed by the terms of contractual agreements. Notwithstanding the foregoing, the subsidiaries of PLDT may, at any time, declare and pay such dividends depending upon the results of operations and future projects and plans, the respective subsidiary's earnings, cash flow, financial condition, capital investment requirements and other factors.

Consolidated cash dividend payments paid to shareholders amounted to Php20,750 million, Php23,328 million, and Php25,235 million as at December 31, 2024, 2023 and 2022, respectively.

Contractual Obligations and Commercial Commitments

Various Trade and Other Obligations

PLDT Group has various obligations to suppliers for the acquisition of phone and network equipment, contractors for services rendered on various projects, foreign administrations and domestic carriers for the access charges, shareholders for unpaid dividends distributions, employees for benefits and other related obligations, and various business and operational related agreements. Total obligations under these various agreements amounted to approximately Php133,811 million and Php151,062 million as at December 31, 2024 and 2023, respectively. See *Note 22 – Accounts Payable* and *Note 23 – Accrued Expenses and Other Current Liabilities* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements".

Commercial Commitments

Major Network Vendors

Since the last quarter of 2022, we have engaged in discussions with major network vendors regarding the status of the PLDT Group's capital expenditure commitments and related outstanding balances. These discussions resulted in a number of Settlement and Mutual Release Agreements, or SMRAs, signed between us and the vendors, taking into consideration our program priorities and current business requirements. The significant commitment in respect of major network vendors amounted to about Php33,000 million, net of advances, as a result of the signing of the SMRAs in March 2023. As at December 31, 2024, such commitment was reduced to Php4,200 million, net of advances and deliveries.

Moreover, new purchase orders relating to the major network vendors issued in 2023 and 2024 amounted to Php11,700 million, net of advances and deliveries.

Other Capital Expenditure Vendors

Commitments related to non-major capital expenditure vendors amounted to Php11,200 million, net of advances and deliveries as of December 31, 2024.

We have no outstanding commercial commitments, in the form of letters of credit, as at December 31, 2024 and 2023.

Quantitative and Qualitative Disclosures about Market Risks

The main risks arising from our financial instruments are liquidity risk, foreign currency exchange risk, interest rate risk and credit risk. The importance of managing those risks has significantly increased in light of the considerable change and volatility in both the Philippine and international financial markets. Our Board of Directors reviews and approves policies for managing each of these risks. We also monitor the market price risk arising from all financial instruments.

See *Note 27 – Financial Assets and Liabilities – Financial Risk Management Objectives and Policies* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for a detailed discussion.

Impact of Inflation and Changing Prices

Inflation can be a significant factor in the Philippine economy and we are continually seeking ways to minimize its impact. The average inflation rate in the Philippines for the years ended December 31, 2024 and 2023 were 3.2% and 6.0%, respectively. The risks to the inflation outlook are continuing constraints in the supply of key food items, the adverse impact of climate change on food and electricity prices, and the effects of potential increases in transport fares and minimum wages.

Risks and Uncertainties

You should carefully consider all of the information in this annual report, including the risks and uncertainties described below. If any of the following risks actually occurs, it could have a material adverse effect on our business, financial condition or results of operations and the trading price of our ADSs could decline and you could lose all or part of your investment.

Risks Relating to Us

Increased competition in the telecommunications sector may diminish our market share and profitability, while changes in the competitive and regulatory landscape could further exacerbate adverse effects on our business.

Increasing competition among telecommunications services providers, including new operators, could significantly impact our business and prospects by, among other factors, necessitating tariff reductions, hindering growth of our customer base and reducing usage of our services. Competition is intense for both mobile and fixed line services, with factors such as network coverage, service quality, product offerings, and price as considerations for subscriber preference, potentially requiring increased capital expenditures for capacity and coverage expansion.

The mobile telecommunications industry has experienced intense price competition as operators have attempted to expand market share, especially in light of a maturing voice and SMS market. Competition has now pivoted to data services, prioritizing customer experience over pricing. Our competitors in fixed line broadband, Globe Telecom, Inc. (Globe), and Converge ICT Solutions, Inc. (Converge), a pure fiber broadband provider, are heavily investing in expanding their respective fiber presence. Meanwhile, DITO Telecommunity Corporation (DITO) is aggressively expanding its footprint.

Developments in law, regulations and/or Government initiatives may increase competition and cause us to lose customers. In 2022, the amendment to the Public Service Act was approved which effectively removed the 40% foreign ownership restriction on telecommunication companies which could result in increased competition. Prior to this, as part of its push to encourage competition within the telecommunications industry, the Philippine Government introduced various measures to facilitate and enable the operations of new players, including a tower sharing policy, Mobile Number Portability (MNP), and removal of mobile interconnect charges. We cannot guarantee you that in the future, there will not be similar changes in law, regulations or Government initiatives that may adversely affect our competitiveness.

Our ability to compete depends on factors like network coverage and capacity, service quality, pricing, product innovation, sales channels, and financial resources. To uphold our competitive stance, our success hinges on our ability to anticipate and respond to industry shifts, including technological advancements, evolving consumer preferences, and economic trends. Failure to identify and respond to these challenges could adversely impact our business. In addressing the intense competition, we may need to adjust our pricing strategies and allocate resources to network upgrades, which could lead to lower revenues and higher costs. Moreover, the potential entry of new competitors and customer churn may require increasing marketing and capital expenditures, thereby impacting our overall profitability. We cannot assure you that the number of providers of telecommunications services will not increase in the future or that competition for customers will not result in the loss of customers, including due to our mobile and fixed line subscribers switching to other operators. Any of the foregoing events could result in a reduction in our profitability.

The rapid advancement of disruptive innovations by new and emerging technologies may outpace our ability to compete and/or manage the risk appropriately, resulting in a possible decline in demand for our services, significant changes to our business model and a material adverse effect on our business, results of operations, financial condition and prospects.

The growing use of mobile data in the Philippines, along with the widespread adoption of over-the-top (OTT) services and video conferencing applications, have negatively impacted our traditional revenue sources such as SMS and domestic calling services in recent years. We also face growing competition from providers utilizing alternative wireless technologies and IP-based networks, including the Philippine Government's initiatives to roll-out its free WiFi services in select areas within various municipalities. Moreover, net settlement payments between PLDT and other foreign telecommunications carriers for origination and termination of international call traffic between the Philippines and other countries, which have been our predominant source of foreign currency revenues, have been declining in recent years and contributing less to our total service revenues.

While increasing mobile data usage positively impacted our data revenues and is expected to continue driving growth, there is no guarantee that such increase will fully offset the decline in revenues from our traditional services. We may not be able to maintain and attract customers more effectively than our competitors. We must also invest in additional capacity, infrastructure, cybersecurity, systems and personnel to provide high quality services that accommodate increasing mobile data usage. As a result, our capital costs could increase as we phase out outdated and unprofitable technologies and invest in new ones.

We may not be able to accurately predict further technological trends or successfully adopt or implement new technologies in our business. Some of our competitors may be more successful than us in the development and implementation of new technologies, including services and platforms based on artificial intelligence, to address customer demand or improve operations. If we are unable to adequately advance our capabilities in these areas, or do so at a slower pace than others in our industry, we may be at a competitive disadvantage. In addition, there could be legal or regulatory restraints on our introduction of new services. If our services fail to gain acceptance in the marketplace, or if

costs associated with implementation and completion of the introduction of these services materially increase, our ability to retain and attract customers could be adversely affected.

Developments in Artificial Intelligence (AI) technologies, and its governing legal and regulatory frameworks, are rapidly evolving, and could significantly disrupt the telecommunications industry and subject us to increased competition, legal and regulatory risks and compliance costs, which could have a material adverse effect on our business, financial condition and results of operations. The full extent of risks related thereto is difficult to predict. We are in the process of assessing the use of AI technology and have adopted it in some areas of operations, such as deploying a smart voice AI solution to handle payment collections. Looking ahead, we are working towards embedding AI across our operations, infrastructure, and decision-making processes. This includes AI in the network to optimize performance, enhance security, and enable predictive maintenance. We also aim to leverage AI-driven analytics to generate deeper business insights and drive smarter decision-making. Moreover, we are looking into focusing on AI-driven hyper-personalization to enhance customer engagement, offering tailored services and promotions by leveraging machine learning models. AI-powered initiatives will also be instrumental in unlocking wireless growth, particularly in 5G monetization strategies and improving service delivery. However, as we expand our AI capabilities, we acknowledge the risks of data inaccuracies, biases, and ethical considerations, which may impact operational effectiveness.

Regulations relating to AI technologies may also impose on us certain obligations and costs related to monitoring and compliance. There is uncertainty around the regulation of AI technologies as the Philippine government is in the process of defining its own laws and policies amidst the creation of new AI-related laws in other jurisdictions. The Department of Trade and Industry has developed the National AI Strategy for the Philippines. A bill has been filed in Congress (HB No. 7396 “An Act Promoting the Development and Regulation of Artificial Intelligence in the Philippines”) proposing the creation of an Artificial Intelligence Development Authority and is pending with the Committee on Information and Communications Technology.

The success of our business depends on our ability to maintain and enhance our brands.

We believe that our reputation and brands in the industry are crucial to the success of our business. To maintain and enhance our reputation and brands, we must continue providing relevant products and services, combined with the best customer experience, such that we not only maintain our current customer base but also attract new subscribers as well. If we are unsuccessful in maintaining our reputation and improving our brands, our business, financial position and results of operations may be negatively affected.

Our reliance on arrangements with technology vendors, other partnerships and/or joint ventures, and any disruptions to such arrangements may result in disruption to our business operations and adversely affect our supply of equipment and results of operations, financial condition, reputation and business prospects.

As part of our extensive capital expenditures program to enhance our fixed and wireless networks infrastructure and IT systems to fully support business requirements, we have entered into agreements with vendors, to upgrade and modernize significant portions of our IT infrastructure. However, we cannot guarantee that these initiatives will be completed on schedule, or at all, or as intended. Furthermore, we cannot guarantee that such initiatives will not result in service disruptions, network outages or other issues that may detrimentally affect our service delivery and consumer experience. This may adversely affect our business, financial condition and results of operations.

Due to our reliance on third party vendors, our business operations may be negatively impacted by global geopolitical and public health developments (such as COVID-19), which can disrupt supply chains, delay network construction, and impact service delivery. Any adverse changes in import policies, including increases in import duties and tariffs, or any embargo on imports from countries from which our vendors supply or countries supplying our vendors, may also adversely impact our business, prospects, results of operations and cash flows. Trade tensions between the United States and major trading partners continue to escalate following the introduction of a series of tariff measures by the United States and/or its trading partners. Economic and trade sanctions have been threatened and/or imposed by the U.S. government on a number of People’s Republic of China (PRC)-based technology companies, including Huawei Technologies Co., Ltd. (Huawei), a key vendor for our telecommunications equipment and software licenses, and with whom we have partnered with to develop and offer outcome-based cloud solutions. The United States has also in certain circumstances imposed and threatened to impose further sanctions, trade embargoes and other heightened regulatory requirements on the PRC and PRC-based technology companies. The United States government has brought enforcement actions against Huawei and companies who engaged in unauthorized transactions with Huawei. While our partnership with Huawei is not currently subject to such sanctions or trade embargoes, there is no assurance that the United States or other jurisdictions will not impose similar or more expansive restrictions that may materially and adversely affect or restrict our relationships or collaborations with our vendors, including Huawei and its designated entities, thereby adversely affecting our reputation, competitiveness and business operations.

Some of our third party vendors may encounter financial difficulties or consolidate with other vendors. This may result in a shrinking of the already limited pool of qualified vendors which may in turn, materially impact the third party vendors’ ability to fulfill their obligations and thereby impact our operations. The limited number of available vendors may also result in our dependence on a single vendor to provide critical services.

Our ability to generate revenues could be disrupted if our suppliers are no longer able or willing to supply us. In the event that any of our suppliers cannot or will not provide us with the required products, we may be forced to find alternative suppliers. There is no guarantee that we will be able to obtain our products or products of a similar quality

from alternate suppliers, in part or at all. Failure to find alternative suppliers will disrupt our operations and hinder our ability to generate revenues.

Our vendors/suppliers may be affected by the effects of climate change and extreme weather conditions which could affect their ability to fulfill their commitments to us. This, in turn may disrupt our operations and business continuity.

The mobile telecommunications industry in the Philippines may not continue to grow.

The majority of our total revenues are derived from mobile services provided to customers in the Philippines, making us highly dependent on the continued development and growth of the local mobile telecommunications industry. We believe the country's mobile penetration rate reached approximately 123% as at December 31, 2024, based on the number of SIM cards issued. Given this penetration level, the market for SMS and domestic voice may be considered mature.

Data has emerged as the key driver for revenues. While data traffic on our network has increased, further market expansion depends on many factors beyond our control, including the continued introduction of new and enhanced mobile devices, the price levels of mobile handsets, consumer tastes and preferences, alternative means of access, and the amount of disposable income of existing and potential subscribers. Any economic, technological or other developments resulting in a reduction in demand for mobile services or otherwise causing the Philippine mobile telecommunications industry to stop growing or slow down its growth, could materially harm our business, results of operations, financial condition and prospects.

The franchises, licenses and regulatory approvals, upon which PLDT relies, may be subject to revocation or delay, which could result in the suspension of our services or abandonment of any planned expansions and could thereby have a material adverse effect on our business, results of operations, financial condition and prospects.

Amendment to the Public Service Act

On March 21, 2022, Republic Act No. 11659 or “An Act Amending Commonwealth Act No. 146, otherwise known as the Public Service Act, as amended” (Amendment to the Public Service Act), was signed into law by the President. Under the amendments, telecommunication companies are no longer considered “public utilities” but as “public service with critical infrastructure”. As such, they are no longer subject to the 40% foreign ownership restriction under the Constitution, subject to certain reciprocity rules and with provisions limiting/disallowing state-owned enterprises to invest in telecommunication companies. While the amendment increases our access to foreign capital, it may also allow foreign nationals to make significant investments in other telecommunications companies/operators that can compete with us. The Amendment to the Public Service Act was published in the Official Gazette on March 28, 2022 and took effect on April 12, 2022. On March 20, 2023, the National Economic and Development Authority (NEDA) released its Implementing Rules and Regulations (IRR). The IRR took effect on April 4, 2023.

While we believe that PLDT is still in compliance with the requirements of the Constitution as at the date of this report, we cannot assure you that any subsequent changes in the law will not result in a different conclusion.

Failure to renew franchise and CPCNs

We operate our businesses under separate franchises, each of which has a fixed term and is subject to amendment, termination or repeal by the Philippine Congress.

We also hold various provisional authorities and CPCNs, which have been granted by the NTC and will expire between now and 2028. Some of our CPCNs and provisional authorities have already expired, but applications for the renewal of these CPCNs and provisional authorities were filed prior to their expiry. Under Executive Order No. 292, otherwise known as the Philippine Revised Administrative Code of 1987 (Administrative Code), and Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (Ease of Doing Business Act), CPCNs and provisional authorities for which renewal applications have been filed prior to expiry are deemed effective until the applications for renewal are finally decided upon by the regulator. Although we have filed applications for the extension of these CPCNs and provisional authorities, we cannot assure you that the NTC will grant the applications for renewal.

Failure to renew CPCNs can materially and adversely affect our ability to conduct the essential functions of our business, and therefore adversely affect our financial condition and results of operations. See See Item 4. “Information on the Company – Franchises, Licenses and Regulations” for more information.

Failure to comply with public ownership requirements under Republic Act No. 7925 or the Public Telecommunications Policy Act of the Philippines

In order to diversify the ownership base of public utilities, Republic Act No. 7925, otherwise known as the “Public Telecommunications Policy of the Philippines” (R.A. 7925), requires a telecommunications entity with regulated types of services to make a *bona fide* public offering through the stock exchange of its shares representing at least 30% of its aggregate common shares within five years from: (a) the date the law became effective; or (b) the entity’s commencement of commercial operations, whichever date is later.

Republic Act No. 10926 provides an exemption from the public listing requirement if the grantee is wholly-owned by a company that has publicly listed at least 30% of its authorized capital stock.

PLDT is a publicly listed company and therefore in compliance with this requirement. Meanwhile, Smart, as a wholly-owned subsidiary of PLDT, a publicly listed company, is not required to offer any of its shares to the public.

Meanwhile, DMPI takes the position that it has satisfied the public offering requirement under R.A. 7925 and Republic Act No. 9180 (R.A. 9180), or the legislative franchise of DMPI (DMPI's Franchise), by virtue of the fact that PLDT, a publicly listed company, holds a 99.6% equity interest in DMPI's parent company, Digitel Telecommunications Philippines, Inc. (DTPI), which in turn, holds a 100% equity interest in DMPI. However, there can be no assurance that the Philippine Congress will agree with this position. If DMPI is found to be in violation of the public offering requirement under R.A. 7925 and R.A. 9180, DMPI's Franchise could be revoked by Congress, or a *quo warranto* case may be filed against it by the Office of the Solicitor General of the Philippines.

We cannot assure you that there will be no adverse changes in applicable public ownership requirements or interpretations or that none of our franchises, permits or licenses will be revoked in the future nor that any such changes or revocations would not have a material adverse effect on our business, financial conditions or prospects.

Our business is subject to extensive laws and regulations, including regulations in respect of our service rates, taxes and antitrust laws.

Our business is subject to extensive laws and regulations, including regulations in respect of our service rates, taxes and antitrust laws. Any adverse changes in applicable laws and regulations can have an adverse impact on our business, results of operations, financial condition and prospects.

The NTC regulates the rates we are permitted to charge for services that have not been deregulated, such as local exchange services, and is responsible for granting a long-term license called a CPCN. PLDT has obtained CPCNs for its international gateway facilities, local exchange carriers, and interexchange carrier services. While CPCNs are typically co-terminus with the term of a public utility's franchise, the NTC may amend certain terms of a CPCN, or revoke a CPCN for cause, subject to due process procedures. The exercise of regulatory power by regulators, may be subject to review by the courts upon the filing of appropriate actions by the affected parties.

We cannot guarantee that the NTC will not impose additional obligations on us that, if unmet, could lead to the revocation of our licenses and/or a reduction in our total revenues or profitability. The NTC could amend applicable regulations or implement additional guidelines governing our interconnection with other telecommunications companies or the rates and terms upon which we provide services to our customers. In addition, any future expansions in our services, particularly in our mobile services, could subject us to additional conditions in the granting of our provisional authorities by the NTC and to increased regulatory scrutiny, which could have a material adverse effect on our growth and prospects. The occurrence of any of the foregoing could impose substantial costs on us, cause interruptions or considerable delays in the provision, development or expansion of our services, or materially reduce our revenues and profitability. There is no assurance that the regulatory environment will support increases in our business and financial activity.

We are subject to various national and local taxes, and regulatory fees imposed by LGUs through their respective ordinances. We cannot assure you that we will not be subject to new, increased and/or additional taxes or that we would be able to pass on such additional expenses to our customers. See *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

Moreover, we are subject to antitrust laws and regulations. Republic Act No. 10667, otherwise known as the Philippine Competition Act (Philippine Competition Act), came into effect on August 8, 2015, and prohibits practices that restrict market competition through anti-competitive agreements or the abuse of dominant position. The Philippine Competition Act also requires parties to provide notification and obtain clearance for certain mergers and acquisitions. Violators may be subject to administrative and criminal penalties. While our business practices have not in the past been found to have violated any antitrust laws and regulations, we cannot assure you that any new or existing governmental regulators will not, in the future, take the position that our current or past business practices have an anti-competitive effect on the Philippine telecommunications industry.

Smart received a *subpoena duces tecum* dated December 7, 2022, from the PCC Competition Enforcement Office in relation to an ongoing full administrative investigation involving the telecommunications industry. In compliance with the subpoena, Smart submitted its corporate documents, documents and information pertaining to its operations as a PTE and its relationship with other PTCs, and documents and information on ISR to the PCC. As of the date of this report, Smart has not received any other notices from the PCC with regard to this investigation. See *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

In 2022, the amendment to the Public Service Act was approved, effectively removing the 40% foreign ownership restriction on telecommunication companies and thereby increasing competition, including from foreign investors and telecommunications companies.

In 2023, House Bill 9021, otherwise known as the Refund for Internet and Telecommunications Services Outages and Disruptions Act, was transmitted by Congress to the Senate. It requires public telecommunications entities (PTEs),

including internet service providers (ISPs), to issue a refund or adjust a customer's bill if they experience a cumulative internet service outage or interruption lasting twenty-four (24) hours or more within a month. However, the bill provides exemptions in the case of scheduled maintenance (with a 48-hour advance notice and not exceeding 48 hours per month), fortuitous events, or acts of third parties or subscribers. The implementation of House Bill 9021 would require PLDT Group to rigorously monitor service quality on a per-customer basis. This may necessitate substantial adjustments to the operations, processes, and network infrastructure of the PLDT Group, which could require us to incur significant costs. We may not be able to effectively implement such adjustments within the transition period provided by the relevant government agencies, or may incur additional costs in ensuring compliance within the set timeframe.

Congress approved House Bill 10289 on its third reading in July 2024 and pending with the Senate, mandates and institutionalizes a roll-over data allocation scheme for internet service providers and imposes penalties for non-compliance. This bill requires that unused data allocations be carried over to the next billing cycle, posing additional challenges for ISPs. Compliance with House Bill 10289 could necessitate significant adjustments to data management, billing systems, and related processes, leading to substantial capital expenditure and operating expenditure. Failure to comply with this regulation could result in penalties that may adversely affect the financial condition and profitability of the PLDT Group. Unlike House Bill 9021, which focuses on service outage refunds and customer billing adjustments, House Bill 10289 emphasizes improving customer benefits through data roll-over while imposing stricter penalties, thereby creating distinct but complementary compliance requirements for the telecommunications industry.

Senate Bill No. 2699, otherwise known as Konektadong Pinoy Act ("KP Act"), was approved by the Philippine Senate on its third and final reading on February 5, 2025. The KP Act will be referred to the Bicameral Conference Committee for further deliberations. The bill introduces key regulatory changes aimed at liberalizing the telecommunications and data transmission sectors, including the removal of the legislative franchise and CPCN requirements for data transmission industry participants.

Regulators have been increasingly focused on online and mobile payment services, and other developments could reduce the convenience or utility of our payment services for users. Governmental regulation of certain aspects of mobile payment systems which PLDT utilizes could result in obligations or restrictions with respect to the types of products that we may offer to consumers, the payment card systems that link to our mobile payments systems, the jurisdictions in which our payment services or apps may be used, and higher costs, such as fees charged by banks to process funds through our mobile payments systems. Such obligations and restrictions could be further increased as more jurisdictions regulate payment systems. Moreover, if this regulation is used to provide resources or preferential treatment or protection to selected payments and processing providers, we could be displaced, prevented or substantially restricted from participating in particular geographies.

Changes in regulations or user concerns regarding the privacy and protection of user data, or any failure to comply with such laws, could adversely affect our business.

Legislation, such as Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012 (the "Data Privacy Act"), and its IRR regulate data privacy matters and impose penalties for any violations of the Data Privacy Act. The rules apply to the processing of personal data in the public and private sectors, as well as within or outside the Philippines. Pursuant to Republic Act No. 11934, otherwise known as the SIM Registration Act (the "SIM Registration Act"), we are required to maintain a SIM register of all our end users, exposing us to heightened risks of data breaches and cybersecurity attacks. Any failure, or perceived failure, by us to comply with any privacy, data-retention or data-protection-related laws, regulations, orders or industry self-regulatory principles, including the Data Privacy Act, could result in proceedings or actions against us by governmental entities or affected parties, loss of user confidence, damage to the PLDT brands and reputation, or the loss of users or advertising partners, any of which could potentially have a material adverse effect on our business. Amendments to the Data Privacy Act have been filed with the Philippine Congress, generally geared toward further empowering regulatory enforcement. Such proposed amendments to the Data Privacy Act, if signed into law, could increase our compliance costs and impact business innovation. In addition, various foreign legislative or regulatory bodies continue to enact new or additional laws and regulations concerning privacy, data retention and data protection issues, including laws or regulations mandating disclosure to domestic or international law enforcement bodies, which could adversely impact our results of operations, businesses, brand or reputation with users.

Transfers of personal data across jurisdictions may subject us to regulation by foreign authorities, which may require us to incur additional costs in complying with such regulations. The interpretation and application of privacy, data protection and data retention laws and regulations in each jurisdiction may be subject to change and such laws and regulations may be interpreted and applied inconsistently from country to country, complicating long-term business planning decisions. If our current policies and practices are found to be incompatible with privacy, data protection or data retention laws, we may be fined or ordered to change our business practices in a manner that adversely impacts our operating results. Complying with these varying international requirements could cause us to incur substantial costs or require us to change our business practices or operating platforms in a manner adverse to our business. While the PLDT Group periodically conducts compliance audits and regularly holds privacy and information security training and awareness campaigns, it cannot guarantee that personal data breaches resulting from failure of our personnel to comply with PLDT policies will not occur. Furthermore, while PLDT periodically releases public advisories to remind our customers of safe online behavior, there is no guarantee that our customers will not be victims of data breaches. Such breaches could result in litigation and/or regulatory actions and penalties against us, and adversely impact on our business operations and financial conditions.

Limitations in the amount of frequency spectrum or facilities made available to us could negatively affect our ability to maintain and improve our service quality and level of customer satisfaction, increase our costs and reduce our competitiveness.

The available radio frequency spectrum is one of the principal limitations on a wireless network's capacity, and there are limitations in the spectrum and facilities available to us to provide our services. The NTC grants provisional authority to mobile network operators (MNO), which specify the period, service area and essential frequencies for delivering the telecommunications service assigned to the MNO, and charges spectrum users' fees for use of the allocated spectrum. Our future growth in wireless services will increasingly depend on our ability to deliver relevant content and data services and a wireless network that has sufficient spectrum and capacity to support such services. Improvements in our service depend on many factors, including continued access to and deployment of adequate spectrum.

Our competitiveness may decline if we cannot obtain the necessary or optimal allocation of spectrum from the Philippine Government. If the Philippine Government does not fairly allocate spectrums to wireless providers in general or amends regulations with respect to spectrum allocation, revokes the spectrum previously granted to us, or if we fail to acquire the necessary amount of spectrum or deploy the services that customers desire on a timely basis without burdensome conditions or at adequate cost while maintaining network quality levels, then our ability to attract and retain customers, and therefore maintain and improve our operating margins, could be materially and adversely affected.

We may not be successful in our acquisitions of, and investments in, other companies and businesses, and may therefore be unable to fully implement our business strategy.

As our traditional fixed line and mobile businesses mature, and as part of our strategy to grow other business segments, we may make acquisitions and investments in companies or businesses to enter new businesses or defend our existing markets. The success of our acquisitions and investments depends on a number of factors, such as:

- a. our ability to identify suitable opportunities for investment or acquisition;
- b. our ability to reach an acquisition or investment agreement on terms that are satisfactory to us or at all;
- c. the extent to which we are able to influence or exercise control over the acquired or investee company;
- d. the compatibility of the economic, business or other strategic objectives and goals of the acquired or investee company with those of the PLDT Group, as well as the ability to execute the identified strategies in order to generate fair returns on the investment;
- e. our ability to successfully integrate the acquired company or business with our existing businesses; and
- f. economic and competitive conditions in which the business operates.

Any of our contemplated acquisitions and investments may not be consummated due to reasons or factors beyond our control. Even if any contemplated acquisitions and investments are consummated, we may not be able to realize any or all of the anticipated benefits of such acquisitions and investments and we cannot assure you that the consummation of such acquisitions and investments will not result in losses for a prolonged period of time. Moreover, if we are unsuccessful in our contemplated acquisitions and investments, we may not be able to fully implement our business strategy to maintain or grow certain of our businesses and our results of operations and financial position could be materially and adversely affected.

We are exposed to the fluctuations in the market values of our investments.

Given the nature of our business and our foray into the digital business, we have made investments in various start-up companies which may take several years to become profitable or may not achieve profitability. For example, we hold an investment in MIH, an important player in the financial technology space and an integral part of our digital payments ecosystem. In accordance with PAS 28, *Investments in Associates and Joint Ventures*, we account for our investment in MIH using the equity method, whereby we recognize our proportionate share of MIH's losses, which amounted to Php935 million and Php2,277 million for the years ended December 31, 2024 and 2023, respectively. Credit ratings and the value of this investment and similar investments can be negatively impacted by liquidity, credit deterioration or losses, financial results, foreign exchange rates, or other factors. As a result, our investments could decline and result in a material impairment, which could have a material adverse effect on our financial condition and operating results.

If we are unable to install and maintain telecommunications facilities and equipment in a timely manner, we may not be able to maintain our current market share and the quality of our services, which could have a material adverse effect on our results of operations and financial condition.

Our business requires the regular installation of new telecommunications facilities and equipment, and the regular maintenance of such facilities and equipment, which are continually being undertaken. The installation and maintenance of these facilities and equipment are subject to a number of risks and uncertainties, such as:

- o shortages of equipment, materials and labor;
- o delays in the issuance of national and local government building permits;

- o theft of telecommunication cables and equipment;
- o work stoppages and labor disputes;
- o interruptions resulting from man-made events (e.g., sabotage), outbreak of epidemics, pandemics or other public health crises, severe weather conditions and other natural disasters;
- o rapid technological obsolescence;
- o inability of vendors and/or suppliers to deliver on commitments;
- o unforeseen engineering, environmental/climate-related and geological problems; and
- o unanticipated cost increases including those resulting from foreign exchange movements.

Any of these factors could give rise to delays or cost overruns in the installation of new facilities or equipment or prevent us from deploying our networks and properly maintaining the equipment used in our networks, and hence affect our ability to maintain existing services and roll-out new services, for example, which could have a material adverse effect on our results of operations and financial condition.

Our business relies on secure network infrastructure and computer systems, and any successful cyber attacks against them, or the perception of such attacks, may materially adversely affect our operations, financial condition, results of operations and reputation.

We need to constantly upgrade our cybersecurity capabilities to support our business needs and keep up with the rapidly changing cyber threat environment. As we rely on information and digital services to run our business and deliver value, we face the following challenges in an era of connectivity, digital identity, decentralized decisions, information monetization, transparency, and variable trust:

- An increase in the variety of products and services that we provide to our customers (e.g. customer premise equipment, systems, devices, IoT, data and their dynamic relationships) exposes relevance issues, as well as scalability issues in our existing security control solutions;
- Our existing deterrence measures against cybersecurity breaches may become less effective. For instance, defensible gates and impermeable walls that are designed to secure our service and information infrastructure may have become less effective. While such tools and measures make it difficult to breach our system, these tools may not stop breaches altogether;
- The infrastructure underpinning the digitalization of consumer and enterprise services has become more complex;
- The consequences of a cybersecurity breach could be severe. Breaches resulting in leakage of our Company's and/or our customers' confidential commercial and/or personal information may result in irreparable damage to our reputation and brand. Moreover, leakage of sensitive personal customer information could, in some cases, result in a threat to personal safety, as well as legal and/or regulatory liability;
- Perpetrators are adopting more sophisticated technologies (e.g. Artificial Intelligence) in their attempts to breach our defensive security measures; and
- While encrypted internet traffic protects private information, it inadvertently hampers cyber protection efforts. Perpetrators could abuse encrypted communication tools and use them in their efforts to breach into our systems, with less risk of such efforts being discovered by cybersecurity measures.

Our Cybersecurity Operations Group (CSOG) is responsible for managing cyber threats and attacks. While the Company has been able to contain the effects of past cybersecurity attacks on its network and system performance, and such cybersecurity attacks did not have any material financial, legal, reputational or regulatory repercussions for the Company, there is no assurance that we will be able to successfully safeguard our systems against all cyber attacks, particularly as cyber attacks have become more sophisticated and prevalent. Any successful attack on our infrastructure could result in legal and/or regulatory liabilities, disruptions to our business operations, damage to our reputation, and financial losses. See Item 16K. "CyberSecurity" for a detailed discussion of our cybersecurity measures.

Climate change could increase the impact of natural disasters and environmental legislation and regulations on our operations.

Climate change poses a number of potential risks for telecommunications operators like us, from both a physical and regulatory perspective. Climate change may exacerbate the severity and frequency of natural disasters, such as typhoons and consequently, flooding and global warming. In addition to the adverse impact from these, earthquakes could increase the likelihood of damages to our infrastructure and failures of our wired and wireless networks caused by such natural disasters. Should severe natural disasters occur in quick succession, we may not have sufficient resources to repair and restore our infrastructure in a timely and cost-effective manner. Furthermore, climate change and severe weather conditions could also affect and disrupt our supply chain, resulting in delays in the delivery of our supplies. The increase in the likelihood of damages to our infrastructure and disruptions in our supply chain as a result of natural disasters could have a material adverse impact on our operations.

Climate change and the consequent impact to communities resulting from more severe and frequent natural disasters may affect the ability of our customers to afford our services.

In light of heightened awareness on climate change globally, the Philippine Government could introduce new and more stringent environmental legislation and regulations. If such legislation or regulations are enacted, we could incur increased energy, environmental and other costs and capital expenditures to comply. We cannot guarantee that we will at all times be in compliance with any new environmental legislation and regulations. The failure to comply with new environmental legislation and regulations could have a material adverse impact on our operations and financial conditions.

Our businesses require substantial capital investment, which we may not be able to finance.

Our projects under development and the continued maintenance and improvement of our networks and services, including Smart's projects, networks, platforms and services, require substantial and sustained capital investment. Our consolidated capital expenditures, net of additions subject to sale and leaseback from tower companies, totaled Php78,246 million, Php85,083 million and Php96,810 million for the years ended December 31, 2024, 2023 and 2022, respectively. In 2025, we will prioritize projects that support the growing demand from our customers, enhance our ability to deliver superior customer experiences, and enable our corporate clients to grow their businesses.

Adverse changes in global financial markets could limit our ability to access capital or increase the cost of capital needed to fund our business operations. We have obtained and may seek external financing for a portion of our future capital expenditures. There can be no assurance that financing for new projects will be available on terms acceptable to us, or at all. If we cannot complete our development programs or other capital projects due to our failure to obtain the required financing, our growth, results of operations, financial condition and prospects could be materially and adversely affected. Furthermore, if we are unable to monetize our investments and generate the expected revenues, our cash flows and gearing may be negatively impacted.

If we face difficulties in funding our capital expenditures or if our capital expenditure commitments exceed our budget, we may opt to postpone our projects which may limit our ability to serve our customers or require us to negotiate with our vendors on revised payment arrangements. Any cancellations or amendments of agreements with vendors may cause us to incur penalties and adversely affect our business, reputation and share prices. See Item 5. "Operating and Financial Review and Prospects".

Our results of operations and our financial position could be materially and adversely affected if the Philippine peso significantly fluctuates against the U.S. dollar.

A substantial portion of our capital expenditures, a portion of our indebtedness and related interest expense and a portion of our operating expenses are denominated in U.S. dollars and other foreign currencies, whereas most of our revenues are denominated in Philippine pesos, with 15% of revenues denominated in U. S. dollars. Of our total consolidated debts, approximately 14% was denominated in U.S. dollars as at December 31, 2024.

A depreciation of the Philippine peso against the U.S. dollar would increase the amount of our U.S. dollar-denominated debt obligations, capital expenditures, and operating and interest expenses in Philippine peso terms. In the event that the Philippine peso depreciates against the U.S. dollar, we may be unable to generate enough funds through operations and other means to offset the resulting increase in our obligations in Philippine peso terms. Moreover, a depreciation of the Philippine peso against the U.S. dollar may result in our recognition of significant foreign exchange losses, which could materially and adversely affect our results of operations. A depreciation of the Philippine peso could also cause us to be non-compliant with the financial covenants imposed on us by our lenders under certain loan agreements and other indebtedness. Further, fluctuations in the Philippine peso value and of interest rates impact the mark-to-market gains/losses of certain of our financial debt instruments, which were designated as non-hedged items. While we have entered into hedging arrangements to hedge our exposure to foreign exchange fluctuations, such arrangements may not adequately protect us against a peso depreciation.

The Philippine peso may be subject to fluctuations due to a range of factors, including:

- political and economic developments affecting the Philippines, including the level of remittances from overseas Filipino workers;
- global economic, political and financial conditions;
- the volatility of emerging market currencies;
- any interest rate increases by the Federal Reserve Bank of the United States and/or the BSP; and
- higher demand for U.S. dollars by both banks and domestic businesses to service their maturing U.S. dollar obligations or foreign exchange traders including banks covering their short U.S. dollar positions, among others.

Our debt instruments contain restrictive covenants which require us to maintain certain financial tests and our indebtedness could impair our ability to fulfill our financial obligations and service our other debt.

Our existing debt instruments contain covenants which, among other things, require PLDT to maintain certain financial ratios and other financial tests, calculated on the basis of PFRS at relevant measurement dates, principally at the end of each quarter period. In addition, PLDT's bonds contain covenants that limit our ability to take certain actions.

Our indebtedness and the requirements and limitations imposed by our debt covenants could have important consequences. For example, we may be required to dedicate a substantial portion of our cash flow to payments on our indebtedness, which could reduce the availability of our cash flow to fund working capital, capital expenditures and other general corporate requirements.

The principal factors that could negatively affect our ability to comply with these financial ratio covenants and other financial tests are the poor operating performance of PLDT and its subsidiaries, the depreciation of the Philippine peso relative to the U.S. dollar, the impairment or similar charges in respect of investments or other long-lived assets that may be recognized by PLDT and its subsidiaries, and increases in our interest expense. Interest expense may increase as a result of various factors including the issuance of new debt, the refinancing of lower cost indebtedness by higher cost indebtedness, the depreciation of the Philippine peso relative to the U.S. dollar, the lowering of PLDT's credit ratings or the credit ratings of the Philippines, the increase in reference interest rates, and general market conditions.

If we are unable to meet our debt service obligations or comply with our debt covenants, we may need to restructure or refinance our indebtedness, seek additional equity capital or sell assets. An inability to implement these measures successfully could result in a declaration of default and an acceleration of maturities of some or all of our indebtedness, which could have a material adverse effect on our business, results of operations and financial condition.

Our subsidiaries could be limited in their ability to pay dividends to us due to internal cash requirements and their creditors having superior claims over their assets and cash flows, which could materially and adversely affect our financial condition.

A significant part of our total revenues and cash flows from operating activities are derived from our subsidiaries, particularly Smart. Smart has significant internal cash requirements for debt service, capital expenditures and operating expenses and as a result, may be financially unable to pay any dividends to PLDT. Although Smart has been making dividend payments to PLDT regularly since December 2002, there can be no assurance that PLDT will continue to receive these dividends or other distributions, or otherwise be able to derive liquidity from Smart or any other subsidiary or investee in the future.

Creditors of our subsidiaries generally have priority claims over our subsidiaries' assets and cash flows. We and our creditors will effectively be subordinated to the existing and future indebtedness and other liabilities, including trade payables, of our subsidiaries, except that we may be recognized as a creditor with respect to loans we have made to subsidiaries. If we are recognized as a creditor of a subsidiary, our claim will still be subordinated to any indebtedness secured by assets of the subsidiary and any indebtedness of the subsidiary otherwise deemed superior to the indebtedness we hold.

We may have difficulty meeting our debt payment obligations if we do not continue to receive cash dividends from our subsidiaries and our financial condition could be materially and adversely affected as a result.

A significant number of shares of PLDT's voting stock are held by four shareholders, which may not act in the interests of other shareholders or stakeholders in PLDT.

As at December 31, 2024, the First Pacific and its Philippine affiliates (together, the "FP Parties"), NTT Communications and NTT DOCOMO and the JG Summit Group, collectively, beneficially own 57.18% in PLDT's outstanding common stock (representing 33.75% of our overall voting stock).

Additionally, all of PLDT's shares of voting preferred stock, which represent 40.98% of PLDT's total outstanding shares of voting stock as at December 31, 2024, are owned by a single stockholder, BTF Holdings, Inc. (BTFHI).

The FP Parties, NTT Communications, NTT DOCOMO, JG Summit Group and/or BTFHI may exercise their respective voting rights over certain decisions and transactions in a manner that could be contrary to the interests of other shareholders or stakeholders in PLDT. See *Note 1 – Corporate Information* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

We are unionized and are vulnerable to work stoppages, slowdowns or increased labor costs.

As at December 31, 2024, PLDT has three employee unions, representing in the aggregate 7,702 employees, or 52%, of the employees of the PLDT Group. This unionized workforce could result in demands that may increase our operating expenses and adversely affect our profitability. Each of our different employee groups require separate collective bargaining agreements. If PLDT and any of its unions are unable to reach an agreement on the terms of their collective bargaining agreement or if PLDT were to experience widespread employee dissatisfaction, PLDT could be subject to

collective bargaining deadlocks, strikes, work slowdowns or stoppages. Any of these events would be disruptive to our operations and could have a material adverse effect on our business.

Additionally, on July 3, 2017, PLDT received a Compliance Order from the Department of Labor and Employment (DOLE), in connection with the non-payment of statutorily required monetary benefits, including the 13th month pay by certain PLDT contractors to their employees, as well as the regularization of 7,344 contractor employees. On July 31, 2018, the CA promulgated a decision granting PLDT's request for an injunction against the Compliance Order and remanded the case back to the DOLE for further proceedings regarding the computation of the monetary awards, which amounted to Php51.8 million according to the regularization orders, and the determination of employees engaged in installation, repair and maintenance work who must be regularized. On April 5, 2019, PLDT filed a petition for review with the Supreme Court.

The Supreme Court resolved the consolidated Petitions in a Decision promulgated on February 14, 2024. The Decision affirmed the Court of Appeals in setting aside the Secretary of Labor's orders for PLDT to regularize the 7,344 workers of its contractors, except those workers performing "installation, repair and maintenance" services, whose regularization is subject to a remand of proceedings before the Regional Director of the DOLE. In setting aside the Secretary of Labor's orders, the Supreme Court ruled that the exercise of the Secretary's visitatorial and enforcement powers is subject to the "basic tenets of appreciating evidence," and that it was improper to rely on the anecdotal evidence that was used as basis in the Secretary's orders because such evidence is "malleable and may be tailored to suit any narrative or conclusion." The remand will require the Regional Director of DOLE to determine the appropriateness of regularization of employees of contractors engaged in installation, repair, and maintenance, by undertaking the following: (a) to review and properly determine the effects of the regularization of the workers performing installation, repair, and maintenance services; (b) to review, compute, and properly determine, the monetary award on the labor standards violation, to which PLDT, and the concerned contractors are solidarily liable; and (c) to conduct further appropriate proceedings, consistent with this Decision. Motions for Reconsideration may be filed by the parties, subject to their receipt of the Supreme Court decision by official service. See Item 3. "Legal Proceedings" and *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion.

We cannot guarantee that PLDT or its subsidiaries will not be subject to similar proceedings or other labor-related regulatory activities, the results of which may have an adverse reputational and/or financial impact. While we believe that PLDT has a strong legal position in its pending labor cases, we note that labor tribunals are mandated to resolve cases in favor of employees in the case of any doubt.

The loss of key personnel or the failure to attract and retain highly qualified personnel could compromise our ability to effectively manage our business and pursue our growth strategy.

Our future performance depends on our ability to attract and retain highly qualified key technical, marketing, sales, and management personnel. The loss of key employees could result in significant disruptions to our business, and the integration of replacement personnel could be costly and time consuming, cause additional disruptions to our business and be unsuccessful. We cannot guarantee the continued employment of any of the members of our senior leadership team, who may depart our Company for any number of reasons, such as other business opportunities, differing views on our strategic direction or other personal reasons. Any inability to attract, retain or motivate our personnel could have a material adverse effect on our results of operations and prospects.

Adverse results of any pending or future litigation, internal or external investigations and/or disputes may impact PLDT's cash flows, results of operations and financial condition.

We are currently involved in various legal proceedings. Our estimate of the probable costs for the resolution of these claims have been developed in consultation with our counsel and is based upon our analysis of potential results. See Item 3. "Legal Proceedings" and *Note 26 – Provisions and Contingencies* to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for further discussion. While PLDT believes that the positions it has taken in these cases have strong legal bases, the final outcome of these cases may prove to be different from its expectations. In addition, we cannot assure you that PLDT will not be involved in future litigation or other disputes, the results of which may materially and adversely impact its business and financial conditions. We have and may continue to incur significant expenses defending such suits or government charges and may be required to pay amounts or otherwise change our operations in ways that could materially adversely affect our operations or financial results.

Our financial condition and operating results will be impaired if we experience high fraud rates related to device financing, credit cards, dealers, or subscriptions.

Our operating costs could increase substantially as a result of fraud, including device financing, customer credit card, subscription or dealer fraud. If our fraud detection strategies and processes are not successful in detecting and controlling fraud, whether directly or by way of the systems, processes, and operations of third parties such as customers, national retailers, dealers, and others, the resulting loss of revenue or increased expenses could have a material adverse effect on our financial condition and operating results.

RISKS RELATING TO THE PHILIPPINES

Political and social instability in the Philippines may have a negative effect on the general economic conditions in the Philippines which could have a material adverse impact on our results of operations and financial condition.

The Philippines has, from time to time, experienced political and military instability, including acts of political violence. In the last two decades, there has been political instability in the Philippines, including extra-judicial killings, alleged electoral fraud, impeachment proceedings against two former presidents and the chief justice of the Supreme Court of the Philippines, nullification of the appointment of another chief justice, hearings on graft and corruption issues against various government officials and public and military protests arising from alleged misconduct by the previous and current administrations. There can be no assurance that acts of election-related or other political violence will not occur in the future, and any such events could negatively impact the Philippine economy.

We may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Any major deviation from the policies of the previous administration or fundamental change of direction, including a change in the form of government, may lead to an increase in political or social uncertainty and instability. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact our business.

We cannot assure you that the political environment in the Philippines will be stable or that the current or future administration will adopt economic policies that are conducive to sustained economic growth or which do not materially and adversely impact the current regulatory environment for the telecommunications and other companies. 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, financial position and financial performance.

Natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and/or result in significant disruptions to our operations and financial condition.

Our business operations are subject to interruption by natural disasters such as flooding, typhoons, pandemics and epidemics, terrorist or other hostile acts, and other events beyond our control. The Philippines is particularly susceptible to natural hazards, including tropical cyclones, earthquakes and volcanic risks. Any of the aforementioned events could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers. While we maintain insurance coverage for most of these events, the potential impact of damage or loss of assets to our financial condition as well as liabilities associated with these events could exceed the insurance coverage we maintain. Our system redundancy may be ineffective or inadequate, and our disaster recovery planning may be insufficient for all eventualities. These events could also damage the infrastructure of the suppliers that provide us with the equipment and services that we need to operate our business and provide products to our customers. A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and additional expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to our reputation.

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 (MILF), the Moro National Liberation Front (MNLF) and the New People's Army (NPA). 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. 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 areas 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 temporary bans 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.

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and our operations could be adversely affected as a result. Such conflicts may impact the supply and prices of energy, food and other critical commodities, possibly resulting in delays in the delivery of supplies from our vendors, as well as the capital and financial markets, foreign currencies exchange, investments, and governmental or regulatory orders, which in turn, may impact our business. In particular, further disputes between the Philippines and China may lead both countries to impose trade restrictions on the other's imports.

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.

If foreign exchange controls were to be imposed, our ability to meet our foreign currency payment obligations could be adversely affected.

In general, Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. However, the Monetary Board of the BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to:

- a. suspend temporarily or restrict sales of foreign exchange;
- b. require licensing of foreign exchange transactions; or
- c. require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

The Philippine Government has, in the past, instituted restrictions on the conversion of the Philippine peso into foreign currencies and the use of foreign exchange received by Philippine companies to pay foreign currency-denominated obligations.

We cannot assure you that foreign exchange controls will not be imposed in the future. If imposed, these restrictions could materially and adversely affect our ability to obtain foreign currency to service our foreign currency obligations.

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

Historically, the Philippines' sovereign debt has been rated non-investment grade by international credit rating agencies. The Philippines has the following investment grade ratings of Moody's (Baa2) and S&P Global (BBB).

The Philippine 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 Moody's, S&P Global, or any other international credit rating agency will not downgrade the credit ratings of the Philippine Government in the future and, therefore, Philippine companies, including PLDT. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, on the ability of the Philippine Government and Philippine companies, including PLDT, to raise additional financing, and on the interest rates and other commercial terms at which such additional financing is available.

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, have resulted in some 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, among other jurisdictions, including, but not limited to, solar panels, 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. An escalating trade war may have material adverse effects on the power industry 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. While there are ongoing discussions between the U.S. and China to reduce tariffs in phases, there is no certainty as to the timing and scale of the reduction in tariffs, and overall impact on global markets. Thus, 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.

Item 7. Financial Statements

Our consolidated financial statements (pages F-1 to F-129) and supplementary schedules (pages S-1 to S-14) listed in the accompanying Index to Financial Statements and Supplementary Schedules on page 111 are filed as part of this annual report.

Item 8. Information on Independent Auditors and Other Related Matters

Independent Auditors' Fees and Services

The following table summarizes the fees paid or accrued for services rendered by SGV & Co., our independent auditors for the years ended December 31, 2024 and 2023:

	2024	2023 ⁽¹⁾
	(in millions)	
Total Audit Fees	Php51	Php50
Non-audit service fees:		
Other Assurance Services	7	6
Tax Services	1	1
All other services	5	2
Total Non-audit Fees	13	9
Total Audit and Non-audit Fees	Php64	Php59

⁽¹⁾ 2023 audit fees were presented in conformity with the current year's presentation in accordance with the Philippine SEC Memorandum Circular No. 18 dated December 26, 2024.

Audit Fees. This category includes the audit of our annual financial statements and services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for those fiscal years. This category also includes fees with respect to our Sarbanes-Oxley 404 assessment in 2024 and 2023.

Other Assurance Services. This category consists primarily of assurance services for our Sustainability Report and other audit-related fees.

Tax Fees. This category includes tax services for ePLDT.

All Other Services. This category consists primarily of non-audit engagement fees with respect to our certain projects.

The fees presented above are net of out-of-pocket expenses incidental to our independent auditors' work, amount of which do not exceed 5% of the agreed-upon engagement fees. The fees and out-of-pocket expenses are exclusive of a 12% VAT.

Our Audit Committee (AC) pre-approved all audit and non-audit services as these are proposed or endorsed before these services are performed by our independent auditors.

Changes in and Disagreements with Independent Auditors on Accounting and Financial Disclosure

We have no disagreements with our independent auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Officers

The Board of Directors is principally responsible for PLDT's overall direction and governance. PLDT's Articles of Incorporation provide for 13 members of the Board, who shall be elected by the stockholders. At present, three of PLDT's 13 directors are independent directors. The Board holds office for a one-year period and until their successors are elected, and are qualified in accordance with the By-Laws.

The name, age and period of service, of each of the current directors, including independent directors, of PLDT as at December 31, 2024 are as follows:

Name	Age	Period during which individual has served as such
Manuel V. Pangilinan	78	November 24, 1998 to present
Santiago Dionesio R. Agdeppa ⁽¹⁾	62	November 12, 2024 to February 1, 2025
Marilyn A. Victorio-Aquino	69	May 8, 2023 to present
Helen Y. Dee	80	June 18, 1986 to present
Ray C. Espinosa	68	November 24, 1998 to present
James L. Go	85	November 3, 2011 to present
Kazuyuki Kozu	51	July 6, 2021 to present
Bernido H. Liu	61	September 28, 2015 to present
Rolando L. Macasaet ⁽²⁾	64	January 30, 2024 to October 5, 2024
Retired Supreme Court Chief Justice Artemio V. Panganiban	88	April 23, 2013 to present
Alfredo S. Panlilio	61	June 8, 2021 to present
Kazutoshi Shimizu ⁽³⁾	48	August 13, 2024 to present
Bernadine T. Siy	65	June 8, 2021 to present
Naoki Wakai ⁽⁴⁾	59	August 26, 2021 to August 12, 2024
Marife B. Zamora	71	November 14, 2016 to present

(1) Mr. Santiago Dionisio R. Agdeppa was elected as a director of the Company effective November 12, 2024 and shall serve the unexpired term of his predecessor in office, Mr. Rolando L. Macasaet. Atty. Agdeppa resigned as a director of the Company effective February 1, 2025.

(2) Mr. Rolando L. Macasaet resigned as a member of the Board of Directors of the Company effective October 6, 2024.

(3) Mr. Kazutoshi Shimizu was elected as a director of the Company effective August 13, 2024 and shall serve the unexpired term of his predecessor in office, Mr. Naoki Wakai.

(4) Mr. Naoki Wakai resigned as a member of the Board of Directors of the Company effective at the close of business on August 12, 2024.

The name, age, position and period of service of the executive officers of PLDT as at December 31, 2024 are as follows:

Name	Age	Position(s)	Period during which individual has served as such
Executive Officers:			
Manuel V. Pangilinan	78	Chairman of the Board	February 19, 2004 to present
		President and CEO	January 1, 2024 to present
Marilyn A. Victorio-Aquino ⁽¹⁾	69	Corporate Secretary	January 25, 2022 to present
		Chief Legal Counsel	December 1, 2018 to December 31, 2024
		Senior Vice President	January 1, 2019 to present
Victorico P. Vargas	72	Leadership Transition Officer	July 1, 2021 to present
		Business Transformation Office Head	January 1, 2016 to present
Menardo G. Jimenez, Jr. ⁽²⁾	61	Executive Vice President	September 17, 2024 to present
		Chief Operating Officer	September 17, 2024 to present
		Senior Vice President	December 9, 2004 to September 16, 2024
		Network Head	January 15, 2024 to September 16, 2024
		Consumer Business - Home Head	July 31, 2019 to April 1, 2022
Danny Y. Yu	63	Senior Vice President	November 17, 2022 to present
		Chief Financial Officer	May 3, 2023 to present
		Chief Risk Management Officer	May 3, 2023 to present
		PLDT Group Controller	November 17, 2022 to May 3, 2023
Gina Marina P. Ordoñez	63	Chief People Officer	March 21, 2019 to present
		Senior Vice President	May 1, 2019 to present
Jeremiah M. de la Cruz	47	Senior Vice President	April 1, 2022 to August 14, 2023
		Consumer Business - Home Head	January 15, 2024 to present
		Consumer Business Head	April 1, 2022 to January 14, 2024
Joseph Ian G. Gendrano	48	Senior Vice President	August 10, 2022 to present
		Enterprise Business Head	January 15, 2024 to present
		Chief Technology Officer	January 1, 2023 to January 14, 2024
		Enterprise Business Head	November 16, 2022 to December 31, 2022
John Gregory Y. Palanca ⁽³⁾	57	Senior Vice President	March 21, 2024 to present
		Sales and Development Head	August 15, 2023 to present
		First Vice President	August 15, 2023 to March 20, 2024
Luis S. Reñon ⁽⁴⁾	54	Senior Advisor to the Chairman	November 16, 2024 to present
		Senior Vice President	May 4, 2023 to present
		Internal Audit Head	July 1, 2018 to November 16, 2024
Leo I. Posadas	58	First Vice President	March 6, 2007 to present
		Treasurer	May 18, 2015 to present
Melissa V. Vergel De Dios	61	First Vice President	March 5, 2013 to present
		Chief Sustainability Officer	November 4, 2021 to present
		Investor Relations Head	March 6, 2007 to October 31, 2024
Gil Samson D. Garcia	53	First Vice President	November 8, 2018 to present
		Financial Controllershship Head	May 31, 2022 to present

(1) Atty. Marilyn A. Victorio-Aquino assumed the role of Senior Legal Advisor to the Chairman effective January 1, 2025 in lieu of her role as Chief Legal Counsel and Head of Legal and Regulatory and Strategic Affairs Group.

(2) Mr. Menardo G. Jimenez, Jr. was appointed as Executive Vice President and Chief Operating Officer of the Company effective September 17, 2024.

(3) Mr. John Gregory Y. Palanca was promoted to Senior Vice President effective March 21, 2024.

(4) Mr. Luis S. Reñon remains with PLDT Inc. as Senior Advisor to the Chairman and perform such functions to be assigned by the Chairman.

Three of our directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Bernido H. Liu and Bernadine T. Siy, are independent directors who are neither officers nor employees of PLDT or any of its subsidiaries, and who are free from any business or other relationship with PLDT or any of its subsidiaries which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out their responsibilities as independent directors. The independence standards/criteria are provided in our By-Laws and Corporate Governance Manual pursuant to which, in general, a director may not be deemed independent if such director is, or in the past five years had been, employed in an executive capacity by us or any company controlling, controlled by or under common control with us or he is, or within the past five years had been, retained as a professional adviser by us or any of our related companies, or he is not free from any business or other relationships with us which could, or could reasonably be perceived, to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

The following is a brief description of the business experiences of each of our directors, executive officers and advisors for at least the past five years:

Mr. Manuel V. Pangilinan, 78 years old, Chairman, President and Chief Executive Officer, has been a director of PLDT since November 24, 1998. He was appointed as Chairman of the Board of Directors of PLDT in February 2004 and the President and Chief Executive Officer in December 2023 with effect January 1, 2024. Since January 1, 2016, he also held the position of President and Chief Executive Officer of PLDT until June 7, 2021, and served as President and Chief Executive Officer of Smart Communications, Inc. ("Smart") until August 7, 2019. Mr. Pangilinan is the Chairman of the Governance, Nomination and Sustainability, Executive Compensation, Technology Strategy, and Data Privacy and Information Security Committees of the Board of Directors of PLDT. He also serves as Chairman and President of Metro Pacific Investments Corporation ("MPIC"), Chairman and CEO of Manila Electric Company ("Meralco"), and Chairman of PXP Energy Corporation and Philex Mining Corporation, and of several subsidiaries or affiliates of PLDT or MPIC, including, among others, Smart, Digitel Mobile Philippines, Inc. ("DMPI"), Digital Telecommunications Phils. ("Digitel") PLDT Communications & Energy Ventures, Inc., ePLDT, Inc., Beacon Electric Assets Holdings Inc., Philex Petroleum Corporation, Manila North Tollways Corporation, Maynilad Water Services Corporation, Landco Pacific Corporation, Metro Pacific Hospital Holdings, Inc., Medical Doctors Incorporated (Makati Medical Center), and Colinas Verdes Corporation (Cardinal Santos Medical Center). He is also the Chairman of MediaQuest Holdings Inc., TV5 Network, Inc. and PLDT-Smart Foundation.

Mr. Pangilinan founded First Pacific Company Limited ("First Pacific"), a Hongkong Stock Exchange-listed company, in 1981 and serves as its Managing Director and Chief Executive Officer. Within the First Pacific Group, he also holds the position of President Commissioner of P.T. Indofood Sukses Makmur Tbk, the largest food company in Indonesia.

Outside the First Pacific Group, Mr. Pangilinan is the Chairman of the Board of Trustees of San Beda College and the Chairman Emeritus of the Samahang Basketbol ng Pilipinas. He is also the Chairman of Philippine Business for Social Progress, the largest private sector social action organization made up of the country's largest corporations and a Co-Chairman of the Philippine Disaster Resilience Foundation, Inc., a non-stock, non-profit foundation established to formulate and implement a reconstruction strategy to rehabilitate and rebuild areas devastated by floods and other calamities.

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts Degree in Economics. He received his Master's Degree in Business Administration from Wharton School of Finance & Commerce at the University of Pennsylvania, where he was a Procter & Gamble Fellow. He was conferred a Doctor of Humanities Degree (Honoris Causa) by the San Beda College (2002), Xavier University (2007), Holy Angel University (2009) and Far Eastern University (2010).

Atty. Santiago Dionisio R. Agdeppa, 62 years old, has been a director of PLDT since November 12, 2024. He is a Senior Vice President and the Commission Secretary, Compliance Officer, and Executive Clerk of the Social Security Commission. He concurrently serves as a director for Philex Mining Corporation and First Philippine Holdings Corporation. Atty. Agdeppa also served as the Vice Chairman of the Board of Directors of Philam Tower Condominium Corporation from January 2018 to December 2023. He was also a member of the Board of Directors of Capital Consortium Corporation from June 2017 to December 2017, and of Philam Tower Management Corporation from March 2018 to December 2022.

Atty. Agdeppa earned his Bachelor of Science Degree in Accounting from San Sebastian College in 1983, his Bachelor of Laws Degree from San Beda College in 1989, and his Master in Business Management Degree from Pamantasan ng Lungsod ng Maynila in 1997. He also completed the Middle Management Course at the Ateneo Graduate School of Business in 2014. He is a Certified Public Accountant.

Atty. Marilyn A. Victorio-Aquino, 69 years old, has been a director of PLDT since May 8, 2023. Atty. Victorio-Aquino also concurrently serves as PLDT's Chief Legal Counsel, Head of Legal and Regulatory and Strategic Affairs Group, Head of Supply Chain, Head of Risk and Privacy and Corporate Secretary. She has been a director of the Philippine Stock Exchange since June 2023.

She joined First Pacific Company Limited ("First Pacific") in 2012 as an Assistant Director and currently holds various positions in the Philippine subsidiaries and affiliates of First Pacific and Metro Pacific Investments Corporation (an

affiliate of First Pacific), including President of First Coconut Manufacturing Inc., and director of Philex Mining Corporation (“Philex”) and PXP Energy Corporation (“PXP”). She is also a director of Lepanto Consolidated Mining Company (“Lepanto”). Philex, PXP, and Lepanto are PSE-listed companies. She also serves as a director of Philex Gold Philippines, Inc., Silangan Mindanao Mining Company, Inc., and Maya Bank, Inc.

Prior to joining First Pacific, Atty. Victorio-Aquino retired as a Senior Partner at SyCip Salazar Hernandez and Gatmaitan Law Offices (SyCipLaw). Atty. Victorio-Aquino graduated cum laude (class salutatorian) from the University of the Philippines with a Bachelor of Laws Degree in 1980, placed second in the Philippine Bar Examinations, and was admitted to the Philippine Bar in 1981. She obtained her Bachelor of Arts degree from the University of Santo Tomas. She is a member of the International Pacific Bar Association, Women Lawyers Circle, Federacion Internacional de Abogadas, Philippine Bar Association, and Integrated Bar of the Philippines.

Ms. Helen Y. Dee, 80 years old, has been a director of PLDT since June 18, 1986. She is the Chairperson of House of Investments, Petro Energy Resources Corporation, Rizal Commercial Banking Corporation, all of which are PSE-listed companies. She is the Chairperson, Vice Chairperson or a director of several companies engaged in banking, insurance and real property businesses. Ms. Dee received her Master's Degree in Business Administration from De La Salle University.

Atty. Ray C. Espinosa, 68 years old, has been a director of PLDT since November 24, 1998, and is a member of the Technology Strategy and Data Privacy and Information Security Committees of the Board of Directors of PLDT. He was Senior Advisor to the President and CEO of PLDT from January 28, 2019 until June 8, 2021. He was PLDT's Chief Corporate Services Officer from December 2016 until January 28, 2019, and previously served as President and CEO of ePLDT Inc. and its subsidiaries from July 2000 until April 2010 and as President and CEO of TV5 Network Inc. and Cignal TV Inc. from December 2009 until May 2013. He was the Deputy Chief Executive of Manila Electric Company from January 28, 2019 until May 27, 2019, and President and Chief Executive Officer from May 28, 2019 until May 31, 2023. He was the chairman of the Philstar Group of Companies from June 11, 2014 until August 17, 2023 and BusinessWorld Publication Corporation from September 16, 2013 until August 17, 2023. In June 2013, he joined First Pacific Company Limited as Associate Director.

Atty. Espinosa is a director of Roxas Holdings Inc., an independent director of Lepanto Consolidated Mining Company and chairman of its Audit Committee, and an independent director of Maybank Philippines Inc., chairman of its Related Party Transaction Committee and Vice chairman of its Corporate Governance Committee. He is a trustee of the PLDT-Smart Foundation Inc. and the Beneficial Trust Fund of PLDT.

He has a Master of Laws Degree from the University of Michigan School of Law and a Bachelor of Laws Degree from the Ateneo de Manila University School of Law, and is a member of the Integrated Bar of the Philippines. He was a partner at SyCip Salazar Hernandez & Gatmaitan from 1982 to 2000, a foreign associate at Covington and Burling (Washington, D.C.) from 1987 to 1988, and a law lecturer at the Ateneo de Manila University School of Law from 1983 to 1985 and 1989. He placed first in the 1982 Philippine Bar Examinations.

Mr. James L. Go, 85 years old, has been a director of PLDT since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT. He is the Chairman of JG Summit Holdings, Inc. and a Board Advisor of Cebu Air, Inc. since January 1, 2023, the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation, and the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman of Robinsons Retail Holdings, Inc. and a Director of the Manila Electric Company. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. Mr. Go obtained his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Mr. Kazuyuki Kozu, 51 years old, has been a director of PLDT since July 6, 2021. He was the Director of Core Network Development Department of NTT DOCOMO, INC., Tokyo, Japan. Prior to that, he served as Senior Manager of Packet Network System Development Department of DOCOMO Technology, Inc., Tokyo, Japan from September 2016 to June 2020, Director of System Management Department of mmobi Inc., Tokyo, Japan from September 2013 to August 2016, and Senior Manager of Networking Research Group of DOCOMO Communications Laboratories, Munich, Germany from April 2010 to August 2013. He started his career in NTT DOCOMO INC., Tokyo, Japan, as Engineer from April 1997 to March 2002 then Manager from April 2002 to March 2010 of Core Network Development Department. He graduated with a Bachelor's Degree in Electrical Engineering and Computer Science from the Yokohama National University, Kanagawa, Japan and obtained his Master's Degree in Electrical Engineering and Computer Science from the same university.

Mr. Bernido H. Liu, 61 years old, has been an independent director of PLDT since September 28, 2015, and is an independent member of the Audit, Governance, Nomination and Sustainability, Executive Compensation, Risk, and Data Privacy and Information Security Committees of the Board of Directors of PLDT. Concurrently, he is the Chairman and Chief Executive Officer of GOLDEN ABC, Incorporated. (“GABC”), a fashion retail company which designs and sells its own clothing, personal care and accessory lines marketed and retailed under a dynamic portfolio of well-differentiated proprietary brands, namely Penshoppe, OXGN, ForMe, Memo, Regatta and BOCU. He is also the Group Chairman of LH Paragon Incorporated, a business holdings company which has under its management GABC and other companies in various industries, namely, Matimco Incorporated, Oakridge Realty Development Corporation, Keralty Prime and Greentree Food Solutions, Inc.

Mr. Liu and GABC under his leadership have been recognized by different award-giving bodies. Awards include the Agora for outstanding Achievement in Entrepreneurship from the Philippine Marketing Association, Ten Outstanding Young Men for Entrepreneurship from JCI Philippines, Global Retailer of the Year from the Philippine Retailers Association and the Department of Trade and Industry, and the ASEAN Business Award's Priority Integration Sector Excellence Award for Retail. Mr. Liu graduated with a Bachelor of Science Degree in Architecture from the University of San Carlos and completed the Executive Education Owner/President Management Program of the Harvard Business School.

Retired Chief Justice Artemio V. Panganiban, 88 years old, has been an independent director of PLDT since April 23, 2013 and is serving as an independent member of the Audit, Governance, Nomination and Sustainability, and Executive Compensation Committees, and Chairman of the Risk Committee, of the Board of Directors of PLDT. He was appointed as Lead Independent Director effective March 21, 2019. He served as an independent member of the Advisory Board and an independent non-voting member of the Governance and Nomination Committee of the Board of Directors of PLDT from June 9, 2009 to May 6, 2013. Currently, he is also an independent director of Meralco, Petron Corporation, GMA Network, GMA Holdings, JG Summit Holdings, Inc. Asian Terminals, Inc. and RL Commercial REIT, Inc., and a non-executive director of Jollibee Foods Corporation, all of which are PSE-listed companies, as well as Senior Adviser of Metropolitan Bank and Trust Company, and adviser of Double Dragon Properties Corp. and Merry Mart Consumer Corp. He is an Independent Adviser of Metro Pacific Investments Corporation, a large non-listed company, and Independent Director of several large non-listed companies such as Asian Hospital, Inc., Metro Pacific Tollways Corporation, TeM Energy Corporation, State Investment House, Inc., and State Properties Corporation. He is also the Chairman of the Board of Trustees of the Foundation for Liberty and Prosperity, and of the Board of Advisers of Metrobank Foundation, Inc., a trustee of Tan Yan Kee Foundation and Claudio Teehankee Foundation, President of the Manila Metropolitan Cathedral-Basilica Foundation, a member of the Advisory Board of World Bank (Philippines), Chairman-Emeritus of the Philippine Dispute Resolution Center, Inc., Chairman Emeritus of the Philippine National Committee of the Asean Law Association, and a column writer of the Philippine Daily Inquirer.

Hon. Panganiban served the Supreme Court of the Philippines for more than 11 years, first as Associate Justice (October 10, 1995 to December 20, 2005) and later, as Chief Justice (December 21, 2005 to December 6, 2006) during which he sat concurrently as Chairperson of the Presidential Electoral Tribunal, Judicial and Bar Council and Philippine Judicial Academy. He has received over 250 awards in recognition of his role as jurist, practicing lawyer, professor, civic leader, Catholic lay worker and business entrepreneur, including "The Renaissance Jurist of the 21st Century" given by the Supreme Court on the occasion of his retirement from the Court, and the Pro Ecclesia et Pontifice Award given by Pope Francis last September 18, 2024. Hon. Panganiban graduated cum laude from Far Eastern University with a Bachelor of Laws Degree in 1960, and was conferred a Doctor of Laws Degree (Honoris Causa) by the University of Iloilo (1997), Far Eastern University (2002), University of Cebu (2006), Angeles University (2006) and Bulacan State University (2006). He was co-founder and past president of the National Union of Students of the Philippines.

Mr. Alfredo S. Panlilio, 61 years old, has been a director of PLDT since June 8, 2021 and Smart since August 8, 2019. He served as President and CEO of PLDT from June 8, 2021 and of Smart from August 8, 2019, and held leadership positions in the various subsidiaries of PLDT and Smart, until his retirement as President and CEO of PLDT and Smart on December 31, 2023. Despite his retirement as President and CEO of PLDT and Smart, Mr. Panlilio has remained as a Director of PLDT and Smart, and has continued to hold various leadership positions within the PLDT Group as Chairman of Maya Bank, Inc.; and Director of Multisys Technologies Corporation and Multipay Corporation. Mr. Panlilio was the Senior Vice President and Head of Customer Retail Services and Corporate Communications at Meralco from September 10, 2010 to June 30, 2019. He also held several leadership positions within the Meralco Group.

Mr. Panlilio is a Trustee of the Kapampangan Development Foundation and Philpop Musicfest Foundation. With PLDT as a longtime supporter of the Philippines' digital transformation, Mr. Panlilio is among the founding members under the Digital Infrastructure pillar of the Private Sector Advisory Council (PSAC), formed in July 2022. Mr. Panlilio sits as President of the MVP Sports Foundation, a Member of the FIBA Central Board, Second Vice President of FIBA Asia Central Board, First Vice President of the Philippine Olympic Committee and headed the FIBA Basketball World Cup 2023 local organizing committee. He is also the President of the Samahang Basketbol ng Pilipinas (SBP), the country's governing basketball federation, and is the Chairman of the National Golf Association of the Philippines (NGAP) and Director of the Philippine Badminton Association.

Mr. Panlilio holds a Bachelor of Science Degree in Business Administration (Computer Information Systems) from San Francisco State University. He obtained his Master in Business Administration at J. L. Kellogg School of Management of Northwestern University and the Hongkong University of Science and Technology.

Mr. Kazutoshi Shimizu, 48 years old, has been a director of PLDT since August 13, 2024 and the Vice President of Global Strategy and Corporate Planning of NTT Communications Corporation ("NTT Com"). He has played a pivotal role in the global business expansion of NTT Com during the last decade. He also held a senior position at the Global Business Office of NTT Holdings Company and had contributed to the growth of the NTT Group. Mr. Shimizu also served as the Vice President of NTT Com's Smart World Business from 2022 to 2024 and as a director of NTT Com's Global Business Office from 2011 to 2022.

Mr. Shimizu graduated with a Bachelor's Degree in Mechanical Engineering from the University of Tokyo (1998), and holds a Master's Degree in Mechanical Engineering from the University of Tokyo (2000), and a Master's Degree in Business Administration from the University of London School of Business (2007).

Ms. Bernadine T. Siy, 65 years old, has been an independent director of PLDT since June 8, 2021. Ms. Siy is likewise a director of Epicurean Partners Exchange Inc. (EPEI), and of Fil-Pacific Apparel Corporation (FPAC), both leading players in the food service and apparel industry. She previously served as President and Chief Executive Officer of EPEI Inc. from 1994 to 2011, and President and Chief Executive Officer of FPAC from 1987 to 1997 and again, from 2004 to 2013. She has been a trustee in the board of Ateneo de Manila University since 2014, and currently holds the position of board chair. She is currently an independent director of Cebu Air, Inc. having been appointed in March 2021. She was also appointed as an independent director of JG Summit Holdings, Inc. in June 2024. She is a trustee in the board of the Foundation for Economic Freedom, an economic policy advocacy organization and a member of the Management Association of the Philippines. She was a Consultant to the Board of Directors of the Development Bank of the Philippines from November 2012 to June 2014. She obtained her Bachelor of Arts Degree in Economics, Magna Cum Laude from Ateneo de Manila University and a Master's Degree in Management with majors in Finance and Accounting from J.L. Kellogg Graduate School of Management of Northwestern University in Chicago, Illinois, USA.

Ms. Marife B. Zamora, 71 years old, has been a director of PLDT since November 14, 2016. She is the Chairman of the Board of Willis Towers Watson Insurance and Reinsurance Brokers, Inc. She is also an Independent Board Member of Pru Life Insurance Corporation of U.K and Cemex Holdings Philippines. She is also a Board Director of MediaQuest Holdings Inc. She co-founded the Filipina CEO Circle. She was Chairman of Convergys Philippines; Managing Director for Asia Pacific, Europe, Middle East, Africa for Convergys Corporation, and served as the first Country Manager of Convergys Philippines leading its growth as the country's largest private employer. Prior to this, Ms. Zamora served as Managing Director of Headstrong Phils. She was also with IBM Philippines where she held a number of sales, marketing and management positions during her 18-year tenure with the company. She is the 3rd woman President and the 68th President of the Management Association of the Philippines. Ms. Zamora attended the University of the Philippines and the University of Pennsylvania.

Mr. Victorico P. Vargas, 72 years old, is presently the Head of Talent Culture and Cultivation - Office of the Chairman, PLDT Leadership Transition Officer, an Associate Director of First Pacific since January 2016, overseeing First Pacific Group businesses operating in the Philippines and its region, with particular focus on leading the Business Transformation of PLDT. He is a director of Smart Communications Inc., Meralco, MGen Global Business Power, Maya Bank, Inc., PLDT Global Corp., PLDT Subic Telecom, Inc., PLDT Clark Telecom, Inc., Beacon Electric Asset Holdings, Inc., Beacon PowerGen Holdings, Inc., MQuest Ventures, Inc., Cignal TV, Inc., TV5 Network, Inc. and Media5 Marketing Corporation. Chairman of Hastings Holdings Inc., Philstar Global, Inc., Pilipino Star Ngayon, Inc., Pilipino Star Printing, and Philstar Daily, Inc. President and Member of the Board of Trustees of the First Pacific Leadership Academy, Trustee of the MVP Sports Foundation, PLDT-Smart Foundation, Inc. and Ideospace Foundation and President of the PhilPop Music Fest Foundation. Mr. Vargas is the immediate past President of the Philippine Olympic Committee and is currently a member of the Board of Trustees of the said organization. Mr. Vargas is the Chairman of the Association of Boxing Alliances in the Philippines and was a former member of the Executive Committee of the Asian Boxing Confederation. He is one of the Executive Board Members of World Boxing Council and Chairman of the Philippine Basketball Association for seasons 2017-present. He is also the Vice President of the Samahang Basketbol ng Pilipinas. Prior thereto, Mr. Vargas was the President and Chief Executive Officer of Maynilad Water Services, Inc. since August 2010. He joined PLDT in 2000 as its Human Resources Group Head and through his stay at PLDT got involved in managing the PLDT Business Transformation Office, Asset Protection and Management Group, and the PLDT International Carrier Business. He has worked in senior roles at Union Carbide, Pepsi Cola, Colgate Palmolive and Citibank, NA (both in Manila and in Southeast Asia). Mr. Vargas was educated at Ateneo de Manila and University of Santo Tomas with a Bachelor of Science Degree in Psychology.

Mr. Menardo G. Jimenez, Jr., 61 years old, Executive Vice President and Chief Operating Officer, served as the Network Head of PLDT from January 15, 2024 to September 16, 2024. He joined PLDT in December 2001 and served in various capacities as Corporate Communications and Public Affairs Group Head, Retail Business Group Head, Fixed Line Business Transformation Office Head, Human Resources Group Head, Fixed Line Business Transformation Office Head and Consumer Home Business Group Head. He holds directorships in several subsidiaries of PLDT. Prior to joining PLDT, he had a stint at GMA Network, Inc., where he served as head of a creative services and network promotions. Mr. Jimenez received his AB Economics degree from the University of the Philippines.

Mr. Danny Y. Yu, 63 years old, Senior Vice President, Chief Financial Officer and Chief Risk Management Officer, served as the PLDT Group Controller from November 17, 2022 to May 3, 2023. He likewise served as Senior Vice President and Chief Financial Officer, Chief Governance Officer and Chief Risk Officer of Philex Mining Corporation from September 2013 to August 2019, Chief Finance Officer of Digital Telecommunications Philippines, Inc. and Digitel Mobile Philippines, Inc. (Sun Cellular) from November 2011 to July 2013, Chief Financial Officer of ePLDT, Inc. from November 2010 to December 2011, Chief Financial Officer of PLDT Global Corporation from June 2004 to November 2010, Chief Financial Officer of Mabuhay Satellite Philippines Corporation & Aces Satellite Philippines Corporation from March 1999 to May 2004, and Vice President for Corporate Development of Fort Bonifacio Development Corporation from March 1997 to March 1999. He started his career at SGV & Co. where he was a senior

auditor. Mr. Yu graduated Magna Cum Laude from the University of San Carlos with a Bachelor of Science in Commerce, Major in Accounting and holds a Master in Management from the Asian Institute of Management. He is also a Certified Public Accountant. In 2016, he was awarded the ING-FINEX CFO of the Year.

Ms. Gina Marina P. Ordoñez, 63 years old, Senior Vice President and the Chief People Officer for PLDT, Inc. and its wireless subsidiary, Smart Communications, where she drives the strategic direction and execution of human capital initiatives, workplace design, and employee experience programs. By aligning people-centric strategies with business objectives, she aims to create a workplace where employees are empowered to do meaningful work and deliver organizational goals. She also contributed to the development and implementation of the PLDT Group Talent Management strategy, ensuring alignment with present and future business requirements. Throughout the pandemic, Gina served as Co-Chairperson of the MVP Group Vaccine Task Force, leading the planning and operations of COVID-19 vaccination efforts for employees and their families nationwide. She has been with the PLDT Group for over eight years, initially joining the Business Transformation Office (BTO) in 2016 to oversee process and quality management. She transitioned to the role of Smart People Group Head before being appointed as Chief People Officer for both PLDT and Smart organizations in 2019. Ms. Ordoñez was formerly Vice President for Service Operations and Quality Management at Makati Medical Center where she implemented best practices in service quality throughout the hospital, enhancing service delivery, operational efficiency, and end-to-end processes to improve patient satisfaction. She also served as Head of Customer Experience for Consumer Banking at Citi where she occupied several leadership roles over a span of 16 years. During her tenure, she attained a Six Sigma Black Belt certification. She is a registered Corporate Coach and Quality Management consultant, holding membership in the International Coach Federation. With more than 23 years of extensive experience, she has held leadership roles in People, Process, Customer Experience and Quality Management.

Mr. Jeremiah M. de la Cruz, 47 years old, Senior Vice President and Consumer Business–Home Head, is an accomplished strategic leader with solid experience in managing cross functional teams in delivering revenue and growth, he oversees day-to-day operations for the Home business covering product, marketing, sales, customer experience and field operations. Prior to joining PLDT Inc., Jeremiah has led enterprise-wide business transformation in various companies in the APAC region. He directed the Digital Strategy of Hoytz and handled senior leadership roles in Globe Telecoms, PT. XL Axiata Tbk, Optus and Vodafone. Jeremiah earned his Post Graduate Certificate in Management from the Australian Graduate School of Management.

Mr. Joseph Ian G. Gendrano, 48 years old, Senior Vice President and Enterprise Business Head, has been in PLDT's service since May 2013. Prior to joining PLDT, he worked with Verizon Business, Cisco Systems and Goldman Sachs in the United States. He has held technical, sales, consulting and leadership roles in these organizations as well as gained industry experience in the global financial services vertical. He served as Vice President of Goldman Sachs' Network Voice and Multimedia Division and Chief Architect for Unified Communications platforms. Mr. Gendrano obtained his Bachelor of Science degree in Electronics and Communications Engineering from De La Salle University and Master of Science degree in Electrical Engineering, Major in Telecommunications and Networking from the University of Pennsylvania.

Mr. John Gregory Y. Palanca, 57 years old, Senior Vice President and Head of Sales & Development Group. He also served as the First Vice President and Regional Customer Development - Luzon Head of Smart from November 2020 to July 2022. Prior to his promotion to First Vice President, Mr. Palanca served as the Vice President and Regional Customer Development - Luzon Head of Smart from December 2017 to November 2020. Before Mr. Palanca's stint with Smart, he served as the Managing Director of PLDT Japan GK from June 2016 to December 2017, General Manager of PLDT Malaysia Sdn Bhd. from January 2014 to May 2016, General Manager of PLDT HK Ltd. from May 2011 to December 2013, Country President of Motorola Communications Phils. Inc. from January 2006 to January 2011, Vice President of Nextel, Next Mobile from January 2000 to January 2006, and Principal Consultant of Islanet Information Technology from January 1998 to January 2000.

Mr. Luis S. Reñon, 54 years old, Senior Advisor to the Chairman, served as the Internal Audit Group Head from July 1, 2018 to November 15, 2024. He joined PLDT in July 2018. Prior thereto, he was the Emerging Markets Chief Finance Officer of Pfizer Inc. handling teams across the Philippines, Thailand, Malaysia, Indonesia, Vietnam, and Pakistan. He started his professional career in the Audit and Business Advisory Division of Ernst & Young Manila and Singapore for six years. He then moved to Novartis Asia Pacific in Singapore as Regional Auditor and Team Leader, managing APAC auditors in conducting business review and compliance test of operations in Asia Pacific and Europe. He moved back to the Philippines in 2000 where he became the Head of Finance, Administration and Operations of Novartis' Animal Health Business Unit. He pursued a rewarding career in Wyeth Philippines and Pfizer, Inc., where he took on various roles with increasing responsibilities in Strategic Planning and Business Finance, as Pfizer's Country CFO in 2011 during the Pfizer-Wyeth integration and as Emerging Markets CFO in 2014. Mr. Reñon is a Certified Public Accountant. He completed his Bachelor's degree in Commerce, major in Accounting at Araullo University, and his Master's degree in Business Administration at the Ateneo de Manila University, where he garnered the Gold Medalist Award. He attended the Management Development Program of the Asian Institute of Management in 2005 and the Financial Excellence Program of Harvard Business School in 2002.

Mr. Leo I. Posadas, 58 years old, First Vice President and Treasurer of the PLDT Group and concurrent Treasury Head of PLDT and Smart, handles the treasury management and treasury operations of several companies under the PLDT Group. He is a director and Chief Financial Officer of PLDT Global Corporation, a director and Treasurer of PLDT Global Investments Holdings, a director of PLDT Communication and Energy Ventures, a director of Philstar and Businessworld, a director and Vice President for Treasury of Mabuhay Investments Corporation and the Treasurer of the Vega Telecom group. He is also the Treasurer of Smart, ePLDT, Digital Telecommunications, Digitel Mobile, PLDT-Smart Foundation and several other subsidiaries of PLDT and Smart. Prior to joining PLDT in September 2000, he served as Treasury Manager of Total Petroleum Philippines, and as Manager for Foreign Exchange Management of San Miguel Corporation. Mr. Posadas received his Bachelor of Arts Degree in Economics and Bachelor of Science degree in Commerce Major in Management of Financial Institutions from De La Salle University.

Ms. Melissa V. Vergel de Dios, 61 years old, First Vice President and Chief Sustainability Officer effective November 4, 2021 and concurrent Corporate Sustainability Office Head. She has been in PLDT's service since May 2001 and served as Property Management Center Head until May 2003 and as Property and Facilities Management Center Head until September 2007. Prior to joining PLDT, she was the Chief Operating Officer of Wharton Credit Corp. and from June 2000 to May 2001 was the Group Chief Finance Officer of Global 3 Internet Holdings, Inc. She held various positions in San Miguel Group of Companies from 1984 to 2000. Ms. Vergel de Dios obtained her Bachelor of Science Degree in Marketing and Management and Bachelor of Arts degree in Economics from Assumption College.

Mr. Gil Samson D. Garcia, 53 years old, is the First Vice President and Financial Controllershship Head. He served as Group CFO of the ePLDT Group from May 2015 to August 2023, and MVP Rewards & Loyalty Solutions, Inc. (MRSI) from September 2018 to August 2023. He served as Controller of PCEV from June 2022 to June 2023. He holds directorships in several subsidiaries of ePLDT. Prior to joining PLDT, he was a Senior Director until January 2007 of the Business Risk Services Group of SGV & Co. / Ernst & Young, where he gained a wide range of experiences, here and abroad, in external audit and business process review and advisory including Sarbanes Oxley (SOX) 404 evaluation & consultancy, risk management, corporate governance, and business fraud investigation, and fraud prevention and detection, among others. He graduated Cum Laude from the University of Santo Tomas with a Bachelor of Science Degree in Commerce, Major in Accounting. He is a CPA and a globally Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE). He completed the Management Development Program in the Asian Institute of Management School of Executive Education in cooperation with PLDT & Smart in August 2016, and the High Potential Program / Leadership Talent Assessment facilitated by Development Dimensions International in October 2020. He was certified as Executive Coach Level 3 by the Global Learning Solutions Singapore in October 2023.

Below is a list of directorships in other private and public companies of the director named below. All directorships of our other director are included in their respective biographies in the preceding pages.

Name of Director	Names of Companies	
	Public	Private
Helen Y. Dee	House of Investments (Regular Director/Chairman) Petro Energy Resources Corporation (Regular Director/Chairman) Rizal Commercial Banking Corporation (Regular Director/Chairman)	A.T. Yuchengco, Inc. (Regular Director/Chairman) AY Foundation, Inc. (Regular Director/Chairman) AY Holdings, Inc. (Regular Director/Chairman) ET Yuchengco, Inc. (Regular Director/Chairman) GPL Holdings, Inc. (Regular Director/President) Hi-Eisai Pharmaceuticals, Inc. (Regular Director/Chairman) Honda Cars, Kaloocan (Regular Director) Honda Cars Philippines, Inc. (Regular Director) Isuzu Philippines, Inc. (Regular Director) La Funeraria Paz Sucat (Regular Director/Chairman) Landev Corp. (Regular Director/Chairman) Luis Miguel Foods (Regular Director) Luisita Industrial Park Corporation (Regular Director) Malayan Colleges Laguna, Inc. (Trustee) Malayan Colleges Mindanao Inc. (Regular Director/Chairman) Malayan Educational Systems, Inc. (Regular Director/Chairman) Malayan Insurance Co. Inc. (Regular Director/Chairman) Malayan High School of Science, Inc. (Regular Director/Chairman) Manila Memorial Park Cemetery, Inc. (Regular Director/Chairman) Mayahin Holdings Corporation (Regular Director/Chairman) MICO Equities, Inc. (Regular Director/Chairman) Pan Malayan Express, Inc. (Regular Director/Chairman) Pan Malayan Management and Investment Corporation (Regular Director/Chairman) Pan Malayan Realty Corporation (Regular Director/Chairman) Petrowind Energy, Inc. (Regular Director/Chairman) Philippine Business for Education, Inc. (Regular Director/Trustee) Philippine Integrated Advertising Agency, Inc. (Regular Director) RCBC Land, Inc. (Regular Director) RCBC Leasing & Finance Corp (Regular Director/Chairman) RCBC Realty Corporation (Regular Director/Chairman) Shayamala Corporation (Regular Director/Chairman) Sunlife Grepa Financial, Inc. (Regular Director/Chairman) Xamdu Motors, Inc. (Regular Director/Chairman) YGC Corporate Services, Inc. (Regular Director/Chairman) Y Realty, Inc. (Regular Director) Yuchengco Center, Inc. (Regular Director/Chairman)

Terms of Office

The directors of PLDT are elected each year to serve until the next annual meeting of stockholders and until their successors are elected and qualified, except in case of death, resignation, disqualification or removal from office. The term of office of all officers is coterminous with that of the Board of Directors that elected or appointed them.

Family Relationships

None of the directors/independent directors and officers of the Company or persons nominated to such positions has any family relationships up to the fourth civil degree either by consanguinity or affinity, except Mr. Manuel V. Pangilinan (Chairman) and Ms. Gina Marina P. Ordoñez (Chief People Officer) who are relatives to the fourth civil degree by consanguinity.

Legal Proceedings

The Company is not aware, and none of the directors/independent directors and officers or persons nominated for election to such positions has informed the Company, of any of the following events that occurred during the past five (5) years and up to the date of this Information Statement: (a) any bankruptcy petition filed by or against any business of which a director/independent director or officer or person nominated for election to any of such positions, was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any director/independent director or officer or person nominated for election to any of such positions, except as noted below; (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 the involvement of any director/independent director or officer or person nominated for election to any of such positions in any type of business, securities, commodities or banking activities; and (d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any director/independent director or officer or person nominated for election to any of such positions, has violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

The following is a description of the complaints in which our Chairman, Manuel V. Pangilinan, our directors Ray C. Espinosa, James L. Go, Artemio V. Panganiban, and Alfredo S. Panlilio are respondents:

1. Messrs. Manuel V. Pangilinan, Ray C. Espinosa, James L. Go and Artemio V. Panganiban and other members of the Board of Directors and the President and CEO of Manila Electric Company, and the Commissioners of Energy Regulatory Board (“ERC”) except former Chairman Agnes Devanadera, are respondents in a Complaint-Affidavit dated January 22, 2018, filed by the NASECORE and Cellphone Owners and Users of the Philippines, Inc. (“COUP”) with the OMB and docketed as OMB-C-C-18-0042 (the “Complaint”).

The Complaint charges the respondents with the crime of Syndicated Estafa under Section 1 of Presidential Decree No. 1689 in relation to Paragraph 2(a) of Article 315 of the Revised Penal Code and violation of Section 3 (e) of Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act) in connection with the investments made by Meralco in its subsidiaries and affiliates and in its joint ventures with other corporations for businesses which are not related to Meralco’s electric distribution business.

The Complaint alleges that Meralco’s investments, participations, business interests, and infusion of funds in other companies, either as parent corporation or as a joint venture, are violative of its legislative franchise (RA 9209) and the EPIRA Law (RA 9136). It further alleges that Meralco allegedly conspired with the four (4) ERC Commissioners in committing Syndicated Estafa and with violating Section 3(e) of Anti-Graft and Corrupt Practices Act, to make said prohibited investments, thereby resulting to over-charging and over-recoveries by Meralco against its customers.

As directed in the OMB’s Order dated February 20, 2018, the members of the Board of Directors and the President and CEO of Meralco (the “Private Respondents”) timely filed their Counter-Affidavits on March 12, 2018. In their Counter-Affidavits, the Private Respondents strongly denied the commission of any wrongdoing as Meralco’s investment activities are allowed by and fully compliant with all applicable laws, rules and regulations, and do not impact negatively on its operations or customers. They argued that its legislative franchise (RA 9209) and the EPIRA Law (RA 9136) do not prohibit, restrict or bar Meralco from making investments in other companies, including generation companies.

Meralco is likewise not required (pursuant to Section 26 of EPIRA) to plow back up to 50% of the net income derived from such investments in other companies since Meralco’s investments in generation companies and other subsidiaries or entities do not constitute related business undertakings that utilize Meralco’s rate base assets. Meralco’s investments in other companies are not sourced from its revenues, but rather, from its net profits and retained earnings, and the disposition and use of such profits by Meralco are not subject to regulation by the ERC or any other agency.

Considering the foregoing, the elements of the crime of Syndicated Estafa are not present. No fraud was committed against Meralco customers since Meralco and/or Private Respondents or any of them never committed any fraudulent act, or employed false pretenses or fraudulent means to the prejudice or detriment of any party. There is no fraud or swindling whatsoever, there is also no syndicate to speak of, and Private Respondents did not participate in or agree to any criminal design with the ERC Commissioners.

On May 4, 2018, Meralco filed a Manifestation with Motion for Early Resolution of even date. Another Motion to Resolve and Dismiss was also filed by MERALCO on June 2, 2021. In a Joint Resolution dated February 22, 2022, the Ombudsman has dismissed the cases. As at December 31, 2024, there has been no appeal received.

2. Mr. Alfredo S. Panlilio and PLDT Inc. (“PLDT”) are respondents in a Complaint-Affidavit dated September 29, 2022, filed by Mr. Edmon G. Fullante with the Office of the City Prosecutor - Quezon City (“OCP QC”) and docketed as XV-03-INV-22I-07791 (the “Complaint”).

The Complaint charges PLDT and Mr. Panlilio for Quasi-Delict in connection with a motorcycle accident Mr. Fullante figured in involving a PLDT cable. The Complaint alleges that PLDT and Mr. Panlilio are responsible for the damages suffered by Mr. Fullante as a result of the accident. As directed in the OCP QC’s Subpoena dated May 2, 2023, PLDT and Mr. Panlilio filed their Counter-Affidavits on May 29, 2023.

During the preliminary investigation on May 29, 2023, Mr. Fullante executed and filed an Affidavit of Desistance with an attached Release, Waiver, and Quitclaim, alleging that the case was filed due to a misunderstanding, that he is voluntarily withdrawing the case, and that he is recanting all his allegations in the Complaint against PLDT and Mr. Panlilio.

In a Resolution dated June 1, 2023, the OCP QC dismissed the Complaint. No motion for reconsideration or appeal has been received as of this date.

Audit; Governance, Nomination and Sustainability; Executive Compensation; Technology Strategy; Risk; and Data Privacy and Information Security Committees

Our Board of Directors (Board) is authorized under the By-Laws to create committees, as it may deem necessary, to assist in the effective performance of specific functions and responsibilities which may be delegated by the Board. We have six Board committees, namely, the Audit; Governance, Nomination and Sustainability; Executive Compensation;

Technology Strategy; Risk; and Data Privacy and Information Security Committees. Each of these committees has a Board-approved written charter that provides for such committee's composition, membership qualifications, functions and responsibilities, conduct of meetings, and reporting procedure to the Board.

Audit Committee

Our Audit Committee (AC) is composed of three members, all of whom are independent directors, and three advisors. The AC members are Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Ms. Bernadine T. Siy, who is the chairperson of this committee. The three AC advisors are Mr. Kazuyuki Kozu and Mr. James L. Go, who are non-independent directors, and Ms. Corazon S. de la Paz-Bernardo, a former member of our Board of Directors. All the members of our AC are financially literate. Ms. Siy holds a master's degree in Management with majors in Finance and Accounting from the J.L. Kellogg Graduate School of Management of Northwestern University in Chicago, Illinois, USA. Ms. Corazon S. de la Paz-Bernardo has expertise in accounting and financial management. She is a former Chairman and Senior Partner of Joaquin Cunanan & Company, now Isla Lipana & Co., a member firm of PricewaterhouseCoopers (PwC).

As provided in the AC charter, the primary purpose of the AC is to assist the Board in fulfilling its oversight responsibility for:

- the integrity of PLDT's accounting and financial reporting principles and policies, and system of internal controls, including the review of material related party transactions, and the integrity of PLDT's financial statements and the independent audit thereof;
- PLDT's compliance with legal and regulatory requirements and the audit process; and
- the Company's audit process and the performance of the internal audit organization and the external auditors (including the external auditors' qualifications and independence).

To carry out its direct responsibility for the appointment, setting of compensation, retention and removal of the external auditor, the AC has the following duties and powers:

- review and evaluate the qualifications, performance and independence of the external auditor and its lead audit partner;
- select and appoint, remove or replace the external auditor;
- review and approve, in consultation with the head of the internal audit organization and the head of the finance organization, all audit and non-audit services to be performed by the external auditor and the fees to be paid for such services, and ensure disclosure of any allowed non-audit services in PLDT's annual report;
- periodically review fees for non-audit services paid to the external auditor and disallow non-audit services that will conflict with the external auditor's duties to PLDT or pose a threat to the external auditor's independence;
- ensure that the external auditor prepares and delivers annually a statement as to its independence, discuss with the external auditor any relationships or services disclosed in such statement that may impact the objectivity, independence or quality of services of said external auditor and take appropriate action in response to such statement to satisfy itself of the external auditor's independence;
- based on the external auditor's statement submitted at least annually, review the external auditor's internal quality control procedures for any material issues raised by recent internal quality control review or peer review of the external auditor, or by any inquiry or investigation by government or professional authorities within the preceding five years, regarding one or more independent audits carried out by the external auditor and steps taken to deal with any such issues;
- ensure that the external auditor or its lead audit partner having the primary responsibility for the audit of PLDT's financial accounts is rotated at least once every five years or such shorter or longer period provided under applicable laws and regulations;
- advise the external auditor that it is expected to provide the AC a timely analysis of significant/critical financial reporting issues and practices;
- obtain assurance from the external auditor that the audit was conducted in a manner consistent with certain procedures to be followed in any audit of financial statements required under applicable rules; and
- resolve disagreements between management and the external auditor regarding financial reporting.

The AC has the authority to retain or obtain advice from special counsel or other experts or consultants in the discharge of its responsibilities without the need for Board approval.

Audit Committee Report

Further to our compliance with applicable corporate governance laws and rules, we confirm for 2024 that:

- Each voting member of the Audit Committee is an independent director as determined by the Board of Directors;
- We had nine regular joint meetings with the Audit Committees of Smart and Digitel during the year;
- We have reviewed and approved the revised Audit Committee Charter, subject to final approval and adoption by the Board;
- We have reviewed and approved the PLDT Internal Audit Group's risk-based annual plan for their regular audits, including updates thereto, and discussed the results of their examinations;
- Based on a review of SGV & Co.'s performance and qualifications, including consideration of Management's recommendation, we approved the appointment of SGV & Co. as the PLDT Group's independent auditor;
- We have discussed with SGV & Co. the overall scope and plan for their integrated audit of the PLDT and Subsidiaries', or PLDT Group's, financial statements and internal controls over external financial reporting, and the results of their examinations;
- We have reviewed and approved all audit and non-audit services provided by SGV & Co. to the PLDT Group, and the related fees for such services, and concluded that the non-audit fees are not significant to impair their independence;
- We have discussed with SGV & Co. the matters required to be discussed by the prevailing applicable Auditing Standard, and we have received written disclosures and the letter from SGV & Co. as required by the prevailing applicable Independence Standards (Statement as to Independence) and have discussed with SGV & Co. its independence from the PLDT Group and the PLDT Group's Management;
- We were apprised of updates on enterprise risk management and major risk exposures and mitigations through our attendance to meetings of the Risk Committee, from which we are also members;
- We have discussed with the Chief Legal Counsel, Regulatory and Tax Management Heads on the significant legal matters and updates on the Company's compliance with regulations and applicable laws;
- We have discussed with relevant Business Unit heads the status of their initiatives to address key audit observations, and other significant updates on their areas;
- In the performance of our oversight responsibilities, we have reviewed and discussed the unaudited consolidated quarterly financial statements and reports in the first three quarters of 2024 and the audited consolidated financial statements of the PLDT Group as of and for the year ended December 31, 2024 with the PLDT Group's Management, which has the primary responsibility for the financial statements, and with SGV & Co., the PLDT Group's independent auditor, who is responsible for expressing an opinion on the conformity of the PLDT Group's audited financial statements with PFRS; and
- Based on the reviews and discussions referred to above, in reliance on the PLDT Group's Management and SGV & Co. and subject to the limitations of our role, we recommended to the Board of Directors and the Board has approved, the inclusion of the PLDT Group's audited financial statements as of and for the year ended December 31, 2024 in the PLDT Group's Annual Report to the Stockholders and to the Philippine Securities and Exchange Commission on Form 17-A.

Governance, Nomination and Sustainability Committee

Our Governance, Nomination and Sustainability Committee (GNSC) is composed of five voting members, all of whom are members of our Board, and two non-voting members. Three of the voting members are independent directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu, and Ms. Bernadine T. Siy. The two other voting members are non-executive director, Mr. Kazuyuki Kozu and executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee. The two non-voting members are the Chief People Officer, Ms. Gina Marina P. Ordoñez and the Chief Sustainability Officer, Ms. Melissa V. Vergel De Dios.

The primary purpose of the GNSC is to assist the Board in the performance of the following functions:

- establish the Company's corporate governance framework, principles and policies aligned with business objectives, and oversee their implementation, including the implementation of the Conflict of Interest and Expanded Whistleblowing Policies, and the implementation of continuing education and communication programs on good governance;
- develop and implement an evaluation process for the annual review of the performance of the Board, the Board Committees and the individual directors, including the President and CEO;
- implement a selection process and succession plan to ensure that the Board has an effective and balanced mix of knowledge, expertise, experience and diversity in terms of, among others, age, gender and ethnicity, and review the qualifications of the persons nominated to other positions requiring appointment by the Board;

- identify persons qualified to become members of the Board and/or the Board Committees;
 - assess the effectiveness of the Company's nomination and selection process for the Board and Board Committees, which includes access to external sources;
 - establish the Company's sustainability strategy, framework, programs and policies and oversee their implementation; and
1. oversee the Company's social and environmental investments and commitments, underpinned by initiatives that aim to assess and manage the impact of Company operations.

Executive Compensation Committee

Our Executive Compensation Committee (ECC) is composed of five voting members, all of whom are members of our Board of Directors, and one non-voting member. Three of the voting members are independent directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu, and Ms. Bernadine T. Siy. The two other voting members are non-executive director, Mr. Kazuyuki Kozu and executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee. The non-voting member is the Chief People Officer, Ms. Gina Marina P. Ordoñez.

The primary purpose of the ECC is to assist the Board in the performance of the following functions:

- oversee the development of a compensation philosophy or policy consistent with the strategy, culture and control environment of PLDT;
- oversee the development and administration of PLDT's executive compensation programs, including long-term incentive plans and equity-based plans for officers and executives;
- oversee the development and administration of the Company's performance management framework to monitor and assess the performance of Management;
- oversee the succession plan for officers, including the CEO; and
- oversee the development and implementation of professional development programs for officers.

Risk Committee

Our Risk Committee (RC) is composed of five voting members, all of whom are members of our Board, and one non-voting member. Three of the voting members are independent directors, namely, Mr. Bernido H. Liu, Ms. Bernadine T. Siy, and Retired Supreme Court Chief Justice Artemio V. Panganiban, who is the chairman of this committee. The two other voting members are non-executive directors, namely, Mr. Kazuyuki Kozu and Mr. James L. Go. The non-voting member is the Chief Risk Management Officer, Mr. Danny Y. Yu.

The primary purpose of the RC is to assist the Board in fulfilling its governance functions relating to risk management, which include the following:

- oversee management's adoption and implementation of a system for identifying, assessing, monitoring and managing key risk areas;
- review management's reports on PLDT's major risk exposures; and
- review management's plans and actions to minimize, control or manage the impact of such risks.

Technology Strategy Committee

Our Technology Strategy Committee (TSC) is composed of four voting members and one non-voting member. The voting members are executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee, and three non-executive directors, Atty. Ray C. Espinosa, Mr. James L. Go, and Mr. Kazuyuki Kozu. The non-voting member is the Chief Operating Officer, Mr. Menardo G. Jimenez, Jr.

The primary purpose of the TSC is to assist the Board in the performance of the following functions:

- (1) review and approve the strategic vision for the role of technology in PLDT's overall business strategy, including the technology strategy and roadmap of PLDT;
- (2) fulfill its oversight responsibilities for PLDT's effective execution of its technology-related strategies; and
- (3) ensure the optimized use and contribution of technology to PLDT's business and strategic objectives and growth targets.

Data Privacy and Information Security Committee

Our Data Privacy and Information Security Committee (DPISC) is composed of five voting members, all of whom are members of our Board. The DPISC members are independent director, Mr. Bernido H. Liu, non-executive directors, Atty. Ray C. Espinosa and Mr. Kazuyuki Kozu, and executive directors, Atty. Marilyn A. Victorio-Aquino and Mr. Manuel V. Pangilinan, who is the chairman of this committee.

The primary purpose of the DPISC is to assist the Board in the performance of its oversight function and provide strategic direction to governance functions relating to data privacy and information security, including to:

- promote effective data privacy, information and cyber security governance;
- review and approve the Company's strategic plans on data privacy, information and cyber security;
- ensure accountability for compliance with regulatory standards and best practices on data privacy, information and cyber security;
- foster a culture of privacy, information and cyber security; and
- oversee management's adoption and implementation of a system for identifying, assessing, monitoring and managing enterprise-wide data privacy, information and cyber security risks.

Advisory Committee

Our Advisory Board/Committee is composed of Mr. Benny S. Santoso, Mr. Christopher H. Young, and Mr. Roberto C. Yap, S.J. The Advisory Board/Committee provides guidance and suggestions, as necessary, on matters deliberated upon during Board meetings.

Item 10. Executive Compensation and Stock Option Plan

Executive Compensation

The following table is the list of the directors and executive officers, including the CEO, of PLDT as at December 31, 2024:

Name	Position(s)
Manuel V. Pangilinan	Director, Chairman of the Board, President and Chief Executive Officer
Santiago Dionisio R. Agdeppa ⁽¹⁾	Director
Marilyn A. Victorio-Aquino	Director, Senior Vice President, Chief Legal Counsel and Corporate Secretary
Helen Y. Dee	Director
Ray C. Espinosa	Director
James L. Go	Director
Kazuyuki Kozu	Director
Bernido H. Liu	Independent Director
Rolando L. Macasaet ⁽²⁾	Director
Retired Supreme Court Chief Justice Artemio V. Panganiban	Independent Director
Alfredo S. Panlilio	Director
Kazutoshi Shimizu ⁽³⁾	Director
Bernadine T. Siy	Independent Director
Naoki Wakai ⁽⁴⁾	Director
Marife B. Zamora	Director
Danny Y. Yu	Senior Vice President, Chief Financial Officer and Chief Risk Management Officer
Victorico P. Vargas	Leadership Transition Officer
Menardo G. Jimenez, Jr. ⁽⁵⁾	Executive Vice President and Chief Operating Officer
Gina Marina P. Ordoñez	Senior Vice President, Chief People Officer
Joseph Ian G. Gendrano	Senior Vice President, Enterprise Business Group Head
Jeremiah M. Dela Cruz	Senior Vice President, Consumer Business Group Head
John Gregory Y. Palanca ⁽⁶⁾	Senior Vice President, Sales and Development Group Head
Luis S. Reñon ⁽⁷⁾	Senior Advisor to the Chairman.
Leo I. Posadas	First Vice President and Treasurer
Melissa A. Vergel de Dios	First Vice President and Chief Sustainability Officer
Gil Samson D. Garcia	First Vice President, Financial Controllershship

⁽¹⁾ Mr. Santiago Dionisio R. Agdeppa was elected as a director of the Company effective on November 12, 2024 and shall serve the unexpired term of his predecessor in office, Mr. Rolando L. Macasaet. Atty. Agdeppa resigned as a director of the Company effective February 1, 2025.

⁽²⁾ Mr. Rolando L. Macasaet resigned as a member of the Board of Directors of the Company effective on October 6, 2024.

⁽³⁾ Mr. Kazutoshi Shimizu was elected as a director of the Company effective on August 13, 2024 and shall serve the unexpired term of his predecessor in office, Mr. Naoki Wakai.

⁽⁴⁾ Mr. Naoki Wakai resigned as director of the Company effective at the close of business on August 12, 2024.

⁽⁵⁾ Mr. Menardo G. Jimenez, Jr. was appointed as Executive Vice President and Chief Operating Officer of the Company effective September 17, 2024.

⁽⁶⁾ Mr. John Gregory Y. Palanca was promoted to Senior Vice President effective March 21, 2024.

⁽⁷⁾ Mr. Luis S. Reñon remains with PLDT Inc. as Senior Advisor to the Chairman and perform such functions to be assigned by the Chairman.

The following table below sets forth the aggregate amount of compensation paid in 2024 and 2023 and estimated amount of compensation expected to be paid in 2025 to: (1) the President and CEO and four most highly compensated officers of PLDT, as a group, namely, Marilyn A. Victorio-Aquino, Jeremiah M. de la Cruz, Gina Marina P. Ordoñez and Danny Y. Yu; and (2) all other executive officers, other officers and directors, as a group.

	2025	2024	2023
	Estimate	Actual	
	(amounts in million Php)		
President and CEO and four most highly compensated executive officers:			
Salary ⁽¹⁾	169	155	192
Bonus ⁽²⁾	20	19	29
Other compensation ⁽³⁾	106	95	233
	295	269	454
All other executive officers, other officers and directors as a group (excluding the President and CEO and four most highly compensated executive officers):			
Salary ⁽¹⁾	566	550	604
Bonus ⁽²⁾	71	80	87
Other compensation ⁽³⁾	680	514	539
	1,317	1,144	1,230

⁽¹⁾ Basic monthly salary.

⁽²⁾ Includes longevity pay, mid-year bonus, 13th month and Christmas bonus.

⁽³⁾ Includes Variable Pay/Short-term Incentive Plan, or STIP, and other payments. Variable Pay/STIP is based on an annual incentive system that encourages and rewards both individual and group/team performance and is tied to the achievement of Corporate/Unit/Customer Satisfaction Objectives. It covers regular officers and executives of the Company and is based on a percentage of their Guaranteed Annual Cash Compensation.

Each of the directors of the Company is entitled to a director's fee of Php250,000 for each meeting of the Board of Directors attended. In addition, the directors who serve in the committees of the Board of Directors, namely, the Audit, Governance, Nomination and Sustainability, Executive Compensation, Technology Strategy, and Risk Committees and Data Privacy and Information Security Committee, are each entitled to a fee of Php125,000 for each committee meeting attended.

Except for the fees mentioned above, the directors are not compensated, directly or indirectly, for their services as such directors. The aggregate amount of *per diems* paid to the directors for their attendance in Board and Board Committee meetings is included in other compensation in the above table. The total amount of *per diems* paid in 2024 and 2023 were approximately Php85 million and Php88 million, respectively. The total amount of *per diems* estimated to be paid in 2025 is approximately Php82 million.

There are no agreements between PLDT Group and any of its key management personnel providing for benefits upon termination of employment, except for such benefits to which they may be entitled under PLDT Group's retirement and incentive plans.

Long-Term Incentive Plan

As noted above, we have established the TIP to provide incentive compensation to key officers, executives and other eligible participants who are consistent performers and contributors to the Company's strategic and financial goals.

See Note 3 – Management's Use of Judgments, Estimates and Assumptions, Note 5 – Income and Expenses, Note 23 – Accrued Expenses and Other Current Liabilities and Note 25 – Pension and Other Employee Benefits to the accompanying audited consolidated financial statements in Item 7. "Financial Statements" for related discussion.

Item 11. Security Ownership of Certain Beneficial Owners, Directors and Executive Officers

Security Ownership of Certain Record and Beneficial Owners

The following table sets forth the record owners and, to the best knowledge of the Board of Directors and Management of the Company, the beneficial owners of more than five percent of the Company's outstanding shares of Common Stock and Voting Preferred Stock, the number of shares owned by, and percentage of shareholdings of, each of them, as at December 31, 2024.

Title of Class	Name and Address of Record Owner and Relationship With Issuer	Citizenship	Name of Beneficial Owner and Relationship with Record Owner	Number of Shares Held	Percentage of Common Stock	Percentage of Voting Stock
Common	Philippine Telecommunications Investment Corporation ⁽¹⁾ 10th Floor Net One Building, 26th Street Bonifacio Global City, Fort Bonifacio, Taguig City Major Stockholder	Philippine Corporation	Same as Record Owner	26,034,263 ⁽²⁾	12.05	7.11
Common	Metro Pacific Resources, Inc. ⁽³⁾ c/o Corporate Secretary Unit 10-3 and 10-4 10th Floor Net One Building, 26th Street corner 3rd Avenue, Fort Bonifacio, Taguig City Major Stockholder	Philippine Corporation	Same as Record Owner	21,556,676 ⁽²⁾	9.98	5.89
Common	NTT DOCOMO, INC. ⁽⁴⁾ 11-1 Nagata-Cho, 2-Chome Chiyoda Ku, Tokyo 100-6150, Japan Major Stockholder	Japanese Corporation	See Footnote 7	22,796,902 ⁽⁵⁾	10.55	6.23
Common	NTT Communications Corporation ⁽⁶⁾ Otemachi Place West Tower 33F 2-3-1 Otemachi, Chiyoda-ku Tokyo 100-8019, Japan Major Stockholder	Japanese Corporation	See Footnote 7	12,633,487	5.85	3.45
Common	JG Summit Group ⁽⁸⁾ 43/F Robinsons Equitable Tower ADB Avenue corner Poveda Road, Ortigas Center, Pasig City Major Stockholder	Philippine Corporation	See Footnote 8	24,342,455	11.27	6.65
Common	Social Security System ⁽⁹⁾ 9/F SSS Building East Avenue, Quezon City Major Stockholder	Philippine Corporation	See Footnote 9	9,613,282	4.45	2.63
Common	PCD Nominee Corporation ⁽¹⁰⁾ 29/F BDO Equitable Tower 8751 Ayala Ave. cor. Paseo de Roxas St., Makati City 1226 Major Stockholder	Philippine Corporation	See Footnote 10	82,486,368	38.18	22.53
Common	J.P. Morgan Hongkong Nominees Limited ⁽¹¹⁾ (various accounts) c/o HSBC Securities Services 7/F HSBC Centre 3058 5 th Ave. West BGC, Taguig City Major Stockholder	Hong Kong Corporation	See Footnote 10	11,515,131	5.33	3.15
Voting Preferred	BTF Holdings, Inc. ⁽¹²⁾ Ramon Cojuangco Building, Makati Avenue, Makati City	Philippine Corporation	Same as Record Owner	150,000,000	—	40.98

⁽¹⁾ Based on a resolution adopted by the Board of Directors of Philippine Telecommunications Investment Corporation, or PTIC, the Chairman of the Board of PTIC, Mr. Manuel V. Pangilinan, has the continuing authority to represent PTIC at any and all meetings of the stockholders of a corporation in which PTIC owns of record or beneficially any shares of stock or other voting security, and to sign and deliver, in favor of any person he may deem fit, a proxy or other power of attorney, with full power of delegation and substitution, authorizing his designated proxy or attorney-in-fact to vote any and all shares of stock and other voting securities owned of record or beneficially by PTIC at any and all meetings of the stockholders of the corporation issuing such shares of stock or voting securities.

⁽²⁾ In addition to the 26,034,263 and 21,556,676 common shares owned of record respectively by PTIC and Metro Pacific Resources, Inc., ("MPRI"), both of which are Philippine affiliates of First Pacific Company Limited, ("First Pacific"), 7,653,703 common shares representing approximately 3.54% of the outstanding common stock of PLDT, are owned by another Philippine affiliate of First Pacific and registered under the name of PCD Nominee Corporation. The common shares owned by PTIC, MPRI and the other Philippine affiliate of First Pacific (referred to herein as "First Pacific Group") collectively represents 25.57% of the outstanding common stock of PLDT as of December 31, 2024.

- (3) Based on a resolution adopted by the Board of Directors of MPRI, Mr. Manuel V. Pangilinan has been appointed as proxy or duly authorized representative of MPRI to represent and vote the PLDT shares of common stock of MPRI in the Annual Meeting.
- (4) Based on publicly available information, NTT DOCOMO, INC., ("NTT DOCOMO"), is a wholly-owned subsidiary of Nippon Telegraph and Telephone Corporation ("NTT"). Based on a certification signed by a duly authorized officer of NTT DOCOMO, Mr. Tetsunori Higashida and Mr. Hidetada Hayashi are authorized to execute for and on behalf of NTT DOCOMO, endorsements, transfers and other matters relating to the PLDT shares of common stock held by NTT DOCOMO.
- (5) In addition to the 22,796,902 common shares owned on record by NTT DOCOMO, NTT DOCOMO also owns 8,533,253 ADSs whose underlying common shares represent approximately 3.95% of the outstanding common stock of PLDT. The common shares and the underlying common shares of the ADS owned by NTT DOCOMO collectively represents 14.50% of the outstanding common stock of PLDT as of December 31, 2024.
- (6) Based on publicly available information, NTT Communications Corporation ("NTT Communications"), is a wholly-owned subsidiary of NTT. Based on a certification signed by a duly authorized officer of NTT Communications, Mr. Hisashi Fujishima or Mr. Takuma Mouri is authorized to execute for and on behalf of NTT Communications, endorsements, transfers and other matters relating to the PLDT shares of common stock held by NTT Communications.
- (7) In publicly available reports filed by NTT Communications and NTT DOCOMO, it is stated that because of NTT's ownership of all the outstanding capital stock of NTT Communications and of NTT DOCOMO, NTT, NTT Communications and NTT DOCOMO may be considered to constitute a "group" within the meaning of Rule 18.1.5.C of the Amended Implementing Rules and Regulations of The Securities Regulation Code. Therefore, each of them may be deemed to have beneficial ownership of the 43,963,642 shares in aggregate held by NTT Communications and NTT DOCOMO, which collectively represents 20.35% of the outstanding common stock of PLDT as of December 31, 2024.
- (8) The shareholders comprising the JG Summit Group are JG Summit Holdings, Inc. ("JGS") which owns of record 24,255,732 shares, and JG Digital Equity Ventures Inc. or JGDEV (formerly Express Holdings Inc.) which owns 86,723 shares or a total of 24,342,455 shares, representing 11.27% of the outstanding common stock of PLDT. Based on a certification signed by a duly authorized officer of JGS, under the By-Laws of JGS, each of the Chairman of JGS, Mr. James L. Go and President of JGS, Mr. Lance Y Gokongwei is authorized to vote the 24,255,732 common shares of PLDT owned by JGS and to appoint and/or sign proxies in behalf of JGS in connection with the Annual Meeting. Based on Section 2(d) of Article IV of the By-Laws of JGDEV, the Chairman and President, Mr. Lance Gokongwei is authorized to vote the PLDT common shares of JGDEV and to appoint and/or sign proxies in behalf of JGDEV.
- (9) In addition to the 9,613,282 shares owned on record by the SSS, SSS also beneficially owned 1,983,813 shares of PLDT common stock held of record by PCD as at December 31, 2024. The total beneficial shareholdings of SSS is 11,597,095 shares of PLDT common stock representing 5.37% of the outstanding common stock of PLDT as at December 31, 2024. Based on a resolution adopted by the Board of Directors of the SSS, Mr. Rolando L. Macasaet, as Commissioner of the SSS, has been authorized to represent and vote the shares of PLDT common stock of SSS in the Annual Meeting of stockholders of PLDT.
- (10) PCD Nominee Corporation ("PCD"), is the registered owner of shares held by participants in the Philippine Depository and Trust Co. ("PDTC"), a private company organized to implement an automated book entry system of handling securities transactions in the Philippines. Under the PDTC procedures, when an issuer of a PDTC-eligible issue will hold a stockholders' meeting, the PDTC will execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients.
- Based on available information, none of the owners of the PLDT common shares registered under the name of PCD, owned more than 5% of PLDT's outstanding common stock as of December 31, 2024, except for The Hongkong and Shanghai Banking Corporation Ltd. Clients Account, which owned approximately 7.88% of PLDT's outstanding common stock as of such date. PLDT has no knowledge if any beneficial owner of the shares under The Hongkong and Shanghai Banking Corporation Ltd Clients Account and Citibank N.A. owned more than 5% of PLDT's outstanding common stock as of December 31, 2024.
- This account also includes 7,653,703 PLDT common shares beneficially owned by a Philippine affiliate of First Pacific, and 1,683,813 shares of PLDT common stock beneficially owned by the Social Security System.
- (11) J.P. Morgan Hong Kong Nominees Limited (formerly JP Morgan Asset Holdings (HK) Limited) holds shares as nominee of J.P. Morgan Chase Bank, successor depository under the Common Stock Deposit Agreement, dated October 14, 1994, as amended on February 10, 2003, between J.P. Morgan Chase Bank and the holders of ADRs, evidencing ADSs, representing shares of common stock of PLDT (the "Deposit Agreement"). Under the Deposit Agreement, if the depository does not receive voting instructions from a holder of ADRs, such holder will be deemed to have instructed the depository to provide a discretionary proxy to a person designated by PLDT for the purpose of exercising the voting rights pertaining to the shares of common stock underlying the ADS of such holder of ADRs, except that no discretionary proxy will be given with respect to any matter as to which substantial opposition exists or which materially and adversely affects the rights of the holders of such ADRs.
- This account also includes 8,533,253 PLDT common shares underlying ADS beneficially owned by NTT DOCOMO.
- (12) A wholly-owned company of the Board of Trustees for the Account of the Beneficial Trust Fund Created Pursuant to the Benefit Plan of PLDT Co. Based on a resolution adopted by the Board of Directors of BTF Holdings, Inc., the Chairman of the Board of PLDT has been appointed as proxy or duly authorized representative of BTF Holdings, Inc. to represent and vote the PLDT shares of voting preferred stock of BTF Holdings, Inc. in the Annual Meeting.

Except as stated above and in the related footnotes, the Board of Directors and Management of the Company have no knowledge of any other person who, as at December 31, 2024, was directly or indirectly the beneficial owner of, or who has voting power with respect to, shares comprising more than five percent of the Company's outstanding Common Stock and Voting Preferred Stock as of December 31, 2024.

As at December 31, 2024, approximately 78.94% of the outstanding voting stock and 88.42% of the outstanding capital stock of PLDT were owned by Philippine persons.

As a result of their respective stockholdings, the FP Parties and/or NTT Communications and/or NTT DOCOMO and/or BTFHI are able to influence our actions and corporate governance, including (i) elections of our directors; and (ii) approval of major corporate actions, which require the vote of holders of common and voting preferred stocks.

Additionally, the FP Parties, NTT Communications, NTT DOCOMO and PLDT entered into a Cooperation Agreement, dated January 31, 2006, pursuant to which, among other things, certain rights of NTT Communications under the Stock Purchase and Strategic Investment Agreement dated September 28, 1999, or the Strategic Agreement, and the Shareholders Agreement dated March 24, 2000, or the Shareholders Agreement, were extended to NTT DOCOMO. As

a result of the Cooperation Agreement, NTT Communications and NTT DOCOMO, in coordination with each other, have contractual rights relating to a number of major decisions and transactions that PLDT could make or enter into.

Specifically, PLDT may not take any of the following actions described without the approval of NTT DOCOMO and NTT Communications, acting in coordination with each other (however, NTT DOCOMO and NTT Communications may not withhold their consent to such actions in circumstances where PLDT proposes to invest in a business that competes with Nippon Telegraph and Telephone Corporation and its subsidiaries and where the Board of Directors has among other things, approved the transaction):

- capital expenditures in excess of US\$50 million;
- any investments, if the aggregate amount of all investments for the previous 12 months is greater than US\$25 million in the case of all investments to any existing investees and US\$100 million in the case of all investments to any new or existing investees, determined on a rolling monthly basis; or
- any investments in a specific investee, if the cumulative value of all investments made by us in that investee is greater than US\$10 million in the case of an existing investee and US\$50 million in the case of a new investee.

PLDT also may not issue common stock or stock that is convertible into common stock except where NTT Communications and NTT DOCOMO have first been offered the opportunity to purchase their pro rata portion of PLDT's shares of common stock.

PLDT is also aware that each of NTT Communications and NTT DOCOMO has agreed (pursuant to the Shareholders Agreement in the case of NTT Communications and pursuant to the Cooperation Agreement in the case of NTT DOCOMO) to use its best efforts to procure that PLDT not take the following actions without the consent of First Pacific and certain of its affiliates, as well as other parties bound by the provisions of the Shareholders Agreement:

- new business activities other than those we currently engage in;
- merger or consolidation;
- winding up or liquidation of PLDT; or
- applying to a court to order a meeting of creditors or to sanction any compromise or arrangement between creditors and shareholders of PLDT.

As PLDT is not a party to the Shareholders Agreement, the contractual rights held by NTT Communications, NTT DOCOMO, First Pacific and certain of First Pacific's affiliates are not directly enforceable against PLDT. Pursuant to amendments effected by the Cooperation Agreement to the Stock Purchase and Strategic Investment Agreement and the Shareholders Agreement, upon NTT Communications and NTT DOCOMO and their respective subsidiaries owning in the aggregate 20% or more of PLDT's shares of common stock and for as long as they continue to own in the aggregate at least 17.5% of PLDT's shares of common stock then outstanding, NTT DOCOMO has additional rights under the Stock Purchase and Strategic Investment Agreement and Shareholders Agreement, including that:

- NTT DOCOMO is entitled to nominate one additional NTT DOCOMO nominee to the board of directors of each of PLDT and Smart;
- PLDT must consult NTT DOCOMO no later than 30 days prior to the first submission to the board of PLDT or certain of its committees of any proposal of investment in an entity that would primarily engage in a business that would be in direct competition or substantially the same business opportunities, customer base, products or services with business carried on by NTT DOCOMO, or which NTT DOCOMO has announced publicly an intention to carry on;
- PLDT must procure that Smart does not cease to carry on its business, dispose of all of its assets, issue common shares, merge or consolidate, or effect winding up or liquidation without PLDT first consulting with NTT DOCOMO no later than 30 days prior to the first submission to the board of PLDT or Smart, or certain of its committees; and
- PLDT must first consult with NTT DOCOMO no later than 30 days prior to the first submission to the board of PLDT or certain of its committees for the approval of any transfer of Smart's common capital stock by any member of the PLDT Group to any person who is not a member of the PLDT Group.

Security Ownership of Directors and Executive Officers

The following are the number of PLDT common shares owned of record and/or beneficially by the directors/independent directors, CEO and other executive officers of PLDT as at December 31, 2024:

Name of Record and Address	Citizenship	Title of Class	Number of shares	Amount of Holdings (Based on par value)	Percentage of Class
Manuel V. Pangilinan Chairman of the Board, President and Chief Executive Officer	Filipino	Common	363,521 ⁽¹⁾	Php1,817,605	0.168253
Santiago Dionisio R. Addeppa ⁽²⁾ Director	Filipino	Common	1	5	0.000000
Marilyn A. Victorio-Aquino Director, Senior Vice President Chief Legal Counsel and Corporate Secretary	Filipino	Common	27,395 ⁽¹⁾	136,975	0.012680
Helen Y. Dee Director	Filipino	Common	53,735 ⁽³⁾	268,675	0.024871
Ray C. Espinosa Director	Filipino	Common	42,743 ⁽¹⁾	213,715	0.019783
James L. Go Director	Filipino	Common	982,724 ⁽¹⁾	4,913,620	0.454847
Kazuyuki Kozu Director	Japanese	Common	1	5	0.000000
Bernido H. Liu Independent Director	Filipino	Common	1	5	0.000000
Rolando L. Macasaet ⁽⁴⁾ Director	Filipino	Common	1	5	0.000000
Retired Supreme Court Chief Justice Artemio V. Panganiban Independent Director	Filipino	Common	7,771 ⁽¹⁾	38,855	0.003597
Alfredo S. Panlilio Director	Filipino	Common	11,505 ⁽¹⁾	57,525	0.005325
Kazutoshi Shimizu ⁽⁵⁾ Director	Japanese	Common	1	5	0.000000
Bernadine T. Siy Independent Director	Filipino	Common	1,500 ⁽¹⁾	7,500	0.000694
Naoki Wakai ⁽⁶⁾ Director	Filipino	Common	1 ⁽⁷⁾	5	0.000000
Marife B. Zamora Director	Filipino	Common	60	300	0.000028
Victorico P. Vargas Leadership Transition Officer	Filipino	Common	17,085 ⁽⁸⁾	85,425	0.007908
Menardo G. Jimenez, Jr. ⁽⁹⁾ Executive Vice President Chief Operating Officer	Filipino	Common	8,044 ⁽¹⁾	40,220	0.003723
Danny Y. Yu Senior Vice President Chief Financial Officer and Chief Risk Management Officer	Filipino	Common	-	-	-
Gina Marina P. Ordoñez Senior Vice President Chief People Officer	Filipino	Common	5,141 ⁽⁸⁾	25,705	0.00237

Name of Record and Address	Citizenship	Title of Class	Number of shares	Amount of Holdings	Percentage of Class
Jeremiah M. de la Cruz Senior Vice President	Filipino	Common	-	-	-
Joseph Ian G. Gendrano Senior Vice President Enterprise Business Head	Filipino	Common	897 ⁽⁸⁾	4,485	0.00415
John Gregory Y. Palanca ⁽¹⁰⁾ Senior Vice President	Filipino	Common	793 ⁽⁸⁾	3,965	0.00367
Luis S. Reñon ⁽¹¹⁾ Advisor to the Chairman	Filipino	Common	55 ⁽⁸⁾	275	0.00025
Leo I. Posadas First Vice President and Treasurer	Filipino	Common	9,705 ⁽¹²⁾	48,525	0.004492
Melissa V. Vergel De Dios First Vice President and Chief Sustainability Officer	Filipino	Common	4,025 ⁽⁸⁾	20,125	0.001863
Gil Samson D. Garcia First Vice President and Head - Financial Controllershship	Filipino	Common	33 ⁽⁸⁾	165	0.000015

⁽¹⁾ Includes PLDT common shares that have been lodged with the Philippine Depositary and Trust Co. ("PDTC").

⁽²⁾ Mr. Santiago Dionisio R. Agdeppa was elected as a director of the Company effective on November 12, 2024 and shall serve the unexpired term of his predecessor in office, Mr. Rolando L. Macasaet. Atty. Agdeppa resigned as a director of the Company effective February 1, 2025.

⁽³⁾ Includes 25,227 shares held by Hydee Management and Resources Corporation, 26,260 shares thru RCBC Trust for the account of Michelle Y. Dee-Santos and 1,865 shares thru RCBC Trust for the account of Ms. Michelle Y. Dee &/or Ms. Johanna Y. Dee and/or ITF Mr. Luis Miguel Santos and 245 shares under the name of Helen Y. Dee. Except for 21,957 certificated shares held by Hydee Management Resources Corporation the rest are thru PCD Nominee Corporation.

⁽⁴⁾ Mr. Rolando L. Macasaet resigned as a member of the Board of Directors of the Company effective on October 6, 2024.

⁽⁵⁾ Mr. Kazutoshi Shimizu was elected as a director of the Company effective on August 13, 2024 and shall serve the unexpired term of his predecessor in office, Mr. Naoki Wakai.

⁽⁶⁾ Mr. Naoki Wakai resigned as director of the Company effective at the close of business on August 12, 2024.

⁽⁷⁾ As of date of resignation.

⁽⁸⁾ Lodged with the PDTC.

⁽⁹⁾ Mr. Menardo G. Jimenez was appointed as Executive Vice President and Chief Operating Officer of the Company effective September 17, 2024.

⁽¹⁰⁾ Mr. John Gregory Y. Palanca was promoted to Senior Vice President effective March 21, 2024.

⁽¹¹⁾ Mr. Luis S. Reñon remains with PLDT Inc. as Senior Advisor to the Chairman and perform such functions to be assigned by the Chairman.

⁽¹²⁾ The appointment of Mr. Joseph Ian G. Gendrano as Enterprise Business Head effective January 15, 2024 was confirmed by the Board of Directors at its meeting held on January 30, 2024.

⁽¹³⁾ Includes 140 shares for the account of Jose Antonio G. Posadas under PCD Nominee Corporation.

The aggregate number of shares of common stock directly and indirectly owned by directors and executive officers listed above, as at December 31, 2024, was 1,536,738, or approximately 0.71126% of PLDT's outstanding shares of common stock.

Change in Control

There has been no change in control of the Company since the beginning of 2024 and the Board of Directors and Management of the Company are not aware of any existing, pending, or potential transaction which may result in such change in control.

Item 12. Certain Relationships and Related Party Transactions

Related Party Transactions

PLDT, in the ordinary course of business, engages in transactions with some of its stockholders, its subsidiaries and affiliates, and directors and officers and their close family members.

In 2019, PLDT adopted a Material Related Party Transactions (MRPT) Policy in accordance with the Company's Manual on Corporate Governance and in compliance with Philippine SEC Memorandum Circular No.10, Series of 2019 or the Rules on Material Related Party Transactions for Publicly-Listed Companies. The Company's MRPT Policy covers transactions of PLDT and the other members of the PLDT Group that meet or exceed the materiality threshold of ten percent (10%) of PLDT's total consolidated assets. It defines the processes, controls and safeguards for the proper handling, including review, approval and disclosure, of such related party transactions ("RPT") in accordance with applicable laws and regulations. Each Material RPT shall be subject to prior review by the Audit Committee, composed of independent directors, to determine whether the same meets the following standards: (a) it is on arm's length terms, and (b) it is in the best interest of the Company and its shareholders, considering relevant factors and circumstances. A copy of the MRPT Policy is posted at <https://pldt.com/docs/default-source/corporate-governance-files/policies/material-related-party-transactions-policy.pdf>. This website does not form part of this annual report on Form 17-A.

Related party transactions involving an amount below the Materiality Threshold shall be covered by our Guidelines on the Proper Handling of Related Party Transactions.

For a detailed discussion of our material related party transactions, see *Note 24 – Related Party Transactions* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”.

Except for the transactions discussed in *Note 24 – Related Party Transactions* to the accompanying audited consolidated financial statements in Item 7. “Financial Statements”, there were no other material related party transactions during the last three financial years, nor are there any material transactions currently proposed between PLDT and any: (i) director, officer, direct or indirect owner of 10% or more of the outstanding shares in PLDT; (ii) close family member of such director, officer or owner; (iii) associates of PLDT; (iv) enterprises controlling, controlled by or under common control with PLDT; or (v) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any director, officer or owner of 10% or more of the outstanding shares in PLDT or any close family member of such director, key officer or owner, or collectively, the Related Parties.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance: Structure, Policies and Processes

Our Corporate Governance framework defines how we strive to create sustainable value for the Company, fulfill our commitments to our stakeholders and develop a strong corporate culture. It is grounded on our core governance principles of integrity, accountability, transparency, and fairness, and embodied in the governance structure, policies, processes and standards set forth in PLDT’s Articles of Incorporation, By-Laws, Manual on Corporate Governance (“CG Manual”), Code of Business Conduct and Ethics (“Code of Ethics”) and Corporate Shared Value Statement (“CSV Statement”).

The Company continuously seeks to raise the standards of its business conduct through its compliance with applicable governance rules and by benchmarking with international best practices. PLDT complies with governance and sustainability standards of the Philippines as a public company listed in the Philippine Stock Exchange (“PSE”) and applicable rules and governance standards of the United States as a foreign private issuer with American Depositary Shares listed and traded in the New York Stock Exchange (“NYSE”). PLDT benchmarks with the governance standards of Hong Kong being an associated company of First Pacific Company Ltd., which is listed in the Hong Kong Stock Exchange.

Governance Structure

Board of Directors

Our Board of Directors (“Board”) is composed of 13 members, with 11 non-executive directors, which include three independent directors, and two executive directors. All the directors are qualified and competent members with diverse and complementing skills, expertise, experience, and knowledge in their respective fields or industries, such as telecommunications, Information and Communication Technology (“ICT”), accounting and finance, banking, insurance, investments, consumer and retail industry, infrastructure and property development, legal and public administration, and environment and natural resources. At least four of our non-executive directors have extensive experience in the telecommunications industry.

Three of our directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Ms. Bernadine T. Siy, are independent directors who are neither officers nor employees of PLDT or any of its subsidiaries, and who are free from any business or other relationship with PLDT or any of its subsidiaries which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out their responsibilities as independent directors. The directors’ independence standards/criteria are provided in our By-Laws and CG Manual. On June 11, 2024, the Board reappointed Retired Supreme Court Chief Justice Panganiban as PLDT’s Lead Independent Director. The functions of the lead independent director include, among others, serving as an intermediary between the Chairman and the other directors, as needed, convening and leading meetings of the non-executive directors, and contributing to the performance evaluation of the Chairman, as may be required.

Chairman of the Board

Our Chairman, Mr. Manuel V. Pangilinan, provides leadership for the Board and ensures that the Board works effectively and performs its duties responsibly. He presides and facilitates discussions in Board meetings focusing on strategic matters, risk management, key issues and governance concerns that will affect the business operations. The Chairman ensures that the lines of communication and the flow of information between Management and the Board are maintained and ensures that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.

Advisory Board/Committee

Our Board is supported by an Advisory Board/Committee composed of Mr. Benny S. Santoso, Mr. Christopher H. Young, and Mr. Roberto C. Yap, S.J. The Advisory Board/Committee provides guidance and suggestions, as necessary, on matters deliberated upon during Board meetings.

The primary responsibility for ensuring good corporate governance in PLDT is vested in our Board. The Board has the authority and responsibility to exercise the corporate powers, conduct the business and control the properties of the Company. Directors are expected to perform their duties diligently and in good faith and devote sufficient time and attention for such purposes. The Board and the directors are bound to act in the best interest of the Company and for the common benefit of its stockholders and other stakeholders.

To ensure a high standard of governance for the Company, the Board performs the following functions and duties with the assistance of the Board Committees:

- *Corporate Governance.* The Board, with the assistance of the Governance, Nomination and Sustainability Committee (“GNSC”), establishes the Company’s corporate governance framework, principles and policies aligned with business objectives, and oversees their implementation, including the implementation of the Conflict of Interest and Expanded Whistleblowing Policies, and the implementation of continuing education and communication programs on good governance.
- *Determination and review of Company Vision, Mission, and strategic objectives.* The Board, in coordination with Management, determines the Vision, Mission and strategic objectives of the Company and reviews the same annually in relation to corporate performance in its annual strategic planning session with Management.
- *Management oversight.* The Board exercises oversight on Management in its execution of the strategic direction and implementation of the policies set by the Board. Included in the Board’s annual assessment is an evaluation of the performance of the President and Chief Executive Officer (“CEO”) and Management with criteria on development and implementation of the Company’s long-term objectives, business strategies, plans and budgets consistent with the Vision, Mission, Values, Principles and overall corporate strategy; anticipation of current and emerging trends; and ensuring that the Company’s resources are well managed, among other assessment criteria.
- *Sustainability, Corporate Shared Value and Stakeholder Engagement.* The Board, through the Governance, Nomination and Sustainability Committee, establishes and oversees the implementation of the Company’s sustainability strategy, framework, programs and policies, and oversees the Company’s social and environmental investments and commitments, underpinned by initiatives that aim to assess and manage the impact of Company operations. The Board likewise ensures that the Company has an investor relations program to engage with its shareholders and the investing community at large, as well as programs to interact and communicate with various stakeholders, including the communities where the Company operates. It oversees the Company’s disclosure of material and reportable information regarding non-financial and sustainability matters, including the annual Sustainability Report, among others that concern the management of economic, environmental, social and governance aspects of the business.
- *Financial reporting, internal control, internal audit and independent audit.* The Board, with the assistance of the Audit Committee, carries out its oversight responsibilities for the Company’s financial reporting, internal control system, internal audit and independent audit mechanisms, and reviews material related party transactions.
- *Enterprise risk management.* The Board, with the assistance of the Risk Committee, fulfills its oversight responsibilities for the Company’s assessment and management of enterprise risks, and reviews and discusses with Management the Company’s major risk exposures and the corresponding risk mitigation measures. The Board likewise reviews, on an annual basis, the Company’s capital and debt structure and its compatibility with the Company’s strategic goals and associated risk appetite.
- *Technology.* The Board, with the assistance of the Technology Strategy Committee, reviews and approves the Company’s technology strategy and roadmap, and capital expenditures for network and technology.
- *Data Privacy and Information Security.* The Board, with the assistance of the Data Privacy and Information Security Committee, oversees data privacy, information security, and cyber security governance, reviews and approves the Company’s strategic plans on data privacy, information and cyber security, oversees the adoption and implementation of a system for identifying, assessing, monitoring, and managing enterprise-wide data privacy, information and cyber security risks, including its framework, structure, policies, standards, and processes.
- *Succession planning, professional development, and executive compensation.* The Board, through its Executive Compensation Committee, reviews the criteria for employment, promotion, and professional development plans for Senior Management, keeps track of their performance, and evaluates their potential for other critical roles and leadership paths. A succession planning process is facilitated within the PLDT Group referred to as the critical talent program. The Board is assisted by the Executive Compensation Committee in developing the compensation philosophy or policy of the Company consistent with its strategy, culture, and control environment.
- *Selection process for directors and appointment of officers.* The Board, with the assistance of the Governance, Nomination and Sustainability Committee, implements a selection process and succession plan to ensure that the Board has an effective and balanced mix of knowledge, expertise, experience, and diversity in terms of,

among others, age, gender, business and industry experience and ethnicity, and reviews the qualifications of officers to be appointed or promoted. External sources, such as professional search firms, director databases and/or other reputable sources are accessible and may be used, as appropriate, to further enhance the search for and widen the base of potential nominees.

- *Annual Board assessment.* The Board conducts an annual self-assessment to evaluate the performance of the Board as a whole, the Board Committees and the individual directors, including the President and CEO. Each Board Committee likewise conducts an annual self-assessment of its performance.

Board Committees

Audit Committee (“AC”). Our AC is composed of three members, all of whom are independent directors, and three advisors. The AC members are Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Ms. Bernadine T. Siy, who is the chairperson of this committee. The three AC advisors are Mr. Kazuyuki Kozu and Mr. James L. Go, who are non-independent directors, and Ms. Corazon S. de la Paz-Bernardo, a former member of our Board. All the members of our AC are financially literate. Ms. Siy holds a master's degree in Management with majors in Finance and Accounting from the J.L. Kellogg Graduate School of Management of Northwestern University in Chicago, Illinois, USA. Ms. Corazon S. de la Paz-Bernardo has expertise in accounting and financial management. She is a former Chairman and Senior Partner of Joaquin Cunanan & Company, now Isla Lipana & Co., a member firm of Pricewaterhouse Coopers (“PwC”). The AC assists the Board in fulfilling its oversight responsibility for: (i) the integrity of the Company’s accounting and financial reporting principles and policies, and system of internal controls, including the integrity of financial statements and the independent audit thereof; (ii) the Company’s compliance with legal and regulatory requirements; and (iii) the Company’s audit process and the performance of the internal audit organization and the external auditor (including the external auditor’s qualifications and independence). For efficiency, the Board has determined that in lieu of creating a distinct Related Party Transaction Committee, the AC’s functions shall include the review of material related party transactions and significant unusual transactions, in accordance with the materiality threshold set in the Material Related Party Transactions Policy and the Guidelines on the Proper Handling of Related Party Transactions or by the Board. The purposes, duties and powers of the AC are set forth in the AC Charter which is published on the website at <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2025-01/amended-ac-charter-01-28-25.pdf>.

Governance, Nomination and Sustainability Committee (“GNSC”). Our GNSC is composed of five voting members, all of whom are members of our Board, and two non-voting members. A majority of the voting members of the GNSC are independent directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu, and Ms. Bernadine T. Siy., and the two other voting members are non-executive director, Mr. Kazuyuki Kozu and executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee. The two non-voting members are the Chief People Officer, Ms. Gina Marina P. Ordoñez and the Chief Sustainability Officer, Ms. Melissa V. Vergel De Dios. The GNSC assists the Board in the performance of its functions to: (i) establish the Company’s corporate governance framework, principles and policies aligned with business objectives, and oversee their implementation and the implementation of continuing education and communication programs on good governance; (ii) develop and implement an evaluation process for the annual review of the performance of the Board, the Board Committees and the individual directors, including the President and CEO; (iii) review and evaluate the qualifications of the persons nominated to the Board and to other positions requiring appointment by the Board; (iv) identify persons qualified to become members of the Board and/or the Board Committees; (v) assess the effectiveness of the Company’s nomination and selection process for the Board and Board Committees, which includes access to external sources; (vi) establish the Company’s sustainability strategy, framework, programs, and policies and oversee their implementation; and (vii) oversee the Company’s social investments and commitments to making meaningful impact to communities. The purposes, duties, and powers of the GNSC are set forth in the GNSC Charter which is published on the website at <https://pldt.com/docs/default-source/corporate-governance-files/committee-charter/gnsc-charter-nov5-2020.pdf>.

Executive Compensation Committee (“ECC”). Our ECC is composed of five voting members, all of whom are members of our Board of Directors, and one non-voting member. A majority of the voting members are independent directors, namely, Retired Supreme Court Chief Justice Artemio V. Panganiban, Mr. Bernido H. Liu and Ms. Bernadine T. Siy. The two other voting members are non-executive director, Mr. Kazuyuki Kozu and executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee. The non-voting member is the Chief People Officer, Ms. Gina Marina P. Ordoñez. The ECC assists the Board in the performance of its functions to: (i) oversee the development of a compensation philosophy or policy consistent with the strategy, culture, and control environment of PLDT; (ii) oversee the development and administration of the Company’s executive compensation programs, including long-term incentive plans and equity-based plans for officers and executives; (iii) oversee the development and administration of the Company’s performance management framework to monitor and assess the performance of Management led by the CEO; (iv) oversee the succession plan for officers, including the CEO; and (v) oversee the development and implementation of professional development programs for officers. The purposes, duties, and powers of the ECC are set forth in the ECC Charter which is published on the website at <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2022-05/amended-ecc-charter-mar22-2022.pdf>.

Risk Committee (“RC”). Our RC is composed of five voting members, all of whom are members of our Board of Directors, and a non-voting member. Three of the voting members are independent directors, namely, Mr. Bernido H. Liu, Ms. Bernadine T. Siy, and Retired Supreme Court Chief Justice Artemio V. Panganiban, who is the chairman of this committee. The two other voting members are non-executive directors, namely, Mr. Kazuyuki Kozu and Mr. James L. Go. The non-voting member is the Chief Risk Management Officer, Mr. Danny Y. Yu. The RC assists the Board in the performance of its functions to: (i) oversee Management’s adoption and implementation of a system for assessing, monitoring, and managing key risk areas; (ii) review Management’s reports on the Company’s major risk exposures; and (iii) review Management’s plans and actions to minimize, control or manage the impact of such risks. The purposes, duties and powers of the RC are set forth in the RC Charter which is published on the website at <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2022-05/amended-rc-charter-mar22-2022.pdf>.

Technology Strategy Committee (“TSC”). Our TSC is composed of four voting members and one non-voting member. The voting members are executive director, Mr. Manuel V. Pangilinan, who is the chairman of this committee, and non-executive directors, Atty. Ray C. Espinosa, Mr. James L. Go, and Mr. Kazuyuki Kozu. The non-voting member is the Chief Operating Officer, Mr. Menardo G. Jimenez, Jr. The TSC assists the Board in the performance of its functions to: (i) review and approve the strategic vision for the role of technology in PLDT’s overall business strategy, including the technology strategy and roadmap of PLDT; (ii) fulfill its oversight responsibilities for PLDT’s effective execution of its technology-related strategies; and (iii) ensure the optimized use and contribution of technology to PLDT’s business and strategic objectives and growth targets. The purposes, duties, and powers of the TSC are set forth in the TSC Charter which is published on the website at <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2022-04/amended-tsc-charter-mar22-2022.pdf>.

Data Privacy and Information Security Committee (“DPISC”). Our DPISC is composed of five voting members. The members are non-executive directors, Atty. Ray C. Espinosa, Mr. Kazuyuki Kozu and independent director, Mr. Bernido H. Liu; as well as executive directors, Atty. Marilyn A. Victorio-Aquino, and Mr. Manuel V. Pangilinan, who serves as chairman of this committee. The DPISC assists the Board in the performance of its oversight functions relating to data privacy information and cyber security, including to (i) promote effective data privacy, information and cyber security governance; (ii) review and approve the Company’s strategic plans on data privacy, information and cyber security; (iii) ensure accountability for compliance with regulatory standards and best practices on data privacy, information and cyber security; (iv) foster a culture of privacy, information and cyber security; and (v) oversee Management’s adoption and implementation of a system for identifying, assessing, monitoring and managing enterprise-wide data privacy, information and cyber security risks. The purposes, duties, and powers of the DPISC are set forth in the DPISC Charter which is published on the website at <https://www.pldt.com/docs/default-source/corporate-governance-files/committee-charter/dpisc-charter-nov5-2020.pdf>.

President & CEO and Management. The President and CEO has general care, management, and administration of the business operations of the Company. He ensures that the business and affairs of the Company are managed in a sound and prudent manner and that operational, financial, and internal controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations, and contracts. He provides leadership for Management in developing and implementing business strategies, plans and budgets to the extent approved by the Board. To enable the members of the Board to properly fulfill their duties and responsibilities, the CEO provides the Board with a balanced and understandable account of the Company’s performance, financial condition, results of operations and prospects on a regular basis. He directs Management to provide the Board/directors with adequate and timely information about the matters to be taken up in their Board meetings and, upon the request of any director or the Board, to make presentations on specific topics and respond to further inquiries in relation thereto during Board meetings. He ensures that the directors have independent access to Management. The President and CEO: (i) communicates and implements the Company’s Vision, Mission, values and overall strategy and promotes the appropriate enhancement in the organization or its stakeholder engagement in relation to the same; and (ii) serves as the link between internal operations and external stakeholders. Management formulates, under the oversight of the Audit Committee, financial reporting and internal control systems, rules and procedures.

To ensure effective checks and balances when the roles of Chairman and President are held by the same person, and in order for the Board to benefit from independent views and exercise objective and independent judgment on all corporate affairs, the following safeguards are in place: (a) the duties and responsibilities of the Chairman and the President &

CEO are clearly defined in the Company's Manual on Corporate Governance; (b) the Board is supported by the following in its exercise of independent oversight over Management: three (3) Independent Directors, and eight (8) other non-executive Directors, the Audit Committee composed entirely of Independent Directors, and the Executive Compensation Committee, Risk Committee and Governance, Nomination and Sustainability Committees with Independent Directors constituting the majority of their respective voting members; and (c) Company policies and procedures established to manage conflicts of interests.

Corporate Secretary. The Corporate Secretary assists the Board in the conduct of its meetings, including the preparation of the schedule and agenda of Board meetings, and ensures that all Board procedures, rules and regulations are observed by the directors, and Management provides the Board with complete and accurate information necessary for judicious decision-making. The Corporate Secretary is responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and Board Committees, as well as other official records of the Company, and contributes to the flow of information between the Board and Management, the Board and its Committees, and the Board and the Company's stakeholders, including stockholders.

Internal Audit Organization. The internal audit organization determines whether the Company's structure of risk management, internal control and governance processes are adequate and functioning, and provides reasonable assurance that, among others, significant financial, management, and operating information are accurate, reliable, and timely, and employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.

It provides a systematic, disciplined, and risk-based approach in the evaluation and improvement of the effectiveness of risk management, control, and governance processes. Internal audit examinations cover, at the minimum, the evaluation of the adequacy and effectiveness of controls covering the Company's financial reporting, governance, operations, and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with laws, rules, regulations, and contracts. It also provides recommendations on revenue opportunities, cost savings, and operational improvements. The Chief Audit Officer/Internal Audit Head oversees and is responsible for the internal audit activities of the Company, including any portion thereof that is outsourced to a third-party service provider. The Chief Audit Officer/Internal Audit Head reports functionally to the AC and administratively to the President and CEO. The internal audit organization complies with the International Standards for the Professional Practice of Internal Auditing, as verified by an independent quality assessor through an external quality assessment review conducted at least once every five years.

External Auditor. The Company's external auditor is appointed by the AC which reviews its qualifications, performance, and independence. To ensure objectivity in the performance of its duties, the external auditor, or its lead audit partner having the primary responsibility for the audit of PLDT's financial accounts, is subject to the rules on rotation and change, every five years, general prohibitions on hiring of staff of the external auditor, and full and appropriate disclosure to, and prior approval by, the AC of all audit and non-audit services and related fees. Approval of non-audit work by the external auditor is principally tested against the standard of whether such work will conflict with its role as an independent auditor or would compromise its objectivity or independence as such.

Chief Governance Officer/Corporate Governance Head. The Chief Governance Officer/Corporate Governance Head monitors compliance with the provisions and requirements of corporate governance laws, rules and regulations, reports violations and recommends the imposition of disciplinary actions for such violations, and the adoption of measures to prevent its repetition, subject to further review and approval by the Board, through the GNSC. The Chief Governance Officer/Corporate Governance Head assists the Board and the GNSC in the performance of their governance functions, including the implementation of corporate governance rules and policies, proper onboarding of new directors, and conduct of corporate governance trainings for directors and officers, and collaborates with other responsible departments of the Company to: (i) monitor, review, evaluate and ensure compliance with relevant laws and regulations; (ii) ensure the integrity and accuracy of documentary submissions to regulatory agencies; and (iii) address compliance issues. Under the supervision and direction of the Chief Governance Officer/Corporate Governance Head, the Corporate Governance Office assists in the implementation of the corporate governance policies adopted by the Board.

Chief Financial Officer. Our Chief Financial Officer ("CFO") is responsible for overseeing the Company's financial operations and decision-making based on short and long term strategic financial objectives. The CFO works closely with the President and CEO in establishing best practices in the implementation and communication of finance functions, programs and operations covering business finance, financial controllership, tax management and advocacy, treasury, and revenue assurance and fraud risk management. The CFO likewise oversees asset management, strategic investor relations functions, compliance with relevant public disclosure requirements and financial standards, and the development of strategic plans to improve the Company's overall financial health and long-term viability.

Chief Risk Management Officer. The Chief Risk Management Officer ("CRMO") is tasked to: (i) plan the overall strategy of the different risk management units of the PLDT Group; (ii) review risk management activities and controls of the operational units; (iii) review internal and external factors that can negatively affect the PLDT Group risk profile; (iv) influence, and when necessary, challenge material risk decisions and initiatives; (v) monitor that risks are within the bounds of the risk appetite of the PLDT Group; and (vi) review and escalate critical risks to Management, the Risk Committee and the Board, as necessary, advising them on requisite actions.

Group Enterprise Risk Management Department. The Group Enterprise Risk Management Department ("GRMD") provides support to the CRMO by implementing an integrated risk management program with the goal of identifying, analysing and managing the PLDT Group's risks to an acceptable level so as to enhance opportunities, reduce threats, and sustain competitive advantage. The implementation of the enterprise risk management ("ERM") process ensures that

critical risks are well understood and effectively managed across all functions and units within the PLDT Group. This is achieved through the operationalisation of the Enterprise Risk Management Framework (“ERMF”), a standardised approach to risk identification, assessment and management. The ERMF is aligned with the ISO 31000 Risk Management Standard, Committee of Sponsoring Organizations of the Treadway Commission (“COSO”)’s ERM Framework, risk considerations found in the S&P Global Corporate Sustainability Assessment, and GRI Standards. The GRMD manages execution of the Three Lines of Defense Model to ensure that all layers of the organization contribute to managing enterprise risks through the implementation of identified controls and mitigation strategies. The GRMD likewise facilitates the risk assessment exercise of Management, implements activities to build an effective culture of risk management across the organization, and communicates and reports significant risk exposures, including business risks, control issues and risk mitigation plans to the Risk Committee. The GRMD Head supervises the ERM process and spearheads the development, implementation, and improvement of ERM processes and documentation, and communicates the top risks and status of implementation of risk management strategies and action plans to the CRMO, CEO, and the Risk Committee.

Chief Sustainability Officer. The Chief Sustainability Officer (“CSO”) heads the Corporate Sustainability Office and assists the President and CEO and the Board in developing and managing the Company’s overall sustainability strategy. The CSO champions the enterprise-wide inclusion of sustainability in the business strategy, operational execution, and organizational culture, and works to ensure that the Company aligns with global best Environmental, Social and Governance (“ESG”) practices and doing business responsibly. Furthermore, the CSO is tasked to develop the corporate narrative on sustainability and communicate progress accordingly.

Chief Data Privacy Officer. The Chief Data Privacy Officer (“CDPO”) heads the Risk and Privacy Office and is tasked to: (i) ensure the PLDT Group’s compliance with data privacy laws, regulations, and best practices; (ii) provide direction and coordinate closely with PLDT Group business units to ensure effective implementation of data privacy strategies including policies, procedures, processes, and compliance review; and (iii) collaborate with data privacy regulatory agencies on behalf of the PLDT Group. The Chief Data Privacy Officer likewise provides regulatory and technical support for data privacy-related matters and functions to the DPISC.

Chief Information Security Officer. The Chief Information Security Officer (“CISO”) heads the Cyber Security Operations Group and is tasked to: (i) improve, develop and implement information and cyber security-related policies, processes and technologies; (ii) ensure compliance with applicable laws, regulations and standards; (iii) manage cybercrime-related cases; (iv) collaborate with government and other private entities in the campaign against cyber threats and/or cybercrimes; and (v) ensure alignment of all PLDT Group companies on information and cyber security-related practices. The Chief Information Security Officer likewise provides regulatory and technical support for information security related matters and functions to the DPISC.

Policies and Practices

The Company promotes a culture of good corporate governance through the implementation of its CG Manual, Code of Ethics, and related corporate governance policies.

CG Manual. Our CG Manual, which was approved and adopted by the Board on May 12, 2017, in accordance with the Code of Corporate Governance for Publicly Listed Companies (“CG Code”) issued under Securities and Exchange Commission (“SEC”) Memorandum Circular (“MC”) No. 19, Series of 2016, defines our corporate governance framework and structure. Together with PLDT’s Articles of Incorporation and By-Laws, it assigns and delineates functions and responsibilities, and entrusts powers, authorities, and resources for the execution of such functions and responsibilities. The CG Manual provides, among other matters, the composition and responsibilities of the Board, the Company’s duties towards its shareholders in general, its minority shareholders and its other stakeholders, and the Company’s obligation to comply with applicable disclosure rules. A copy of the CG Manual is published on the website at <https://pldt.com/docs/default-source/corporate-governance-files/cg-manual/-pldt-manual-on-corporate-governance.pdf>.

Code of Ethics. Our Code of Ethics defines the Company’s corporate governance principles of integrity, accountability, transparency, and fairness, which the Company shall observe in the conduct of its business. It sets the governance and ethical standards that shall govern and guide all business relationships of the Company, its directors, officers, and employees. The implementation of the Code of Ethics is reinforced by enabling policies such as the Conflict of Interest Policy, Supplier/Contractor Relations Policy, Expanded Whistleblowing Policy, Gifts, Entertainment and Sponsored Travel Policy, as well as the Policy on Gift-Giving Activities which, in conjunction with the Code of Ethics, embody the Company’s anti-corruption policy. The Company’s CG policies, including the Code of Ethics, are reviewed at least once every two years to ensure that they are appropriate for PLDT, benchmarked with global best practices, and compliant with applicable laws and regulations. On September 17, 2024, the Board reviewed and approved the updated Code of Ethics that is aligned with applicable international best practices on corporate governance and sustainability. A copy of the Code of Ethics is published on the website at https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2024-09/pldt-code-of-business-conduct-and-ethics_0.pdf.

The Company’s Whistleblowing Hotlines: +63 (2) 88888-CGO (246) and CGOHotline@pldt.com.ph are accessible to employees and external parties, including suppliers and contractors, to receive complaints involving illegal or unethical conduct and related concerns in the Company. Confidentiality is observed in the handling of whistleblowing complaints and whistleblowers and witnesses are protected from retaliation. Whistleblowing complaints are reported periodically to

the Board's GNSC, whose voting members are composed of a majority of Independent Directors; and the AC, composed entirely of Independent Directors.

Material Related Party Transactions Policy. PLDT's Material Related Party Transactions ("MRPT") Policy was adopted in 2019 in accordance with the Company's CG Manual and in compliance with SEC MC No.10, Series of 2019 or the Rules on Material Related Party Transactions for Publicly Listed Companies. The Company's MRPT Policy covers transactions of PLDT and the other members of the PLDT Group that meet or exceed the materiality threshold of ten percent (10%) of PLDT's total consolidated assets. It defines the processes, controls and safeguards for the proper handling, including review, approval and disclosure, of such related party transactions ("RPT") in accordance with applicable laws and regulations. Each Material RPT shall be subject to prior review by the Audit Committee, composed of independent directors, to determine whether the same meets the following standards: (a) it is on arm's length terms, and (b) it is in the best interest of the Company and its shareholders, considering relevant factors and circumstances. A copy of the MRPT Policy is published on the website at

<https://pldt.com/docs/default-source/corporate-governance-files/policies/material-related-party-transactions-policy.pdf>.

Incentive-based Compensation Clawback Policy. Approved by the PLDT Board and effective from October 2, 2023, the Incentive-based Compensation Clawback Policy ("Clawback Policy") was instituted to implement the recovery of erroneously awarded incentive-based compensation from current or former PLDT executive officers, including Executive Directors, in the event that the Company is required to prepare an accounting restatement, provided that such incentive-based compensation was received during the three completed fiscal years immediately preceding the date the Company is required to prepare the accounting restatement. As a foreign private issuer with American Depositary Shares listed and traded on the NYSE under the symbol "PHI", the Clawback Policy complies with applicable NYSE Listing Standards and US Securities laws and regulations. A copy of the Clawback Policy is published on the website at <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2023-12/Incentive-based-Compensation-Clawback-Policy.pdf>

As applicable, PLDT's key subsidiaries have adopted corporate governance rules and policies similar in substance and form to the foregoing corporate governance policies and suited to their particular business environments and contexts. They have likewise appointed their respective corporate governance or compliance officers.

Training and Education. The Company provides orientation and continuous training for its Board, Management, and employees. At the start of the service of a new director, the Chairman, President and CEO, CFO, Corporate Secretary and Chief Governance Officer give a newly appointed director a briefing on the Company's structure, business and the responsibilities of the Board and its Committees and how each operates. The new director is also furnished with copies of all relevant information about the Company and policies applicable to directors, including the Company's Articles of Incorporation, By-Laws, Annual Report, CG Manual, Code of Ethics, and the Charters of the Board Committees. Updates on business and governance policies and requirements principally from the Philippine SEC, PSE, United States Securities and Exchange Commission ("US SEC"), and NYSE, and new laws applicable or relevant to the Company and its business, particularly on financial reporting and disclosures and corporate governance, are presented in Board meetings or furnished to the directors. The Company conducts an Annual In-House Corporate Governance Enhancement Session for its directors and officers that provides an opportunity for leadership to engage in discussion with international and local experts on relevant topics, including emerging trends and technologies, new laws, and best business practices. For employees, the Company conducts orientation and periodic training and refresher sessions on Company policies, including corporate governance policies, information and cyber security, data privacy, business continuity and resilience, sustainability, internal controls, diversity, gender-based sexual harassment, leadership, skills-building, and wellness and development, supplemented with appropriate communication materials and feedback mechanisms.

Monitoring and Evaluation. PLDT monitors and evaluates the effectiveness of its corporate governance through the annual performance self-assessment conducted by the Board, Board Committees, and individual Directors, the periodic review of the effectiveness of the implementation of the Company's corporate governance policies, the annual compliance evaluation conducted by Management and other tools employed to monitor the implementation of corporate governance policies, including the entity level controls assessment.

(a) Evaluation system to determine compliance with the CG Code and CG Manual

PLDT monitors and evaluates compliance with the CG Code and CG Manual through a cross-functional evaluation system whereby the heads of the various business and support groups/units conduct an evaluation of their group/unit's compliance using an evaluation questionnaire consisting of the governance standards set forth in the CG Code and CG Manual which are applicable and relevant to their respective functions. The results of the evaluation are consolidated as input to the Company's Integrated Annual Corporate Governance Report ("IACGR") submitted to the Philippine SEC and PSE. Based on the results of the evaluation, the Company undertakes appropriate measures to further advance its corporate governance standards and practices.

In 2024, PLDT was recognized by the Institute of Corporate Directors, in cooperation with the SEC and PSE, as a top performing Philippine Publicly Listed Company as it achieved the ASEAN Corporate Governance Scorecard ("ACGS") Three Golden Arrow Award based on standards and best practices in the ACGS. The ACGS evaluates the performance of companies in the areas of rights and equitable treatment of shareholders, engagement with stakeholders, transparency and accountability, and Board oversight, among other criteria.

(b) Measures undertaken to fully comply with adopted leading practices on good corporate governance

2024 Activities

In addition to the Company's governance structure, policies, and practices that meet international standards on good corporate governance, the following governance activities were undertaken by the PLDT Board in 2024:

- a. Board review and approval, through the GNSC, of the enhanced Board Assessment Questionnaire and process, including the advisability of engaging an external facilitator. The enhanced Board Assessment Questionnaire was benchmarked with international governance scorecard standards and amended to include Board Meeting key topics such as climate change impact on the Company's business operations; and additional key attributes of Board Members, among others.
- b. Board, Board Committee, and Individual Directors' performance assessment for 2023, including a review of the performance of the President & CEO and Management; Members of the Board and the Board Committees accomplished their respective Self-Assessment Questionnaires which have the following criteria: (a) for the Board: Structure, Leadership, Roles and Responsibilities, Internal Control, Code of Conduct and other CG Policies, Independence, Stewardship, Resources, Internal Governance, Reporting and Disclosure, and Shareholder and other Stakeholder Engagement; on the President/CEO and Management: development and implementation of long-term objectives, strategies, plans and budgets consistent with the Company's vision, mission, values, principles, and overall strategy; leadership; and effectivity in the implementation of Board objectives and strategic goals; (b) for the Board Committees: the respective purposes, functions and duties of the Committees; and (c) for the individual Directors: Specific Duties and Responsibilities of a Director, including understanding of the Company's Mission/Vision and values, independent judgment, and attendance and active participation at meetings;
- c. review and screening of the qualifications of director/independent director nominees in preparation for the Annual Meeting of Stockholders, and thereafter, as appropriate;
- d. review of the qualifications of the PLDT Officers appointed/re-appointed at the Organizational Meeting of the Board following the Annual Meeting of Stockholders and thereafter, as appropriate;
- e. review and approval of the Human Rights Policy on January 30, 2024 and the updated Code of Business Conduct and Ethics on September 17, 2024;
- f. review of the PLDT Group Top Risks, including cyber security and climate-related risks, as identified by Management; and review of the Company's risk management and mitigation plan;
- g. submission of the Company's IACGR CY2023 containing disclosures of compliance with the recommendations in the CG Code, and confirmation of compliance with the Company's CG Manual which contains certain corporate governance standards under the US Securities Exchange Act and the NYSE Listed Company Manual, in addition to relevant provisions from the CG Code;
- h. conduct of the Annual Meeting of Stockholders on June 11, 2024, with holders of 84.26% of the total shares of Common and Voting Preferred Stocks ("Voting Shares") as of the Record Date, April 15, 2024, present in person, through remote communication or represented by proxy in the meeting;
- i. conduct of its Annual In-House Corporate Governance Enhancement Session for PLDT's Board and Management on September 27, 2024 with the SEC-approved topics and speakers: "Building a Data-Driven Business: Leveraging AI and Big Data for Growth" by guest speaker, Dr. Erika Fille T. Legara, Managing Director and Chief AI and Data Officer at the Center for AI Research (CAIR), and "Become an Insurgent: Re-focus and Re-energize Your Business Strategy, Organization, and Culture for Success" by keynote speaker, Mr. David Morey, Chairman and CEO of DMG Global, and best-selling author of the books, "The Underdog Advantage", "The Leadership Campaign", "Creating Business Magic" and "Innovating Innovation";
- j. conduct of orientation and refresher training programs on Company policies, including corporate governance, diversity and inclusion, data privacy and cyber security, and skills-building courses, among others;
- k. conduct of Suppliers' Briefings I and II covering topics that include sustainability, corporate governance policies and standards, data privacy, cyber security, business resilience and continuity, environment, health and safety, among others; and
- l. review, approval and publication of the Company's Annual Report, which also contains the Corporate Governance Report, ERM Report, and the Sustainability Report for 2023.

(c) Compliance with the CG Manual

In compliance with the respective memorandum circulars of the SEC and the PSE, PLDT filed its IACGR on May 30, 2024, and confirmed its compliance with its CG Manual that contains relevant provisions of the CG Code and certain corporate governance standards under the US Securities Exchange Act and NYSE Listed Company Manual.

(d) Plans to further improve the corporate governance standards of the Company

For 2025, the Company aims to further advance its governance standards and practices, including the strengthening of internal controls and benchmarking of its policies and processes, in accordance with the Recommendations of the CG Code, the mandate of the Revised Corporation Code, and the results and feedback obtained from the Company's monitoring and evaluation system-in order to achieve the Company's strategic objectives, create value for all its stakeholders, and sustain its long term viability.

Sustainability Commitment

Tightly linked to the Company's corporate governance philosophy is its commitment to sustainability and doing business responsibly. The PLDT Group aspires to achieve industry leadership in sustainability by embedding this in its strategy and operations. Such reinforces the Company's purpose and is underpinned by the inclusion of sustainability and ESG targets in an organization-wide performance and compensation program, which includes key officers and executives.

The performance metrics for sustainability cover the Company's various materiality areas, including but not limited to, climate action such as initiatives to reduce energy consumption and Green House Gas ("GHG") emissions, employee and customer welfare, diversity and inclusion, cyber security and data privacy, and business ethics.

In developing its sustainability roadmap, the PLDT Group is guided by twelve ESG material topics indentified by its stakeholders to be the most important to the Group. These are anchored on four pillars: Connection, Conservation, Concern, and Commitment. The Company also aligns with globally recognized standards and benchmarks for its sustainability reporting and periodic communication on ESG progress.

The PLDT Group endeavors to continuously use its industry leadership and influence to create lasting value, drive positive impact, and inspire action to ensure, not only the Group's long-term existence, but also act as stewards of the planet for the next generation.

Details of the PLDT Group's sustainability roadmap and information are set out in the Sustainability Report.

The 2023 Sustainability Report is published on the website at

https://cms.pldt.com/drupal/sites/default/files/irannualandsustainablereports/PLDT%20Sustainability%20Report%202023_Final.pdf.

Corporate Shared Value

The Corporate Shared Value ("CSV Statement") is the articulation of our belief that helping to deliver positive impact to the lives of the Filipino people is an integral part of our business. The CSV Statement enumerates the broad responsibilities that PLDT assumes as it operates and conducts its business. A copy of the CSV Statement is published on the website at <https://main.pldt.com/corporate-governance-in-pldt/our-stakeholders>. Pursuant to the CSV Statement, the PLDT Group's social programs leverage its technology and digital services and the volunteer spirit of its employees to implement programs on education, livelihood, disaster resilience, environment, agriculture, internet safety and sports that aim to enable the digital inclusion of Filipinos and create meaningful connections among communities towards a sustainable future. The Company's CSV programs and activities are reported in the Sustainability Report released annually since 2016.

Stakeholder Engagement

In fulfilling our commitments to our stakeholders, we are guided by the Company's General Practice on Stakeholder Engagement ("GP on Stakeholder Engagement"), CSV Statement and our Code of Ethics. The GP on Stakeholder Engagement aims to promote a culture of good governance by the observance of the Company's core principles of integrity, accountability, fairness and transparency in dealings with its stakeholders. Together with our Code of Ethics, the GP on Stakeholder Engagement is the articulation of our belief in empowering Filipinos across sectors through meaningful connections that can help improve their overall well-being. We believe that as we seek to enhance value for our shareholders, we have a responsibility to provide quality products and services for our customers, develop the talents and skills of our employees, work with our suppliers and business partners in an ethical and mutually beneficial manner, and enable our communities for nation-building.

Investors/Shareholders. PLDT upholds transparency and fairness in all its dealings with investors and shareholders, ensuring that their rights are respected and protected. Shareholders' rights include the right to vote; pre-emptive right; the right to inspect corporate books and records, including minutes of Board meetings and stock registries, subject to certain conditions; right to timely receive relevant information, whether in printed or digital form; right to dividends; and appraisal right. Our minority shareholders have the right to nominate candidates for directors, including independent directors, and have the right to cumulative voting which enables minority shareholder representation in the Board. Shareholders representing at least a majority of the shares of the corporation issued and outstanding and entitled to vote may grant Directors with compensation and approve the amount thereof at any annual or special meeting. In 2024, except for our executive directors, directors did not receive stock options, performance incentives, bonuses, or any other form of compensation from the Company. We encourage shareholders to attend annual and/or special meetings whether purely in-person, hybrid, or virtual-only, and apprise shareholders ahead of time of their right to appoint a proxy, in case they cannot personally attend and exercise their voting rights in such meetings. Shareholders are also given an opportunity to ask questions and raise their concerns in such meetings. In the 2024 Annual Meeting of Stockholders, shareholders had the option to register and vote remotely, with detailed instructions for online registration and participation provided in the Notice of Meeting, which was posted on the Company website at <https://cms.pldt.com/drupal/sites/default/files/irshareholdernews/TEL%20Information%20Statement%20with%20Attachments%20%2805.09.24%29.pdf>.

Aligned with governance best practices, PLDT ensures timely and accurate disclosures of material information that may impact the Company's share price or shareholder interests. Key disclosures in 2024 included the launch of Kayana Solutions Inc., strategic investments in Radius Telecoms, and updates on ESG milestones, demonstrating PLDT's commitment to transparency and innovation. PLDT regularly conducts quarterly analysts' and investors' briefings to discuss financial and operating results, podcasts of which are posted in the Investor Relations section of the PLDT website at <https://main.pldt.com/investor-relations>. In addition, the Company publishes on its website at <https://main.pldt.com/investor-relations/press-releases-and-disclosures> the appropriate reference materials, disclosures and press releases, among others, covering significant topics of interest to the Shareholders. The Company conducts special briefings to discuss other important company developments. Our Investor Relations Center has regular engagements and meetings with fund managers, investors, and analysts which may include access to PLDT Group's Top Management. Shareholders who wish to raise matters or concerns relating to the business of the Company, their investments and rights, may elevate such matters to the Corporate Secretary, the Head - Investor Relations, or concerned members of PLDT's Management or the Board.

Customers. PLDT serves a broad range of customers from individuals, residential, micro, small and medium enterprise (SME) and large enterprise, including the public sector. We continuously endeavor to provide best-in-class experiences to fulfill our customers' needs and expectations on responsive products and services, quality of service, pricing, application, service provisioning process, repair and restoration service, and billing and payment services. We engage with our customers through various traditional and digital touchpoints and empower them to resolve their concerns through self-help channels with the end view of knowing and understanding their product and service needs, promptly addressing their concerns and identifying areas where we may further enhance customer experience.

Employees. PLDT respects the rights of its employees, among which are the right to self-organization, safe and healthy working conditions, professional development, and community-building social activities. We offer opportunities for leader-led, employee-owned, and digital-enabled people programs all aligned with our mission to deliver best-in-class employee experience. Career advancement opportunities are also adequately available within a performance and merit-based system. Compensation and incentives are determined based on performance and accomplishments, and dedicated staff, facilities, and digital or social platforms are made available to support the Company's training, development, and engagement programs.

Suppliers. PLDT maintains mutually beneficial relationships with like principled suppliers that uphold PLDT's core values of fairness, accountability, integrity, and transparency in their own business practices. Suppliers undergo a qualification process before they engage in business with PLDT. Among the criteria for qualification are financial and technical capability, compliance with applicable laws, including those pertaining to industrial relations, environment, health and safety, intellectual property rights, cyber security, data privacy and sustainability. The Company's purchases, as a rule, are made on the basis of competitive bidding among qualified suppliers. We adopt industry best practices, including digitalizing our procurement process of Supplier Onboarding, Bidding, Contracting, Purchase Order ("PO") Issuance, among others, with the aim of strengthening our procurement governance. This comprehensive approach ensures increased transparency, efficiency, and accountability at every stage of the procurement process. An overview of the Supplier Qualification Process and Supplier Code of Conduct are published on the website at <https://cms.pldt.com/drupal/sites/default/files/corporategovernancedocs/2024-05/pldt-group-supplier-qualification-process.pdf>; and [Microsoft Word - Supplier Code of Conduct Infographic CleanDraft 7132023-v2](#), respectively.

Creditors. PLDT protects the rights of its creditors by publicly disclosing all material information, such as earnings results and risk exposures relating to loan covenants. Our disclosure controls and procedures also include periodic reports to our creditors such as our latest certified financial statements, no default certification, and certification on compliance with financial ratio limits. PLDT's credit has been rated at investment grade by two major international credit-rating agencies as of yearend 2024.

Communities. PLDT strives to engage local communities where it operates through corporate citizenship programs that support the business while contributing to nation-building and the achievement of the United Nations Sustainable Development Goals (UN SDGs). We uphold a community engagement strategy that is inclusive, collaborative, ethical and sustainable. Leveraging on core businesses and infrastructure, we act as enabler in the promotion of digital inclusion

in communities in the areas of digital wellness, disaster resilience, education, cyber security and online child protection, and livelihood.

Regulators. PLDT operates within relevant legislative and regulatory frameworks and complies with the requirements thereunder which are applicable to it. We participate in public policy forums, conferences and hearings conducted by government and regulatory agencies on policies and regulations that have implications and affect the operations of the telecommunications industry. PLDT also participates in legislative hearings relative to initiatives and proposed legislation in the fields of ICT, corporate governance, cyber security, digital transformation, and labor-related matters. Our “Internet for All” advocacy and investments in network infrastructure and technologies to provide the widest coverage and superior quality of service at affordable prices are aligned with and support the Government’s objectives set out in the Public Telecommunications Policy Act.

Enterprise Risk Management

PLDT Group Top Risks. The GRMD, under the leadership of the CRMO, promulgates and encourages the adoption of a standard risk evaluation process focused on the need to properly identify, analyse, evaluate, treat, and monitor risks that may affect the achievement of business objectives. This is achieved through the operationalisation of the Enterprise Risk Management Framework (“ERMF”), a standardised approach to risk identification, assessment and management. The ERMF is aligned to the ISO 31000 Risk Management Standard, COSO’s Enterprise Risk Management Framework, risk considerations found in the S&P Global Corporate Sustainability Assessment, and GRI Standards. A risk assessment exercise was undertaken by Management to identify and prioritise the most important risks affecting the PLDT Group for 2024. The top risks, listed in no particular order of criticality, are: (i) expansion enabling strategic growth, (ii) enterprise dependency on third-party ecosystems, (iii) increased competition and need to deliver customer expectations, (iv) ability to service debts and manage cashflow, (v) regulatory environment and compliance, (vi) enterprise data management and governance, (vii) telco cyber resilience, (viii) challenges in managing human capital, (ix) ability to implement ESG goals and programs, and (x) impact of climate change on operations and financials. Risk management activities are continuously monitored and reviewed to ensure that critical risks are appropriately addressed across the organization.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

See Exhibit 1 – Sustainability Report.

Reports on SEC Form 17-C (Current Reports)

We reported the following items on SEC Form 17-C during the last two quarters of 2024:

Items Reported	Date Filed
1. MVP Group’s DigiCo agrees to acquire minority interest in Bayad Center and 100% of Multipay.	July 29, 2024
2. DigiCo acquires 10% minority interest in CIS Bayad Center, Inc.	July 31, 2024
3. DigiCo acquires 100% equity interest in Multipay Corporation.	August 1, 2024
4. Notice of Analysts’ Briefing to discuss PLDT Inc.’s (“PLDT” or the “Company”) First Half 2024 Financial and Operating Results.	August 6, 2024
5. Press release regarding the Company’s unaudited consolidated financial results for the six (6) months ended June 30, 2024.	August 13, 2024
6. Declaration of a regular cash dividend of Php50.00 per outstanding share of common stock payable on September 11, 2024 to the holders of record as of August 27, 2024.	August 13, 2024
7. Declaration of a cash dividend in the amount of Php12,420,000.00 on all outstanding shares of unlisted Series IV Cumulative Non-Convertible Redeemable Preferred Stock of the Company for the quarter ending September 15, 2024, payable on September 15, 2024 to the holder of record as of August 28, 2024.	August 13, 2024
8. Declaration of a cash dividend in the amount of Php2,437,500.00 on all of the outstanding shares of Voting Preferred Stock of the Company for the quarter ending October 15, 2024, payable on October 15, 2024 to the holder of record on September 16, 2024.	August 13, 2024
9. Resignation of Mr. Naoki Wakai, a director, election of Mr. Kazutoshi Shimizu as a director, and appointment of Mr. Andrew T. Atienza as FVP and Head of Supply Chain Management.	August 13, 2024
10. Presentation materials in connection with the teleconference to discuss the Company’s Financial and Operating Results for the six months ended June 30, 2023.	August 13, 2024
11. Voluntary retirement of Atty. Oliver Carlos G. Odulio, a Vice President of the Company, effective September 1, 2024.	August 30, 2024
12. Appointment of Mr. Menardo G. Jimenez, Jr. as Executive Vice President and Chief Operating Officer of the Company effective September 17, 2024.	September 17, 2024
13. Update on the U.S. Class Action	September 19, 2024
14. PLDT, MPIC, and Meralco subscribe to additional shares in DigiCo.	September 30, 2024
15. PLDT, Meralco, and MPIC subscribe to additional shares in Kayana.	October 2, 2024
16. Response to the letter of the PSE dated October 15, 2024 requesting PLDT Inc. (“PLDT”) to clarify information and/or to provide relevant information in relation to the news article entitled “Forging ahead: PLDT’s VITRO partners with HGC Global to elevate data center infrastructure in the Philippines” as posted in Bilyonaryo.com on October 14, 2024.	October 15, 2024
17. PLDT secures its first social loan: P2B from HSBC to expand fiber network in underserved areas.	October 23, 2024

Items Reported	Date Filed
18. Resignation of Mr. Rolando L. Macasaet as a director of the Company, effective October 6, 2024.	October 28, 2024
19. Notice of Analysts' Briefing to discuss the Company's Nine Months 2024 Financial and Operating Results.	November 4, 2024
20. Declaration of cash dividend in the amount of Php12,285,000.00 on all of the outstanding shares of Series IV Cumulative Non-Convertible Redeemable Preferred Stock of the Company for the quarter ending December 15, 2024, payable on December 15, 2024 to the stockholder of record as of November 28, 2024.	November 12, 2024
21. Press release regarding the Company's unaudited consolidated financial results for the nine months ended September 30, 2024.	November 12, 2024
22. Election of a director, appointment of officers, extension of the effective date of retirement of an officer, and retirement of an officer of the Company.	November 12, 2024
23. Acquisition by Kayana Solutions Inc. of an additional 57% equity interest in CIS Bayad Center, Inc.	November 12, 2024
24. Acquisition by Kayana Solutions Inc. of an additional 57% equity interest in CIS Bayad Center, Inc. - Amended to reflect the directorships of Mr. Victorico P. Vargas in Kayana and Bayad.	November 12, 2024
25. Presentation materials for the Analysts' Briefing to discuss the Company's Nine Months 2024 Financial and Operating Results.	November 12, 2024
26. PLDT and MKP continue CBA negotiations following strike vote submission.	November 29, 2024
27. Voluntary retirement of Ms. Catherine L. Yap-Yang, a First Vice President of the Company, effective December 1, 2024.	November 29, 2024
28. PLDT assures continued services as DOLE implements strike ban.	December 3, 2024
29. Declaration of a cash dividend in the amount of P2,437,500.00 on all of the outstanding shares of Voting Preferred Stock of the Company for the quarter ending January 15, 2025, payable on January 15, 2025 to the holder of record on December 17, 2024.	December 3, 2024
30. Separation from service of Mr. Armando Dodjie T. Lim, a Vice President of the Company, due to his availment of the Company's Manpower Reduction Program, effective December 16, 2024.	December 16, 2024
31. PLDT and MKP successfully conclude collective bargaining agreement negotiations.	December 16, 2024
32. Mr. Luis S. Reñon will remain with the Company as Senior Advisor to the Chairman.	December 27, 2024



SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code of the Philippines, this annual report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on February 27, 2025.

PLDT Inc.
Registrant

By:

MANUEL V. PANGILINAN

Chairman of the Board
President and Chief Executive Officer
Principal Executive Officer

DANNY Y. YU

Principal Financial Officer and
PLDT Group Chief Financial Officer

JOAN A. DE VENECIA-FABUL

Chief Legal Counsel

GIL SAMSON D. GARCIA

Principal Accounting Officer and
Head – Financial Controllorship

SUBSCRIBED AND SWORN to before me this FEB 27 2025 day of February 2025, affiants exhibiting to me their Passports, as follows:

Name	Passport No.	Date of Expiry	Place of Issue
Manuel V. Pangilinan	P9969361A	December 17, 2028	DFA, NCR East
Joan A. De Venecia-Fabul	P5553353A	January 7, 2028	DFA, Manila
Danny Y. Yu	P8373079A	August 15, 2028	DFA, Manila
Gil Samson D. Garcia	P6003906B	December 21, 2030	DFA, NCR East

Doc. No. 39
Page No. 9
Book No. I
Series of 2025.



Notary Public
FRANCEZ VANESSA N. VILLAVERTE-ANDRES
Notary Public for the City of Makati
Notarial Commission until December 31, 2026
Appointment No. M-071
Roll of Attorneys No. 59405
PTR O.R. No. 10468584 – 01/03/2025 Makati City
IBP Membership O.R. No. 483898 – 12/18/2024
MCLE Compliance No. VII – 0015028 (valid until 04/14/2025)
9/F, MGO Bldg. Legazpi St. Legazpi Village, Makati City

PLDT INC.

SEC FORM 17-A

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* These schedules have been omitted because they are either not required, not applicable or the information required to be presented is included in PLDT's consolidated financial statements or the notes to consolidated financial statements.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**

The management of PLDT Inc. and Subsidiaries (the PLDT Group) is responsible for the preparation and fair presentation of our consolidated financial statements, including the schedules attached therein, as at December 31, 2024 and 2023, and for each of the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of our consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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



Manuel V. Pangilinan
Chairman of the Board
President and Chief Executive Officer

FEB 28 2025



Danny Y. Yu
Senior Vice President and
PLDT Group Chief Financial Officer



Gil Samson D. Garcia
First Vice President and
Head – Financial Controllorship

FEB 27 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2025 affiants exhibiting to me their Passport, as follows:

Name	Passport No.	Date of Expiry	Place of Issue
Manuel V. Pangilinan	P9969361A	December 17, 2028	DFA, NCR East
Danny Y. Yu	P8373079A	August 15, 2028	DFA, Manila
Gil Samson D. Garcia	P6003906B	December 21, 2030	DFA, NCR East

Doc. No. 40 ;
Page No. 9 ;
Book No. I ;
Series of 2025.



Notary Public

FRANCEZ VANESSA N. VILLAVERT-ANDRES
Notary Public for the City of Makati
Notarial Commission until December 31, 2026
Appointment No. M-071
Roll of Attorneys No. 59405
PTR O.R. No. 10468584 – 01/03/2025 Makati City
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MCLE Compliance No. VII – 0015028 (valid until 04/14/2025)
9/F, MGO Bldg. Legazpi St. Legazpi Village, Makati City

INDEPENDENT AUDITOR'S REPORT

The Stockholders and Board of Directors
PLDT Inc.
Ramon Cojuangco Building
Makati Avenue, Makati City

Opinion

We have audited the consolidated financial statements of PLDT Inc. and its subsidiaries (the PLDT Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the PLDT Group as at December 31, 2024 and 2023, and its consolidated financial performance and its 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.

Basis for Opinion

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

Key Audit Matters

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

FEB 28 2025
[Signature]



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

Revenue recognition

For the year ended December 31, 2024, the Group recognized revenues amounting to Php216,833 million as disclosed in Notes 3, 4 and 5 to the consolidated financial statements. The Group derives revenues from wireless and fixed line telecommunications services, which includes bundled offers such as telecommunications services and handsets provided to a large number of subscribers.

Auditing the information technology (IT) systems used to capture accurate and complete information to recognize substantial amounts of the wireless and fixed line service revenues was especially challenging due to the significant volume of data and transactions processed through various systems and the heavy reliance on automated processes and controls over the capture, measurement and recording of transactions.

Audit Response

We obtained an understanding of the PLDT Group's revenue recognition process, involving our IT professionals to assist us in evaluating the design and testing of the effectiveness of controls around the capture, measurement and recording of wireless and fixed line revenues. For example, we evaluated the design and tested the operating effectiveness of controls around access rights, system development, program changes and IT dependent business controls to establish that changes to the system were appropriately authorized, developed, and implemented including those over: set-up of customer accounts, pricing data, segregation of duties and the linkage to usage data that drives revenue recognition.

To test revenue recognition, among other procedures, we compared the customer billing data to the details in the billing systems for wireless and fixed line postpaid revenues on a sample basis. We also tested the recognition of revenue based on actual usage and inspected the reconciliation of the ending balance of unearned income for prepaid revenues between the subledger and the general ledger.

Estimating useful lives of property and equipment

At December 31, 2024, the Group's property and equipment was Php318,069 million. As explained in Notes 3 and 9 to the consolidated financial statements, the Group reviews its estimates of useful lives annually or as and when needed if expectations differ from previous estimates due to changes in expectation of physical wear and tear, technical or commercial obsolescence and legal or other limitations on the continuing use of the assets.

Auditing the Group's estimated useful lives of property and equipment was complex and required significant judgment because the determination of the estimated useful lives considers a number of factors and assumptions including the collective assessment of industry practice, internal technical evaluation and experience with similar assets.



Audit Response

We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the Group's process of estimating the useful lives of property and equipment. For example, we tested controls over management's assessment which includes consideration for industry data and practice, market outlook and other relevant data. To test whether the estimated useful life of property and equipment used by management was reasonable, our audit procedures included, among others, obtaining an understanding of the Group's technology roadmap plan and strategy related to asset replacement and assessing the reasonableness by considering external sources such as telecommunication technology growth, changes in market demand and current economic and market outlooks. We assessed whether there were any potential sources of contrary information by performing benchmarking analysis on the estimated useful lives of property and equipment against other public companies within the telecommunication industry.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. We obtained the SEC Form 17-A prior to the date of this auditor's report, and we expect the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2024 to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express or 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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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 PLDT Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the PLDT Group or to cease operations, or has no realistic alternative but to do so.

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



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

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

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

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

FEB 28 2025
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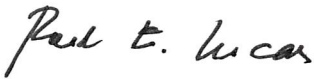
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The partner in charge of the audit resulting in this independent auditor's report is Roel E. Lucas.

SYCIP GORRES VELAYO & CO.



Roel E. Lucas

Partner

CPA Certificate No. 98200

Tax Identification No. 191-180-015

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465323, January 2, 2025, Makati City

February 27, 2025

FEB 28 2025






PLDT INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024 AND 2023
AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

FEB 28 2025
[Signature]

PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2024 and 2023

(in million pesos)

	2024	2023
ASSETS		
Noncurrent Assets		
Property and equipment (Notes 2, 9 and 21)	318,069	287,103
Right-of-use assets (Note 10)	39,111	32,717
Investments in associates and joint ventures (Note 11)	52,764	50,308
Financial assets at fair value through profit or loss (Note 27)	1,101	578
Debt instruments at amortized cost – net of current portion (Note 12)	370	395
Investment properties (Note 13)	3,000	1,315
Goodwill and intangible assets (Note 14)	64,464	64,335
Deferred income tax assets – net (Note 7)	14,643	18,172
Derivative financial assets – net of current portion (Note 27)	385	96
Prepayments and other nonfinancial assets – net of current portion (Notes 2, 18, 24 and 25)	61,929	80,365
Contract assets – net of current portion (Note 5)	485	531
Other financial assets – net of current portion (Note 27)	3,126	3,481
Total Noncurrent Assets	559,447	539,396
Current Assets		
Cash and cash equivalents (Note 15 and 27)	10,011	16,177
Short-term investments (Note 27)	136	391
Trade and other receivables (Note 16)	31,612	26,086
Inventories and supplies (Note 17)	3,306	3,340
Current portion of contract assets (Note 5)	1,401	1,387
Current portion of derivative financial assets (Note 27)	30	—
Current portion of debt instruments at amortized cost (Note 12)	25	200
Current portion of prepayments and other nonfinancial assets (Notes 18 and 24)	9,975	13,215
Current portion of other financial assets (Notes 19 and 27)	831	320
	57,327	61,116
Assets classified as held-for-sale (Notes 9 and 10)	6,501	9,007
Total Current Assets	63,828	70,123
TOTAL ASSETS	623,275	609,519
EQUITY AND LIABILITIES		
Equity		
Non-voting serial preferred stock (Note 19)	360	360
Voting preferred stock (Note 19)	150	150
Common stock (Note 19)	1,093	1,093
Treasury stock (Note 19)	(6,505)	(6,505)
Capital in excess of par value (Note 19)	130,312	130,312
Retained earnings (Note 19)	33,901	22,020
Other comprehensive loss (Note 6)	(43,892)	(42,212)
Total Equity Attributable to Equity Holders of PLDT	115,419	105,218
Noncontrolling interests (Note 19)	1,316	5,168
TOTAL EQUITY	116,735	110,386

See accompanying Notes to Consolidated Financial Statements.

FEB 28 2025
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PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (*continued*)

As at December 31, 2024 and 2023

(in million pesos)

	2024	2023
Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion (Note 20)	258,246	243,152
Lease liabilities – net of current portion (Note 10)	46,703	41,625
Deferred income tax liabilities – net (Note 7)	60	165
Derivative financial liabilities – net of current portion (Note 27)	—	12
Customers' deposits (Note 27)	2,046	2,238
Pension and other employee benefits (Note 25)	3,548	5,661
Deferred credits and other noncurrent liabilities (Notes 5 and 21)	7,475	9,607
Total Noncurrent Liabilities	318,078	302,460
Current Liabilities		
Accounts payable (Note 22)	66,722	81,014
Accrued expenses and other current liabilities (Notes 23 and 26)	85,488	88,750
Current portion of interest-bearing financial liabilities (Note 20)	23,340	11,646
Current portion of lease liabilities (Note 10)	7,335	5,921
Dividends payable (Note 19)	2,005	1,912
Current portion of derivative financial liabilities (Note 27)	97	1,021
Income tax payable	1,860	4,630
	186,847	194,894
Liabilities associated with assets classified as held-for-sale (Note 10)	1,615	1,779
Total Current Liabilities	188,462	196,673
TOTAL LIABILITIES	506,540	499,133
TOTAL EQUITY AND LIABILITIES	623,275	609,519

See accompanying Notes to Consolidated Financial Statements.

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PLDT INC. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

For the Years Ended December 31, 2024, 2023 and 2022

(in million pesos, except earnings per common share amounts which are in pesos)

	2024	2023	2022 ⁽¹⁾
CONTINUING OPERATIONS			
REVENUES FROM CONTRACTS WITH CUSTOMERS			
Service revenues (Note 5)	208,382	201,832	195,344
Non-service revenues (Note 5)	8,451	9,121	9,018
	216,833	210,953	204,362
EXPENSES			
Selling, general and administrative expenses (Notes 5 and 18)	78,308	81,876	84,476
Depreciation and amortization (Notes 9, 10 and 18)	55,988	58,441	98,631
Cost of sales and services (Note 5)	14,011	15,092	14,172
Asset impairment (Note 5)	4,321	4,432	6,044
Interconnection costs	13,718	10,418	6,104
	166,346	170,259	209,427
	50,487	40,694	(5,065)
OTHER INCOME (EXPENSES) – NET (Note 5)	(7,794)	(4,217)	19,097
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	42,693	36,477	14,032
PROVISION FOR INCOME TAX (Note 7)	10,138	9,612	2,697
NET INCOME FROM CONTINUING OPERATIONS (Note 4)	32,555	26,865	11,335
NET LOSS FROM DISCONTINUED OPERATIONS (Notes 2 and 4)	—	(41)	(600)
NET INCOME (Note 4)	32,555	26,824	10,735
ATTRIBUTABLE TO:			
Equity holders of PLDT (Note 8)	32,307	26,614	10,485
Noncontrolling interests	248	210	250
	32,555	26,824	10,735
Earnings Per Share Attributable to Common Equity Holders of PLDT (Note 8)			
Basic	149.26	122.91	48.26
Diluted	149.26	122.91	48.26
Earnings Per Share from Continuing Operations Attributable to Common Equity Holders of PLDT (Notes 4)			
Basic	149.26	123.10	51.03
Diluted	149.26	123.10	51.03

⁽¹⁾ To be comparable with 2023, certain amounts for the years ended December 31, 2022 have been reclassified to reflect the discontinued operations of certain ePLDT subsidiaries. See Note 2 – Summary of Material Accounting Policies – Discontinued Operations for further discussion.

See accompanying Notes to Consolidated Financial Statements.

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PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024, 2023 and 2022
(in million pesos)

	2024	2023	2022
NET INCOME	32,555	26,824	10,735
OTHER COMPREHENSIVE INCOME (LOSS) – NET OF TAX (Note 6)			
Foreign currency translation differences of subsidiaries	81	(23)	(207)
Net transactions on cash flow hedges:	(1,547)	(1,256)	(2,544)
Net fair value losses on cash flow (Note 27)	(2,063)	(1,674)	(3,228)
Income tax related to fair value adjustments charged directly to equity (Note 7)	516	418	684
Net other comprehensive loss to be reclassified to profit or loss in subsequent years	(1,466)	(1,279)	(2,751)
Revaluation increment on investment properties	1,570	—	—
Revaluation increment in investment properties transferred to property, plant and equipment	2,093	—	—
Income tax related to revaluation increment charged directly to equity	(523)	—	—
Reclassification of investment properties revaluation increment from OCI to Retained Earnings	(374)	—	—
Reclassification of investment properties revaluation increment from OCI to Retained Earnings	(462)	—	—
Income tax related to reclassification	88	—	—
Share in the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 11)	(8)	3	(6)
Actuarial gains (losses) on defined benefit obligations:	(1,462)	(5,469)	2,500
Remeasurement in actuarial gains (losses) on defined benefit obligations	(1,978)	(7,277)	3,332
Income tax related to remeasurement adjustments (Note 7)	516	1,808	(832)
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent years	(274)	(5,466)	2,494
Total Other Comprehensive Loss – Net of Tax	(1,740)	(6,745)	(257)
TOTAL COMPREHENSIVE INCOME	30,815	20,079	10,478
ATTRIBUTABLE TO:			
Equity holders of PLDT	30,627	19,884	10,218
Noncontrolling interests	188	195	260
	30,815	20,079	10,478

See accompanying Notes to Consolidated Financial Statements.

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PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024, 2023 and 2022
(in million pesos)

	Preferred Stock	Common Stock	Treasury Stock	Capital in Excess of Par Value	Retained Earnings	Other Comprehensive Loss	Total Equity Attributable to Equity Holders of PLDT	Noncontrolling Interests	Total Equity
Balances as at January 1, 2024	510	1,093	(6,505)	130,312	22,020	(42,212)	105,218	5,168	110,386
Cash dividends (Note 19)	—	—	—	—	(20,800)	—	(20,800)	(50)	(20,850)
Total comprehensive income (loss):	—	—	—	—	32,307	(1,680)	30,627	188	30,815
Net income	—	—	—	—	32,307	(1,680)	(1,680)	248	32,555
Other comprehensive loss (Note 6)	—	—	—	—	—	—	—	235	235
Acquisition and dilution of noncontrolling interests	—	—	—	—	—	—	—	(4,200)	(4,200)
Perpetual notes settlement (Note 19)	—	—	—	—	—	—	—	(59)	(59)
Distribution charges on perpetual notes (Note 19)	—	—	—	—	—	—	—	34	34
Transaction costs from settlement of perpetual notes (Note 19)	—	—	—	—	—	—	—	—	—
Reclassification of investment properties revaluation increment from OCI to Retained Earnings	—	—	—	—	374	—	374	—	374
Balances as at December 31, 2024	510	1,093	(6,505)	130,312	33,901	(43,892)	115,419	1,316	116,735
Balances as at January 1, 2023	510	1,093	(6,505)	130,312	18,799	(35,482)	108,727	5,234	113,961
Cash dividends (Note 19)	—	—	—	—	(23,393)	—	(23,393)	(25)	(23,418)
Total comprehensive income (loss):	—	—	—	—	26,614	(6,730)	19,884	195	20,079
Net income (Note 8)	—	—	—	—	26,614	—	26,614	210	26,824
Other comprehensive loss (Note 6)	—	—	—	—	—	(6,730)	(6,730)	(15)	(6,745)
Distribution charges on perpetual notes (Note 19)	—	—	—	—	—	—	—	(236)	(236)
Balances as at December 31, 2023	510	1,093	(6,505)	130,312	22,020	(42,212)	105,218	5,168	110,386
Balances as at January 1, 2022	510	1,093	(6,505)	130,312	34,243	(36,437)	123,216	4,249	127,465
Cash dividends (Note 19)	—	—	—	—	(25,338)	—	(25,338)	(58)	(25,396)
Total comprehensive income (loss):	—	—	—	—	10,485	(267)	10,218	260	10,478
Net income (Note 8)	—	—	—	—	10,485	—	10,485	250	10,735
Other comprehensive income (loss) (Note 6)	—	—	—	—	—	(267)	(267)	10	(257)
Distribution charges on perpetual notes (Note 19)	—	—	—	—	—	—	—	(236)	(236)
Transfer of pension	—	—	—	—	(83)	—	(83)	—	(83)
Closing of other comprehensive income (loss) cashflow hedges to retained earnings (Note 6)	—	—	—	—	(1,222)	1,222	—	—	—
Acquisition and dilution of noncontrolling interests	—	—	—	—	714	—	714	1,019	1,733
Balances as at December 31, 2022	510	1,093	(6,505)	130,312	18,799	(35,482)	108,727	5,234	113,961

See accompanying Notes to Consolidated Financial Statements.

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PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024, 2023 and 2022
(in million pesos)

	2024	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Income before income tax and noncontrolling interest from continuing operations	42,693	36,477	14,032
Loss before income tax and noncontrolling interest from discontinued operations (Note 2)	—	(41)	(523)
Net income before income tax (Note 4)	42,693	36,436	13,509
Adjustments for:			
Depreciation and amortization (Notes 2, 9, 10 and 18)	55,988	58,462	98,714
Interest on loans and other related items – net (Note 5)	11,031	9,990	9,112
Asset impairment (Note 5)	4,321	4,436	6,107
Accretion on lease liabilities (Notes 2, 5 and 10)	3,935	3,268	2,064
Pension benefit costs (Notes 5 and 25)	1,441	1,426	1,749
Incentive plan (Notes 5 and 25)	1,136	839	1,272
Equity share in net losses of associates and joint ventures (Notes 5 and 11)	990	2,806	3,304
Accretion on financial liabilities (Notes 5 and 20)	455	409	375
Amortization of intangible assets (Notes 5 and 14)	240	221	228
Foreign exchange losses (gains) – net (Notes 2, 5 and 27)	36	(1,153)	4,685
Impairment of investments (Note 11)	—	70	50
Gains on dilution of shares (Note 11)	—	—	(660)
Income from prescription of preferred shares redemption liability (Notes 5 and 19)	(71)	—	(7,839)
Gains on disposal of property and equipment	(85)	(468)	(148)
Interest income (Note 5)	(916)	(1,017)	(653)
Gain on sale and leaseback of telecom towers (Notes 5 and 9)	(1,442)	(7,777)	(25,852)
Gains on derivative financial instruments – net (Notes 5 and 27)	(4,023)	(1,198)	(2,322)
Others	(631)	8	(1,884)
Operating income before changes in assets and liabilities	115,098	106,758	101,811
Decrease (increase) in:			
Prepayments	21,034	10,264	12,218
Inventories and supplies	31	597	410
Contract assets	(139)	101	(209)
Trade and other receivables	(9,137)	952	(8,366)
Other financial and non-financial assets	(1,824)	156	208
Increase (decrease) in:			
Customers' deposits	(194)	(75)	44
Pension and other employee benefits	(3,355)	(5,174)	(6,847)
Accrued expenses and other current liabilities	(8,716)	(4,414)	(507)
Accounts payable	(27,765)	(21,285)	(18,306)
Other noncurrent liabilities	(20)	(57)	(68)
Net cash flows generated from operations	85,013	87,823	80,388
Income taxes paid	(3,282)	(2,058)	(4,188)
Net cash flows from operating activities	81,731	85,765	76,200

See accompanying Notes to Consolidated Financial Statements.

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PLDT INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
For the Years Ended December 31, 2024, 2023 and 2022
(in million pesos)

	2024	2023	2022
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Proceeds from:			
Disposal of property and equipment (Note 9)	4,827	23,971	60,833
Redemption of investment in debt securities (Note 12)	200	—	182
Maturity of short-term investments	21	440	8,700
Disposal of investments in associates and joint ventures (Note 11)	—	—	2,458
Interest received	881	973	636
Payments for:			
Purchase of investment in debt securities (Note 12)	—	—	(173)
Settlements of notes receivable	—	—	(200)
Payments for acquisition of intangibles	(29)	—	—
Purchase of short-term investments	(37)	(449)	(6,368)
Purchase of financial assets at fair value through profit or loss	(166)	—	—
Interest capitalized to property and equipment (Notes 5 and 9)	(2,589)	(2,169)	(1,748)
Acquisition of investments in associates and joint ventures (Note 11)	(3,770)	(1,636)	(3,514)
Purchase of property and equipment (Note 9)	(65,668)	(76,266)	(93,803)
Decrease (Increase) in other financial and non-financial assets	626	18	(9)
Net cash flows used in investing activities	(65,704)	(55,118)	(33,006)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Proceeds from:			
Availments of long-term debt (Notes 20 and 28)	37,000	38,000	5,000
Collection from derivative financial instruments - net (Notes 27 and 28)	704	—	87
Return of preferred shares redemption fund (Note 19)	71	—	7,839
Availments of short-term debt (Notes 20 and 28)	—	—	16,000
Payments for:			
Settlements of derivative financial instruments - net (Notes 27 and 28)	—	(607)	—
Short-term debt (Notes 20 and 28)	—	(10,000)	(6,000)
Distribution charges on perpetual notes (Note 19)	(59)	(236)	(236)
Debt issuance costs (Notes 20 and 28)	(219)	(214)	(62)
Redemption of perpetual notes (Note 19)	(4,200)	—	—
Interest – net of capitalized portion (Notes 5, 20 and 28)	(10,740)	(9,715)	(9,013)
Long-term debt (Notes 20 and 28)	(12,059)	(22,611)	(22,353)
Obligations under lease liabilities (Notes 10 and 28)	(12,079)	(10,707)	(8,331)
Cash dividends (Notes 19 and 28)	(20,750)	(23,328)	(25,235)
Net cash flows used in financing activities	(22,331)	(39,418)	(42,304)
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	138	(263)	414
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,166)	(9,034)	1,304
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR (Note 15)	16,177	25,211	23,907
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 15)	10,011	16,177	25,211

See accompanying Notes to Consolidated Financial Statements.

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PLDT INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

PLDT Inc. which we refer to as PLDT or the Parent Company, was incorporated under the old Corporation Law of the Philippines (Act 1459, as amended) on November 28, 1928, following the merger of four telephone companies under common U.S. ownership. PLDT holds a perpetual corporate term under Section 11 of the Revised Corporation Code of the Philippines (Republic Act No. 11232), which grants existing corporations to have a perpetual existence, unless a majority vote of its stockholders elects to retain a specified corporate term.

In 1967, effective control of PLDT was transferred from General Telephone and Electronics Corporation, a major shareholder then since PLDT's incorporation, to a group of Filipino investors. In 1981, as part of the Philippine government's policy to integrate the country's telecommunications industry, PLDT acquired substantially all of the assets and liabilities of the Republic Telephone Company, then the second largest telephone provider in the Philippines.

In 1998, certain subsidiaries of First Pacific Company Limited, or First Pacific, and its Philippine affiliates (collectively the First Pacific Group and its Philippine affiliates), acquired a significant interest in PLDT. On March 24, 2000, NTT Communications Corporation, or NTT Communications, through its wholly-owned subsidiary NTT Communications Capital (UK) Ltd., became PLDT's strategic partner with approximately a 15% economic and voting interest in PLDT's common stock. Concurrent with NTT Communications' investment, PLDT acquired 100% of Smart Communications, Inc., or Smart.

On March 14, 2006, NTT DOCOMO, Inc., or NTT DOCOMO, acquired approximately 7% of PLDT's then outstanding common shares from NTT Communications, which retained ownership of about 7% of PLDT's common shares. Since then, NTT DOCOMO has made additional purchases of PLDT shares, bringing the combined beneficial ownership of NTT DOCOMO and NTT Communications (both part of Nippon Telegraph and Telephone Corporation) to approximately 20% of PLDT's outstanding common stock as at December 31, 2024.

On February 28, 2007, Metro Pacific Asset Holdings, Inc., a Philippine affiliate of First Pacific, completed an acquisition of an approximately 46% interest in Philippine Telecommunications Investment Corporation, or PTIC, a shareholder of PLDT. This investment in PTIC represented an attributable interest of approximately 6% of PLDT's outstanding common shares at the time and raised the First Pacific Group's and its Philippine affiliates' beneficial ownership to approximately 28% of PLDT's outstanding common stock as of that date. Since then, the First Pacific Group's beneficial ownership interest in PLDT has decreased by approximately 2%, mainly due to the holders of Exchangeable Notes issued in 2005 by a subsidiary of First Pacific, which were fully exchanged into PLDT shares. The First Pacific Group and its Philippine affiliates held beneficial ownership of approximately 20.35% of PLDT's outstanding common stock as at December 31, 2024.

On October 26, 2011, PLDT completed the acquisition of a controlling interest in Digital Telecommunications Phils., Inc., or Digitel, from JG Summit Holdings, Inc., or JGSHI, and its affiliates, or collectively, the JG Summit Group. As consideration for the assets acquired, PLDT issued approximately 27.7 million common shares. In November 2011, JGSHI sold 5.81 million and 4.56 million PLDT shares to a Philippine affiliate of First Pacific and NTT DOCOMO, respectively, under separate option agreements entered into between JGSHI with the Philippine affiliate of First Pacific and NTT DOCOMO, respectively. As at December 31, 2024, the JG Summit Group beneficially owned approximately 11.27% of PLDT's outstanding common stock.

On October 16, 2012, BTF Holdings, Inc., or BTFHI, a wholly-owned company of the Board of Trustees for the Account of the Beneficial Trust Fund, or PLDT Beneficial Trust Fund, created pursuant to PLDT's Benefit Plan, subscribed to 150 million newly issued shares of Voting Preferred Stock of PLDT, or Voting Preferred Shares, at a subscription price of Php1.00 per share for a total subscription price of Php150 million. This subscription was made pursuant to a subscription agreement between BTFHI and PLDT dated October 15, 2012. Consequently, the issuance of these Voting Preferred Shares reduced the voting power of the NTT Group (NTT DOCOMO and NTT Communications), the First Pacific Group and its Philippine affiliates, and JG Summit Group to 12%, 15% and 6.65%, respectively, as at December 31, 2024. See Note 19 – *Equity – Preferred Stock – Voting Preferred Stock*.

The common shares of PLDT are listed and traded on the Philippine Stock Exchange, Inc., or PSE. On October 19, 1994, an American Depositary Receipt, or ADR, facility was established, under which Citibank N.A., as the depositary, issued American Depositary Shares, or ADSs, with each ADS representing one PLDT common share with a par value of Php5.00 per share. Effective February 10, 2003, PLDT appointed JP Morgan Chase Bank as the successor depositary for its ADR facility. The ADSs are listed on the New York Stock Exchange, or NYSE, in the United States and are traded on the NYSE under the symbol "PHI". As of December 31, 2024, there were approximately 16.5 million ADSs outstanding.

PLDT and our Philippine-based fixed line and wireless subsidiaries operate under the jurisdiction of the Philippine National Telecommunications Commission, or NTC. The NTC's jurisdiction includes, among other responsibilities, the approval of major services offered and certain rates charged to customers.

We are the largest and most diversified telecommunications company in the Philippines, providing nationwide data and multi-media services. Our business is organized into distinct units based on our products and services, with three reportable operating segments that form the bases for management's decision to allocate resources and evaluate operating performance. Our principal activities are discussed in *Note 4 – Operating Segment Information*.

Our registered office address is Ramon Cojuangco Building, Makati Avenue, Makati City, Philippines. Information on our structure is provided in *Note 2 – Summary of Material Accounting Policies – Basis of Consolidation*. Information on other related party relationships of the PLDT Group is provided in *Note 24 – Related Party Transactions*.

Our consolidated financial statements as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized by the Board of Directors on February 27, 2025 as reviewed by the Audit Committee on February 25, 2025.

Amendments to the By-Laws of PLDT

On March 25, 2021, the Board of Directors approved the amendments to the By-Laws of PLDT to conform with the provision of Republic Act No. 11232 and on September 9, 2022, the Philippine SEC approved the same amendments.

2. Summary of Material Accounting Policies

Basis of Preparation

Our consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards Accounting Standards, or PFRS Accounting Standards.

Our consolidated financial statements have been prepared under the historical cost basis, except for financial instruments at fair value through profit or loss, or FVPL, investment properties and pension that are measured at fair values.

Our consolidated financial statements are presented in Philippine Peso, PLDT's functional currency, and all values are rounded to the nearest million, except when otherwise indicated.

Our consolidated financial statements provide comparative information in respect of the previous period.

Basis of Consolidation

Our consolidated financial statements include the financial statements of PLDT and the following subsidiaries (collectively, the “PLDT Group”) as at December 31, 2024 and 2023:

Name of Subsidiary	Place of Incorporation	Principal Business Activity	2024		2023	
			Percentage of Ownership		Percentage of Ownership	
			Direct	Indirect	Direct	Indirect
Wireless						
Smart:	Philippines	Cellular mobile services	100.0	—	100.0	—
Smart Broadband, Inc., or SBI, and Subsidiary	Philippines	Internet broadband distribution services	—	100.0	—	100.0
Primeworld Digital Systems, Inc., or PDSI	Philippines	Internet broadband distribution services	—	100.0	—	100.0
I-Contacts Corporation ^(a)	Philippines	Operations support servicing business	—	100.0	—	100.0
Far East Capital Limited, or FECL ^(a)	Cayman Islands	Cost effective offshore financing and risk management activities for Smart	—	100.0	—	100.0
PH Communications Holdings Corporation ^(a)	Philippines	Investment company	—	100.0	—	100.0
Connectivity Unlimited Resource Enterprise, Inc. ^(a)	Philippines	Cellular mobile services	—	100.0	—	100.0
Francom Holdings, Inc. ^(a)	Philippines	Investment company	—	100.0	—	100.0
Chikka Holdings Limited, or Chikka, and Subsidiaries, or Chikka Group ^(a)	British Virgin Islands	Content provider, mobile applications development and services	—	100.0	—	100.0
Wifun, Inc. ^(a)	Philippines	Software developer and selling of WiFi access equipment	—	100.0	—	100.0
PLDT Global, Inc.	Philippines	Cross-border digital platforms and other allied services	100.0	—	100.0	—
ACeS Philippines Cellular Satellite Corporation, or ACeS Philippines ^(a)	Philippines	Satellite information and messaging services	88.5	11.5	88.5	11.5
Digitel Mobile Philippines, Inc., or DMPI, (a wholly-owned subsidiary of Digitel)	Philippines	Cellular mobile services	—	99.6	—	99.6
Fixed Line						
PLDT Clark Telecom, Inc., or ClarkTel	Philippines	Telecommunications services	100.0	—	100.0	—
PLDT Subic Telecom, Inc., or SubicTel ^(a)	Philippines	Telecommunications services	100.0	—	100.0	—
PLDT Global Corporation, or PLDT Global, and Subsidiaries	British Virgin Islands	Telecommunications services	100.0	—	100.0	—
PLDT-Philcom, Inc., or Philcom, and Subsidiaries, or Philcom Group ^(a)	Philippines	Telecommunications services	100.0	—	100.0	—
Talas Data Intelligence, Inc. ^(a)	Philippines	Business infrastructure and solutions; intelligent data processing and implementation services and data analytics insight generation	100.0	—	100.0	—
Multisys Technologies Corporation, or Multisys ^(b)	Philippines	Software development and IT solutions services	—	45.7	—	50.7

^(a) Ceased commercial operations.

^(b) On January 5, 2024, PLDT Global Investments Holdings, Inc., or PGIH, sold 227 common shares of Multisys, thereby decreasing its ownership from 50.72% to 45.73%.

Name of Subsidiary	Place of Incorporation	Principal Business Activity	2024		2023	
			Percentage of Ownership			
			Direct	Indirect	Direct	Indirect
ePLDT, Inc., or ePLDT:	Philippines	Information and communications infrastructure for internet-based services, e-commerce, customer relationship management and IT related services	100.0	—	100.0	—
IP Converge Data Services, Inc., or IPCDSI, and Subsidiary, or IPCDSI Group	Philippines	Information and communications infrastructure for internet-based services, e-commerce, customer relationship management and IT related services	—	100.0	—	100.0
Curo Teknika, Inc., or Curo ^(a)	Philippines	Managed IT outsourcing	—	100.0	—	100.0
ABM Global Solutions, Inc., or AGS, and Subsidiaries, or AGS Group ^(a)	Philippines	Internet-based purchasing, IT consulting and professional services	—	100.0	—	100.0
ePDS, Inc., or ePDS ^(a)	Philippines	Bills printing and other related value-added services, or VAS	—	100.0	—	100.0
netGames, Inc. ^(a)	Philippines	Gaming support services	—	57.5	—	57.5
MVP Rewards Loyalty Solutions, Inc., or MRST ^(a)	Philippines	Full-services customer rewards and loyalty programs	—	100.0	—	100.0
VITRO, Inc., or Vitro	Philippines	Information and communications infrastructure for internet-based services, e-commerce, customer relationship management and IT related services	—	100.0	—	100.0
ePLDT Capital Investment Pte. Ltd. or ePLDT Capital	Singapore	Investment holding and acquisition of companies	—	100.0	—	—
Digitel	Philippines	Telecommunications services	99.6	—	99.6	—
Digitel Information Technology Services, Inc. ^(a)	Philippines	Internet services	—	99.6	—	99.6
PLDT-Maratel, Inc., or Maratel ^(a)	Philippines	Telecommunications services	98.0	—	98.0	—
Bonifacio Communications Corporation, or BCC	Philippines	Telecommunications, infrastructure and related VAS	75.0	—	75.0	—
Pilipinas Global Network Limited, or PGNL, and Subsidiaries	British Virgin Islands	International distributor of Filipino channels and content	64.6	—	64.6	—
Others						
PLDT Global Investments Holdings, Inc., or PGIH	Philippines	Investment company	100.0	—	100.0	—
PLDT Digital Investments Pte. Ltd., or PLDT Digital, and Subsidiaries	Singapore	Investment company	100.0	—	100.0	—
PLDT Communications and Energy Ventures, Inc., or PCEV	Philippines	Investment company	—	99.9	—	99.9

^(a) Ceased commercial operations.

The financial statements of our subsidiaries are prepared for the same reporting period as PLDT. We prepare our consolidated financial statements using uniform accounting policies for like transactions and other events with similar circumstances.

Additional Investment in Maya Innovations Holdings Pte. Ltd. (MIH)

On December 13, 2023, PCEV, along with other existing shareholders KKR, Tencent, SIG, First Pacific Ventures and Jumel Holdings, entered into a new subscription agreement with MIH to subscribe to US\$80 million Class C2 convertible preferred shares of MIH. On the same date, PCEV paid a consideration of US\$28 million or Php1,563 million for 12.3 million MIH Class C2 convertible preferred shares and received warrants for 4.9 million shares valued at Php281 million, thereby increasing PCEV's ownership in MIH from 36.63% to 36.97%.

On April 5, 2024, PCEV paid the subsequent consideration of US\$15.3 million or Php857 million for 6.7 million MIH Class C2 convertible preferred shares and received warrants for 2.7 million shares valued at Php152 million, resulting in an increase of PCEV's ownership in MIH from 36.97% to 37.66%.

See *Note 11 – Investment in Associates and Joint Venture – Investment in Associates*.

Sale of Interest in Multisys

On January 5, 2024, PGIH entered into a Share Purchase Agreement for the sale of 227 common shares of Multisys, representing a 4.99% interest, for a total consideration of Php270 million. The transaction was completed and fully paid on January 12, 2024. Following this sale, PGIH retained ownership of 2,080 common shares representing 45.73% equity interest in Multisys. Pursuant to the Restated Shareholders' and related Amendment Agreement signed on January 30, 2024 and March 1, 2024, respectively, PGIH remains entitled to nominate three out of the five directors in Multisys, who manage and control the operations of Multisys. Consequently, the results of operation and financial position of Multisys continue to be consolidated with the PLDT Group.

Investment in Kayana Solutions Inc., or Kayana (formerly Limitless Growth Ventures, Inc.)

In March 2024, PLDT invested in Kayana, to serve as a digital entity designed to harness the data assets of the MVP Group of Companies and provide a platform for a Group-wide digitalization initiatives. This collaboration marks the first step in a collective effort aimed at creating new growth new opportunities and value within the MVP Group of Companies.

Kayana will leverage a technology platform capable of enabling the MVP Group of Companies to scale operations and achieve seamless integration of services and capabilities. Additionally, payments and rewards systems are expected to play a pivotal role in enhancing the overall user experience.

As of September 27, 2024, PLDT has invested Php840 million in Kayana representing 840 million common shares, or 60% equity interest, including subscription payable of Php288 million.

On September 30, 2024, Kayana entered into share subscription agreements with its shareholders, wherein PLDT subscribed to additional shares valued at Php46.5 million. As a result, PLDT's equity ownership in Kayana is reduced to 45%, leading PLDT to account for its remaining interest as an investment in associate.

The following summarizes the subscription agreements entered into by PLDT with Kayana:

Date	Number of Shares Acquired (in millions)
March 24, 2024	754.5
September 27, 2024	85.5
September 30, 2024	46.5

As at December 31, 2024, PLDT's investment in Kayana amounted to Php886.5 million, including subscription payable of Php10.5 million, with carrying value of Php853 million. See *Note 11 – Investment in Associates and Joint Venture – Investment in Associates*.

Investment in Radius Telecom, Inc., or Radius

On April 30, 2024, PLDT Inc. invested Php2 billion for 2,491,516 common shares, or 34.9% equity interest in Radius. This strategic investment aims to enhance PLDT's market share through an integrated alignment of solution capabilities and expanded market coverage. See *Note 11 – Investment in Associates and Joint Venture – Investment in Associates*.

Reduction of Capital in PLDT Capital Pte Ltd., or PLDT Capital

On May 6, 2024, the Directors of PLDT Capital approved the reduction of the company's issued and paid-up share capital from Php891 million, comprising 26,773,606 ordinary shares, to Php1 million, comprising 30,058 fully paid ordinary shares. The Accounting and Corporate Regulatory Authority of Singapore approved the capital reduction of PLDT Capital on July 12, 2024.

Discontinued Operations

In 2023, ePLDT completed the winding down of operations of certain subsidiaries. As a result, the operations of these discontinued ePLDT subsidiaries were classified as discontinued operations in the consolidated income statements.

The results of the operations of the discontinued ePLDT subsidiaries, net of intercompany transactions, for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
	(in million pesos)	
Revenues	107	883
Expenses:		
Selling, general and administrative expenses	168	891
Depreciation and amortization	21	83
Cost of services	3	345
	192	1,319
Net operating loss	(85)	(436)
Other income (expenses):		
Foreign exchange gains – net	4	2
Interest income	1	—
Financing costs	(2)	(7)
Others	41	(82)
	44	(87)
Loss before tax from discontinued operations	(41)	(523)
Provision for income tax	—	77
Loss after tax from discontinued operations	(41)	(600)
Loss per share (Note 8):		
Basic/Diluted – Loss from discontinued operations	(0.19)	(2.77)

Below are the assets and liabilities of the discontinued ePLDT subsidiaries, net of intercompany transactions, which were included in our consolidated statements of financial position as at December 31, 2023.

	2023
	(in million pesos)
Assets:	
Cash and cash equivalents	109
Short-term investments	9
Other assets	236
	354
Liabilities:	
Accrued expenses and other current liabilities	224
Income tax payable	3
Accounts payable	2
Other liabilities	10
	239
Net assets directly associated with disposal group	115

The net cash flows generated by (used in) the discontinued ePLDT subsidiaries, net of intercompany transactions, for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
	(in million pesos)	
Operating activities	(120)	(20)
Investing activities	31	4
Financing activities	(50)	(80)
Net effect of foreign exchange rate changes on cash and cash equivalents	8	—
Net cash outflows	(131)	(96)

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

The amendments clarify:

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

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

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

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

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have a material impact on the Group's financial statements.

Summary of Material Accounting Policies

The following is the summary of material accounting policies we applied in preparing our consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any noncontrolling interest in the acquiree. For each business combination, we elect whether to measure the components of the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in selling, general and administrative expenses.

When we acquire a business, we assess the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. The fair value of previously held equity interest is then included in the amount of total consideration transferred.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument within the scope of PFRS Accounting Standards 9 is measured at fair value with the changes in fair value recognized in profit or loss. In accordance with PFRS Accounting Standards 9, the contingent consideration that is not within the scope of PFRS Accounting Standards 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, we reassess whether we correctly identified all of the assets acquired and all of the liabilities assumed and review the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain on a bargain purchase is recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, we report in our consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which is no longer than one year from the acquisition date, the provisional amounts recognized at acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, we also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our cash-generating units, or CGUs, that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill acquired in a business combination has yet to be allocated to identifiable CGUs because the initial accounting is incomplete, such provisional goodwill is not tested for impairment unless indicators of impairment exist and we can reliably allocate the carrying amount of goodwill to a CGU or group of CGUs that are expected to benefit from the synergies of the business combination.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Investments in Associates

Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The cost of the investments includes directly attributable transaction costs. The details of our investments in associates are disclosed in *Note 11 – Investments in Associates and Joint Ventures – Investments in Associates*.

Where there has been a change recognized directly in the equity of the associate, we recognize our share in such change and disclose this, when applicable, in our consolidated statements of comprehensive income and consolidated statements of changes in equity. Unrealized gains and losses resulting from our transactions with and among our associates are eliminated to the extent of our interests in those associates.

Our share in the profits or losses of our associates is included under “Other income (expenses)” in our consolidated income statements. This is the profit or loss attributable to equity holders of the associate and net of the noncontrolling interest in the subsidiaries of the associate.

Joint Arrangements

When necessary, adjustments are made to bring the accounting policies of the joint venture in line with our policies. The details of our investments in joint ventures are disclosed in *Note 11 – Investments in Associates and Joint Ventures – Investments in Joint Ventures*.

Foreign Currency Transactions and Translations

Our consolidated financial statements are presented in Philippine Peso, which is also the Parent Company's functional currency. The Philippine Peso is the currency of the primary economic environment in which we operate. This is also the currency that mainly influences the revenue from and cost of rendering products and services. Each entity in our Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency.

The functional and presentation currency of the entities under the PLDT Group (except for the subsidiaries discussed below) is the Philippine Peso.

Transactions in foreign currencies are initially recorded by entities under our Group at the respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange prevailing at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognized in our consolidated income statements except for foreign exchange differences that qualify as capitalizable borrowing costs for qualifying assets. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising from transactions of non-monetary items measured at fair value is treated in line with the recognition of this gain or loss on the change in fair value of the items (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

The functional currency of PLDT Global and certain of its subsidiaries, and PGNL and certain of its subsidiaries is the U.S. Dollar. As at the reporting date, the assets and liabilities of these subsidiaries are translated into Philippine Peso at the rate of exchange prevailing at the end of the reporting period, and income and expenses of these subsidiaries are translated monthly using the weighted average exchange rate for the month. The exchange differences arising on translation are recognized as a separate component of other comprehensive income as cumulative translation adjustments. Upon disposal of these subsidiaries, the amount of deferred cumulative translation adjustments recognized in other comprehensive income relating to subsidiaries is recognized in our consolidated income statements.

Foreign exchange gains or losses of the Parent Company and our Philippine-based subsidiaries are treated as taxable income or deductible expenses in the period such exchange gains or losses are realized.

Assets Classified as Held-for-Sale

We classify assets as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortized once classified as held-for-sale.

Assets and liabilities classified as held-for-sale are presented separately as current items in the consolidated statements of financial position.

Additional disclosures are provided in *Note 9 – Property and Equipment – Sale and Leaseback of Telecom Towers* and *Note 10 – Leases*. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Financial Instruments

Financial Instruments – Initial recognition and subsequent measurement

Classification of financial assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and our business model for managing the financial assets. We classify our financial assets into the following measurement categories:

- Financial assets measured at amortized cost;
- Financial assets measured at FVPL;
- Financial assets measured at financial instruments at fair value through other comprehensive income, or FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss; and
- Financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss.

Contractual cash flows characteristics

In order for us to identify the measurement of our debt financial assets, a solely payments of principal and interest, or SPPI, test needs to be initially performed in order to determine whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Once a debt financial asset passed the SPPI test, business model assessment, which identifies our objective of holding the financial assets – hold to collect or hold to collect and sell, will be performed. Otherwise, if the debt financial asset failed the test, such will be measured at FVPL.

In making the assessment, we determine whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the SPPI test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model

Our business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Our business model does not depend on management's intentions for an individual instrument.

Our business model refers to how we manage our financial assets in order to generate cash flows. Our business model determines whether cash flows will result from collecting contractual cash flows, collecting contractual cash flows and selling financial assets or neither.

Financial assets at amortized cost

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate, or EIR, method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in Other income (expenses) – net in our consolidated income statements and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in 'Asset impairment' in our consolidated income statements.

Our financial assets at amortized cost include debt instruments at amortized cost, cash and cash equivalents, portions of short-term investments, trade and other receivables, and portions of other financial assets as at December 31, 2024 and 2023. See *Note 12 – Debt Instruments at Amortized Cost*, *Note 15 – Cash and Cash Equivalents*, *Note 16 – Trade and Other Receivables* and *Note 27 – Financial Assets and Liabilities*.

Financial assets at FVPL

Financial assets at FVPL are measured at fair value. Included in this classification are derivative financial assets, equity investments held for trading and debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVPL are initially recognized at fair value, with transaction costs recognized in our consolidated income statements as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in our consolidated income statements.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, we may choose at initial recognition to designate the financial asset at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the PLDT Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVPL, and the gains or losses from disposal of financial investments.

Our financial assets at FVPL include portions of short-term investments, derivative financial assets, equity investments and redemption trust fund as at December 31, 2024 and 2023. See *Note 27 – Financial Assets and Liabilities*.

Classification of financial liabilities

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

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

Financial liabilities are subsequently measured at amortized cost, except for the following:

- Financial liabilities measured at FVPL;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when we retain continuing involvement;
- Financial guarantee contracts;
- Commitments to provide a loan at a below-market interest rate; and
- Contingent consideration recognized by an acquirer in accordance with PFRS Accounting Standards 3.

A financial liability may be designated at FVPL if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- If a host contract contains one or more embedded derivatives; or
- If a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVPL, the movement in fair value attributable to changes in our own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

Our financial liabilities at FVPL include derivative financial liabilities and liability from redemption of preferred stock as at December 31, 2024 and 2023. See *Note 19 – Equity – Redemption of Preferred Stock*, *Note 23 – Accrued Expenses and Other Current Liabilities* and *Note 27 – Financial Assets and Liabilities*.

Our other financial liabilities include interest-bearing financial liabilities, lease liabilities, customers' deposits, dividends payable, certain accounts payable, certain accrued expenses and other current liabilities and certain deferred credits and other noncurrent liabilities, (except for statutory payables) as at December 31, 2024 and 2023. See *Note 10 – Leases*, *Note 20 – Interest-bearing Financial Liabilities*, *Note 21 – Deferred Credits and Other Noncurrent Liabilities*, *Note 22 – Accounts Payable*, *Note 23 – Accrued Expenses and Other Current Liabilities* and *Note 27 – Financial Assets and Liabilities*.

Reclassifications of financial instruments

We reclassify our financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively and any previously recognized gains, losses or interest shall not be restated.

We do not reclassify our financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and
- There is a change in measurement on credit exposures measured at FVPL.

We do not reclassify our financial liabilities.

Offsetting of Financial Instruments

Financial assets and 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 assets and settle the liabilities simultaneously. We assess that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Impairment of Financial Assets

We recognize expected credit losses, or ECL for debt instruments that are measured at amortized cost and FVOCI.

No ECL is recognized on financial assets at FVPL.

ECLs are measured in a way that reflects the following:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL – not credit impaired

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs representing the ECLs that result from all possible default events within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL – not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL – credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

Loss Allowances

Loss allowances are recognized based on 12-month ECL for debt instruments that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The counterparty 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 counterparty to fulfill its contractual cash flow obligations.

We consider a debt instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’, or when the exposure is less than 30 days past due.

The loss allowances recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stage 2 and 3 due to the financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments derecognized in the period;
- Impact on the measurement of ECL due to changes in probability of defaults, or PDs, loss given defaults, or LGDs, and exposure at defaults, or EADs, in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Unwinding of discount within ECL due to passage of time, as ECL is measured on a present value basis; and
- Financial assets derecognized during the period and write-offs of allowances related to assets that were written off during the period.

Write-off Policy

We write-off a financial asset measured at amortized cost, in whole or in part, when the asset is considered uncollectible, and we have exhausted all practical recovery efforts and concluded that we have no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. We write-off an account when all of the following conditions are met:

- The asset is past due for over 90 days, or is already an item-in-litigation with any of the following:
 - a) No properties of the counterparty could be attached
 - b) The whereabouts of the client cannot be located
 - c) It would be more expensive for the Group to follow-up and collect the amount, hence we have ceased enforcement activity, and
 - d) Collections can no longer be made due to insolvency or bankruptcy of the counterparty;
- Expanded credit arrangement is no longer possible;
- Filing of legal case is not possible; and
- The account has been classified as ‘Loss’.

Simplified Approach

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to ‘Trade and other receivables’ and ‘Contract assets’. We have established a provision matrix for billed trade receivables and a vintage analysis for contract assets and unbilled trade receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or where applicable as part of a financial asset or part of a group of similar financial assets) is primarily derecognized when: (1) the right to receive cash flows from the asset has expired; or (2) we have transferred the right to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either: (a) we have transferred substantially all the risks and rewards of the asset; or (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When we have transferred the right to receive cash flows from an asset or have entered into a “pass-through” arrangement and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognized to the extent of our continuing involvement in the asset.

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

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of our continuing involvement is the amount of the transferred asset that we may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of our continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in consolidated income statements.

The financial liability is also derecognized when equity instruments are issued to extinguish all or part of the financial liability. The equity instruments issued are recognized at fair value if it can be reliably measured, otherwise, it is recognized at the fair value of the financial liability extinguished. Any difference between the fair value of the equity instruments issued and the carrying value of the financial liability extinguished is recognized in consolidated income statements.

Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement

We use derivative financial instruments, such as long-term currency swaps, foreign currency options, forward currency contracts and interest rate swaps to hedge our risks associated with foreign currency fluctuations and interest rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured 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 fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of long-term currency swaps, foreign currency options, forward currency contracts and interest rate swap contracts is determined using applicable valuation techniques. See *Note 27 – Financial Assets and Liabilities*.

Any gains or losses arising from changes in fair value on derivatives during the period that do not qualify for hedge accounting are taken directly to the “Other income (expense) – Gains (losses) on derivative financial instruments – net” in our consolidated income statements.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in our consolidated income statements as financing cost. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in our consolidated income statements.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in our consolidated income statements.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in our consolidated income statements.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income, while any ineffective portion is recognized immediately in our consolidated income statements. See *Note 27 – Financial Assets and Liabilities* for more details.

Amounts taken to other comprehensive income are transferred to our consolidated income statements when the hedged transaction affects our consolidated income statements, such as when the hedged financial income or financial expense is recognized or when a forecast transaction occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in other comprehensive income are transferred to our consolidated income statements. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in other comprehensive income remain in other comprehensive income until the forecast transaction or firm commitment occurs.

We use an interest rate swap agreement to hedge our interest rate exposure and a long-term principal only-currency swap, and long-term foreign currency options agreement to hedge our foreign exchange exposure on certain outstanding loan balances. See *Note 27 – Financial Assets and Liabilities*.

Property and Equipment

Property and equipment, except for land, is stated at cost less accumulated depreciation and amortization and any accumulated impairment losses. Land is stated at cost less any impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Such cost includes the cost of replacing component parts of the property and equipment when the cost is incurred, if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, we recognize such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized as expense as incurred. The present value of the expected cost for the decommissioning of the asset after use is included in the cost of the asset if the recognition criteria for a provision are met.

Depreciation and amortization commence once the property and equipment are available for their intended use and are calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives used in depreciating our property and equipment are disclosed in *Note 9 – Property and Equipment*.

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

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

Property under construction is stated at cost less any impairment in value. This includes cost of construction, plant and equipment, capitalizable borrowing costs and other direct costs associated with construction. Property under construction is not depreciated until such time that the relevant assets are completed and available for its intended use.

Property under construction is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

Asset Retirement Obligations

We are legally required under various lease agreements to dismantle the installation in leased sites and restore such sites to their original condition at the end of the contract lease term. We recognize the liability measured at the present value of the estimated costs of these obligations and capitalize such costs as part of the balance of the related item of property and equipment and right-of-use asset. The amount of asset retirement obligations is accreted and such accretion is recognized as interest expense. See *Note 10 – Leases* and *Note 21 – Deferred Credits and Other Noncurrent Liabilities*.

Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired from business combinations is initially recognized at fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed at the individual asset level as either finite or indefinite.

Intangible assets with finite lives are amortized over the economic useful life using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At the minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in our consolidated income statements.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually either individually or at the CGU level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The estimated useful lives used in amortizing our intangible assets are disclosed in *Note 14 – Goodwill and Intangible Assets*.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in our consolidated income statements when the asset is derecognized.

Internally generated intangibles are not capitalized, and the related expenditures are charged against operations in the period in which the expenditures are incurred.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model.

Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period

of derecognition. In determining the amount of consideration from the derecognition of investment property, we consider the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, we account for such property in accordance with PAS 16, Property and Equipment.

The difference between the carrying amount of the property in accordance with PAS 16 and its fair value is treated the same way as revaluation in accordance with PAS 16. Any resulting decrease in the carrying amount of the property is recognized in profit or loss. However, to the extent that an amount is included in revaluation surplus for that property, the decrease is recognized in other comprehensive income and reduces the revaluation surplus within equity. Any resulting increase in the carrying amount is recognized in profit or loss to the extent that the increase reverses a previous impairment loss for that property. The amount recognized in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized. Any remaining part of the increase in carrying amount is recognized in other comprehensive income and increases the revaluation surplus within equity. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

Inventories and Supplies

Inventories and supplies, which include cellular and landline phone units, materials, spare parts, terminal units and accessories, are valued at the lower of cost and net realizable value.

Costs incurred in bringing inventories and supplies to its present location and condition are accounted for using the weighted average cost method. Net realizable value is determined by either estimating the selling price in the ordinary course of business, less the estimated cost to sell or determining the prevailing replacement costs.

Impairment of Non-Financial Assets

We assess at each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when the annual impairment testing for an asset is required, we make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use, or VIU. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent from those of other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the VIU, 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. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognized in our consolidated income statements.

For assets, excluding goodwill and intangible assets with indefinite useful life, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, we make an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in our consolidated income statements. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining economic useful life.

The following assets have specific characteristics for impairment testing:

Property and equipment, right-of-use, or ROU, assets, and intangible assets with finite useful lives

For property and equipment and ROU assets, we assess for impairment on the basis of impairment indicators such as evidence of internal obsolescence or physical damage. For intangible assets with finite useful lives, we assess for impairment whenever there is an indication that the intangible assets may be impaired. See *Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions – Impairment of non-financial assets, Note 9 – Property and Equipment,*

Note 10 – Leases and Note 14 – Goodwill and Intangible Assets for further disclosures relating to impairment of non-financial assets.

Investments in associates and joint ventures

We determine at the end of each reporting period whether there is any objective evidence that our investments in associates and joint ventures are impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the investments in associates and joint ventures, and its carrying amount. The amount of impairment loss is recognized in our consolidated income statements. See *Note 11 – Investments in Associates and Joint Ventures* for further disclosures relating to impairment of non-financial assets.

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU, or group of CGUs, to which the goodwill relates. When the recoverable amount of the CGU, or group of CGUs, is less than the carrying amount of the CGU, or group of CGUs, to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

See *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Impairment of non-financial assets* and *Note 14 – Goodwill and Intangible Assets* for further disclosures relating to impairment of non-financial assets.

Intangible asset with indefinite useful life

Intangible asset with indefinite useful life is not amortized but is tested for impairment annually either individually or at the CGU level, as appropriate. We calculate the amount of impairment as being the difference between the recoverable amount of the intangible asset or the CGU, and its carrying amount and recognize the amount of impairment in our consolidated income statements. Impairment losses relating to intangible assets can be reversed in future periods.

See *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Impairment of non-financial assets* and *Note 14 – Goodwill and Intangible Assets* for further disclosures relating to impairment of non-financial assets.

Fair Value Measurement

We measure financial instruments such as derivatives, financial assets at FVPL, assets classified as held-for-sale and non-financial assets such as investment properties and pension plan assets, at fair value at each reporting date. The fair values of investment properties are disclosed in *Note 13 – Investment Properties*. The fair values of the pension plan assets are disclosed in *Note 25 – Pension and Other Employee Benefits*. The fair values of financial instruments measured at amortized cost are disclosed in *Note 27 – Financial Assets and Liabilities*.

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

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.

We use 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 our consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities; (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly

or indirectly observable; and (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

We determine the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted FVPL financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. At each reporting date, we analyze the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per our accounting policies. For this analysis, we verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

We, in conjunction with our external valuers, also compare the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, we have 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.

Revenues from contracts with customers

The disclosures of significant accounting judgments, estimates and assumptions relating to revenues from contracts with customers are provided in *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Identifying performance obligations*.

Our revenues are principally derived from providing the following telecommunications services: cellular voice, SMS and data services in the wireless business; and local exchange, international and national long distance, data and other network, and information and communications services in the fixed line business.

Services may be rendered separately or bundled with goods or other services. The specific recognition criteria are as follows:

i. Single Performance Obligation (POB) Contracts

Postpaid service arrangements include fixed monthly charges (including excess of consumable fixed monthly service fees) generated from cellular voice, short messaging services, or SMS, and data services through the postpaid plans of Smart Signature and Infinity brands, from local exchange services primarily through landline and related services, and from fixed line and other network services primarily through broadband and leased line services, which we recognize on a straight-line basis over the customer’s subscription period. Services provided to postpaid subscribers are billed throughout the month according to the billing cycles of subscribers. Services availed by subscribers in addition to these fixed fee arrangements are charged separately at their stand-alone selling prices and recognized as the additional service is provided or as availed by the subscribers.

Our prepaid service revenues arise from the usage of airtime load from channels and prepaid cards provided from Prepaid Home WiFi, Landline Plus products, Smart, TNT and SmartBro. Proceeds from over-the-air reloading channels and prepaid cards are initially recognized as contract liability and realized upon actual usage of the airtime value for voice, SMS, mobile data and other VAS, prepaid unlimited and bucket-priced SMS and call subscriptions, net of bonus credits from load packages purchased, such as free additional call minutes, SMS, data allocation or airtime load, or upon expiration, whichever comes earlier.

We also consider recognizing revenue from the expected expiry of airtime load in proportion to the pattern of rights exercised by the customer if we expect to be entitled to that expired amount. If we do not expect to be entitled to an expired amount based on historical experience with the customers, then we recognize the expected expired amount as revenue when the likelihood of the prepaid customer exercising its remaining rights becomes remote.

Interconnection fees and charges arising from the actual usage of airtime value or subscriptions are recorded as incurred.

Revenue from international and national long-distance calls carried via our network is generally based on rates which vary with distance. Revenue from both wireless and fixed line long distance calls are recognized as the service is provided. In general, non-refundable upfront fees, such as activation fees, that do not relate to the transfer of a promised good or service, are deferred and recognized as revenue throughout the estimated average customer relationship period, and the related incremental costs incurred are similarly deferred and recognized as expense over the same period, if such costs generate or enhance resources of the entity and are expected to be recovered.

Activation fees for both voice and data services are also considered as a single performance obligation together with monthly service fees, recognized over the estimated average customer relationship period.

ii. Bundled Contracts

In revenue arrangements, which involve bundled sales of mobile devices and accessories (non-service component) and telecommunication services (service component), the total transaction price is allocated based on the relative stand-alone selling prices of each distinct performance obligation. Stand-alone selling price is the price at which we sell the good or service separately to a customer. However, if goods or services are not currently offered separately, we use the adjusted market or cost-plus margin method to determine the stand-alone selling price to be used in the transaction price allocation. We adjust the transaction price for the effects of the time value of money if the timing of the payment and delivery of goods or services do not coincide, effects of which are considered as containing a significant financing component.

Activation services and installation services for voice and data services that are not a distinct performance obligation are considered together with monthly voice and data services as a single performance obligation, recognized over the estimated average customer relationship period since the subscriber cannot benefit from the installation services on its own or together with other resources that are readily available to the subscriber. The related incremental costs are recognized in the same manner in our consolidated income statements, if such costs are expected to be recovered. On the other hand, custom-built installation services provided to data services subscribers are considered a distinct separate performance obligation and is recognized when services are rendered.

Revenues from the sale of non-service component are recognized at the point in time when the goods are delivered while revenues from telecommunication services component are recognized over on a straight-line basis over the contract period when the services are provided to subscribers.

Significant Financing Component

The non-service component included in contracts with customers have significant financing component considering the period between the time of the transfer of control over the mobile device and the customer's payment of the price of the mobile device, which is more than one year.

The transaction price for such contracts is determined by discounting the amount of promised consideration using the appropriate discount rate. We concluded that there is a significant financing component for those contracts where the customer elects to pay in arrears considering the length of time between the transfer of mobile device to the customer and the customer's payment, as well as the prevailing interest rates in the market adjusted with customer credit spread.

Customer Loyalty Program

Through our customer loyalty program called Giga Points, points are earned through subscription of promo, purchase of load, and payment of bill for postpaid subscribers. Points are also earned through other activities such as daily login in the Giga App. These points can be used to redeem items such as giga promos, bill rebates, content subscription, discounts, exclusive tickets, and more.

Our contract with customers for revenue-related activity includes a promise to provide future telco services or rights to third-party services in the form of earning points. We consider these revenue-related earnings as performance obligation and the transaction price is allocated to each performance obligation. For earnings on non-revenue activity, we recognize a financial liability upon redemption of the points from third party partners.

We also offer PLDT Home Rewards. This customer loyalty program is available exclusively to active PLDT Home customers except for Home Biz and Corporate accounts which are not currently eligible for enrollment. Under this program, PLDT Home customers are granted points to incentivize customer-related activities. Points earned thru enrollment, payment on time, upgrade, availment of VAS add-on etc.

iii. International and Domestic Long Distance Contracts

Interconnection revenues for call termination, call transit and network usages are recognized in the period in which the traffic occurs. Revenues related to local, long distance, network-to-network, roaming and international call connection services are recognized when the call is placed, or connection is provided, and the equivalent amounts charged to us by other carriers are recorded under interconnection costs in our consolidated income statements. Inbound revenue and outbound charges are based on agreed transit and termination rates with other foreign and local carriers.

Variable consideration

We assessed that a variable consideration exists in certain interconnection agreements where there is a monthly aggregation period and the rates applied for the total monthly traffic will depend on the total traffic for the month. We also consider whether contracts with carriers contain volume commitment or tiering arrangement whereby the rate being charged will change upon meeting certain volume of traffic. We estimate the amount of variable consideration to which we are entitled and included in the transaction price some or all of the amount of variable consideration estimated arising from these agreements, unless the impact is not material.

iv. Others

Revenues from VAS include streaming and downloading of games, music, video contents, loan services, messaging services, applications and other digital services which are only arranged for by us on behalf of third-party content providers. The amount of revenue recognized is net of content provider's share in revenue. Revenue is recognized at a point in time upon service availment. We act as an agent for certain VAS arrangements.

Revenue from server hosting, co-location services and customer support services are recognized over the period that the services are performed.

Subscriber Contract Costs

Costs to obtain a contract with customers, such as commission, and costs to fulfill the contract, such as installation and Customer Premises Equipment (CPE) costs, are capitalized if we expect to recover those costs. These subscriber contract costs are stated at cost net of accumulated amortization and impairment losses. Subscriber contract costs are amortized on a systematic basis consistent with the pattern of transfer of goods and services to which the assets relates.

The amortization of costs to obtain and costs to fulfill are presented as part of selling, general and administrative expenses, and depreciation and amortization, respectively, in the consolidated income statements.

Impairment losses are recognized to the extent that the carrying amount of the subscriber contract costs exceed the net of (i) remaining amount of consideration that we expect to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

Retirement Benefits

PLDT and certain of its subsidiaries are covered under Republic Act No. 7641 otherwise known as "The Philippine Retirement Law".

Defined benefit pension plans

PLDT has separate and distinct retirement plans for itself and some of its Philippine-based operating subsidiaries, administered by the respective Funds' Trustees, covering permanent employees. Retirement costs are separately determined using the projected unit credit method. This method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Retirement costs consist of the following:

- Service cost;
- Net interest on the net defined benefit asset or obligation; and
- Remeasurements of net defined benefit asset or obligation.

Service cost (which includes current service costs, past service costs and gains or losses on curtailments and non-routine settlements) is recognized as part of "Selling, general and administrative expenses – Compensation and employee benefits"

account in our consolidated income statements. These amounts are calculated periodically by an independent qualified actuary.

Net interest on the net defined benefit asset or obligation is the change during the period in the net defined benefit asset or obligation that arises from the passage of time which is determined by applying the discount rate based on the government bonds to the net defined benefit asset or obligation. Net defined benefit asset is recognized as part of “Prepayments, and other nonfinancial assets - net of current portion” and net defined benefit obligation is recognized as part of “Pension and other employee benefits” in our consolidated statements of financial position.

Remeasurements, comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit obligation) are recognized immediately in other comprehensive income in the period in which they occur. Remeasurements are not classified to profit or loss in subsequent periods.

The net defined benefit asset or obligation comprises the present value of the defined benefit obligation (using a discount rate based on government bonds, as explained in *Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Estimating pension benefit costs and other employee benefits*), net of the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets held by a long-term employee benefit fund or qualifying insurance policies and are not available to our creditors nor can they be paid directly to us. Fair value is based on market price information and in the case of quoted securities, the published bid price and in the case of unquoted securities, the discounted cash flow using the income approach. The value of any defined benefit asset recognized is restricted to the asset ceiling which is the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. See *Note 25 – Pension and Other Employee Benefits – Defined Benefit Pension Plans* for more details.

Defined contribution plans

Smart maintains a defined contribution plan that covers all regular full-time employees under which it pays fixed contributions based on the employees’ monthly salaries and provides for qualified employees to receive a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of Republic Act No. 7641.

Accordingly, Smart accounts for its obligation under the higher of the defined benefit obligation related to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. Smart and certain of its subsidiaries determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense (income) and other expenses (income) related to the defined benefit plan are recognized in our consolidated income statements.

The defined contribution liability, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in our other comprehensive income.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in our profit or loss. Gains or losses on the settlement of the defined benefit plan are recognized when the settlement occurs. See *Note 25 – Pension and Other Employee Benefits – Defined Contribution Plans* for more details.

Employee benefit costs include current service cost, net interest on the net defined benefit obligation, and remeasurements of the net defined benefit obligation. Past service costs and actuarial gains and losses are recognized immediately in our consolidated income statements.

The long-term employee benefit liability comprises the present value of the defined benefit obligation (using a discount rate based on government bonds) at the end of the reporting period and is determined using the projected unit credit method. See *Note 25 – Pension and Other Employee Benefits – Other Long-term Employee Benefits* for more details.

Leases

We assess at contract inception whether the contract is, or contains, a lease that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

As a Lessee. We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognize lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

- ROU assets

We recognize ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless it is reasonably certain that we obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life, or EUL, and the lease term. ROU assets are subject to impairment. Refer to the accounting policies in impairment of non-financial assets section.

- Lease liabilities

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

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

As a Lessor. Leases in which we do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in our consolidated income statements due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the bases as rental income.

Sale and Leaseback. If we transfer an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, we account for the transfer contract and the lease by applying the requirements of PFRS Accounting Standards 16. We first apply the requirements for determining when a performance obligation is satisfied in PFRS Accounting Standards 15 to determine whether the transfer of an asset is accounted for as a sale of that asset.

For transfer of an asset that satisfies the requirements of PFRS Accounting Standards 15 to be accounted for as a sale of the asset, we measure 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 us. Accordingly, we recognize only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the transfer of an asset does not satisfy the requirements of PFRS Accounting Standards 15 to be accounted for as a sale of the asset, we continue to recognize the transferred asset and recognize a financial liability equal to the transfer proceeds. We account for the financial liability applying PFRS Accounting Standards 9.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period where we operate and generate taxable income.

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

Deferred income tax

Deferred income tax is provided on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the end of the reporting period.

Contingencies

Contingent liabilities are not recognized in our consolidated financial statements. Unless the possibility of an outflow of resources embodying economic benefits is probable and measurable, they are disclosed in the notes to our consolidated financial statements. On the other hand, contingent assets are not recognized in our consolidated financial statements but are disclosed in the notes to our consolidated financial statements when an inflow of economic benefits is probable.

Segment Information

PLDT and its subsidiaries are organized into three business segments. Such business segments are the bases upon which we report our primary segment information. Financial information on business segments is presented in *Note 4 – Operating Segment Information*.

Events After the End of the Reporting Period

Post reporting period events up to the date of approval of the Board of Directors that provide additional information about our financial position at the end of the reporting period (adjusting events) are reflected in our consolidated financial statements. Post reporting period events that are classified as non-adjusting events are disclosed in the notes to our consolidated financial statements when material.

Equity

Preferred and common stocks are measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value are recognized as capital in excess of par value in our consolidated statements of changes in equity and consolidated statements of financial position.

Treasury stocks are our own equity instruments which are reacquired and recognized at cost and presented as reduction in equity. No gain or loss is recognized in our consolidated income statements on the purchase, sale, reissuance or cancellation of our own equity instruments. Any difference between the carrying amount and the consideration upon reissuance or cancellation of shares is recognized as capital in excess of par value in our consolidated statements of changes in equity and consolidated statements of financial position.

Change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction and any impact is presented as part of capital in excess of par value in our consolidated statements of changes in equity.

Retained earnings represent our net accumulated earnings less cumulative dividends declared.

Other comprehensive income comprises of income and expense, including reclassification adjustments, that are not recognized in our consolidated income statements as required or permitted by PFRS Accounting Standards.

Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. The PLDT Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the PLDT Group's consolidated financial statements.

Effective beginning on or after January 1, 2025

- PFRS Accounting Standards 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS Accounting Standards 9 and PFRS Accounting Standards 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards Accounting Standards—Volume 11
 - o Amendments to PFRS Accounting Standards 1, *Hedge Accounting by a First-time Adopter*
 - o Amendments to PFRS Accounting Standards 7, *Gain or Loss on Derecognition*
 - o Amendments to PFRS Accounting Standards 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - o Amendments to PFRS Accounting Standards 10, *Determination of a 'De Facto Agent'*
 - o Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS Accounting Standards 18, *Presentation and Disclosure in Financial Statements*
- PFRS Accounting Standards 19, *Subsidiaries without Public Accountability*

Deferred effectivity

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

3. Management's Use of Accounting Judgments, Estimates and Assumptions

The preparation of our consolidated financial statements in conformity with PFRS Accounting Standards requires us to make judgments, estimates and assumptions that affect the reported amounts of our revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of each reporting period. The uncertainties inherent in these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years.

Judgments and estimates 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.

Judgments, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual financial statements. Selected critical judgments and estimates applied in the preparation of the consolidated financial statements are discussed below:

Judgments

In the process of applying our accounting policies, management has made judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in our consolidated financial statements.

Revenue Recognition

Identifying performance obligations

We identify performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and our promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

Revenues earned from multiple-deliverable arrangements offered by our fixed line and wireless businesses are split into separately identifiable performance obligations based on their relative stand-alone selling price in order to reflect the substance of the transaction. The transaction price represents the best evidence of stand-alone selling price for the services we offer since this is the observable price we charge if our services are sold separately. We account for customer contracts in accordance with PFRS Accounting Standards 15 and have concluded that the service (telecommunication service) and non-service components (handset or equipment) may be accounted for as separate performance obligations. The handset or equipment is delivered first, followed by the telecommunication service (which is provided over the contract/lock-in period of generally three years for fixed line and two years for wireless). Revenue attributable to the separate performance obligations are based on the allocation of the transaction price relative to the stand-alone selling price.

Installation fees for voice and data services that are not custom-built for the subscribers are considered as a single performance obligation together with monthly service fees, recognized over the estimated average customer relationship period since the subscriber cannot benefit from the installation services on its own or together with other resources that are readily available to the subscriber. On the other hand, installation fees of data services that are custom-built for the subscribers are considered as a separate performance obligation and is recognized upon completion of the installation services. Activation fees for both voice and data services are also considered as a single performance obligation together with monthly service fees, recognized over the estimated average customer relationship period.

Principal versus agent consideration

We enter into contracts with our customers involving multiple deliverable arrangements. We determined that we control the goods before they are transferred to customers, and we have the ability to direct the use of the inventory. The following factors indicate that we control the goods before they are being transferred to customers:

- a) We are primarily responsible for fulfilling the promise to provide the specified equipment;
- b) We bear inventory risk on our inventory before it has been transferred to the customer; and
- c) We have discretion in establishing the prices for the other party's goods or services and, therefore, the benefit that we can receive from those goods or services is not limited. It is incumbent upon us to establish the price of our services to be offered to our subscribers.

Based on the foregoing, we are considered the principal in our contracts with other service providers except for certain VAS arrangements. We have the primary obligation to provide the services to the subscriber.

Timing of revenue recognition

We recognize revenues from contracts with customers over time or at a point in time depending on our evaluation of when the customer obtains control of the promised goods or services and based on the extent of progress towards completion of the performance obligation. For the telecommunication service which is provided over the contract period of two or more years, revenue is recognized monthly as we provide the service because control is transferred over time. For the device, which is sold at the inception of the contract, revenue is recognized at the time of delivery because control is transferred at a point in time.

Identifying methods for measuring progress of revenue recognized over time

We determine the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

Revenue from telecommunication services is recognized through the use of input method wherein recognition is over time based on the customer subscription period since the customer simultaneously receives and consumes the benefits as the seller renders the services.

Significant financing component

We concluded that the handset component included in contracts with customers has a significant financing component considering the period between the time of the transfer of control over the handset and the customer's payment of the price of the handset, which is more than one year.

In determining the interest to be applied to the amount of consideration, we concluded that the interest rate is the market interest rate adjusted with credit spread to reflect the customer credit risk that is commensurate with the rate that would be reflected in a separate financing transaction between us and our customer at contract inception.

Estimation of stand-alone selling price

We assessed that the service and non-service components represent separate performance obligations thus, the amount of revenues should be recognized based on the allocation of the transaction price to the different performance obligations based on their stand-alone selling prices. The stand-alone selling price is the price at which we sell the good or service separately to a customer. However, if goods or services are not currently offered separately, we use the adjusted market or cost-plus margin method to determine the stand-alone selling price to be used in the revenue allocation.

In terms of allocation of transaction price between performance obligations, we assessed that allocating the transaction price using the stand-alone selling prices of the services and handset will result in more revenue allocated to non-service component. The stand-alone selling price is based on the price in which we regularly sell the non-service and service component in a separate transaction.

Financial Instruments

Evaluation of business models in managing financial instruments

We determine our business model at the level that best reflects how we manage groups of financial assets to achieve our business objective. Our business model is not assessed on an instrument-by-instrument basis, but a higher level of aggregated portfolios and is based on observable factors such as:

- a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- c. The expected frequency, value and timing of sales are also important aspects of our assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from our original expectations, we do not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

We have determined that for cash and cash equivalents, short-term investments, investment in debt securities and other long-term investments, and trade and other receivables, the business model is to collect the contractual cash flows until maturity.

PFRS Accounting Standards 9, however, emphasizes that if more than an infrequent number of sales are made out of a portfolio and those sales are more than insignificant in value, of financial assets carried at amortized cost, we should assess whether and how such sales are consistent with the objective of collecting contractual cash flows.

Definition of default and credit-impaired financial assets

We define a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*

For trade receivables and all other financial assets subject to impairment, default occurs when the receivable becomes 90 days past due, except for trade receivables from corporate subscribers, which are determined to be in default when the receivables become 120 days past due.

- *Qualitative criteria*

The counterparty meets unlikeliness to pay criteria, which indicates the counterparty is in significant financial difficulty. These are instances where:

- The counterparty is experiencing financial difficulty or is insolvent;
- The counterparty is in breach of financial covenant(s);
- An active market for that financial assets has disappeared because of financial difficulties;
- Concessions have been granted by us, for economic or contractual reasons relating to the counterparty's financial difficulty;
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; and
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments, except FVPL, held by us and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to the ECL models throughout our expected loss calculation.

Significant increase in credit risk

At each reporting date, we assess whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. We consider reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

Using our judgment and, where possible, relevant historical experience, we may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that we consider are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, we consider that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the counterparty.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within our investment grade criteria, or which are less than 30 days past due, are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the PLDT Group.

Determination of functional currency

The functional currencies of the entities under the PLDT Group are the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the revenue from and cost of rendering products and services.

The presentation currency of the PLDT Group is the Philippine Peso. Based on the economic substance of the underlying circumstances relevant to the PLDT Group, the functional currency of all entities under the PLDT Group is the Philippine Peso, except for PLDT Global and certain of its subsidiaries, and PGNL and certain of its subsidiaries which use the U.S. Dollar.

Determining the lease term of contracts with renewal and termination options – Company as a Lessee

Upon adoption of PFRS Accounting Standards 16, we applied a single recognition and measurement approach for all leases, except for short-term leases and leases of 'low-value' assets. See Section *Leases* for the accounting policy.

We determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

We, as the lessee, have the option, under some of our lease agreements to lease the assets for additional terms. We apply judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, we consider all relevant factors that create an economic incentive for us to exercise the renewal. After the commencement date, we reassess the lease term if there is a significant event or change in circumstances that is within our control and affects our ability to exercise or not to exercise the option to renew or to terminate (e.g., a change in business strategy).

We included the renewal period as part of the lease term for leases such as poles and leased circuits due to the significance of these assets to our operations. These leases have a non-cancellable period (i.e., one to 30 years) and there will be a significant negative effect on our provision of services if a replacement is not readily available. Furthermore, the periods covered by termination options are included as part of these lease term only when they are reasonably certain not to be exercised.

See *Note 10 – Leases* for information on potential future payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Total depreciation of ROU assets from continuing operations in our consolidated income statements amounted to Php7,315 million, Php6,898 million and Php5,661 million for the years ended December 31, 2024, 2023 and 2022, respectively, while that from discontinued operations amounted to nil, Php19 million and Php55 million for the years ended December 31, 2024, 2023 and 2022, respectively. Total lease liabilities amounted to Php54,038 million and Php47,546 million as at December 31, 2024 and 2023, respectively. See *Note 2 - Summary of Material Accounting Policies - Discontinued Operations*, *Note 10 – Leases* and *Note 27 – Financial Assets and Liabilities*.

Sale and Leaseback of Telecom Towers

The accounting for sale and leaseback transaction depends on whether the transfer of the asset qualifies as a sale. We applied judgment to determine whether the transfer of asset is accounted for as a sale based on the requirements for determining when a performance obligation is satisfied in PFRS Accounting Standards 15. We also applied estimates and judgment in determining many aspects, among others, the passive telecom assets and land lease as unit of accounts, the fair value of the towers sold, the measurement of the ROU assets retained by us and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Assets classified as held-for-sale

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

Smart and DMPI entered into sale and purchase agreements with certain tower companies in connection with the sale of 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 based on the number of towers transferred and is expected to be completed within the year. With this agreement, we believe that certain conditions were met that qualified the related assets to be reclassified as held-for-sale.

See related discussion in *Note 9 – Property and Equipment* and *Note 10 – Leases*.

Accounting for investments in MediaQuest Holdings, Inc., or MediaQuest, through Philippine Depositary Receipts, or PDRs

ePLDT made various investments in PDRs issued by MediaQuest in relation to its direct interest in Satventures, Inc., or Satventures, and indirect interest in Cignal TV, Inc., or Cignal TV.

Based on our judgment, at the PLDT Group level, ePLDT's investments in PDRs gives ePLDT a significant influence over Satventures and Cignal TV as evidenced by provision of essential technical information and material transactions among PLDT, Smart, Satventures and Cignal TV, and thus are accounted for as investments in associates using the equity method.

See related discussion in *Note 11 – Investments in Associates and Joint Ventures – Investments in Associates – Investment of ePLDT in MediaQuest PDRs*.

Accounting for investment of PCEV in Maya Bank, Inc., or Maya Bank

The shareholders' agreement of Voyager Finserve Corporation, or VFC, and Paymaya Finserve Corporation, or PFC, (collectively known as the Bank HoldCos) requires affirmative vote of at least one director nominated by both PCEV and MIH to direct the relevant activities of the Bank HoldCos. The Bank HoldCos were incorporated for the sole purpose of

holding shares or equity investments in Maya Bank. Because of the contractual arrangement between the parties, the investments in the Bank HoldCos are accounted for as joint venture.

Assessment of loss of control over PG1 and Kayana

PLDT assesses the consequences of changes in the ownership interest in a subsidiary that may result in a loss of control as well as the consequence of losing control of a subsidiary during the reporting period. Whether or not PLDT retains control over the subsidiary depends on an evaluation of a number of factors that indicate if there are changes to one or more of the three elements of control. When PLDT has less than majority of the voting rights or similar rights to an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including, among others, representation on its board of directors, voting rights, and other rights of other investors, including their participation in significant decisions made in the ordinary course of business.

PG1

As a result of the acquired equity interest of Philex Mining Corporation, MPIC, and Roxas Holdings, Inc. in PG1, PLDT's ownership interest was diluted to 47.6%. In addition, PG1 appointed a new director bringing the total number of PG1 directors to nine. PLDT retained four out of nine total board seats. Consequently, as at February 28, 2022, PLDT lost its control over PG1 and accounted for its remaining interest as investment in associate.

As at December 31, 2024 and 2023, PLDT holds 47.6% interest over PG1.

Kayana

The September 30, 2024 subscription agreement resulted in PLDT's owning 45% interest and MPIC and Meralco ownership at 27.5% each. Consequently, as at December 31, 2024, PLDT lost its control over Kayana and accounted for its remaining interest as an investment in associate.

Accounting for investments in Vega Telecom Inc., or VTI, Bow Arken Holdings Company, or Bow Arken, and Brightshare Holdings, Inc., or Brightshare

PLDT acquired a 50% equity interest in each of VTI, Bow Arken and Brightshare on May 30, 2016. See related discussion on *Note 11 – Investments in Associates and Joint Ventures – Investments in Joint Ventures – Investments of PLDT in VTI, Bow Arken and Brightshare*. Based on the Memorandum of Agreement, PLDT and Globe Telecom, Inc., or Globe, each has the right to appoint half the members of the Board of Directors of each of VTI, Bow Arken and Brightshare, as well as the (i) co-Chairman of the Board; (ii) co-Chief Executive Officer and President; and (iii) co-Controller where any matter requiring their approval shall be deemed passed or approved if the consents of both co-officers holding the same position are obtained. All decisions of each Board of Directors may only be approved if at least one director nominated by each of PLDT and Globe votes in favor of it.

Based on these rights, PLDT and Globe have joint control over VTI, Bow Arken and Brightshare, which is defined in PFRS Accounting Standards 11, *Joint Arrangements*, as a contractually agreed sharing of control of an arrangement and exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Consequently, PLDT and Globe classified the joint arrangement as a joint venture in accordance with PFRS Accounting Standards 11 given that PLDT and Globe each has the right to 50% of the net assets of VTI, Bow Arken and Brightshare and their respective subsidiaries.

Accordingly, PLDT accounted for the investment in VTI, Bow Arken and Brightshare using the equity method of accounting in accordance with PAS 28. Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. See *Note 11 – Investments in Associates and Joint Ventures – Investment in Joint Ventures – Investments of PLDT in VTI, Bow Arken and Brightshare*.

Material partly-owned subsidiaries

Our consolidated financial statements include additional information about subsidiaries that have non-controlling interest, or NCI, that are material to us, see *Note 6 – Components of Other Comprehensive Loss*. We determined material partly-owned subsidiaries as those with balance of NCI greater than 5% of the total equity as at December 31, 2024 and 2023.

Material associates and joint ventures

Our consolidated financial statements include additional information about associates and joint ventures that are material to us. See *Note 11 – Investments in Associates and Joint Ventures*. We determined material associates and joint ventures are

those investees where our carrying amount of investments is greater than 5% of the total investments in associates and joint ventures as at December 31, 2024 and 2023.

Determining Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates

We assess whether we have any uncertain tax position and applies significant judgment in identifying uncertainties over our income tax treatments. We determined based on our assessment that it is probable that our income tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

Estimates and Assumptions

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

Subscriber contract costs

Subscriber contract costs are costs to obtain (i.e., commissions) and costs to fulfill (i.e., installation and CPE costs) in relation to the services we provide to our subscribers. We assessed that these subscriber contract costs are incremental in obtaining and fulfilling our performance obligations. Accordingly, we capitalized subscriber contract costs and amortized as expense over the average customer relationship period.

We apply judgment to estimate the amortization period of subscriber contract costs. As part of our annual evaluation of the average customer relationship period, our reassessment in 2023 resulted to a shorter amortization period with a range of 3-6 years for certain types of subscriber contracts brought by the effect of Corona Virus Disease, or COVID-19 Pandemic given the dynamic nature of subscriber behavior and market condition.

As at December 31, 2024, the estimated useful lives of the subscriber contract costs to fulfill would range from six to seven years.

The change in the amortization period reflects the expected timing of transfer of the services to our subscribers. This was accounted for prospectively as a change in accounting estimate, thereby resulting in additional charges to profit or loss amounting to Php13,924 million for the full year 2023. Further details on subscriber contract costs are disclosed in *Note 18 – Prepayments and Other Non-Financial Assets*.

Leases – Estimating the incremental borrowing rate, or IBR

In calculating the present value of lease payments, we use the IBR at the lease commencement date if the interest rate implicit in the lease is not readily determinable. IBR is the rate of interest that a lessee would have to pay to borrow over a similar term, similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment.

We use benchmark rates from partner banks based on the tenor of our loan borrowings plus a spread adjustment based on our credit worthiness.

Our lease liabilities amounted to Php54,038 million and Php47,546 million as at December 31, 2024 and 2023, respectively. See *Note 10 – Leases*.

Impairment of non-financial assets

PFRS Accounting Standards PAS 36 requires that an impairment review be performed when certain impairment indicators are present. In the case of goodwill and intangible assets with indefinite useful life, at a minimum, such assets are subject to an impairment test annually and whenever there is an indication that such assets may be impaired. This requires an estimation of the VIU of the CGUs to which these assets are allocated. The VIU calculation requires us to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows. See *Note 14 – Goodwill and Intangible Assets – Impairment Testing of Goodwill* for the key assumptions used to determine the VIU of the relevant CGUs.

Determining the recoverable amount of property and equipment, ROU assets, investments in associates and joint ventures, goodwill and intangible assets, prepayments and other noncurrent assets, requires us to make estimates and assumptions in the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. Future events could cause us to conclude that property and equipment, ROU assets, investments in associates and joint ventures, intangible assets and other noncurrent assets associated with an acquired business are impaired. Any resulting impairment loss could have a material adverse impact on our financial position and financial performance.

The preparation of estimated future cash flows involves significant estimations and assumptions of future market conditions. While we believe that our assumptions are appropriate and reasonable, significant changes in our assumptions may materially affect our assessment of recoverable values and may lead to future impairment charges.

See *Note 4 – Operating Segment Information*, *Note 5 – Income and Expenses – Asset Impairment*, and *Note 9 – Property and Equipment*.

The carrying values of our property and equipment, ROU assets, investments in associates and joint ventures, investment properties, goodwill and intangible assets, and prepayments and other non-financial assets are separately disclosed in *Note 9 – Property and Equipment*, *Note 10 – Leases*, *Note 11 – Investments in Associates and Joint Ventures*, *Note 13 – Investment Properties*, *Note 14 – Goodwill and Intangible Assets* and *Note 18 – Prepayments and Other Non-Financial Assets*, respectively.

Estimating useful lives of property and equipment

We estimate the useful lives of each item of our property and equipment based on the periods over which our assets are expected to be available for use. Our estimation of the useful lives of our property and equipment is also based on our collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of each asset are reviewed at least every year-end and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of our assets. It is possible, however, that future results of operations could be materially affected by changes in our estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of our property and equipment would increase our recorded depreciation and decrease the carrying amount of our property and equipment.

Smart shortened its estimated useful lives of certain network, technology and other equipment in 2019, the most significant of which were the 2G technology-related equipment. The shutdown was part of our strategy to address increasing demand for data and data centric applications by moving to faster speed long-term evolution, or LTE, and 5G technologies. As a result, Smart recognized additional depreciation expense of Php87 million for the year ended December 31, 2022.

Smart shortened its estimated useful lives of certain network, technology and other equipment in 2020, the most significant of which are the 3G technology-related equipment. The shutdown is the next phase of our strategy to migrate to faster speed LTE and 5G technologies. Smart also shortened the estimated useful lives of certain network equipment as a result of transformation and cost re-engineering initiatives. The management re-evaluated these 3G technology-related equipment in May 2022, and it was determined that the number of 3G devices in the market continued to decline resulting in low 3G traffic. Furthermore, the demands of the subscribers are shifting to LTE and 5G which offers faster high-speed data services. The remaining number of the 3G subscribers are negligible and will not result in further re-assessment of the estimated useful life, or EUL for the 3G technology assets. As a result, Smart recognized additional depreciation expense of Php9,421 million for the year ended December 31, 2022.

In 2022, Smart conducted an enterprise-wide network asset physical verification activity wherein certain assets have been identified, which are expected not to be utilized moving forward. As a result, Smart recognized additional depreciation expense of Php3,044 million for the year ended December 31, 2022.

In 2022, certain software and related services were upgraded as a result of IT system updates for the data link repository program of the data transformation. These replaced software and services that are expired which support various projects like e-load, rating and Online Charging System, System Application Products, value-added services and software and services related to Trident. As a result, we recognized additional depreciation expense of Php2,122 million for the year ended December 31, 2022.

In 2022, PLDT embarked on the moveout and modernization of network equipment that were located in its Makati Offices. As a result, we recognized additional depreciation expense of Php1,844 million in 2022.

In addition, PLDT accelerated the depreciation of certain network equipment as a result of technology transformation and modernization program to continuously enable the delivery and fulfillment of more advanced, more resilient and much more intelligent network to provide best quality of customer experience and continuously meet the intensified demands on

infrastructure and is expected to grow exponentially in the future. Migration of Vectored Very High-Speed Digital Subscribers, or VVDSL, to Fiber Optic facilities, upgrading and strengthening of fiber optic cables, laying out Transport Network Transformation (TNT), expansion of some key core network equipment continued in 2022, which replaced several legacy network system and equipment that resulted in PLDT recognizing additional depreciation expenses amounting to Php34,773 million in 2022.

In 2023, PLDT and Smart increased the EUL of Information Technology assets and general computers and peripherals, due to technological advancement allowing extended warranty and Maintenance Agreement. Smart increased the EUL of Self-Supporting Towers due to cost-effective structure which allows future expansion and upgrades of mounting antennas and is designed for durability and resistance to withstand the elements, hence extending the vendor's warranty. Had the affected assets been depreciated using the original EUL, the depreciation would have been higher by Php934 million for the year 2023.

In 2024, the PLDT Group further launched initiatives to continuously modernizing its property and equipment to enhance operational efficiencies. On this basis, the Group reassessed the EUL of certain assets, including among others, certain legacy network system replaced by Transport Network Transformation (TNT) and Core Transformation, Operations Support Systems and Optical Line and Terminal Access equipment. As a result of changes in accounting estimates, the PLDT Group recognized additional depreciation expense of Php5,686 million in the income statement for the year ended December 31, 2024.

The total depreciation and amortization of property and equipment from continuing operations amounted to Php41,224 million, Php51,543 million and Php92,970 million for the years ended December 31, 2024, 2023 and 2022, respectively, while that from discontinued operations amounted to nil, Php2 million and Php28 million for the years ended December 31, 2024, 2023 and 2022, respectively. Total carrying values of property and equipment, net of accumulated depreciation and amortization, amounted to Php318,069 million and Php287,103 million as at December 31, 2024 and 2023, respectively. See *Note 2 - Summary of Material Accounting Policies - Discontinued Operations*, *Note 4 – Operating Segment Information* and *Note 9 – Property and Equipment*.

Estimating useful lives of intangible assets with finite lives

Intangible assets with finite lives are amortized over their expected useful lives using the straight-line method of amortization. At a minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in our consolidated income statements.

The total amortization of intangible assets with finite lives amounted to Php240 million, Php221 million and Php228 million for the years ended December 31, 2024, 2023 and 2022, respectively. Total carrying values of intangible assets with finite lives amounted to Php1,303 million and Php1,174 million as at December 31, 2024 and 2023, respectively. See *Note 5 – Income and Expenses – Selling, General and Administrative Expenses* and *Note 14 – Goodwill and Intangible Assets*.

Investment Properties

We carry our investment properties at fair value, with changes in fair value being recognized in the consolidated income statements. Investment properties have been determined based on appraisal performed by an independent firm of appraisers, an industry specialist in valuing these types of investment properties.

The valuation for land is based on a market approach valuation technique while the valuation for building and land improvements is based on a cost approach valuation technique using current material and labor costs for improvements based on external and independent reviewers. See *Note 13 – Investment Properties*.

Recognition of deferred income tax assets

We review the carrying amounts of deferred income tax assets at the end of each reporting period and reduce these to the extent that these are no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Our assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting years. This forecast is based on our past results and future expectations on revenues and expenses as well as future tax planning strategies. Based on this, management expects that we will generate sufficient taxable income to allow all or part of our deferred income tax assets to be utilized.

Based on the above assessment, our consolidated unrecognized deferred income tax assets amounted to Php803 million and Php817 million as at December 31, 2024 and 2023, respectively. Total consolidated provision for deferred income tax amounted to Php3,938 million and Php1,648 million for the years ended December 31, 2024 and 2023, respectively while total consolidated benefit from deferred income tax amounted to Php4,175 million for the year ended December 31, 2022. Total consolidated recognized net deferred income tax assets amounted to Php14,643 million and Php18,172 million as at December 31, 2024 and 2023, respectively. See *Note 4 – Operating Segment Information* and *Note 7 – Income Taxes*.

Estimating allowance for ECLs

a. Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the EIR. The cash shortfall is the difference between the cash flows due to us in accordance with the contract and the cash flows that we expect to receive; and
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the EIR.

We leverage existing risk management indicators (e.g. internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allow us to identify whether the credit risk of financial assets has significantly increased.

b. Inputs, assumptions and estimation techniques

- *General approach for cash in bank, short-term investments, debt securities, financial assets at FVOCI and advances and other noncurrent assets*

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition. We consider the probability of our counterparty to default on its obligation and the expected loss at default after considering the effects of collateral, any potential value when realized and time value of money. Based on our assessment, there is no significant increase in credit risk and the ECL for these financial assets under a general approach is measured on a 12-month basis.

The assumptions underlying the ECL calculation are monitored and reviewed on a quarterly basis.

- *Simplified approach for trade and other receivables and contract assets*

The simplified approach does not require the tracking of changes in credit risk, but instead requires the recognition of lifetime ECL. For trade receivables and contract assets, we use the simplified approach for calculating ECL. We have considered similarities in underlying credit risk characteristics and behavior in determining the groupings of various customer segments.

We used historically observed default rates and adjusted these historical credit loss experiences with forward-looking information. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analyzed.

There have been no significant changes in the estimation techniques used for calculating ECL on trade and other receivables and contract assets.

- *Incorporation of forward-looking information*

We incorporated forward-looking information into both our assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and our measurement of ECL.

To do this, management considered a range of relevant forward-looking macroeconomic assumptions and probability weights for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs.

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

The probability weights used in the calculation of ECLs cover a range of possible outcomes based on the current and projected economic conditions.

We have identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables and credit risk and credit losses.

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

Due to lack of reasonable and supportable information, we have not identified any uncertain event that was assessed to be relevant to the risk of default occurring, thus we are not able to estimate the impact on ECL.

Total provision for expected credit losses for trade and other receivables from continuing operations amounted to Php3,875 million, Php4,119 million and Php5,126 million for the years ended December 31, 2024, 2023 and 2022, respectively, while that from discontinued operations amounted to nil, Php4 million and Php30 million for the years ended December 31, 2024, 2023 and 2022, respectively. Trade and other receivables, net of allowance for expected credit losses, amounted to Php31,612 million and Php26,086 million as at December 31, 2024 and 2023, respectively. See *Note 5 – Income and Expenses* and *Note 16 – Trade and Other Receivables*.

Total impairment losses on contract assets amounted to Php181 million, Php224 million and Php227 million for the years ended December 31, 2024, 2023 and 2022, respectively. Contract assets, net of allowance for expected credit losses, amounted to Php1,886 million and Php1,918 million as at December 31, 2024 and 2023, respectively. See *Note 5 – Income and Expenses – Contract Balances*.

- *Grouping of instruments for losses measured on collective basis*

A broad range of forward-looking information was considered as economic inputs such as the gross domestic product, or GDP, inflation rate, unemployment rates, export rates, The Group of Twenty, or G20 GDP and G20 inflation rates. For expected credit loss provisions modelled on a collective basis, grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the PLDT Group to be statistically acceptable. Where sufficient information is not available internally, then we have considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below.

Trade receivables – Groupings for collective measurement

- a. Retail subscribers;
- b. Corporate subscribers;
- c. Foreign administrations and domestic carriers; and
- d. Dealers, agents and others

The following credit exposures are assessed individually:

- All stage 3 assets, regardless of the class of financial assets; and
- The cash and cash equivalents, investment in debt securities and financial assets at FVOCI, and other financial assets.

Estimating pension benefit costs and other employee benefits

The cost of defined benefit and present value of the pension obligation are determined using the projected unit credit method. An actuarial valuation includes making various assumptions which consist, among other things, discount rates, rates of compensation increases and mortality rates. Further, our accrued benefit cost is affected by the fair value of the plan assets. Key assumptions used to estimate fair value of the unlisted equity investments included in the plan assets consist of revenue growth rate, direct costs, capital expenditures, discount rates and terminal growth rates. See *Note 25 – Pension and Other Employee Benefits*. Due to complexity of valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions. While we believe that our assumptions are reasonable and appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our cost for pension and other retirement obligations. All assumptions are reviewed every year-end.

The net consolidated pension benefit costs from continuing operations amounted to Php1,441 million, Php1,426 million and Php1,743 million for the years ended December 31, 2024, 2023 and 2022, respectively, while that from discontinued operations amounted to nil for the years ended December 31, 2024 and 2023 and Php6 million for the year ended December 31, 2022. The prepaid benefit costs amounted to Php975 million and Php917 million as at December 31, 2024 and 2023, respectively. The accrued benefit costs amounted to Php3,548 million and Php3,541 million as at December 31, 2024 and 2023, respectively. See *Note 5 – Income and Expenses – Compensation and Employee Benefits*, *Note 18 – Prepayments* and *Note 25 – Pension and Other Employee Benefits*.

Long-term Incentive Plan, LTIP

The ECC of the PLDT Board of Directors approved the LTIP covering the years 2022 to 2026, on December 23, 2021. It covers two cycles, and is intended to provide incentive compensation in the form of cash to key officers, executives and other eligible participants who are consistent performers, compliant with codes of conduct and contributors to our strategic and financial goals, with defined metrics based on the achievement of telco core income, customer experience and sustainability. The target metrics for Sustainability are expected to capture the Company's performance in various ESG materiality areas, including but not limited to, climate action such as initiatives to reduce energy consumption and greenhouse gas (GHG) emissions, employee and customer welfare, diversity and inclusion, cybersecurity and data privacy, and business ethics. Cycle 1 covers the performance period from 2022 to 2024 and payout will be based on the achievement of performance targets. Cycle 2 covers the performance period from 2025 to 2026 and is subject to the ECC's further evaluation and approval of the final terms.

This long-term employee benefit liability was recognized and measured using the projected unit credit method and was amortized on a straight-line basis over the vesting period.

The expense accrued for the LTIP amounted to Php1,136 million, Php839 million and Php1,272 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The accrued incentive payable amounted to Php3,406 million and Php2,183 million as at December 31, 2024 and 2023, respectively. See *Note 5 – Income and Expenses – Compensation and Employee Benefits* and *Note 25 – Pension and Other Employee Benefits – Other Long-term Employee Benefits*.

Provision for asset retirement obligations

Provision for asset retirement obligations is recognized in the period in which this is incurred if a reasonable estimate can be made. This requires an estimation of the cost to restore or dismantle on a per square meter basis, depending on the location, and is based on the best estimate of the expenditure required to settle the obligation at the future restoration or dismantlement date, discounted using a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risk specific to the liability. Total provision for asset retirement obligations amounted to Php1,752 million and Php1,164 million as at December 31, 2024 and 2023, respectively. See *Note 21 – Deferred Credits and Other Noncurrent Liabilities*.

Provision for legal contingencies and tax assessments

We are currently involved in various legal proceedings and tax assessments. Our estimates of the probable costs for the resolution of these claims have been developed in consultation with our counsel handling the defense in these matters and are based upon our analysis of potential results. Based on management's assessment, appropriate provisions were made. We currently do not believe these proceedings could materially reduce our revenues and profitability. It is possible, however, that future financial position and performance could be materially affected by changes in our estimates or the effectiveness of our strategies relating to these proceedings and assessments. See *Note 26 – Provisions and Contingencies*.

Determination of fair values of financial assets and financial liabilities

When the fair value of financial assets and financial liabilities recorded in our consolidated statements of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Other than those whose carrying amounts are reasonable approximations of fair values, total fair values of noncurrent financial assets and noncurrent financial liabilities as at December 31, 2024 amounted to Php3,066 million and Php247,962 million, respectively, while the total fair values of noncurrent financial assets and noncurrent financial liabilities as at December 31, 2023 amounted to Php3,571 million and Php233,845 million, respectively. See *Note 27 – Financial Assets and Liabilities*.

4. Operating Segment Information

Operating segments are components of the PLDT Group that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of PLDT Group). The operating results of these operating segments are regularly reviewed by the Executive Committee to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available.

For management purposes, we are organized into business units based on our products and services. We have three reportable operating segments as follows:

- Wireless – mobile telecommunications services provided by Smart and DMPI, our mobile service providers; SBI and PDSI, our wireless broadband service providers; and certain subsidiaries of PLDT Global;
- Fixed Line – fixed line telecommunications services primarily provided by PLDT. We also provide fixed line services through PLDT's subsidiaries, namely, ClarkTel, BCC and PLDT Global and certain subsidiaries; data center, cloud, cybersecurity services, managed information technology services through ePLDT and its subsidiaries; distribution of Filipino channels and content through PGNL and its subsidiaries; and software development and IT solutions provided by Multisys; and
- Others – PCEV, PGIH, PLDT Digital and its subsidiaries, our investment companies.

See *Note 2 – Summary of Material Accounting Policies* for further discussion.

Segment revenues, segment expenses and segment results include transfers between business segments. These transfers are eliminated in full upon consolidation.

The amounts of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in our consolidated financial statements, which is in accordance with PFRS Accounting Standards. The segment revenues, net income, and other segment information of our reportable operating segments for the years ended December 31, 2024, 2023 and 2022, and as at December 31, 2024 and 2023 are as follows:

	Wireless	Fixed Line	Others	Inter-segment Transactions	Consolidated
	(in million pesos)				
December 31, 2024					
Revenues					
External customers	104,944	111,889	—	—	216,833
Service revenues	96,989	111,393	—	—	208,382
Non-service revenues	7,955	496	—	—	8,451
Inter-segment transactions	790	14,601	—	(15,391)	—
Service revenues	790	14,601	—	(15,391)	—
Non-service revenues	—	—	—	—	—
Total revenues	105,734	126,490	—	(15,391)	216,833
Results					
Depreciation and amortization	36,297	29,065	—	(9,374)	55,988
Asset impairment	906	3,415	—	—	4,321
Interest income	698	230	15	(27)	916
Equity share in net losses of associates and joint ventures	—	(67)	(923)	—	(990)
Financing costs – net	9,763	7,456	—	(1,719)	15,500
Provision for (benefit from) income tax	3,276	6,501	(9)	370	10,138
Net income (loss) / Segment profit (loss)	11,060	32,392	(1,069)	(9,828)	32,555
Assets and liabilities					
Operating assets	326,672	291,635	19,879	(82,318)	555,868
Investments in associates and joint ventures	108	44,758	7,898	—	52,764
Deferred income tax assets – net	6,537	8,014	62	30	14,643
Total assets	333,317	344,407	27,839	(82,288)	623,275
Operating liabilities	280,160	287,993	1,182	(62,855)	506,480
Deferred income tax liabilities	15	43	—	2	60
Total liabilities	280,175	288,036	1,182	(62,853)	506,540
Other segment information					
Capital expenditures, including capitalized interest (Note 9) ⁽¹⁾⁽²⁾	40,767	37,294	185	—	78,246

⁽¹⁾ Net of additions subject to sale and leaseback from tower companies.

⁽²⁾ Includes capitalization of subscriber contract cost to fulfill.

	Wireless	Fixed Line	Others	Inter-segment Transactions	Consolidated
	(in million pesos)				
December 31, 2023					
Revenues					
External customers	103,718	107,236	—	—	210,954
Service revenues	94,994	106,838	—	—	201,832
Non-service revenues	8,724	398	—	—	9,122
Inter-segment transactions	683	13,498	—	(14,182)	(1)
Service revenues	683	13,498	—	(14,181)	—
Non-service revenues	—	—	—	(1)	(1)
Total revenues	104,401	120,734	—	(14,182)	210,953
Results					
Depreciation and amortization	31,498	36,855	—	(9,912)	58,441
Asset impairment	648	3,784	—	—	4,432
Interest income	720	324	7	(35)	1,016
Equity share in net losses of associates and joint ventures	—	(595)	(2,211)	—	(2,806)
Financing costs – net	9,034	6,824	—	(2,103)	13,755
Provision for income tax	5,537	4,015	1	59	9,612
Net income (loss) / Segment profit (loss)	17,522	26,514	(2,270)	(14,901)	26,824
Continuing operations	17,522	26,514	(2,270)	(14,901)	26,865
Discontinued operations (Notes 2 and 8)	—	—	—	—	(41)
December 31, 2023					
Assets and liabilities					
Operating assets	291,140	260,220	13,415	(23,736)	541,039
Investments in associates and joint ventures	41	42,709	7,558	—	50,308
Deferred income tax assets – net	5,356	11,270	53	1,493	18,172
Total assets	296,537	314,199	21,026	(22,243)	609,519
Operating liabilities	233,237	279,660	1,883	(15,812)	498,968
Deferred income tax liabilities	—	165	—	—	165
Total liabilities	233,237	279,825	1,883	(15,812)	499,133
December 31, 2023					
Other segment information					
Capital expenditures, including capitalized interest (Note 9) ⁽¹⁾	36,797	48,286	—	—	85,083

⁽¹⁾ Net of additions subject to sale and leaseback from tower companies.

	Wireless	Fixed Line	Others	Inter-segment Transactions	Consolidated
	(in million pesos, except for EBITDA margin)				
December 31, 2022					
Revenues					
External customers	103,482	100,880	—	—	204,362
Service revenues	95,060	100,284	—	—	195,344
Non-service revenues	8,422	596	—	—	9,018
Inter-segment transactions	792	26,930	—	(27,722)	—
Service revenues	792	26,930	—	(27,722)	—
Total revenues	104,274	127,810	—	(27,722)	204,362
Results					
Depreciation and amortization	52,660	55,707	—	(9,736)	98,631
Asset impairment	1,173	4,870	1	—	6,044
Interest income	451	202	14	(14)	653
Equity share in net gains (losses) of associates and joint ventures	—	(253)	(3,051)	—	(3,304)
Financing costs – net	8,349	6,100	—	(2,690)	11,759
Provision for (benefit from) income tax	3,793	(1,102)	(134)	140	2,697
Net income (loss) / Segment profit (loss)	15,104	16,766	(2,669)	(17,866)	10,735
Continuing operations	15,104	16,766	(2,669)	(17,866)	11,335
Discontinued operations (Notes 2 and 8)	—	—	—	—	(600)
Other segment information					
Capital expenditures, including capitalized interest (Note 9) ⁽¹⁾	46,636	50,174	—	—	96,810

⁽¹⁾ Net of additions subject to sale and leaseback from tower companies.

The following table presents our revenues from external customers by category of products and services for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
	(in million pesos)		
Wireless services			
Service revenues:			
Mobile	95,508	93,365	93,029
Home broadband	1,481	1,629	2,028
Others	—	—	3
	96,989	94,994	95,060
Non-service revenues:			
Sale of mobile handsets and broadband data modems	7,955	8,724	8,422
Total wireless revenues	104,944	103,718	103,482
Fixed line services			
Service revenues:			
Data	82,893	81,509	77,889
Voice and miscellaneous	28,500	25,329	22,395
	111,393	106,838	100,284
Non-service revenues:			
Sale of phone units, devices and others	496	397	596
Total fixed line revenues	111,889	107,235	100,880
Total revenues	216,833	210,953	204,362

Disclosure of the geographical distribution of our revenues from external customers and the geographical location of our total assets are not provided since majority of our consolidated revenues are derived from our operations within the Philippines.

There is no revenue transaction with a single external customer that accounted for 10% or more of our consolidated revenues from external customers for the years ended December 31, 2024, 2023 and 2022.

5. Income and Expenses

Revenues from Contracts with Customers

Disaggregation of Revenue

We derived our revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under PFRS Accounting Standards 8, *Operating Segments*. See Note 4 – *Operating Segment Information*.

Set out is the disaggregation of PLDT Group's revenues from contracts with customers for the years ended December 31, 2024, 2023 and 2022:

Revenue Streams	Wireless	Fixed Line	Others	Inter-segment Transactions	Consolidated
(in million pesos)					
December 31, 2024					
Type of good or service					
Service revenue	97,779	125,994	—	(15,391)	208,382
Non-service revenue	7,955	496	—	—	8,451
Total revenues from contracts with customers	105,734	126,490	—	(15,391)	216,833
Timing of revenue recognition					
Transferred over time	97,779	125,994	—	(15,391)	208,382
Transferred at a point time	7,955	496	—	—	8,451
Total revenues from contracts with customers	105,734	126,490	—	(15,391)	216,833
December 31, 2023					
Type of good or service					
Service revenue	95,677	120,336	—	(14,181)	201,832
Non-service revenue	8,724	398	—	(1)	9,121
Total revenues from contracts with customers	104,401	120,734	—	(14,182)	210,953
Timing of revenue recognition					
Transferred over time	95,677	120,336	—	(14,181)	201,832
Transferred at a point time	8,724	398	—	(1)	9,121
Total revenues from contracts with customers	104,401	120,734	—	(14,182)	210,953
December 31, 2022					
Type of good or service					
Service revenue	95,852	127,214	—	(27,722)	195,344
Non-service revenue	8,422	596	—	—	9,018
Total revenues from contracts with customers	104,274	127,810	—	(27,722)	204,362
Timing of revenue recognition					
Transferred over time	95,852	127,214	—	(27,722)	195,344
Transferred at a point time	8,422	596	—	—	9,018
Total revenues from contracts with customers	104,274	127,810	—	(27,722)	204,362

Remaining performance obligations are associated with our wireless and fixed line subscription contracts. As at December 31, 2024, excluding the performance obligations for contracts with original expected duration of less than one year, the aggregate amount of the transaction price allocated to remaining performance obligations was Php45,868 million, of which we expect to recognize approximately 51% in 2025 and 49% in 2026 and onwards. As at December 31, 2023, excluding the performance obligations for contracts with original expected duration of less than one year, the aggregate amount of the transaction price allocated to remaining performance obligations was Php40,487 million, of which we recognized approximately 56% in 2024 and expect to recognize 44% in 2025 and onwards.

Contract Balances

Contract balances as at December 31, 2024 and 2023 consists of the following:

	2024	2023
	(in million pesos)	
Trade and other receivables (Note 16)	48,808	43,301
Contract assets	1,953	1,960
Contract liabilities and unearned revenues (Notes 21 and 23)	16,067	18,895

Set out below is the movement in the allowance for expected credit losses of contracts assets as at December 31, 2024 and 2023.

	2024	2023
	(in million pesos)	
Balances at beginning of the year	42	45
Provisions	—	—
Reversals and reclassification	25	(3)
Balances at end of the year	67	42

Changes in the contract liabilities and unearned revenues accounts for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Balances at beginning of the year	18,895	17,114
Deferred during the year	123,975	135,982
Recognized as revenue during the year	(126,803)	(134,201)
Balances at end of the year	16,067	18,895

The contract liabilities and unearned revenues accounts as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Unearned revenues from prepaid contracts	6,543	6,864
Short-term advances for installation services	2,773	5,004
Leased facilities	4,630	4,851
Advance monthly service fees	2,098	2,152
Long-term advances from equipment	23	24
Total contract liabilities and unearned revenues	16,067	18,895
Contract liabilities:		
Noncurrent (Note 21)	256	300
Current (Note 23)	17	16
Unearned revenues:		
Noncurrent (Note 21)	5,369	7,906
Current (Note 23)	10,425	10,673

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the years ended December 31, 2024, 2023 and 2022 consist of the following:

	2024	2023	2022
	(in million pesos)		
Repairs and maintenance	30,653	30,186	28,923
Compensation and employee benefits	24,479	24,644	29,256
Professional and other contracted services	7,878	9,077	8,828
Selling and promotions	5,427	8,037	6,558
Taxes and licenses	5,156	5,215	4,044
Insurance and security services	1,408	1,344	1,576
Rent	1,398	1,372	2,031
Communication, training and travel	1,165	1,229	1,467
Amortization of intangible assets (Note 14)	240	221	228
Other expenses	504	551	1,565
Total selling, general and administrative expenses	78,308	81,876	84,476

Compensation and Employee Benefits

Compensation and employee benefits for the years ended December 31, 2024, 2023 and 2022 consist of the following:

	2024	2023	2022
	(in million pesos)		
Salaries and other employee benefits	20,214	20,358	21,213
Manpower Rightsizing Program (MRP)	1,688	2,021	5,028
Pension benefit costs (Note 25)	1,441	1,426	1,743
Incentive plan (Note 25)	1,136	839	1,272
Total compensation and employee benefits	24,479	24,644	29,256

Over the past several years, we have been implementing the MRP in line with our continuing efforts to reduce the cost base of our businesses. The decision to implement the MRP was a result of challenges faced by our businesses as significant changes in technology, increasing competition, and shifting market preferences have reshaped the future of our businesses. The MRP is being implemented in compliance with the Labor Code of the Philippines and all other relevant labor laws and regulations in the Philippines.

Cost of Sales and Services

Cost of sales and services for the years ended December 31, 2024, 2023 and 2022 consist of the following:

	2024	2023	2022
	(in million pesos)		
Cost of mobile handsets, phone units, broadband data modems and devices	10,046	10,948	11,029
Cost of services	3,965	4,144	3,143
Total cost of sales and services	14,011	15,092	14,172

Asset Impairment

Asset impairment for the years ended December 31, 2024, 2023 and 2022 consist of the following:

	2024	2023	2022
	(in million pesos)		
Trade and other receivables (Note 16)	3,875	4,119	5,126
Inventories and supplies (Note 17)	196	89	408
Contract assets	181	224	227
Property and equipment	67	—	282
Prepayments and other nonfinancial assets	2	—	1
Total asset impairment	4,321	4,432	6,044

Other Income (Expenses) – Net

Other income (expenses) – net for the years ended December 31, 2024, 2023 and 2022 consist of the following:

	2024	2023	2022
	(in million pesos)		
Gains on derivative financial instruments – net (Note 27)	4,023	1,198	2,322
Gain on sale and leaseback of telecom towers – gross of expenses (Note 9)	1,442	7,777	25,852
Interest income	916	1,016	653
Income from prescription of preferred shares redemption liability (Note 19)	71	—	7,839
Gain on disposal of property and equipment	85	468	148
Gain on dilution of shares in MIH (Note 11)	—	—	660
Loss on debt modification ⁽¹⁾	—	—	295
Foreign exchange gains (losses) – net	(36)	1,149	(4,687)
Equity share in net losses of associates and joint ventures (Note 11)	(990)	(2,806)	(3,304)
Financing costs – net	(15,500)	(13,755)	(11,759)
Others – net	2,195	736	1,078
Total other income (expenses) – net	(7,794)	(4,217)	19,097

⁽¹⁾ PLDT and Smart re-negotiated terms of selected outstanding Philippine Peso loans in 2022. Under PFRS Accounting Standards 9, the difference of the current carrying value and the present value of the modified cash flows of the loan should be recognized as a gain or loss on debt modification.

Interest Income

Interest income for the years ended December 31, 2024, 2023 and 2022 consist of the following:

	2024	2023	2022
	(in million pesos)		
Interest income arising from revenue contracts with customers	574	467	294
Interest income on cash and cash equivalents (Note 15)	267	469	255
Interest income on financial instruments at amortized cost	47	54	59
Interest income on financial instruments at FVPL	8	12	12
Interest income – others	20	14	33
Total interest income	916	1,016	653

Financing Costs – Net

Financing costs – net for the years ended December 31, 2024, 2023 and 2022 consist of the following:

	2024	2023	2022
	(in million pesos)		
Interest on loans and other related items	13,620	12,159	10,860
Accretion on lease liabilities (Note 10)	3,935	3,266	2,057
Accretion on financial liabilities	455	409	375
Financing charges	79	90	215
Capitalized interest (Note 9)	(2,589)	(2,169)	(1,748)
Total financing costs – net	15,500	13,755	11,759

6. Components of Other Comprehensive Income (Loss)

Changes in other comprehensive loss under equity of our consolidated statements of financial position for the years ended December 31, 2024, 2023 and 2022 are as follows:

	Foreign currency translation differences of subsidiaries	Net loss on financial investments at FVPL – net of tax	Net transactions on cash flow hedges – net of tax	Revaluation increment on investment properties – net of tax	Actuarial gains (losses) on defined benefit plans – net of tax	Share in the other comprehensive loss of associates and joint ventures accounted for using the equity method	Fair value changes of financial instrument at FVOCI	Total other comprehensive loss attributable to equity holders of PLDT	Share of noncontrolling interests	Total other comprehensive loss – net of tax
					(in million pesos)					
Balances as at January 1, 2024	133	—	(4,608)	544	(38,260)	(21)	—	(42,212)	10	(42,202)
Other comprehensive income (loss)	141	—	(1,547)	1,196	(1,462)	(8)	—	(1,680)	(60)	(1,740)
Balances as at December 31, 2024	274	—	(6,155)	1,740	(39,722)	(29)	—	(43,892)	(50)	(43,942)
Balances as at January 1, 2023	149	(9)	(3,287)	544	(32,856)	(20)	(3)	(35,482)	25	(35,457)
Other comprehensive income (loss)	(8)	—	(1,256)	—	(5,469)	3	—	(6,730)	(15)	(6,745)
	141	(9)	(4,543)	544	(38,325)	(17)	(3)	(42,212)	10	(42,202)
Adjustments	(8)	9	(65)	—	65	(4)	3	—	—	—
Balances as at December 31, 2023	133	—	(4,608)	544	(38,260)	(21)	—	(42,212)	10	(42,202)
Balances as at January 1, 2022	366	(9)	(1,965)	544	(35,356)	(14)	(3)	(36,437)	15	(36,422)
Other comprehensive income (loss)	(217)	—	(2,544)	—	2,500	(6)	—	(267)	10	(257)
Cashflow hedges to retained earnings	—	—	1,222	—	—	—	—	1,222	—	1,222
Balances as at December 31, 2022	149	(9)	(3,287)	544	(32,856)	(20)	(3)	(35,482)	25	(35,457)

Revaluation increment on investment properties pertains to the difference between the carrying value and fair value of property and equipment transferred to investment property at the time of change in classification.

7. Income Taxes

Corporate Income Tax

The major components of consolidated net deferred income tax assets and liabilities recognized in our consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Net deferred income tax assets	14,643	18,172
Net deferred income tax liabilities	60	165

The components of our consolidated net deferred income tax assets and liabilities as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Net deferred income tax assets:		
Unearned revenues	3,914	5,192
Accumulated provision for expected credit losses	3,618	3,667
Lease liability over ROU assets under PFRS Accounting Standards 16 ⁽¹⁾	3,240	3,448
Pension and other employee benefits	2,607	2,224
Fixed asset impairment/depreciation due to shortened life of property and equipment	2,480	2,875
Unamortized past service pension costs	1,908	2,629
Unrealized foreign exchange gains	1,404	1,157
Accumulated write-down of inventories to net realizable values	371	393
NOLCO	266	199
Excess MCIT over RCIT	13	—
Taxes and duties capitalized	(167)	(147)
Derivative financial instruments	(203)	215
Customer list and trademark	(361)	(272)
Capitalized charges and others	(4,447)	(3,408)
Total deferred income tax assets – net	14,643	18,172
Net deferred income tax liabilities:		
Investment property	389	240
Unrealized foreign exchange gains	22	21
Others	(351)	(96)
Total deferred income tax liabilities	60	165

⁽¹⁾ As at December 31, 2024 and 2023, the deferred tax asset on lease liability amounted to Php13,234 million and Php11,909 million, respectively while the deferred tax liability on right of use asset amounted to Php9,994 million and Php8,461 million, respectively.

Changes in our consolidated net deferred income tax assets (liabilities) as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Net deferred income tax assets – balances at beginning of the year	18,172	17,636
Net deferred income tax liabilities – balances at beginning of the year	(165)	(204)
Net balances at beginning of the year	18,007	17,432
Movement charged directly to other comprehensive income (loss)	597	2,226
Provision for deferred income tax	(3,938)	(1,648)
Others	(83)	(3)
Net balances at end of the year	14,583	18,007
Net deferred income tax assets – balances at end of the year	14,643	18,172
Net deferred income tax liabilities – balances at end of the year	(60)	(165)

The analysis of our consolidated net deferred income tax assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Deferred income tax assets:		
Deferred income tax assets to be recovered after 12 months	11,449	15,423
Deferred income tax assets to be recovered within 12 months	3,194	2,749
Net deferred income tax assets	14,643	18,172

The analysis of our consolidated net deferred income tax liabilities as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after 12 months	106	165
Deferred income tax liabilities to be settled within 12 months	(46)	—
Net deferred income tax liabilities	60	165

Provision for (benefit from) income tax for the years ended December 31, 2024, 2023 and 2022 consist of:

	2024	2023	2022
	(in million pesos)		
Current	6,200	7,964	6,949
Deferred (Note 3)	3,938	1,648	(4,175)
	10,138	9,612	2,774

The impact of the application of MCIT amounting to Php53 thousand, Php103 million and Php5 million for the years ended December 31, 2024, 2023 and 2022, respectively, were considered in the provisions for current and deferred income taxes.

The reconciliation between the provision for income tax at the applicable statutory tax rate and the actual provision for corporate income tax for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
	(in million pesos)		
Provision for income tax at the applicable statutory tax rate	10,673	9,109	3,377
Tax effects of:			
Equity share in net losses of associates and joint ventures	207	701	427
Loss (income) not subject to income tax	57	(97)	16
Nondeductible expenses	12	326	145
NOLCO/MCIT expiration	1	25	3
Net movement in unrecognized deferred income tax assets and other adjustments	(127)	338	(103)
Income subject to final tax	(172)	(251)	(185)
Special deductible items and income subject to lower tax rate	(210)	(163)	(141)
Difference between Optional Standard Deduction (OSD) and itemized deductions	(303)	(376)	(765)
Actual provision for income tax	10,138	9,612	2,774

The breakdown of our consolidated deductible temporary differences, carryforward benefits of unused tax credits from excess of MCIT over RCIT, and NOLCO (excluding those not recognized due to the adoption of the OSD method) for which no deferred income tax assets were recognized and the equivalent amount of unrecognized deferred income tax assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Accumulated provision for expected credit losses	1,266	1,294
NOLCO	1,208	1,541
Customer list and trademark	428	49
Fixed asset impairment	169	192
Unrealized foreign exchange losses	50	37
Derivative financial instruments	35	44
Provisions	25	72
Accumulated write-down of inventories to net realizable values	15	22
Unearned revenues	9	9
Lease liability over ROU assets under PFRS Accounting Standards 16	3	1
Excess MCIT over RCIT	2	2
Pension and other employee benefits	(5)	(3)
	3,205	3,260
Unrecognized deferred income tax assets	803	817

In 2024, DMPI, IP Converge and VITRO availed the OSD method in computing their taxable income. This assessment is based on projected taxable profits at a level where it is favorable to use OSD method. These companies are also expected to avail of the OSD method in the foreseeable future. Thus, certain deferred income tax assets of DMPI, IP Converge and VITRO amounting to Php237 million and Php208 million as at December 31, 2024 and 2023, respectively, were not recognized.

Our consolidated deferred income tax assets have been recorded to the extent that such consolidated deferred income tax assets are expected to be utilized against sufficient future taxable profit. Deferred income tax assets shown in the preceding table were not recognized as we believe that future taxable profit will not be sufficient to realize these deductible temporary differences and carryforward benefits of unused tax credits from excess of MCIT over RCIT, and NOLCO in the future.

The breakdown of our consolidated excess MCIT and NOLCO as at December 31, 2024 are as follows:

Date Incurred	Expiry Date	MCIT	NOLCO
(in million pesos)			
December 31, 2021 ⁽¹⁾	December 31, 2026	—	53
December 31, 2022	December 31, 2025	—	687
December 30, 2023	December 31, 2026	1	1,113
December 31, 2024	December 31, 2026	22	466
		23	2,319
Consolidated tax benefits		23	580
Consolidated unrecognized deferred income tax assets		(2)	(314)
Consolidated recognized deferred income tax assets		21	266

⁽¹⁾ Under R.A. 11494.

The excess MCIT totaling Php23 million as at December 31, 2024 can be deducted against future RCIT liability. The excess MCIT that was deducted against RCIT amounted to nil, Php103 million and Php5 million for the years ended December 31, 2024, 2023 and 2022, respectively. The amount of expired MCIT amounted to Php1 million, Php14 million and Php3 million for the years ended December 31, 2024, 2023 and 2022, respectively.

NOLCO totaling Php2,319 million as at December 31, 2024 can be claimed as deduction against future taxable income. The NOLCO claimed as deduction against taxable income amounted to Php459 million, Php129 million and Php42 million for the years ended December 31, 2024, 2023 and 2022, respectively. The amount of expired NOLCO amounted to nil, Php47 million and Php225 thousand for the years ended December 31, 2024, 2023 and 2022, respectively.

Republic Act No. 11494 Bayanihan to Recover as One Act, or Bayanihan II

Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act, or Bayanihan II, was signed by President Rodrigo Duterte on September 11, 2020. It contains the government's second wave of relief measures to address the health and economic crises that stemmed from the COVID-19 outbreak.

As part of mitigating the costs and losses stemming from the disruption of economic activities, Bayanihan II extended the carry-over of the NOLCO incurred in 2021 as deductions from gross income for the next five consecutive taxable years immediately following the year of the loss. Hence, NOLCO incurred in 2021 amounting to Php53 million, which ordinarily can be carried over until December 31, 2024, has been extended until December 31, 2026.

Registration with Clark Special Economic Zone

ClarkTel's franchise expired on July 1, 2024. Prior to the expiration, ClarkTel's Board of Directors applied for a national franchise. The franchise application has been filed and for evaluation of Congress as of report date. Considering the timeline for the national franchise grant, the Company also applied for value added services (VAS) license with the National Telecommunications Commission to ensure continued services to subscribers. The license was approved on November 20, 2024 with a validity period of up to November 19, 2029.

ClarkTel is registered with Clark Special Economic Zone, or Economic Zones, under Republic Act No. 7227 otherwise known as the Bases Conversion and Development Act of 1992. As a registrant, ClarkTel is entitled to all the rights, privileges and benefits established thereunder including tax and duty-free importation of capital equipment and a special income tax rate of 5% of gross income, as defined in Republic Act No. 7227. These incentives are in effect until May 11, 2027 by virtue of a License to Operate issued by Clark Development Corporation.

Our consolidated income derived from non-registered activities within the Economic Zones is subject to the RCIT rate at the end of the reporting period.

8. Earnings Per Common Share

The following table presents information necessary to calculate the EPS for the years ended December 31, 2024, 2023 and 2022:

	2024		2023		2022 ⁽¹⁾	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
(in million pesos)						
Net income attributable to equity holders of PLDT from:						
Continuing operations	32,307	32,307	26,655	26,655	11,085	11,085
Discontinued operations	—	—	(41)	(41)	(600)	(600)
Consolidated net income attributable to common shares	32,307	32,307	26,614	26,614	10,485	10,485
Dividends on preferred shares (Note 19)	(59)	(59)	(59)	(59)	(59)	(59)
Consolidated net income attributable to common equity holders of PLDT	32,248	32,248	26,555	26,555	10,426	10,426
(in thousands, except per share amounts which are in pesos)						
Outstanding common shares at beginning of year	216,056	216,056	216,056	216,056	216,056	216,056
Weighted average number of common shares	216,056	216,056	216,056	216,056	216,056	216,056
EPS from continuing operations	149.26	149.26	123.10	123.10	51.03	51.03
EPS from discontinued operations	—	—	(0.19)	(0.19)	(2.77)	(2.77)
EPS attributable to common equity holders of PLDT	149.26	149.26	122.91	122.91	48.26	48.26

⁽¹⁾ To be comparable with 2023, certain amounts for the years ended December 31, 2022 have been reclassified to reflect the discontinued operations of certain ePLDT subsidiaries. See Note 2 – Summary of Material Accounting Policies – Discontinued Operations for further discussion.

Basic EPS amounts are calculated by dividing our consolidated net income for the period attributable to common equity holders of PLDT (consolidated net income adjusted for dividends on all series of preferred shares, except for dividends on preferred stock subject to mandatory redemption) by the weighted average number of common shares issued and outstanding during the year.

Diluted EPS amounts are calculated in the same manner assuming that, at the beginning of the year or at the time of issuance during the year, all outstanding options are exercised, convertible preferred shares are converted to common shares, and appropriate adjustments to our consolidated net income are effected for the related income and expenses on preferred shares. Outstanding stock options will have a dilutive effect only when the average market price of the underlying common share during the year exceeds the exercise price of the stock option.

Convertible preferred shares are deemed dilutive when required dividends declared on each series of convertible preferred shares divided by the number of equivalent common shares, assuming such convertible preferred shares are converted to common shares, decreases the basic EPS. As such, the diluted EPS is calculated by dividing our consolidated net income attributable to common shareholders (consolidated net income, adding back any dividends and/or other charges recognized for the year related to the dilutive convertible preferred shares classified as liability, less dividends on non-dilutive preferred shares except for dividends on preferred stock subject to mandatory redemption) by the weighted average number of common shares excluding the weighted average number of common shares held as treasury shares, and including the common shares equivalent arising from the conversion of the dilutive convertible preferred shares.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options has an anti-dilutive effect, basic and diluted EPS are stated at the same amount.

9. Property and Equipment

Changes in property and equipment account for the years ended December 31, 2024 and 2023 are as follows:

	Cable and wire facilities	Central equipment	Network facilities	Building and lease improvement	Vehicles, furniture and other network equipment	Information Origination Termination	Land and land improvements	IT systems and platforms	Security platforms	Property under construction	Total
(in million pesos)											
December 31, 2024											
Net book value at beginning of the year	81,227	384	101,941	7,979	3,654	—	4,122	18,794	1,162	67,840	287,103
Additions (Note 4)	86	—	70	31	397	—	—	598	—	69,730	70,912
Disposals/retirements	—	—	(19)	(1)	(234)	—	—	(1)	(129)	—	(384)
Reclassification	31,435	—	33,692	542	(809)	—	456	5,561	202	(69,167)	1,912
Translation differences charged directly to cumulative translation adjustments	1	—	—	—	1	—	—	—	—	—	2
Adjustments	—	(25)	—	—	25	—	—	—	—	(185)	(185)
Impairment losses recognized during the year	—	—	—	—	—	—	—	—	(67)	—	(67)
Depreciation and amortization (Note 3)	(11,484)	(102)	(19,178)	(1,247)	(1,063)	—	(104)	(7,742)	(304)	—	(41,224)
Net book value at end of the year	101,265	257	116,506	7,304	1,971	—	4,474	17,210	864	68,218	318,069
As at December 31, 2024											
Cost	316,803	532	362,387	27,884	36,467	—	4,960	56,418	1,930	68,218	875,599
Accumulated depreciation, impairment and amortization	(215,538)	(275)	(245,881)	(20,580)	(34,496)	—	(486)	(39,208)	(1,066)	—	(557,530)
Net book value	101,265	257	116,506	7,304	1,971	—	4,474	17,210	864	68,218	318,069
December 31, 2023											
Net book value at beginning of the year	70,957	3,606	101,963	6,646	4,157	34,786	4,272	10,798	133	55,427	292,745
Additions (Note 4)	5,221	19	4,913	108	529	7,945	212	952	11	65,173	85,083
Disposals/retirements	(1)	—	(17)	(8)	(119)	—	(320)	(6)	—	—	(471)
Reclassification	—	—	1,311	—	—	(24,470)	—	—	—	(15,269)	(38,428)
Transfers and others	14,484	—	10,245	2,291	321	204	68	8,364	1,210	(37,187)	—
Translation differences charged directly to cumulative translation adjustments	1	—	—	—	1	—	—	—	—	—	2
Adjustments	—	(3,055)	—	13	1	(83)	(45)	3,106	84	(304)	(283)
Depreciation and amortization from continuing operations (Notes 2 and 3)	(9,435)	(186)	(16,474)	(1,071)	(1,234)	(18,382)	(65)	(4,420)	(276)	—	(51,543)
Depreciation and amortization from discontinued operations (Notes 2 and 3)	—	—	—	—	(2)	—	—	—	—	—	(2)
Net book value at end of the year	81,227	384	101,941	7,979	3,654	—	4,122	18,794	1,162	67,840	287,103
As at December 31, 2023											
Cost	280,237	683	344,218	28,881	40,387	—	4,504	50,344	1,914	67,840	819,008
Accumulated depreciation, impairment and amortization	(199,010)	(299)	(242,277)	(20,902)	(36,733)	—	(382)	(31,550)	(752)	—	(531,905)
Net book value	81,227	384	101,941	7,979	3,654	—	4,122	18,794	1,162	67,840	287,103

^(a) This includes amortization of cost to fulfill amounting to Php11,789 million.

Interest capitalized to property and equipment that qualified as borrowing costs amounted to Php2,589 million, Php2,169 million and Php1,748 million for the years ended December 31, 2024, 2023 and 2022, respectively. See Note 5 – *Income and Expenses – Financing Costs – Net*. The average interest capitalization rate used was approximately 5% for the year ended December 31, 2024 and 4% for the years ended December 31, 2023 and 2022.

Our net foreign exchange gain differences, which qualified as borrowing costs, amounted to Php686 million, Php195 million and Php351 million for the years ended December 31, 2024, 2023 and 2022, respectively.

As at December 31, 2024, the estimated useful lives of our property and equipment are as follows:

Cable and wire facilities	5 – 15 years
Central equipment	3 – 15 years
Network facilities	3 – 20 years
Buildings	25 – 50 years
Vehicles, furniture and other network equipment	3 – 15 years
Land improvements	10 years
IT systems and platforms	3 – 5 years
Security platforms ⁽¹⁾	3 – 5 years
Leasehold improvements	3 – 10 years or the term of the lease, whichever is shorter

⁽¹⁾ As at December 31, 2023, the estimated useful life ranges from 3-5 years.

See Note 3 – *Management’s Use of Accounting Judgments, Estimates and Assumptions – Estimating useful lives of property and equipment*.

Sale and Leaseback of Telecom Towers

On various dates in 2022 and 2023, Smart and DMPI signed Sale and Purchase Agreements with Edotco Towers, Inc., Edgepoint Towers, Inc., Unity Digital Infrastructure and Frontier Tower Associates Philippines, Inc., or the TowerCos, in connection with the sale of 7,569 telecom towers and related passive telecommunication infrastructure for Php98,309 million.

Concurrent with the execution of the Sale and Purchase Agreements, Smart also entered into Master Service Agreements, or MSAs, with the TowerCos wherein Smart agreed to lease back the towers sold in the transaction for a period of 10 years. In addition to space, the TowerCos are responsible for providing operations and maintenance services, as well as power to the sites. The sale and leaseback with the TowerCos is complemented by a commitment to place service orders for a total of 1,220 Build-To-Suit, or BTS, sites within the next two to four years and 1,050 committed BTS sites within the next two to four years. Thus, total committed BTS sites with the TowerCos is 2,270 sites. The closing of the agreements is on a staggered basis depending on the satisfaction of closing conditions based on the number of towers transferred.

The following summarizes the completed sale of Smart and DMPI telecom towers as at December 31, 2024:

Closing Date	Number of Tower Assets Sold	Cash Consideration	Gain on Sale and Leaseback	Net Book Value of Tower Assets (excluding taxes)
		(in million pesos)	(in million pesos)	
2022	4,665	60,492	25,234	22,874
2023	1,705	22,465	7,467	13,377
2024	356	4,362	1,471	1,739
	6,726	87,319	34,172 ⁽¹⁾	37,990

⁽¹⁾ Gross of related transaction costs.

The remaining telecom towers with net book value of Php4,547 million and Php7,163 million as at December 31, 2024 and 2023, respectively, subject to sale and purchase agreement within one year, were reclassified from “Property and equipment” to “Assets classified as held-for-sale” under current assets in our consolidated statement of financial position.

10. Leases

Group as a Lessee

We have lease contracts for various items of sites, buildings, leased circuits and poles used in our operations. We considered in the lease term the non-cancellable period of the lease together with the periods covered by an option to extend and option to terminate the lease.

Our consolidated estimated useful lives of ROU assets as at December 31, 2024 are as follows:

Sites	1 – 30 years
International leased circuits ⁽¹⁾	1 – 19 years
Poles	1 – 12 years
Domestic leased circuits ⁽²⁾	2 – 10 years
Office buildings	1 – 25 years
Co-located sites ⁽³⁾	2 – 11 years

⁽¹⁾ As at December 31, 2023, the estimated useful life ranges from 2-20 years.

⁽²⁾ As at December 31, 2023, the estimated useful life ranges from 1-10 years.

⁽³⁾ As at December 31, 2023, the estimated useful life ranges from 3-11 years.

Our consolidated roll forward analysis of ROU assets as at December 31, 2024 and 2023 are as follows:

	Sites	International Leased Circuits	Poles	Domestic Leased Circuits	Office Buildings	Co-located Sites	Total
	(in million pesos)						
December 31, 2024							
Costs:							
Balances at beginning of the year	38,461	4,305	3,364	2,001	1,144	53	49,328
Additions (Note 28)	8,683	1,546	4,273	763	334	8	15,607
Asset retirement obligation	571	—	—	—	5	—	576
Modifications	(1,180)	266	173	135	27	—	(579)
Terminations	(2,350)	(1,062)	(2,474)	(262)	(209)	—	(6,357)
Reclassification to ROU assets classified as held-for-sale	(138)	—	—	—	—	—	(138)
Balances at end of the year	44,047	5,055	5,336	2,637	1,301	61	58,437
Accumulated depreciation and amortization:							
Balances at beginning of the year	(7,599)	(3,298)	(3,156)	(1,632)	(887)	(39)	(16,611)
Modifications	108	(12)	(3)	(75)	(20)	—	(2)
Terminations	361	1,028	2,474	262	192	—	4,317
Depreciation (Note 3)	(4,763)	(828)	(1,054)	(365)	(295)	(10)	(7,315)
Reclassification to ROU assets classified as held-for-sale	285	—	—	—	—	—	285
Balances at end of the year	(11,608)	(3,110)	(1,739)	(1,810)	(1,010)	(49)	(19,326)
Net book value as at December 31, 2024	32,439	1,945	3,597	827	291	12	39,111
December 31, 2023							
Costs:							
Balances at beginning of the year	29,535	4,259	4,179	2,436	1,420	15	41,844
Additions (Note 28)	14,942	341	66	99	255	56	15,759
Asset retirement obligation	93	—	—	—	(26)	—	67
Modifications	(35)	(46)	(851)	(326)	(149)	(18)	(1,425)
Terminations	(3,566)	(249)	(30)	(208)	(356)	—	(4,409)
Reclassification to ROU assets classified as held-for-sale	(2,508)	—	—	—	—	—	(2,508)
Balances at end of the year	38,461	4,305	3,364	2,001	1,144	53	49,328
Accumulated depreciation and amortization:							
Balances at beginning of the year	(5,415)	(2,696)	(2,504)	(1,370)	(987)	(9)	(12,981)
Modifications	23	—	278	147	236	6	690
Charge from asset retirement obligation	16	—	—	—	17	—	33
Terminations	1,163	220	10	208	198	—	1,799
Depreciation from continuing operations (Notes 2 and 3)	(4,151)	(822)	(940)	(617)	(332)	(36)	(6,898)
Depreciation from discontinued operations (Notes 2 and 3)	—	—	—	—	(19)	—	(19)
Reclassification to ROU assets classified as held-for-sale	765	—	—	—	—	—	765
Balances at end of the year	(7,599)	(3,298)	(3,156)	(1,632)	(887)	(39)	(16,611)
Net book value as at December 31, 2023	30,862	1,007	208	369	257	14	32,717

The following amounts are recognized in our consolidated income statements for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
		(in million pesos)	
Depreciation expense of ROU assets from continuing operations	7,315	6,898	5,661
Depreciation expense of ROU assets from discontinued operations	—	19	55
Interest expense on lease liabilities from continuing operations	3,935	3,266	2,057
Interest expense on lease liabilities discontinued operations	—	2	7
Variable lease payments (included in general and administrative expenses) from continuing operations	829	656	589
Variable lease payments (included in general and administrative expenses) from discontinued operations	—	(2)	—
Expenses relating to short-term leases (included in general and administrative expenses)	569	714	1,440
Expenses relating to leases of low-value assets (included in general and administrative expenses)	—	2	2
Total amount recognized in consolidated income statements	12,648	11,555	9,811

Our consolidated roll forward analysis of lease liabilities as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Balances at beginning of the year	47,546	42,435
Additions (Note 28)	15,607	15,759
Accretion on lease liabilities from continuing operations (Note 5)	3,935	3,266
Accretion on lease liabilities from discontinued operations	—	2
Reclassification to lease liabilities classified as held-for-sale	(87)	(1,503)
Foreign exchange gains – net	100	1
Lease modifications	(121)	(933)
Termination	(863)	(774)
Settlement of obligations	(12,079)	(10,707)
Balances at end of the year (Notes 3 and 28)	54,038	47,546
Less current portion of lease liabilities (Note 27)	7,335	5,921
Noncurrent portion of lease liabilities (Note 27)	46,703	41,625

We had total cash outflows for leases of Php12,079 million, Php10,707 million and Php8,331 million for the years ended December 31, 2024, 2023 and 2022, respectively. We had non-cash additions to ROU assets of Php15,607 million and Php15,759 million and lease liabilities of Php15,607 million and Php15,759 million both as at December 31, 2024 and 2023, respectively. The future cash outflows relating to leases that have not yet commenced are disclosed in *Note 28 – Notes to the Statements of Cash Flows*.

We have entered into several lease contracts that include automatic extension and termination options. These options are negotiated by us to provide flexibility in managing the leased-asset portfolio and align with our business needs. However, in some of these lease contracts, we did not impute the renewal period in our assessment of the lease terms of these contracts since said renewal period is not yet reasonably estimable at the time of transition or commencement date of the lease. See *Note 3 – Managements Use of Accounting Judgments, Estimates and Assumptions – Determining the lease term of contracts with renewal and termination options – Company as a Lessee*.

As disclosed in *Note 9 – Property and Equipment*, on the sale and leaseback of telecom towers, Smart and DMPI signed Sale and Purchase Agreements with the TowerCos in connection with the sale of 7,569 telecom towers and related passive telecom infrastructure, with the concurrent execution of MSAs with the TowerCos where Smart has agreed to lease back the towers sold in the transaction for a period of 10 years.

In 2022, 2023 and 2024, the MSAs covering the leaseback arrangements of 4,665, 1,705 and 356 telecom towers, respectively, became effective. As a result, we recognized cumulative lease liability of Php40,262 million and cumulative ROU assets of Php24,861 million as at December 31, 2024. The difference between lease liability and ROU assets represents the rights retained by the PLDT Group over the telecom assets leased back from the tower companies.

Including the related accounts on Unity and Frontier, the ROU assets relating to leasehold land with net book value of Php1,954 million and Php1,844 million, and the related lease liabilities amounting to Php1,615 million and Php1,779 million were respectively reclassified as “Assets classified as held-for-sale” under current assets and “Liabilities associated with assets classified as held-for-sale” under current liabilities in our consolidated statement of financial position as at December 31, 2024 and 2023, respectively.

Common Tower Pilot, or CTP, Program

The CTP Program, established by Smart in January 2020, in partnership with several TowerCos duly-accredited by the Department of Information and Communications Technology aims to accelerate new site roll-outs and reduce upfront the capital expenditures spending.

Under the MSAs, TowerCos will handle site acquisition and permitting, site development works, construction and permanent electrification of the towers. Effective 30 days after the sites are Ready For Telecommunication Installation, or RFTI, Smart will be liable to settle a monthly fixed fee covering rental and maintenance costs for a contract term of 15 years. The monthly fee will be subject to agreed escalation rates with TowerCos. As anchor tenant, Smart will also be entitled to colocation discounts when additional tenants come on board.

Upon launching of the program, the original CTP commitment covered 200 sites. This was ultimately increased to 464 BTS sites. As at December 31, 2024, Smart has issued service orders, or SOs, corresponding to 457 BTS sites.

As at December 31, 2024 and 2023, 422 BTS sites out of 430 BTS and 236 BTS sites out of 388 BTS sites, respectively, are ready for service. These BTS sites are all classified as RFTI.

Group as a Lessor

We have entered into operating leases on our investment property portfolio consisting of certain office buildings and business offices. See *Note 13 – Investment Properties*. These leases have a term of five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual guarantee on the properties. Rental income recognized by us amounted to Php59 million, Php57 million and Php51 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Future minimum rentals receivable under non-cancellable operating leases expected within one year amounted to Php62 million and Php59 million and after one year but not more than five years amounted to Php62 million and Php125 million both as at December 31, 2024 and 2023, respectively.

11. Investments in Associates and Joint Ventures

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Carrying value of investments in associates:		
MediaQuest PDRs	9,186	9,260
MIH	6,731	7,250
Individually immaterial associates	3,064	108
	18,981	16,618
Carrying value of investments in joint ventures:		
VTI, Bow Arken and Brightshare	33,675	33,649
Individually immaterial joint ventures	108	41
	33,783	33,690
Total carrying value of investments in associates and joint ventures	52,764	50,308

Changes in the cost of investments for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Balances at beginning of the year	64,658	63,020
Additions during the year	3,485	1,636
Translation and other adjustments	(133)	2
Balances at end of the year	68,010	64,658

Changes in the accumulated impairment losses for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Balances at beginning of the year	2,875	2,805
Additions during the year	—	70
Adjustments	(112)	—
Balances at end of the year	2,763	2,875

Changes in the accumulated equity share in net earnings (losses) of associates and joint ventures as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Balances at beginning of the year	(11,475)	(8,669)
Equity share in net earnings (losses) of associates and joint ventures:	(990)	(2,806)
MediaQuest PDRs	(74)	(595)
MIH	(935)	(2,273)
VTI, Bow Arken and Brightshare	26	66
Individually immaterial associates and joint ventures	(7)	(4)
Translation and other adjustments	(18)	—
Balances at end of the year	(12,483)	(11,475)

Investments in Associates

Investment of ePLDT in MediaQuest PDRs

ePLDT made various investments in PDRs issued by Mediaquest in relation to its direct interest in Satventures and indirect interest in Cignal TV through Satventures. These investments in PDRs provided ePLDT with a 64% economic interest in Cignal TV.

Cignal TV is a wholly-owned subsidiary of Satventures, which is a wholly-owned subsidiary of MediaQuest, an entity incorporated in the Philippines. It operates a direct-to-home, or DTH, Pay-TV business under the brand name “Cignal TV”, which is the largest DTH Pay-TV operator in the Philippines.

The PLDT Group’s financial investment in PDRs of MediaQuest is part of the PLDT Group’s overall strategy of broadening its distribution platforms and increasing the PLDT Group’s ability to deliver multimedia content to its customers across the PLDT Group’s broadband and mobile networks.

ePLDT’s aggregate value of investment in MediaQuest PDRs amounted to Php9,186 million and Php9,260 million as at December 31, 2024 and 2023, respectively. See Note 3 – Management’s Use of Accounting Judgments, Estimates and Assumptions – Accounting for investment in MediaQuest through PDRs.

The table below presents the summarized financial information of Satventures and subsidiaries as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022:

	2024	2023
	(in million pesos)	
Statements of Financial Position:		
Noncurrent assets	22,710	22,153
Current assets	8,578	7,974
Noncurrent liabilities	2,146	1,682
Current liabilities	13,787	12,976
Equity	15,355	15,469
Carrying amount of interest in Satventures	9,186	9,260
Additional Information:		
Cash and cash equivalents	588	797
Current financial liabilities ⁽¹⁾	2,736	2,635
Noncurrent financial liabilities ⁽¹⁾	1,210	469

⁽¹⁾ Excluding trade, other payables and provisions.

	2024	2023	2022
	(in million pesos)		
Income Statements:			
Revenues	8,440	8,637	11,189
Depreciation and amortization	1,405	1,304	1,424
Interest income	(52)	46	3
Interest expense	347	281	212
Provision for (benefit from) income tax	(40)	(334)	16
Net loss / Total comprehensive loss	(115)	(929)	(203)
Equity share in net losses of Satventures	(74)	(595)	(130)

Investment of PCEV in MIH

The following summarizes the subscription agreements entered into by PCEV with MIH:

Date	Agreement	Number of Shares	Total Consideration	PCEV's Equity Interest
		(in millions)		
March 14, 2018	Acquisition of Ordinary Shares	53.4	465	100.00%
March 14, 2018	Subscription of Ordinary Shares	95.9	3,806	100.00%
December 31, 2020	Conversion of notes to Class A2 preference shares	7.9	544	43.97%
March 12, 2021	Exercise of warrants to subscribe Class A2 preference shares	6.7	447	41.87%
June 11, 2021	Subscription to Class B convertible preferred shares	15.6	1,218	38.45%
April 7, 2022	Subscription to Class C convertible preferred shares	27.2	3,252	36.82%
December 13, 2023	Subscription to Class C2 convertible preferred shares	12.3	1,563	36.97%
April 5, 2024	Subscription to Class C2 convertible preferred shares	6.7	857	37.66%

PCEV's percentage equity interest in MIH stood at 37.66% and 36.97% as at December 31, 2024 and 2023, respectively.

Additional Investment in MIH

On December 13, 2023, PCEV, along with other existing shareholders KKR, Tencent, SIG, First Pacific Ventures and Jumel Holdings, entered into a new subscription agreement with MIH to subscribe to US\$80 million Class C2 convertible preferred shares of MIH. On the same date, PCEV paid a consideration of US\$28 million or Php1,563 million for 12.3 million MIH Class C2 convertible preferred shares and received warrants for 4.9 million shares valued at Php281 million, thereby increasing PCEV's ownership in MIH from 36.63% to 36.97%.

On April 5, 2024, PCEV paid the subsequent consideration of US\$15.3 million or Php857 million for 6.7 million MIH Class C2 convertible preferred shares and received warrants for 2.7 million shares valued at Php152 million, resulting in an increase of PCEV's ownership in MIH from 36.97% to 37.66%.

The summarized financial information of MIH as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022 is shown below:

	2024	2023
	(in million pesos)	
Statements of Financial Position:		
Noncurrent assets	7,241	4,309
Current assets	29,815	17,942
Noncurrent liabilities	798	190
Current liabilities	29,461	13,446
Equity	6,797	8,615
Carrying amount of interest in MIH	6,731	7,250
Additional Information:		
Cash and cash equivalents	8,565	6,682
Current financial liabilities ⁽¹⁾	29,274	13,317

⁽¹⁾ Excluding statutory payables and accrued taxes.

	2024	2023	2022
	(in million pesos)		
Income Statements:			
Revenues	14,089	8,553	7,683
Depreciation and amortization	392	348	182
Interest income	168	112	133
Provision for income tax	64	32	2
Net loss/Total comprehensive losses	(2,501)	(6,153)	(8,155)
Equity share in net losses of MIH ⁽¹⁾	(935)	(2,273)	(3,026)

⁽¹⁾ 2024 and 2023 amounts include impact of 2023 and 2022 audit adjusting entries, respectively.

The carrying value of PCEV's investment in MIH as at December 31, 2024 and 2023 are as follows.

	2024	2023
	(in million pesos)	
MIH Equity ⁽¹⁾	4,711	6,895
PCEV's noncontrolling interests	37.66%	36.97%
Share in net assets of MIH	1,774	2,549
Goodwill arising from acquisition	4,957	4,701
Carrying amount of interest in MIH	6,731	7,250

⁽¹⁾ MIH Equity is net of Php2,086 million and Php1,720 million Stock Option in 2024 and 2023, respectively.

Investments in Joint Ventures

Investments of PLDT in VTI, Bow Arken and Brightshare

The Company's acquisition of 50% equity interest, including outstanding advances and assumed liabilities, in the telecommunications business of San Miguel Corporation, or SMC, was approved by the PLDT Board on May 30, 2016. Globe acquired the remaining 50% interest. PLDT and Globe executed separate purchase agreements : (i) with SMC to acquire the entire outstanding capital, including outstanding advances and assumed liabilities, in VTI (and the other subsidiaries of VTI), which holds SMC's telecommunications assets through its subsidiaries, or the VTI Transaction; and (ii) with the owners of two other entities, Bow Arken (the parent company of New Century Telecoms, Inc.) and Brightshare (the parent company of eTelco, Inc.), which separately hold additional spectrum frequencies through their respective subsidiaries, or the Bow Arken Transaction and Brightshare Transaction, respectively. We refer to the VTI Transaction, Bow Arken Transaction and Brightshare Transaction collectively as the SMC Transactions.

The consideration in the amount of Php52.8 billion representing the purchase price for the equity interest and assigned advances of previous owners to VTI, Bow Arken and Brightshare was paid in three tranches: 50% upon signing of the Share Purchase Agreements on May 30, 2016, 25% on December 1, 2016 and the final 25% on May 30, 2017. The Share Purchase Agreements also provide that PLDT and Globe, through VTI, Bow Arken and Brightshare, would assume liabilities amounting to Php17.2 billion from May 30, 2016. In addition, the Share Purchase Agreements contain a price adjustment mechanism based on the variance in these assumed liabilities to be agreed among PLDT, Globe and previous owners on the results of the confirmatory due diligence procedures jointly performed by PLDT and Globe. PLDT and Globe paid the previous owners the net amount of Php2.6 billion on May 29, 2017 in relation to the aforementioned price adjustment based on the result of the confirmatory due diligence. See *Note 27 – Financial Assets and Liabilities – Commercial Commitments*.

As part of SMC Transactions, PLDT and Globe acquired certain outstanding advances made by the former owners of VTI, Bow Arken and Brightshare to VTI, Bow Arken and Brightshare or their respective subsidiaries. The largest amounts of the advances outstanding to PLDT since the date of assignment to PLDT amounted to Php11,359 million: (i) Php11,038 million from VTI and its subsidiaries; (ii) Php238 million from Bow Arken and its subsidiaries; and (iii) Php83 million from Brightshare and its subsidiaries.

PLDT and Globe each subscribed to 2.8 million new preferred shares on February 28, 2017. The shares were to be issued out of the unissued portion of the existing authorized capital stock of VTI, at a subscription price of Php4 thousand per subscribed share (inclusive of a premium over par of Php3 thousand per subscribed share) or a total subscription price for each of Php11,040 million (inclusive of a premium over par of Php8,280 million). PLDT and Globe's assigned advances from SMC which were subsequently reclassified to deposit for future subscription of each amounting to Php11,040 million were applied as full subscription payment for the subscribed shares. PLDT and Globe each subscribed to 800 thousand new preferred shares of the authorized capital stock of VTI, at a subscription price of Php4 thousand per subscribed share (inclusive of a premium over par of Php3 thousand per subscribed share), or a total subscription price for each Php3,200 million (inclusive of a premium over par of Php2,400 million). PLDT and Globe each paid Php148 million in cash for the subscribed shares upon execution of the relevant agreement. The remaining balance of the subscription price of PLDT and Globe has been fully paid as at December 29, 2017.

PLDT and Globe each subscribed to 600 thousand new preferred shares of the authorized capital stock of VTI on December 15, 2017, at a subscription price of Php5 thousand per subscribed share (inclusive of a premium over par of Php4 thousand per subscribed share), for a total subscription price of Php3,000 million (inclusive of a premium over par of Php2,400 million). PLDT and Globe each paid Php10 million in cash for the subscribed shares upon execution of the agreement. The remaining balance of the subscription price was paid via conversion of advances amounting to Php2,990 million as at December 31, 2017.

The amount of the advances outstanding of PLDT, to cover for the assumed liabilities and working capital requirements of the acquired companies, each amounted to Php69 million as at December 31, 2024 and 2023, respectively.

The table below presents the summarized financial information of VTI, Bow Arken and Brightshare as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022:

	2024	2023
	(in million pesos)	
Statements of Financial Position:		
Noncurrent assets	77,849	78,046
Current assets	5,231	4,375
Noncurrent liabilities	9,475	9,186
Current liabilities	2,395	2,174
Equity	71,209	71,061
Carrying amount of assets in VTI, Bow Arken and Brightshare	33,675	33,649
Additional Information:		
Cash and cash equivalents	3,010	2,387
Current financial liabilities ⁽¹⁾	81	72

⁽¹⁾ Excluding trade, other payables and provisions.

	2024	2023	2022
	(in million pesos)		
Income Statements:			
Revenues	4,708	4,344	4,033
Depreciation and amortization	1,973	1,685	1,569
Interest income	128	111	45
Provision for income tax	135	186	178
Net income (loss) / Total comprehensive income (loss)	52	132	148
Equity share in net income of VTI, Bow Arken and Brightshare	26	66	74

The carrying value of PLDT's investment in VTI, Bow Arken and Brightshare as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
VTI, Bow Arken and Brightshare equity	71,209	71,061
PLDT's share	50%	50%
Share in net assets of VTI, Bow Arken and Brightshare	35,605	35,530
Share in adjustment based on liability and ETPI net cash balance	442	442
Reimbursements	(248)	(239)
Share in SMC's advances in VTI, Bow Arken and Brightshare	(840)	(840)
Non-controlling interests	(1,127)	(1,055)
Others	(157)	(189)
Carrying amount of interest in VTI, Bow Arken and Brightshare	33,675	33,649

Notice of Transaction filed with the PCC

Prior to closing the transaction on May 30, 2016, each of PLDT, Globe and SMC submitted notices of the VTI, Bow Arken and Brightshare Transaction (respectively, the VTI Notice, the Bow Arken Notice and the Brightshare Notice and collectively, the Notices) to the PCC pursuant to the Philippine Competition Act, or PCA, and Circular No. 16-001 and Circular No. 16-002 issued by the PCC, or the Circulars. As stated in the Circulars, upon receipt by the PCC of the requisite notices, each of the said transactions shall be deemed approved in accordance with the Circulars.

Subsequently, PLDT and the other parties to the said transactions received separate letters dated June 6 and 7, 2016 from the PCC which essentially stated, that: (a) with respect to VTI Transaction, the VTI Notice is deficient and defective in form and substance, therefore, the VTI Transaction is not "deemed approved" by the PCC, and that the missing key terms of the transaction are critical since the PCC considers certain agreements as prohibited and illegal; and (b) with respect to the Bow Arken and Brightshare Transactions, the compulsory notification under the Circulars does not apply and that even assuming that the Circulars apply, the Bow Arken Notice and the Brightshare Notice are deficient and defective in form and substance.

In response to the PCC's letter, PLDT submitted its response on June 10, 2016, articulating its position that the VTI Notice is adequate, complete and sufficient and compliant with the requirement under the Circulars and does not contain false material information; as such, the VTI Transaction enjoys the benefit of Section 23 of the PCA. Therefore, the VTI Transaction is deemed approved and cannot be subject to retroactive review by the PCC. Moreover, the parties have taken all necessary steps, including the relinquishment/return of certain frequencies and co-use of the remaining frequencies by Smart and Belltel and Globe and Belltel as discussed above, to ensure that the VTI Transaction will not substantially prevent, restrict or lessen competition to violate the PCA. Nevertheless, in the spirit of cooperation and for transparency, the parties voluntarily submitted to the PCC, among others, copies of the Sale and Purchase Agreements for the PCC's information and reference.

The PCC required the parties to further submit additional documents relevant to the co-use arrangement and the frequencies subject thereto, as well as other definitive agreements relating to the VTI Transaction in a letter dated June 17, 2016. It also disregarded the deemed approved status of the VTI Transaction in violation of the Circulars which the PCC itself issued, and insisted that it will conduct a full review, if not investigation of the said transaction under the different operative provisions of the PCA.

In the Matter of the Petition against the PCC

PLDT filed before the Court of Appeals, or CA, a Petition for Certiorari and Prohibition (With Urgent Application for the Issuance of a Temporary Restraining Order, or TRO, and/or Writ of Preliminary Injunction), or the Petition, against the PCC on July 12, 2016. The Petition sought to enjoin the PCC from proceeding with the review of the acquisition by PLDT and Globe of equity interest, including outstanding advances and assumed liabilities, in the telecommunications business of SMC, or the SMC Transactions, and performing any act which challenges or assails the “deemed approved” status of the SMC Transactions. On July 19, 2016, the 12th Division of the CA, issued a Resolution directing the PCC through the Office of the Solicitor General, or the OSG, to file its Comment within a non-extendible period of 10 days from notice and show cause why the Petition should not be granted. On August 11, 2016, the PCC through the OSG, filed its Comment to the Petition (With Opposition to Petitioner’s Application for a Writ of Preliminary Injunction).

PLDT filed its Reply to Respondent PCC’s Comment on August 19, 2016. On August 26, 2016, the CA issued a Writ of Preliminary Injunction enjoining and directing the respondent PCC, their officials and agents, or persons acting for and in their behalf, to cease and desist from conducting further proceedings for the pre-acquisition review and/or investigation of the SMC Transactions based on its Letters dated June 7, 2016 and June 17, 2016 during the pendency of the case and until further orders are issued by the CA. On September 14, 2016, the PCC filed a Motion for Reconsideration of the CA’s Resolution. During this time, Globe moved to have its Petition consolidated with the PLDT Petition. In a Resolution promulgated on October 19, 2016, the CA, or the First CA Resolution: (i) accepted the consolidation of Globe’s petition versus the PCC (CA G.R. SP No. 146538) into PLDT’s petition versus the PCC (CA G.R. SP No. 146528) with the right of replacement; (ii) admitted the Comment dated October 4, 2016 filed by the PCC; (iii) referred to the PCC for Comment (within 10 days from receipt of notice) PLDT’s Urgent Motion for the Issuance of a Gag Order dated September 30, 2016 and to cite the PCC for indirect contempt; and (iv) ordered all parties to submit simultaneous memoranda within a non-extendible period of 15 days from notice. On November 11, 2016, PLDT filed its Memorandum in compliance with the CA’s Resolution.

The CA issued a Resolution, or the Second CA Resolution, denying PCC’s Motion for Reconsideration dated September 14, 2016, for lack of merit on February 17, 2017. The CA denied PLDT’s Motion to Cite the PCC for indirect Contempt for being premature. In the same Resolution, as well as in a separate Gag Order attached to the Resolution, the CA granted PLDT’s Urgent Motion for the Issuance of a Gag Order and directed PCC to remove immediately from its website its preliminary statement of concern and submit its compliance within five days from receipt thereof. All the parties were ordered 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 Second CA Resolution, on the Motion for Leave to Intervene and to Admit the Petition-in-Intervention dated February 7, 2017 filed by Citizenwatch, a non-stock and non-profit association.

The PCC filed before the Supreme Court a Petition to Annul the Writ of Preliminary Injunction issued by the CA’s 12th Division on August 26, 2016 restraining PCC’s review of the SMC Transactions on April 18, 2017. In compliance with the Supreme Court’s Resolution issued on April 25, 2017, PLDT on July 3, 2017 filed its Comment dated July 1, 2017 to the PCC’s Petition. The Supreme Court issued a Resolution dated July 18, 2017 noting PLDT’s Comment and requiring the PCC to file its Consolidated Reply. The PCC filed a Motion for Extension of Time and prayed that it be granted until October 23, 2017 to file its Consolidated Reply. The PCC filed its Consolidated Reply to the: (1) Comment filed by PLDT; and (2) Motion to Dismiss filed by Globe on November 7, 2017. The same was noted by the Supreme Court in a Resolution dated November 28, 2017.

During the intervening period, the CA rendered its Decision on October 18, 2017, granting the Petitions filed by PLDT and Globe. In its Decision, the CA: (i) permanently enjoined the PCC from conducting further proceedings for the pre-acquisition review and/or investigation of the SMC Transactions based on its Letters dated June 7, 2016 and June 17, 2016; (ii) annulled and set aside the Letters dated June 7, 2016 and June 17, 2016; (iii) precluded the PCC from conducting a full review and/or investigation of the SMC Transactions; (iv) compelled the PCC to recognize the SMC Transactions as deemed approved by operation of law; and (v) denied the PCC’s Motion for Partial Reconsideration dated March 6, 2017, and directed the PCC to permanently comply with the CA’s Resolution dated February 17, 2017 requiring PCC to remove its preliminary statement of concern from its website. The CA clarified that the deemed approved status of the SMC Transactions does not, however, remove the power of PCC to conduct post-acquisition review to ensure that no anti-competitive conduct is committed by the parties.

PCC filed a Motion for Additional Time to file a Petition for Review on Certiorari before the Supreme Court on November 7, 2017. The Supreme Court granted PCC’s motion in its Resolution dated November 28, 2017.

PLDT, through counsel, received the PCC's Petition for Review on Certiorari filed before the Supreme Court assailing the CA's Decision dated October 18, 2017, on December 13, 2017. In this Petition, the PCC raised procedural and substantive issues for resolution. Particularly, the PCC assailed the issuance of the writs of certiorari, prohibition, and mandamus considering that the determination of the sufficiency of the Notice pursuant to the Transitory Rules involves the exercise of administrative and discretionary prerogatives of the PCC. On the substantive aspect, the PCC argued that the CA committed grave abuse of discretion in ruling that the SMC Transactions should be accorded the deemed approved status under the Transitory Rules. The PCC maintained that the Notice of the SMC Transactions was defective because it failed to provide the key terms thereof.

In the Supreme Court Resolution dated November 28, 2017, which was received by PLDT on December 27, 2017, the Supreme Court decided to consolidate the PCC's Petition to Annul the Writ of Preliminary Injunction issued by the CA's 12th Division with that of its Petition for Review on Certiorari assailing the decision of the CA on the merits.

PLDT received Globe's Motion for Leave to File and Admit the Attached Rejoinder on February 13, 2018, which was denied by the Supreme Court in a Resolution dated March 13, 2018. On February 27, 2018, PLDT received notice of the Supreme Court's Resolution dated January 30, 2018 directing PLDT and Globe to file their respective Comments to the Petition for Review on Certiorari without giving due course to the same.

PLDT filed its Comment on the Petition for Review on Certiorari on April 5, 2018. On April 11, 2018, PLDT received Globe's Comment/Opposition [Re: Petition for Review on Certiorari dated December 11, 2017] dated March 4, 2018. On April 24, 2018, PLDT received the PCC's Motion to Expunge [Respondent PLDT's Comment on the Petition for Review on Certiorari] dated April 18, 2018. On May 9, 2018, PLDT filed a Motion for Leave to File and Admit the Attached Comment on the Petition for Review on Certiorari dated May 9, 2018.

The Supreme Court's Resolution dated April 24, 2018 which granted PLDT's motion for an extension, was received by PLDT on June 5, 2018. It noted PLDT's Comment on the Petition for Review on Certiorari filed in compliance with the Supreme Court's Resolution dated January 30, 2018 and required the PCC to file a Consolidated Reply to the comments within ten days from notice. The PCC's Urgent Omnibus Motion for: (1) Partial Reconsideration of the Resolution dated April 24, 2018; and (2) Additional Time dated June 11, 2018 was received by PLDT, through counsel, on June 20, 2018.

PCC filed its Consolidated Reply Ad Cautelam dated July 16, 2018, which was received on July 19, 2018. On July 26, 2018, PLDT received a Resolution dated June 19, 2018 where the Supreme Court resolved to grant PLDT's Motion for Leave to File and Admit the Attached Comment, and PCC's Motion for Extension to file a Comment/Opposition on/to PLDT's Motion for Leave to File and Admit the Attached Comment.

PLDT received a Resolution dated July 3, 2018 where the Supreme Court resolved to deny the PCC's motion to reconsider the Resolution dated April 24, 2018 and grant its motion for extension of time to file its reply to PLDT's and Globe's Comments on August 14, 2018, with a warning that no further extension will be given. On August 16, 2018, PLDT received a Resolution dated June 5, 2018 where the Supreme Court noted without action the Motion to Expunge by PCC in view of the Resolution dated April 24, 2018 granting the motion for extension of time to file a comment on the petition in G.R. No. 234969.

PLDT received a Resolution dated August 7, 2018 where the Supreme Court noted the PCC's Consolidated Reply Ad Cautelam on October 4, 2018.

PLDT received a Resolution dated March 3, 2020 requiring petitioners in G.R. No. 242352 (*Atty. Joseph Lemuel Baligod Baquiran and Ferdinand C. Tecson v. NTC, et al.*) to file a Consolidated Reply to the comments on the petition within 10 days from notice on July 2, 2020.

PLDT received a Resolution dated June 30, 2020 where the Supreme Court resolved to Await the Consolidated Reply of the petitioners in G.R. No. 242352 as required in the resolution dated March 3, 2020, on September 2, 2020.

PLDT received a Resolution of the Supreme Court dated October 6, 2020 which granted the motions filed by the petitioners in G.R. No. 242352 to extend the filing of the Consolidated Reply until September 29, 2020, on November 16, 2020.

On February 8, 2021, PLDT received a Resolution where the Supreme Court noted the Consolidated Reply dated September 29, 2020 filed by the Petitioners in G.R. 242352.

The consolidated petitions remain pending as of the date of this report.

Individually immaterial associates and joint ventures

As at December 31, 2024 and 2023, following are the carrying values of individually immaterial associates and joint ventures:

	2024	2023
	(in million pesos)	
Individually immaterial associates:		
Radius	2,123	—
Kayana	853	—
Appcard, Inc.	88	108
PGI	—	—
AF Payments, Inc.	—	—
	3,064	108
Individually immaterial joint ventures:		
DFTI	66	—
Telecommunications Connectivity, Inc.	42	41
PFC/VFC	—	—
		41
Total individually immaterial associates and joint ventures	3,064	149

The summarized financial information of individually immaterial associates and joint ventures as at December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022 is shown below:

	2024	2023
	(in million pesos)	
Statements of Financial Position:		
Noncurrent assets	12,994	4,928
Current assets	2,511	658
Noncurrent liabilities	3,625	4,919
Current liabilities	4,829	1,415
Equity	7,051	(748)
Additional Information:		
Cash and cash equivalents	1,065	335
Current financial liabilities	2,824	86
Noncurrent financial liabilities	3,020	1,716

	2024	2023	2022
	(in million pesos)		
Income Statements:			
Revenues	3,702	935	834
Depreciation and amortization	1,123	303	177
Interest income	30	5	—
Other comprehensive income	145	8	—
Provision for income tax	30	22	1
Net loss / Total comprehensive loss	(626)	(515)	(563)
Equity share in net income of individually immaterial associates and joint ventures	(7)	(4)	—

12. Debt Instruments at Amortized Cost

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Retail Treasury Bonds	340	440
Fixed Rate Treasury Notes, or FXTN	55	55
BDO Asean Bonds	—	100
	395	595
Less: Current portion of debt instrument at amortized cost (Note 27)	25	200
Noncurrent portion of debt instrument at amortized cost (Note 27)	370	395

Retail Treasury Bonds

On March 9, 2021, Smart purchased at par a three-year Retail Treasury Bond Tranche 25 with face value of Php100 million which matured on March 9, 2024. The bond had a gross coupon rate of 2.375% payable on a quarterly basis. Interest income, net of withholding tax, recognized on this investment amounted to Php475 thousand for the year ended

December 31, 2024 and Php1.9 million each for the years ended December 31, 2023 and 2022. The carrying value of this investment amounted to nil and Php100 million as at December 31, 2024 and 2023, respectively.

On December 2, 2021, PLDT and Smart purchased at par a 5.5-year Retail Treasury Bond Tranche 26 with face value of Php300 million maturing on June 2, 2027. The bond has a gross coupon rate of 4.6250% payable on a quarterly basis. Interest income, net of withholding tax, recognized on this investment amounted to Php11.1 million for the years ended December 31, 2024, 2023 and 2022. The carrying value of this investment amounted to Php300 million as at December 31, 2024 and 2023.

On March 4, 2022, PLDT and Smart purchased at par a five-year Retail Treasury Bond Tranche 27 with face value of Php40 million maturing on March 4, 2027. The bond has a gross coupon rate of 4.8750% payable on a quarterly basis. Interest income, net of withholding tax, recognized on this investment amounted to Php1.6 million for the years ended December 31, 2024 and 2023 and Php1.3 million for the year ended December 31, 2022. The carrying value of this investment amounted to Php40 million as at December 31, 2024 and 2023.

FXTN

On June 3, 2022, Smart purchased at a discount a three-year FXTN 03-27 with face value of Php25 million maturing on April 7, 2025. The bond has a gross coupon rate of 4.25% payable on a semi-annual basis. Interest income, net of withholding tax, recognized on this investment amounted to Php850 thousand each for the years ended December 31, 2024 and 2023 and Php760 thousand for the year ended December 31, 2022. The carrying value of this investment amounted to Php25 million as at December 31, 2024 and 2023.

On June 16, 2022, Smart purchased at a premium a seven-year FXTN 07-67 with face value of Php10 million maturing on May 19, 2029. The bond has a gross coupon rate of 6.5% payable on a semi-annual basis. Interest income, net of withholding tax, recognized on this investment amounted to Php520 thousand each for the years ended December 31, 2024 and 2023 and Php361 thousand for the year ended December 31, 2022. The carrying value of this investment amounted to Php10 million as at December 31, 2024 and 2023.

On July 7, 2022, PLDT and Smart purchased at a premium a four-year FXTN 07-62 with face value of Php20 million maturing on February 14, 2026. The bond has a gross coupon rate of 6.25% payable on a semi-annual basis. Interest income, net of withholding tax, recognized on this investment amounted to Php1.0 million each for the years ended December 31, 2024 and 2023 and Php1.4 million for the year ended December 31, 2022. The carrying value of this investment amounted to Php20 million as at December 31, 2024 and 2023.

BDO ASEAN Sustainable Bond

On January 28, 2022, PLDT and Smart purchased at par a two-year BDO Fixed Rate ASEAN Sustainability Bond Due 2024 with face value of Php100 million which subsequently matured on January 28, 2024. The bond has a gross coupon rate of 2.90% payable on a quarterly basis. Interest income, net of withholding tax, recognized on this investment amounted to Php83 thousand, Php2.2 million and Php2.1 million for the years ended December 31, 2024, 2023 and 2022, respectively. The carrying value of this investment amounted to nil and Php100 million as at December 31, 2024 and 2023, respectively.

13. Investment Properties

Changes in investment properties account for the years ended December 31, 2024 and 2023 are as follows:

	Land	Land Improvements	Building	Total
	(in million pesos)			
December 31, 2024				
Balances at beginning of the year	1,184	12	119	1,315
Net gains from fair value adjustments charged to profit or loss	17	—	6	23
Revaluation charged to OCI	2,093	—	—	2,093
Disposals during the year	(14)	—	—	(14)
Transfers to property and equipment - net	(398)	—	(19)	(417)
Balances at end of the year	2,882	12	106	3,000
December 31, 2023				
Balances at beginning of the year	858	2	155	1,015
Net gains (losses) from fair value adjustments charged to profit or loss	58	8	(36)	30
Transfers from property and equipment	363	2	2	367
Disposals during the year	(95)	—	(2)	(97)
Balances at end of the year	1,184	12	119	1,315

Investment properties, which consist of land, land improvements and building, are stated at fair values, which have been determined based on appraisal performed by an independent firm of appraisers, an industry specialist in valuing these types of investment properties.

The valuation for land was based on a market approach valuation technique using price per square meter. The valuation for building and land improvements was based on a cost approach valuation technique using current material and labor costs for improvements based on external and independent reviewers.

We have determined that the highest and best use of some of the idle or vacant land properties at the measurement date would be to convert the properties for residential or commercial development. The properties are not being used for strategic reasons.

We have no restrictions on the realizability of our investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Repairs and maintenance expenses related to investment properties that do not generate rental income amounted to Php122 million, Php129 million and Php93 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Rental income relating to investment properties that are being leased and included as part of revenues amounted to Php59 million, Php57 million and Php51 million for the years ended December 31, 2024, 2023 and 2022, respectively. See *Note 10 – Leases*.

The above investment properties were categorized under Level 2 and Level 3 of the fair value hierarchy. There were no transfers in and out of Level 2 and Level 3 of the fair value hierarchy.

Significant increases or decreases in price per square meter for land, current material and labor costs of improvements would result in a significantly higher or lower fair value measurement.

14. Goodwill and Intangible Assets

Changes in goodwill and intangible assets account for the years ended December 31, 2024 and 2023 are as follows:

	Intangible Assets with Indefinite Life	Intangible Assets with Finite Life						Total Intangible Assets with Finite Life	Total Intangible Assets	Goodwill	Total Goodwill and Intangible Assets
	Trademark	Franchise	Licenses	Customer List	Spectrum	Others					
(in million pesos)											
December 31, 2024											
Costs:											
Balances at beginning of the year	220	4,561	3,017	135	4,703	1,205	1,321	14,942	15,162	63,595	78,757
Additions during the year	—	—	—	—	—	—	366	366	366	—	366
Translation and other adjustments	—	4	—	—	—	—	2	6	6	—	6
Balances at end of the year	220	4,565	3,017	135	4,703	1,205	1,689	15,314	15,534	63,595	79,129
Accumulated amortization and impairment:											
Balances at beginning of the year	—	4,561	2,265	135	4,703	1,205	899	13,768	13,768	654	14,422
Amortization during the year	—	—	186	—	—	—	54	240	240	—	240
Translation and other adjustments	—	4	—	—	—	—	(1)	3	3	—	3
Balances at end of the year	—	4,565	2,451	135	4,703	1,205	952	14,011	14,011	654	14,665
Net balances at end of the year	220	—	566	—	—	—	737	1,303	1,523	62,941	64,464
Estimated useful lives (in years)	—	—	16	—	—	—	5-10	—	—	—	—
Remaining useful lives (in years)	—	—	3	—	—	—	3-10	—	—	—	—
December 31, 2023											
Costs:											
Balances at beginning of the year	220	4,505	3,016	135	4,703	1,205	1,320	14,884	15,104	63,595	78,699
Translation and other adjustments	—	56	1	—	—	—	1	58	58	—	58
Balances at end of the year	220	4,561	3,017	135	4,703	1,205	1,321	14,942	15,162	63,595	78,757
Accumulated amortization and impairment:											
Balances at beginning of the year	—	4,505	2,078	135	4,703	1,205	870	13,496	13,496	654	14,150
Amortization during the year	—	—	186	—	—	—	35	221	221	—	221
Translation and other adjustments	—	56	1	—	—	—	(6)	51	51	—	51
Balances at end of the year	—	4,561	2,265	135	4,703	1,205	899	13,768	13,768	654	14,422
Net balances at end of the year	220	—	752	—	—	—	422	1,174	1,394	62,941	64,335
Estimated useful lives (in years)	—	—	16	—	—	—	5-10	—	—	—	—
Remaining useful lives (in years)	—	—	4	—	—	—	3-8	—	—	—	—

The consolidated goodwill and intangible assets of our reportable segments as at December 31, 2024 and 2023 are as follows:

	2024			2023		
	Wireless	Fixed Line	Total	Wireless	Fixed Line	Total
	(in million pesos)					
Franchise	566	—	566	752	—	752
Customer list with indefinite life	—	220	220	—	220	220
Others	—	737	737	—	422	422
Total intangible assets	566	957	1,523	752	642	1,394
Goodwill	56,571	6,370	62,941	56,571	6,370	62,941
Total goodwill and intangible assets	57,137	7,327	64,464	57,323	7,012	64,335

The consolidated future amortization of intangible assets as at December 31, 2024 are as follows:

Year	(in million pesos)
2025	261
2026	261
2027	255
2028	76
2029	70
2030 and onwards	380
	1,303

Impairment Testing of Goodwill

The organizational structure of PLDT and its subsidiaries is designed to monitor financial operations based on fixed line and wireless segmentation. Management provides guidelines and decisions on resource allocation, such as continuing or disposing of asset and operations by evaluating the performance of each segment through review and analysis of available financial information on the fixed line and wireless segments. As at December 31, 2024, the PLDT Group's goodwill comprised of goodwill resulting from PGIH's acquisition of Multisys in 2022, ePLDT's acquisition of IPCDSI in 2012, PLDT's acquisition of Digitel in 2011, ePLDT's acquisition of ePDS in 2011, Smart's acquisition of PDSI and Chikka in 2009, SBI's acquisition of Airborne Access Corporation in 2008, and Smart's acquisition of SBI in 2004.

Although revenue streams may be segregated among the companies within the PLDT Group, cash inflows are not considered coming from independent group of assets on a per Company basis due largely to the significant portion of shared and commonly used network/platform that generates related revenue. On the other hand, PLDT has the largest fixed line network in the Philippines. PLDT's transport facilities are installed nationwide to cover both domestic and international IP backbone to route and transmit IP traffic generated by the customers. In the same manner, PLDT has the most Internet Gateway facilities which are composed of high-capacity IP routers and switches that serve as the main gateway of the Philippines to the Internet connecting to the World Wide Web. With PLDT's network coverage, other fixed line subsidiaries share the same facilities to leverage from a Group perspective.

Because of the significant common use of network facilities among fixed line and wireless companies within the Group, management deems that the Wireless and Fixed Line units are the lowest CGUs to which goodwill is to be allocated and tested for impairment given that the Fixed Line and Wireless operations generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of the Wireless and Fixed Line CGUs have been determined using the value-in-use approach calculated using cash flow projections based on the financial budgets approved by the Board of Directors. The post-tax discount rates applied to cash flow projections are 9.01% for the Wireless and Fixed Line CGUs. Cash flows beyond the projection period of three years are determined using a 2.40% growth rate for the Wireless and Fixed Line CGUs, which is the same as the long-term average growth rate for the telecommunications industry. Other key assumptions used in the cash flow projections include revenue growth rate and capital expenditures.

Based on the assessment of the VIU of the Wireless and Fixed Line CGUs, the recoverable amount of the Wireless and Fixed Line CGUs exceeded their carrying amounts. Hence, no impairment was recognized in relation to goodwill as at December 31, 2024 and 2023.

15. Cash and Cash Equivalents

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Cash and cash equivalents		
Cash on hand and in banks (Note 27)	8,547	9,993
Temporary cash investments (Note 27)	1,464	6,184
Total	10,011	16,177

Cash in banks earn interest at prevailing bank deposit rates. Temporary cash investments are made for varying periods of up to three months depending on our immediate cash requirements and earn interest at the prevailing temporary cash investment rates. Due to the short-term nature of such transactions, the carrying value approximates the fair value of our temporary cash investments. See *Note 27 – Financial Assets and Liabilities*.

Interest income earned from cash in banks and temporary cash investments amounted to Php267 million, Php469 million and Php255 million for the years ended December 31, 2024, 2023 and 2022, respectively. See *Note 5 – Income and Expenses*.

16. Trade and Other Receivables

As at December 31, 2024 and 2023, this account consists of receivables from:

	2024	2023
	(in million pesos)	
Corporate subscribers (Note 27)	20,936	15,934
Retail subscribers (Note 27)	17,516	19,894
Foreign administrations (Note 27)	1,254	1,250
Domestic carriers (Note 27)	256	188
Dealers, agents and others (Note 27)	8,846	6,035
	48,808	43,301
Less: Allowance for expected credit losses	17,196	17,215
	31,612	26,086

Trade and other receivables are noninterest-bearing and generally have settlement terms of 30 to 180 days.

Receivables from foreign administrations and domestic carriers represent receivables based on interconnection agreements with other telecommunications carriers. The aforementioned amounts of receivable are shown net of related payables to the same telecommunications carriers where a legal right of offset exists and settlement is facilitated on a net basis.

Receivables from dealers, agents and others consist mainly of receivables from credit card companies, dealers and distributors having collection arrangements with the PLDT Group, dividend receivables and advances to affiliates.

For terms and conditions relating to related party receivables, see *Note 24 – Related Party Transactions*.

See *Note 27 – Financial Assets and Liabilities* on credit risk of trade receivables to understand how we manage and measure credit quality of trade receivables that are neither past due nor impaired.

The following table explains the changes in the allowance for expected credit losses as at December 31, 2024 and 2023:

	Retail Subscribers		Corporate Subscribers		Foreign Administrations		Domestic Carriers		Dealers, Agents and Others		Total		Total
	Stage 2	Stage 3	Stage 2	Stage 3	Stage 2	Stage 3	Stage 2	Stage 3	Stage 2	Stage 3	Stage 2	Stage 3	
	Lifetime ECL		Lifetime ECL		Lifetime ECL		Lifetime ECL		Lifetime ECL		Lifetime ECL		
(in million pesos)													
December 31, 2024													
Balances at beginning of the year	1,448	8,250	2,126	3,820	8	116	—	1	608	838	4,190	13,025	17,215
Provisions	(484)	3,537	322	472	6	—	—	—	13	9	(143)	4,018	3,875
Translation adjustments	—	—	21	2	—	—	—	—	—	—	21	2	23
Write-offs	—	(2,975)	—	(916)	—	(1)	—	—	—	—	—	(3,892)	(3,892)
Reclassifications and reversals	(388)	436	(69)	135	—	(52)	—	(1)	(15)	(113)	(472)	405	(67)
Others	—	42	—	—	—	—	—	—	—	—	-	42	42
Balances at end of the year	576	9,290	2,400	3,513	14	63	—	—	606	734	3,596	13,600	17,196
December 31, 2023													
Balances at beginning of the year	1,866	5,023	1,717	3,382	1	133	—	1	652	886	4,236	9,425	13,661
Provisions from continuing operations	(394)	3,716	335	451	—	(4)	—	—	10	5	(49)	4,168	4,119
Provisions from discontinued operations	—	—	4	—	—	—	—	—	—	—	4	—	4
Translation adjustments	—	—	(3)	(1)	—	—	—	—	—	—	(3)	(1)	(4)
Write-offs	—	(506)	—	—	—	—	—	—	—	—	—	(506)	(506)
Reclassifications and reversals	(24)	17	73	(12)	7	(13)	—	—	(54)	(53)	2	(61)	(59)
Balances at end of the year	1,448	8,250	2,126	3,820	8	116	—	1	608	838	4,190	13,025	17,215

The significant changes in the balances of trade and other receivables and contract assets are disclosed in *Note 5 – Income and Expenses*, while the information about the credit exposures are disclosed in *Note 27 – Financial Assets and Liabilities*.

17. Inventories and Supplies

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Cost		
Commercial	2,486	2,053
Network	1,945	1,971
Others	384	928
Total	4,815	4,952
Allowance for inventory obsolescence and write-down		
Commercial	228	306
Network	1,180	1,020
Others	101	286
Total	1,509	1,612
Net realizable value		
Commercial	2,258	1,747
Network	765	951
Others	283	642
Total	3,306	3,340

The cost of inventories and supplies recognized as expense for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
	(in million pesos)		
Cost of sales	9,904	11,912	11,287
Repairs and maintenance	407	734	986
Provision for inventory obsolescence	196	89	408
Selling and promotions	—	—	4
	10,507	12,735	12,685

Changes in the allowance for inventory obsolescence and write-down for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Balances at beginning of the year	1,612	2,218
Provisions (Note 5)	196	89
Reversals	(38)	(252)
Disposals and other adjustments	(85)	(59)
Cost of sales	(176)	(384)
Balances at end of the year	1,509	1,612

18. Prepayments and Other Non-Financial Assets

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Advances to suppliers and contractors	29,486	47,706
Subscriber contract costs	28,817	28,926
Prepaid taxes	6,968	11,914
Prepaid fees and licenses	2,084	2,022
Prepaid benefit costs (Note 25)	975	917
Prepaid repairs and maintenance	862	455
Prepaid rent	371	399
Prepaid insurance	144	150
Other prepayments	1,168	518
Other non-financial assets	1,029	573
	71,904	93,580
Less current portion of prepayments and other nonfinancial assets	9,975	13,215
Noncurrent portion of prepayments and other nonfinancial assets	61,929	80,365

Advances to suppliers and contractors are non-interest bearing and are to be applied to contractors' subsequent progress billings for projects.

Subscriber contract costs consist of the cost to obtain and cost to fulfill a contract with subscribers. Cost to obtain amounted to Php4,448 million and Php4,456 million as at December 31, 2024 and 2023, respectively. Amortization of cost to obtain presented under selling and promotions amounted to Php1,204 million, Php3,147 million and Php980 million for the years ended December 31, 2024, 2023 and 2022, respectively. Costs to fulfill amounted to Php24,369 million and Php24,470 million as at December 31, 2024 and 2023, respectively. Amortization of cost to fulfill, which is presented under depreciation and amortization in the consolidated income statement, amounted to Php7,449 million and Php11,789 million for the years ended December 31, 2024 and 2023, respectively.

Prepaid taxes include creditable withholding taxes and input VAT.

Prepaid fees and licenses include advance payments for NTC license fees and unexpired portion of fees paid to the NTC.

19. Equity

PLDT's number of shares of subscribed and outstanding capital stock as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in millions)	
Authorized		
Non-Voting Serial Preferred Stock	388	388
Voting Preferred Stock	150	150
Common Stock	234	234
Subscribed		
Non-Voting Serial Preferred Stock ⁽¹⁾	300	300
Voting Preferred Stock	150	150
Common Stock	219	219
Outstanding		
Non-Voting Serial Preferred Stock ⁽¹⁾	300	300
Voting Preferred Stock	150	150
Common Stock	216	216
Treasury Stock		
Common Stock	3	3

⁽¹⁾ 300 million shares of Series IV Cumulative Non-Convertible Redeemable Preferred Stock subscribed for Php3 billion, of which Php360 million has been paid.

There were no changes in PLDT's capital account for the years ended December 31, 2024 and 2023.

Preferred Stock

Non-Voting Serial Preferred Stock

On November 5, 2013, the Board of Directors designated 50,000 shares of Non-Voting Serial Preferred Stock as Series JJ 10% Cumulative Convertible Preferred Stock to be issued from January 1, 2013 to December 31, 2015, pursuant to the PLDT Subscriber Investment Plan, or SIP. On June 8, 2015, PLDT issued 870 shares of Series JJ 10% Cumulative Convertible Preferred Stock.

On January 26, 2016, the Board of Directors designated 20,000 shares of Non-Voting Serial Preferred Stock as Series KK 10% Cumulative Convertible Preferred Stock to be issued from January 1, 2016 to December 31, 2020, pursuant to the SIP.

The Series JJ and KK 10% Cumulative Convertible Preferred Stock, or SIP shares, earn cumulative dividends at an annual rate of 10%. After the lapse of one year from the last day of the year of issuance of a particular Series of 10% Cumulative Convertible Preferred Stock, any holder of such series may convert all or any of the shares of 10% Cumulative Convertible Preferred Stock held by him into fully paid and non-assessable shares of Common Stock of PLDT, at a conversion price equivalent to 10% below the average of the high and low daily sales price of a share of Common Stock of PLDT on the PSE, or if there have been no such sales on the PSE on any day, the average of the bid and the ask prices of a share of Common Stock of PLDT at the end of such day on such Exchange, in each case averaged over a period of 30 consecutive trading days prior to the conversion date, but in no case shall the conversion price be less than the par value per share of Common Stock. The number of shares of Common Stock issuable at any time upon conversion of 10% Cumulative Convertible Preferred Stock is determined by dividing Php10.00 by the then applicable conversion price.

In case the shares of Common Stock outstanding are at any time subdivided into a greater or consolidated into a lesser number of shares, then the minimum conversion price per share of Common Stock will be proportionately decreased or increased, as the case may be, and in the case of a stock dividend, such price will be proportionately decreased, provided, however, that in every case the minimum conversion price shall not be less than the par value per share of Common Stock. In the event the relevant effective date for any such subdivision or consolidation of shares of stock dividend occurs during the period of 30 trading days preceding the presentation of any shares of 10% Cumulative Convertible Preferred Stock for conversion, a similar adjustment will be made in the sales prices applicable to the trading days prior to such effective date utilized in calculating the conversion price of the shares presented for conversion.

In case of any other reclassification or change of outstanding shares of Common Stock, or in case of any consolidation or merger of PLDT with or into another corporation, the Board of Directors shall make such provisions, if any, for adjustment of the minimum conversion price and the sale price utilized in calculating the conversion price as the Board of Directors, in its sole discretion, shall deem appropriate.

At PLDT's option, the Series JJ and KK 10% Cumulative Convertible Preferred Stock are redeemable at par value plus accrued dividends five years after the year of issuance.

The Series IV Cumulative Non-Convertible Redeemable Preferred Stock earns cumulative dividends at an annual rate of 13.5% based on the paid-up subscription price. It is redeemable at the option of PLDT at any time one year after subscription and at the actual amount paid for such stock, plus accrued dividends.

The Non-Voting Serial Preferred Stocks are non-voting, except as specifically provided by law, and are preferred as to liquidation.

All preferred stocks limit the ability of PLDT to pay cash dividends unless all dividends on such preferred stock for all past dividend payment periods have been paid and or declared and set apart and provision has been made for the currently payable dividends.

Voting Preferred Stock

On June 5, 2012, the Philippine SEC approved the amendments to the Seventh Article of PLDT's Articles of Incorporation consisting of the sub-classification of its authorized Preferred Capital Stock into: 150 million shares of Voting Preferred Stock with a par value of Php1.00 each, and 807.5 million shares of Non-Voting Serial Preferred Stock with a par value of Php10.00 each, and other conforming amendments, or the Amendments. The shares of Voting Preferred Stock may be issued, owned, or transferred only to or by: (a) a citizen of the Philippines or a domestic partnership or association wholly-owned by citizens of the Philippines; (b) a corporation organized under the laws of the Philippines of which at least 60% of the capital stock entitled to vote is owned and held by citizens of the Philippines and at least 60% of the board of directors of such corporation are citizens of the Philippines; and (c) a trustee of funds for pension or other employee retirement or separation benefits, where the trustee qualifies under paragraphs (a) and (b) above and at least 60% of the funds accrue to the benefit of citizens of the Philippines, or Qualified Owners. The holders of Voting Preferred Stock will have voting rights at any meeting of the stockholders of PLDT for the election of directors and for all other purposes, with one vote in respect of each share of Voting Preferred Stock. The Amendments were approved by the Board of Directors and stockholders of PLDT on July 5, 2011 and March 22, 2012, respectively.

On October 12, 2012, the Board of Directors, pursuant to the authority granted to it in the Seventh Article of PLDT's Articles of Incorporation, determined the following specific rights, terms and features of the Voting Preferred Stock: (a) entitled to receive cash dividends at the rate of 6.5% per annum, payable before any dividends are paid to the holders of Common Stock; (b) in the event of dissolution or liquidation or winding up of PLDT, holders will be entitled to be paid in full, or pro-rata insofar as the assets of PLDT will permit, the par value of such shares of Voting Preferred Stock and any accrued or unpaid dividends thereon before any distribution shall be made to the holders of shares of Common Stock; (c) redeemable at the option of PLDT; (d) not convertible to Common Stock or to any shares of stock of PLDT of any class; (e) voting rights at any meeting of the stockholders of PLDT for the election of directors and all other matters to be voted upon by the stockholders in any such meetings, with one vote in respect of each Voting Preferred Share; and (f) holders will have no pre-emptive right to subscribe for or purchase any shares of stock of any class, securities or warrants issued, sold or disposed by PLDT.

On October 16, 2012, BTFHI subscribed to 150 million newly issued shares of Voting Preferred Stock of PLDT, at a subscription price of Php1.00 per share for a total subscription price of Php150 million pursuant to a subscription agreement between BTFHI and PLDT dated October 15, 2012. As a result of the issuance of Voting Preferred Shares, the voting power of the NTT Group (NTT DOCOMO and NTT Communications), First Pacific Group and its Philippine affiliates, and JG Summit Group was reduced to 12%, 15% and 6.65%, respectively, as at December 31, 2024. See *Note 1 – Corporate Information*.

Redemption of Preferred Stock

On September 23, 2011, the Board of Directors approved the redemption, or the Redemption, of all outstanding shares of PLDT's Series A to FF 10% Cumulative Convertible Preferred Stock, or the Series A to FF Shares, from holders of record as of October 10, 2011, and all such shares were redeemed and retired effective on January 19, 2012. In accordance with the terms and conditions of the Series A to FF Shares, the holders of Series A to FF Shares as at January 19, 2012 are entitled to payment of the redemption price in an amount equal to the par value of such shares, plus accrued and unpaid dividends thereon up to January 19, 2012, or the Redemption Price of Series A to FF Shares.

PLDT set aside Php4,029 million (the amount required to fund the redemption price for the Series A to FF Shares) in addition to Php4,143 million for unclaimed dividends on Series A to FF Shares, or a total amount of Php8,172 million, to fund the redemption of the Series A to FF Shares, or the Redemption Trust Fund, in a trust account, or the Trust Account, in the name of RCBC, as Trustee. Pursuant to the terms of the Trust Account, the Trustee will continue to hold the Redemption Trust Fund or any balance thereof, in trust, for the benefit of holders of Series A to FF Shares, for a period of ten years from January 19, 2012 until January 19, 2022. After the said date, any and all remaining balance in the Trust Account shall be returned to PLDT and revert to its general funds. Any interest on the Redemption Trust Fund shall accrue for the benefit of, and be paid from time to time, to PLDT.

On May 8, 2012, the Board of Directors approved the redemption of all outstanding shares of PLDT's Series GG 10% Cumulative Convertible Preferred Stock, or the Series GG Shares, from the holders of record as of May 22, 2012, and all such shares were redeemed and retired effective August 30, 2012. In accordance with the terms and conditions of the Series GG Shares, the holders of the Series GG Shares as at May 22, 2012 are entitled to the payment of the redemption price in an amount equal to the par value of such shares, plus accrued and unpaid dividends thereon up to August 30, 2012, or the Redemption Price of Series GG Shares.

PLDT set aside Php236 thousand (the amount required to fund the redemption price for the Series GG Shares) in addition to Php74 thousand for unclaimed dividends on Series GG Shares, or a total amount of Php310 thousand, to fund the redemption price of the Series GG Shares, or the Redemption Trust Fund for Series GG Shares, which forms an integral part of the Redemption Trust Fund previously set aside in the Trust Account with RCBC, as Trustee. Pursuant to the terms of the Trust

Account, the Trustee will continue to hold the Redemption Trust Fund for Series GG Shares or any balance thereof, in trust, for the benefit of holders of Series GG Shares, for a period of ten years from August 30, 2012, or until August 30, 2022. After the said date, any and all remaining balance in the Redemption Trust Fund for Series GG Shares shall be returned to PLDT and revert to its general funds. Any interest on the Redemption Trust Fund for Series GG Shares shall accrue for the benefit of, and be paid from time to time, to PLDT.

On January 29, 2013, the Board of Directors approved the redemption of all outstanding shares of PLDT's Series HH 10% Cumulative Convertible Preferred Stock which were issued in 2007, or the Series HH Shares issued in 2007, from the holders of record as of February 14, 2013 and all such shares were redeemed and retired effective May 16, 2013. In accordance with the terms and conditions of the Series HH Shares issued in 2007, the holders of the Series HH Shares issued in 2007 as at February 14, 2013 are entitled to the payment of the redemption price in an amount equal to the par value of such shares, plus accrued and unpaid dividends thereon up to May 16, 2013, or the Redemption Price of Series HH Shares issued in 2007.

PLDT set aside Php24 thousand (the amount required to fund the redemption price for the Series HH Shares issued in 2007) in addition to Php6 thousand for unclaimed dividends on Series HH Shares issued in 2007, or a total amount of Php30 thousand, to fund the redemption price of the Series HH Shares issued in 2007, or the Redemption Trust Fund for Series HH Shares issued in 2007, which forms an integral part of the Redemption Trust Funds previously set aside in the Trust Account with RCBC, as Trustee. Pursuant to the terms of the Trust Account, the Trustee will continue to hold the Redemption Trust Fund for Series HH Shares issued in 2007 or any balance thereof, in trust, for the benefit of holders of Series HH Shares issued in 2007, for a period of ten years from May 16, 2013, or until May 16, 2023. After the said date, any and all remaining balance in the Redemption Trust Fund for Series HH Shares issued in 2007 shall be returned to PLDT and revert to its general funds. Any interest on the Redemption Trust Fund for Series HH Shares issued in 2007 shall accrue for the benefit of, and be paid from time to time, to PLDT.

On January 28, 2014, the Board of Directors approved the redemption of all outstanding shares of PLDT's Series HH 10% Cumulative Convertible Preferred Stock which were issued in 2008, or the Series HH Shares issued in 2008, from the holders of record as of February 14, 2014 and all such shares were redeemed and retired effective May 16, 2014. In accordance with the terms and conditions of the Series HH Shares issued in 2008, the holders of the Series HH Shares issued in 2008 as at February 14, 2014 are entitled to the payment of the redemption price in an amount equal to the par value of such shares, plus accrued and unpaid dividends thereon up to May 16, 2014, or the Redemption Price of Series HH Shares issued in 2008.

PLDT set aside Php2 thousand (the amount required to fund the redemption price of Series HH Shares issued in 2008) in addition to Php1 thousand for unclaimed dividends on Series HH Shares issued in 2008, or a total amount of Php3 thousand, to fund the redemption of the Series HH Shares issued in 2008, or the Redemption Trust Fund for Series HH Shares issued in 2008, which forms an integral part of the Redemption Trust Funds previously set aside in the Trust Account with RCBC, as Trustee. Pursuant to the terms of the Trust Account, the Trustee will continue to hold the Redemption Trust Fund for Series HH Shares issued in 2008 or any balance thereof, in trust, for the benefit of holders of Series HH Shares issued in 2008, for a period of ten years from May 16, 2014, or until May 16, 2024. After the said date, any and all remaining balance in the Redemption Trust Fund for Series HH Shares issued in 2008 shall be returned to PLDT and revert to its general funds. Any interests on the Redemption Trust Fund for Series HH Shares issued in 2008 shall accrue for the benefit of, and be paid from time to time, to PLDT.

On January 26, 2016, the Board of Directors approved the redemption of all outstanding shares of PLDT's Series II 10% Cumulative Convertible Preferred Stock, or the Series II Shares, from the holder of record as of February 10, 2016, and all such shares were redeemed and retired effective May 11, 2016. In accordance with the terms and conditions of the Series II Shares, the holder of the Series II Shares as at February 10, 2016 is entitled to the payment of the redemption price in an amount equal to the par value of such shares, plus accrued and unpaid dividends thereon up to May 11, 2016, or the Redemption Price of Series II Shares.

PLDT set aside Php4 thousand to fund the redemption price of Series II Shares, or the Redemption Trust Fund for Series II Shares, which forms an integral part of the Redemption Trust Funds previously set aside in the Trust Account with RCBC, as Trustee. Pursuant to the terms of the Trust Account, the Trustee will continue to hold the Redemption Trust Fund for Series II Shares or any balance thereof, in trust, for the benefit of holder of Series II Shares, for a period of ten years from May 11, 2016, or until May 11, 2026. After the said date, any and all remaining balance in the Redemption Trust Fund for Series II Shares shall be returned to PLDT and revert to its general funds. Any interests on the Redemption Trust Fund for Series II Shares shall accrue for the benefit of, and be paid from time to time, to PLDT.

As at January 19, 2012, August 30, 2012, May 16, 2013, May 16, 2014 and May 11, 2016, notwithstanding that any stock certificate representing the Series A to FF Shares, Series GG Shares, Series HH Shares issued in 2007, Series HH Shares issued in 2008 and Series II Shares, respectively, were not surrendered for cancellation, the Series A to II Shares were no longer deemed outstanding and the right of the holders of such shares to receive dividends thereon ceased to accrue and all rights with respect to such shares ceased and terminated, except only the right to receive the Redemption Price of such shares, but without interest thereon.

On January 28, 2020, the Board of Directors authorized and approved, the retirement of shares of PLDT's Series JJ 10% Cumulative Convertible Preferred Stock, or SIP Shares, effective May 12, 2020. The record date for the determination of the holders of outstanding SIP Shares available for redemption was February 11, 2020.

On January 20, 2022, RCBC returned to PLDT the remaining unclaimed balance of the Trust Account for the Series A to FF, amounting to Php7,839 million. Due to the prescription of PLDT's obligations to pay the trust amounts for Series A to FF, income from prescription of preferred shares redemption liability of Php7,839 million was recognized in 2022.

PLDT has withdrawn Php13 thousand, Php354 thousand and Php3 million from the Trust Account, representing total payments on redemption for the years ended December 31, 2024, 2023 and 2022, respectively. The balance of the Trust Account amounting to nil and Php13 thousand were presented as part of "Current portion of other financial assets" and the related redemption liability were presented as part of "Accrued expenses and other current liabilities" in our consolidated statements of financial position as at December 31, 2024 and 2023, respectively. See related disclosures below under Non-controlling interests - Perpetual Notes and *Note 27 – Financial Assets and Liabilities*.

Common Stock/Treasury Stock

The Board of Directors approved a share buyback program of up to five million shares of PLDT's common stock, representing approximately 3% of PLDT's then total outstanding shares of common stock in 2008. Under the share buyback program, PLDT reacquired shares on an opportunistic basis, directly from the open market through the trading facilities of the PSE and NYSE.

As at November 2010, we had acquired a total of approximately 2.72 million shares of PLDT's common stock at a weighted average price of Php2,388 per share for a total consideration of Php6,505 million in accordance with the share buyback program. There were no further buyback transactions subsequent to November 2010.

Dividends Declared

Our dividends declared for the years ended December 31, 2024, 2023 and 2022 are detailed as follows:

December 31, 2024

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
(in million pesos, except per share amounts)					
Cumulative Non-Convertible Redeemable Preferred Stock					
Series IV ⁽¹⁾	January 30, 2024	February 14, 2024	March 15, 2024	—	12
	May 9, 2024	May 24, 2024	June 15, 2024	—	13
	August 13, 2024	August 28, 2024	September 15, 2024	—	12
	November 12, 2024	November 28, 2024	December 15, 2024	—	12
					49
Voting Preferred Stock	March 21, 2024	April 5, 2024	April 15, 2024	—	2
	June 11, 2024	June 28, 2024	July 15, 2024	—	3
	August 13, 2024	September 16, 2024	October 15, 2024	—	2
	December 3, 2024	December 17, 2024	January 15, 2025	—	3
					10
Common Stock					
Regular Dividend	March 7, 2024	March 21, 2024	April 5, 2024	46.00	9,938
	August 13, 2024	August 27, 2024	September 11, 2024	50.00	10,803
					20,741
Charged to retained earnings					20,800

⁽¹⁾ Dividends were declared based on total amount paid up.

December 31, 2023

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
(in million pesos, except per share amounts)					
Cumulative Non-Convertible Redeemable Preferred Stock Series IV ⁽¹⁾	January 31, 2023	February 27, 2023	March 15, 2023	—	12
	May 4, 2023	May 19, 2023	June 15, 2023	—	12
	August 3, 2023	August 19, 2023	September 15, 2023	—	13
	November 7, 2023	November 22, 2023	December 15, 2023	—	12
					49
Voting Preferred Stock	March 2, 2023	March 17, 2023	April 15, 2023	—	3
	June 13, 2023	June 28, 2023	July 15, 2023	—	3
	August 29, 2023	September 13, 2023	October 15, 2023	—	2
	December 5, 2023	December 22, 2023	January 15, 2024	—	2
					10
Common Stock					
Regular Dividend	March 23, 2023	April 11, 2023	April 24, 2023	45.00	9,722
	August 3, 2023	August 17, 2023	September 4, 2023	49.00	10,587
Special Dividend	March 23, 2023	April 11, 2023	April 24, 2023	14.00	3,025
					23,334
Charged to retained earnings					23,393

⁽¹⁾ Dividends were declared based on total amount paid up.

December 31, 2022

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
(in million pesos, except per share amounts)					
Cumulative Non-Convertible Redeemable Preferred Stock Series IV ⁽¹⁾	January 25, 2022	February 21, 2022	March 15, 2022	—	12
	May 5, 2022	May 20, 2022	June 15, 2022	—	13
	August 4, 2022	August 19, 2022	September 15, 2022	—	12
	November 3, 2022	November 18, 2022	December 15, 2022	—	12
					49
Voting Preferred Stock	March 3, 2022	March 23, 2022	April 15, 2022	—	2
	June 14, 2022	June 30, 2022	July 15, 2022	—	2
	August 24, 2022	September 15, 2022	October 15, 2022	—	3
	December 15, 2022	December 29, 2022	January 15, 2023	—	3
					10
Common Stock					
Regular Dividend	March 3, 2022	March 17, 2022	April 4, 2022	42	9,075
	August 4, 2022	August 18, 2022	September 5, 2022	47	10,155
	August 4, 2022	August 18, 2022	September 5, 2022	28	6,049
					25,279
Charged to retained earnings					25,338

⁽¹⁾ Dividends were declared based on total amount paid up.

Our dividends declared after December 31, 2024 are detailed as follows:

Class	Date			Amount	
	Approved	Record	Payable	Per Share	Total
(in million pesos, except per share amounts)					
Cumulative Non-Convertible Redeemable Preferred Stock Series IV ⁽¹⁾	January 28, 2025	February 11, 2025	March 15, 2025	—	12
Common Stock					
Regular Dividend	February 27, 2025	March 13, 2025	April 3, 2025	47	10,155
Charged to retained earnings					10,167

⁽¹⁾ Dividends were declared based on total amount paid up.

Noncontrolling Interests – Perpetual Notes

Smart issued Php2,610 million and Php1,590 million perpetual notes on March 3, 2017 and March 6, 2017, respectively, under two Notes Facility Agreements dated March 1, 2017 and March 2, 2017, respectively. The transaction costs amounting to Php34 million were accounted for as a deduction from the perpetual notes. Smart paid distributions amounting to Php59 million as at December 31, 2024 and Php236 million each as at December 31, 2023 and 2022. The notes are subordinated to and rank junior to all senior loans of Smart. In accordance with PAS 32, *Financial Instruments: Presentation*, the notes are classified as part of Smart's equity and recorded as noncontrolling interests in PLDT's consolidated financial statements.

Proceeds from the issuance of these notes were used to finance capital expenditures. The notes have no fixed redemption dates. On March 3, 2024 and March 6, 2024, Smart fully redeemed its Perpetual Notes amounting to Php2,610 million and Php1,590 million, respectively.

Retained Earnings Available for Dividend Declaration

The following table shows the reconciliation of our consolidated retained earnings available for dividend declaration as at December 31, 2024:

	(in million pesos)
Consolidated Unappropriated Retained Earnings as of December 31, 2023	22,020
Effect of PAS 27 Adjustments	7,432
Parent Company's unappropriated retained earnings at beginning of the year	29,452
Adjustments: Unrealized gains in prior years:	
Fair value adjustments of investment property resulting to gain	(6,626)
DTA	(2,196)
Unrealized foreign exchange gains – net (except those attributable to cash and cash equivalents)	(2,590)
Fair value adjustments (mark-to-market gains)	(1,385)
Parent Company's unappropriated retained earnings available for dividends as at January 1, 2024	16,655
Add: Net income actually earned/realized during the year	
Parent Company's net income for the year	26,654
Less: Non-actual/unrealized income - net of tax	
Fair value adjustments (mark-to-market gains)	(2,070)
	24,584
Less: Cash dividends declared during the year	
Preferred stock	(59)
Common stock	(20,741)
	(20,800)
Parent Company's unappropriated retained earnings available for dividends as at December 31, 2024	20,439

As at December 31, 2024, our consolidated unappropriated retained earnings amounted to Php33,901 million while the Parent Company's unappropriated retained earnings amounted to Php35,306 million. The difference of Php1,405 million pertains to the effect of PAS 27, *Separate Financial Statements*, in our investments in subsidiaries, associates and joint ventures accounted for under the equity method.

20. Interest-bearing Financial Liabilities

As at December 31, 2024 and 2023, this account consists of the following:

	2024	2023
	(in million pesos)	
Long-term portion of interest-bearing financial liabilities:		
Long-term debt (Notes 27 and 28)	258,246	243,152
Current portion of interest-bearing financial liabilities:		
Long-term debt maturing within one year (Notes 27 and 28)	23,340	11,646
	281,586	254,798

Unamortized debt discount, representing debt premium, debt issuance costs and any difference between the fair value of consideration given or received at initial recognition, included in our financial liabilities amounted to Php1,989 million and Php2,129 million as at December 31, 2024 and 2023, respectively.

The following table describes all changes to unamortized debt discount for the years ended December 31, 2024 and 2023:

	2024	2023
	(in million pesos)	
Unamortized debt discount at beginning of the year	2,129	2,279
Additions	219	214
Revaluations	9	(2)
Accretion included as part of financing costs – net	(368)	(362)
Unamortized debt discount at end of the year	1,989	2,129

The scheduled maturities of our consolidated outstanding long-term and short-term debt at nominal values as at December 31, 2024 are as follows:

Year	U.S. Dollar Debt		Php Debt	Total
	U.S. Dollar	Php	Php	Php
	(in millions)			
2025	14	810	22,890	23,700
2026	14	810	15,075	15,885
2027	14	810	26,695	27,505
2028	28	1,620	19,653	21,273
2029	—	—	26,288	26,288
2030 and onwards	614	35,518	133,406	168,924
Total long-term debt (Note 27)	684	39,568	244,007	283,575

Long-term Debt

As at December 31, 2024 and 2023, long-term debt consists of:

Description	Interest Rates	December 31, 2024		December 31, 2023	
		U.S. Dollar	Php	U.S. Dollar	Php
		(in millions)			
U.S. Dollar Debts:					
Fixed Rate Notes	2.5000% to 3.4500% in 2024 and 2023	591	34,177	590	32,691
Term Loans:					
Others ⁽¹⁾	SOFR + 1.31161 % to 1.47826% in 2024 and SOFR + 1.31161 % to 1.47826% & US\$LIBOR +1.0500% in 2023	84	4,838	122	6,788
		675	39,015	712	39,479
Philippine Peso Debts:					
Fixed Rate Retail Bonds	5.2813% in 2024 and 2023		—		2,599
Term Loans:					
Unsecured Term Loans	4.0000% to 5.3500%; PHP BVAL + 0.5000% to 1.0000% (floor rate 4.5000% to 4.6250%) in 2024 and 3.9500% to 5.3500%; PHP BVAL + 0.5000% to 1.0000% (floor rate 4.5000% to 4.6250%) in 2023		242,571		212,720
			242,571		215,319
Total long-term debt (Notes 27 and 28)		281,586			254,798
Less portion maturing within one year (Note 27)		23,340			11,646
Noncurrent portion of long-term debt (Note 27)		258,246			243,152

⁽¹⁾ Effective September 2023, the benchmark rate of our U.S. Dollar-denominated debts was changed from LIBOR to SOFR.

Loan Amount	Issuance Date	Trustee	Terms	Repurchase Amount		Paid in full on	Outstanding Amounts			
				Php	Dates		December 31, 2024		December 31, 2023	
							U.S. Dollar	Php	U.S. Dollar	Php
							(in millions)	(in millions)		
Fixed Rate Notes ⁽¹⁾										
US\$600M	June 23, 2020	The Bank of New York Mellon, London Branch	Non-amortizing, payable in full upon maturity on January 23, 2031 and June 23, 2050	—	—	—	591 ⁽²⁾	34,177 ⁽²⁾	590 ⁽²⁾	32,691 ⁽²⁾
							591	34,177	590	32,691

⁽¹⁾ The purpose of this loan is to refinance the existing loan obligations, prepay outstanding loans and partially finance capital expenditures.

⁽²⁾ Amounts are net of unamortized debt discount/premium and/or debt issuance cost.

Loan Amount	Date of Loan Agreement	Lender(s)	Terms	Dates Drawn	Drawn	Cancelled Undrawn	Paid in full on	Outstanding Amounts			
					Amount	Amount		December 31, 2024		December 31, 2023	
								U.S. Dollar	Php	U.S. Dollar	Php
					(in millions)				(in millions)		
U.S. Dollar Debts											
Other Term Loans ⁽¹⁾											
US\$50M	2016 and 2017	NTT TC Leasing	Non-amortizing, payable upon maturity on March 30, 2023 and March 27, 2024	2016 and 2017	50	—	March 30, 2023 and March 27, 2024	—	—	25 ⁽²⁾	1,385 ⁽²⁾
US\$140M	March 4, 2020	PNB	Quarterly amortization rates equivalent to: (a) 2.5% of the total amount drawn payable on the first interest payment date up to the 28th interest payment date; (b) 5% of the total amount drawn payable on the 29th interest payment date up to the 32nd interest payment date; and (3) 2.5% of the total amount drawn payable on the 37th interest payment date up to maturity on December 13, 2030	December 14, 2020	140	—	—	84 ⁽²⁾	4,838 ⁽²⁾	97 ⁽²⁾	5,403 ⁽²⁾
								84	4,838	122	6,788

⁽¹⁾ The purpose of this loan is to finance the capital expenditures and/or to refinance existing loan obligations which were utilized for network expansion and improvement programs.

⁽²⁾ Amounts are net of unamortized debt discount/premium and/or debt issuance cost.

Loan Amount	Agreement	Paying Agent	Terms	Date of Issuance/ Drawdown	Payments		Outstanding Amounts	
					Amount	Date	December 31, 2024	December 31, 2023
							Php	Php
							(in millions)	(in millions)
Fixed Rate Retail Bonds ⁽¹⁾								
PLDT								
Php15,000M	January 22, 2014	Philippine Depository Trust Corp.	Php12.4B – non-amortizing, payable in full upon maturity on February 6, 2021; Php2.6B – non-amortizing payable in full on February 6, 2024	February 6, 2014	12,400 2,600	February 8, 2021 February 6, 2024	—	2,599 ⁽²⁾

⁽¹⁾ The purpose of this loan is to finance the capital expenditures and/or to refinance existing loan obligations which were utilized for network expansion and improvement programs.

⁽²⁾ Amounts are net of unamortized debt discount/premium and/or debt issuance cost.

Loan Amount	Date of Loan Agreement	Lender(s)	Terms	Dates Drawn	Drawn Amount	Outstanding Amounts	
						December 31, 2024	December 31, 2023
					Php	Php	Php
					(in millions)	(in millions)	
Term Loans							
Unsecured Term Loans⁽¹⁾							
Php14,900M	Various dates in 2014, 2016 and 2019	Union Bank of the Philippines	With annual amortization up to 7 and 10 years	Various dates in 2014, 2016 and 2019	14,900	7,811 ⁽²⁾	9,298 ⁽²⁾
Php71,300M	Various dates in 2015 to 2023	Bank of the Philippine Islands	With annual amortization up to 6, 7, 10 and 11 years	Various dates in 2015 to 2024	71,000	54,738 ⁽²⁾	54,436 ⁽²⁾
Php46,500M	Various date in 2015 to 2024	Metropolitan Bank and Trust Company ⁽³⁾	With annual amortization up to 7, 10 and 11 years	Various date in 2015 to 2024	46,500	38,618 ⁽²⁾	26,443 ⁽²⁾
Php18,500M	Various dates in 2019 and 2023	China Banking Corporation	With annual amortization up to 10 years	Various dates in 2019 and 2023	18,500	15,770 ⁽²⁾	16,616 ⁽²⁾
Php14,000M	Various dates in 2016 and 2017	Security Bank	With semi-annual amortization up to 10 years	Various dates in 2017	14,000	10,566 ⁽²⁾	10,760 ⁽²⁾
Php31,970M	Various dates in 2016, 2020, 2021, 2023 and 2024	Banco de Oro	With annual amortization up to 7 and 10 years	Various dates in 2016, 2020, 2021 and 2024	30,470	29,564 ⁽²⁾	14,318 ⁽²⁾
Php8,500M	Various dates in 2016, 2017 and 2019	Philippine National Bank	With annual amortization up to 7, 8 and 10 years	Various dates in 2017, 2018 and 2019	8,500	7,920 ⁽²⁾	7,946 ⁽²⁾
Php41,500M	Various dates in 2016 to 2023	Landbank of the Philippines	With annual amortization up to 10 years	Various dates in 2016 to 2023	41,500	39,475 ⁽²⁾	39,824 ⁽²⁾
Php14,000M	Various dates in 2019 to 2021	Development Bank of the Philippines	With annual amortization up to 8, 9 and 10 years	Various dates in 2019 to 2022	14,000	13,513 ⁽²⁾	13,629 ⁽²⁾
Php2,000M	September 6, 2019	Bank of China (Hong Kong) Limited, Manila Branch	With annual amortization up to 7 years	September 6, 2019	2,000	1,896 ⁽²⁾	1,914 ⁽²⁾
Php15,000M	Various dates in 2020, 2021 and 2023	Rizal Commercial Banking Corporation	With annual amortization up to 8, 10 and 11 years	Various dates in 2020, 2021 and 2023	15,000	14,443 ⁽²⁾	14,566 ⁽²⁾
Php2,500M	April 2, 2020	MUFG Bank, Ltd.	With semi-annual amortization up to 6 years	April 2, 2020	2,500	972 ⁽²⁾	1,970 ⁽²⁾
Php3,800M	Various dates in 2023 and 2024	Bank of Commerce	With annual amortization up to 9 and 10 years	Various dates in 2023 and 2024	3,800	3,769 ⁽²⁾	1,000 ⁽²⁾
Php3,000M	Various dates in 2024	Hongkong and Shanghai Banking Corporation ⁽³⁾	With annual amortization up to 5 years	Various dates in 2024	3,000	2,986 ⁽²⁾	— ⁽²⁾
Php530M	September 30, 2024	Philippine Veterans Bank	With annual amortization up to 7 years	October 30, 2024	530	530 ⁽²⁾	— ⁽²⁾
						242,571	212,720

⁽¹⁾ The purpose of this loan is to finance the capital expenditures and/or to refinance existing loan obligations which were utilized for network expansion and improvement programs.

⁽²⁾ Amounts are net of unamortized debt discount/premium and/or debt issuance cost.

⁽³⁾ Includes Green Loan and Social Loan.

Green Loan and Social Loan Facilities

On March 6 and May 7, 2024, PLDT secured Php1 billion and Php4 billion Green Loan Facilities from HSBC Philippines and Metropolitan Bank & Trust Company, respectively, to partially fund the company's ongoing nationwide modernization and expansion of its fiber network. The upgrade of the network to fiber and the resultant energy-efficient operations support the PLDT Group decarbonization roadmap, which aims to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 40% by 2030, from a 2019 baseline.

On October 23, 2024, PLDT secured a Php2 billion Social Loan Facility from HSBC Philippines to partially fund the company's network fiber expansion to reach the country's fourth to sixth class municipalities. This initiative aligns with the government's focus on enhancing connectivity in geographically isolated and disadvantaged areas (GIDAs).

Short-term Debt

PLDT and Smart availed unsecured short-term debt from various banks amounting to Php6,000 million and Php4,000 million, respectively, with an interest rate of 2.60% in March and April 2022. In July 2022, PLDT prepaid its outstanding short-term debt amounting to Php2,000 million. In October 2022, Smart paid its outstanding short-term debt amounting to Php4,000 million. In November 2022, PLDT and Smart availed unsecured short-term debt amounting to Php4,000 million and Php2,000 million, respectively, with an interest rate of 5.16%. In March 2023, PLDT paid its outstanding short-term debt amounting to Php4,000 million. In October 2023, PLDT and Smart paid their remaining outstanding short-term debt amounting to Php4,000 million and Php2,000 million, respectively. As at December 31, 2024 and 2023, PLDT and Smart has no outstanding balance of short-term debt.

Below are the interest-bearing financial liabilities drawn after December 31, 2024:

Loan Amount	Date of Loan Agreement	Lender(s)	Terms	Dates Drawn	Drawn Amount
					Php (in millions)
Long-term Loans					
Unsecured Term Loans ⁽¹⁾					
PLDT					
Php11,000M	December 13, 2024	BPI	With annual amortization up to 10 years		
Smart					
Php13,000M	December 19, 2024	MBTC	With annual amortization up to 10 years	January 2, 2025 February 3, 2025	1,500 700
Short-term Loans					
Unsecured Term Loans ⁽¹⁾					
PLDT					
Php787M		BPI	77-day promissory note	January 3, 2025	787
Smart					
Php235M		BPI	77-day promissory note	January 3, 2025	235

⁽¹⁾ The purpose of this loan is to finance the capital expenditures and/or to refinance existing loan obligations which were utilized for network expansion and improvement programs.

Compliance with Debt Covenants

PLDT's debt instruments contain restrictive covenants, including covenants that require us to comply with specified financial ratios tests, such as total debt to EBITDA and interest cover ratio, at relevant measurement dates, principally at the end of each quarterly period.

PLDT's debt instruments also contain a number of other negative covenants that, subject to certain exceptions and qualifications, restrict PLDT's ability to take certain actions without lenders' approval, including: (a) making or permitting any material change in the character of its business; (b) selling, leasing, transferring or disposing of all or substantially all of its assets or any significant portion thereof other than in the ordinary course of business; (c) creating any lien or security interest; (d) permitting set-off against amounts owed to PLDT; (e) merging or consolidating with any other company; and (f) making or permitting any preference or priority in respect of any other relevant indebtedness of PLDT.

PLDT's debt instruments also contain customary and other default provisions that permit the lender to accelerate amounts due or terminate their commitments to extend additional funds under the debt instruments.

Smart's debt instruments contain certain restrictive covenants that require Smart to comply with specified financial ratios and other financial tests at semi-annual measurement dates. Smart's loan agreements include compliance with financial tests such as Smart's consolidated debt to consolidated EBITDA and interest coverage ratio. The agreements also contain customary and other default provisions that permit the lender to accelerate amounts due under the loans or terminate their commitments to extend additional funds under the loans.

ePLDT's debt instruments contain certain restrictive covenants that require ePLDT to comply with specified financial ratios and other financial tests at quarterly measurement dates. ePLDT's loan agreement includes compliance with financial tests such as total debt to equity and interest coverage ratio. The agreement also contains customary and other default provisions that permit the lender to accelerate amounts due under the loans or terminate their commitments to extend additional funds under the loans. ePLDT's debt instruments also contain a number of other negative covenants that, subject to certain exceptions and qualifications, restrict ePLDT's ability to take certain actions without lenders' approval.

The principal factors that could negatively affect our ability to comply with these financial ratio covenants and other financial tests are poor operating performance of PLDT and its subsidiaries, depreciation of the Philippine Peso relative to the U.S. Dollar, impairment or similar charges in respect of investments or other long-lived assets that may be recognized by PLDT and its subsidiaries, and increases in our interest expense. Interest expense may increase as a result of various factors including issuance of new debt, the refinancing of lower cost indebtedness by higher cost indebtedness, depreciation of the Philippine Peso relative to the U.S. Dollar, the lowering of PLDT's credit ratings or the credit ratings of the Philippines, increase in reference interest rates, and general market conditions. Of our total consolidated debts (net of consolidated debt discount), approximately 14% and 15% were denominated in U.S. Dollars as at December 31, 2024 and 2023, respectively. Considering our consolidated outstanding hedges, the unhedged portion of the PLDT's net debt amounts was approximately 6% (or 5%, net of our consolidated U.S. Dollar cash balances allocated for debt) as at December 31, 2024 and 5% (or 5%, net of our consolidated U.S. Dollar cash balances allocated for debt) as at December 31, 2023. Therefore, the financial ratio and other tests are expected to be negatively affected by any weakening of the Philippine Peso relative to the U.S. Dollar. See *Note 27 – Financial Assets and Liabilities – Foreign Currency Exchange Risk*.

The loan agreements with banks (foreign and local alike) and other financial institutions provide for certain restrictions and requirements with respect to, among others, maintenance of percentage of ownership of specific shareholders, incurrence of additional long-term indebtedness or guarantees and creation of property encumbrances.

As at December 31, 2024 and 2023, we were in compliance with all of our debt covenants. See *Note 27 – Financial Assets and Liabilities – Derivative Financial Instruments*.

21. Deferred Credits and Other Noncurrent Liabilities

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Contract liabilities and unearned revenues - non-current	5,625	8,206
Provision for asset retirement obligations	1,752	1,164
Accrual of capital expenditures under long-term financing ⁽¹⁾	44	198
Others	54	39
	7,475	9,607

⁽¹⁾ Represents expenditures related to the expansion and upgrade of our network facilities which are not due to be settled within one year. Such accruals are settled through refinancing from long-term loans obtained from the banks. See Note 20 – Interest-bearing Financial Liabilities.

The following table summarizes the changes to provision for asset retirement obligations for the years ended December 31, 2024 and 2023:

	2024	2023
	(in million pesos)	
Provision for asset retirement obligations at beginning of the year	1,164	1,514
Revaluation due to change in IBR	515	(175)
Capitalized to ROU assets during the year	73	163
Accretion expenses	54	63
Reclassification to liabilities associated with assets classified as held-for-sale	—	(369)
Settlement of obligations and others	(3)	(2)
Change in assumptions	(51)	(30)
Provision for asset retirement obligations at end of the year	1,752	1,164

22. Accounts Payable

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Suppliers and contractors (Note 27)	58,524	74,518
Taxes (Note 26)	5,473	3,964
Carriers and others	2,579	2,362
Related parties	146	170
	66,722	81,014

Certain suppliers entered into Trade Financing Arrangements (TFAs) to sell their receivables. The Purchaser will have exclusive ownership of the purchased receivables and all of its rights, title and interest. There were no changes in the payment terms.

Carrying amount of liabilities

	2024	2023
	(in million pesos)	
Presented within trade and other payables	24,556	35,379
– of which suppliers have received payment	14,106	20,553

Range of payment due dates

	2024	2023
Liabilities that are part of the arrangement	210-300 days after invoice due date	210-300 days after invoice due date
Comparable trade payables that are not part of an arrangement	30-300 days after invoice due date	30-300 days after invoice due date

Non-cash changes

There were no material business combinations or foreign exchange differences in either period. There were no non-cash transfers from trade payables to finance payables as at December 31, 2024 and December 31, 2023.

For terms and conditions pertaining to the payables to related parties, see *Note 24 – Related Party Transactions*.

For detailed discussion on the PLDT Group's liquidity risk management processes, see *Note 27 – Financial Assets and Liabilities – Liquidity Risk*.

23. Accrued Expenses and Other Current Liabilities

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Accrued utilities and related expenses (Notes 24 and 27)	57,276	61,407
Contract liabilities and unearned revenues - current portion	10,442	10,689
Accrued employee benefits and other provisions (Note 27)	9,246	5,510
Accrued taxes and related expenses (Note 26)	3,907	5,943
Accrued interests and other related costs (Note 28)	2,426	2,157
Others	2,191	3,044
	85,488	88,750

Accrued utilities and related expenses pertain to costs incurred for electricity and water consumption, repairs and maintenance, selling and promotions, professional and other contracted services, rent, insurance and security services and other operational related expenses pending receipt of billings and statements of account from suppliers. These liabilities are noninterest-bearing and are normally settled within a year.

Contract liabilities and unearned revenues represent advance payments for leased lines, installation fees, monthly service fees and unused and/or unexpired portions of prepaid loads.

Accrued employee benefits and other provisions pertain to accrued salaries, wages and bonuses, and other employee benefits that are normally settled within a year.

Accrued taxes and related expenses pertain to licenses, permits and other related business taxes, which are normally settled within a year.

Accrued interests and other related costs include interest expense on loans, which are normally settled within a year.

Other accrued expenses and other current liabilities are noninterest-bearing and are normally settled within a year. This pertains to other costs incurred for operations-related expenses pending receipt of invoice and statement of accounts from suppliers. This also includes accrued redemption liabilities related to Trust Account. For detailed discussion on redemption liabilities, see *Note 19 Equity – Redemption of Preferred Stock*.

24. Related Party Transactions

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. Transactions with related parties are on an arm's length basis, similar to transactions with third parties.

Settlement of outstanding balances of related party transactions at year-end are expected to be settled with cash.

The following table provides the summary of outstanding balances as at December 31, 2024 and 2023, and transactions for the years ended December 31, 2024, 2023 and 2022 that have been entered into with related parties:

Company Name	Particulars	Terms	Conditions	Statement of Financial Position Classification	2024	2023	Income Statement	2024	2023	2022
					(in million pesos)			(in million pesos)		
Manila Electric Company, or Meralco	Electricity services to PLDT and certain subsidiaries' offices within Meralco's franchise area	Immediately upon receipt of invoice	Unsecured	Accounts payable and accrued expenses and other current liabilities	552	603	Repairs and maintenance	3,039	2,928	3,219
	Pole attachment contracts, wherein Meralco leases its pole spaces to accommodate PLDT and Smart’s cable network facilities	45 days upon receipt of billings	Unsecured	Accrued expenses and other current liabilities	—	—	Rent	—	—	40
		Upon depreciation or expiration of lease	Unsecured	ROU assets	2,600	598	Depreciation and amortization	652	603	665
		2024 – due after December 31, 2025; 2023 – due after December 31, 2024	Unsecured	Lease liabilities - net of current portion	2,191	2				
		2024 – due after December 31, 2024; 2023 – due after December 31, 2023	Unsecured	Current portion of lease liabilities	565	1				
Meralco Industrial Engineering Services Corporation, or MIESCOR	Customer line installation, repair, rehabilitation and maintenance activities	30 days upon receipt of invoice	Unsecured	Accrued expenses and other current liabilities	5	3				
Transactions with major stockholders, directors and officers:										
NTT TC Leasing	PLDT signed a US\$25 million term loan facility agreement on March 22, 2016	Non-amortizing, payable upon maturity on March 30, 2023	Unsecured	Interest-bearing financial liabilities	—	—	Financing costs – net	—	19	46
	PLDT signed a US\$25 million term loan facility agreement on January 31, 2017	Non-amortizing, payable upon maturity on March 27, 2024	Unsecured	Interest-bearing financial liabilities	—	1,385	Financing costs – net	26	96	46

				Statement of Financial Position	2024	2023	Income Statement	2024	2023	2022
Company Name	Particulars	Terms	Conditions	Classification			Classification			
					(in million pesos)		(in million pesos)			
Transactions with major stockholders, directors and officers:										
NTT World Engineering Marine Corporation	On February 1, 2008, PLDT entered into a service agreement, wherein NTT World Engineering Marine Corporation provides offshore submarine cable repair and other allied services for the maintenance of PLDT’s domestic fiber optic network submerged plant.	1st month of each quarter; noninterest-bearing	Unsecured	Accounts payable and accrued expenses and other current liabilities	256	261	Repairs and maintenance	116	92	80
NTT Communications	On March 24, 2000, PLDT entered into an advisory service agreement (as amended on March 31, 2003, March 31, 2005 and June 16, 2006), under which NTT Communications provides PLDT with technical, marketing and other consulting services for various business areas of PLDT starting April 1, 2000.	30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accrued expenses and other current liabilities	115	104	Professional and other contracted services	123	110	87
	On March 24, 2000, PLDT entered into an agreement with NTT Communications under which PLDT and NTT Communications agreed to cooperative arrangements for conventional international telecommunications services to enhance their respective international businesses.	30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accounts payable	—	3				
NTT Worldwide Telecommunications Corporation	On March 24, 2000, PLDT entered into an agreement under which PLDT markets, and manages data and other services under NTT Communications’ “Arcstar” brand to its corporate customers in the Philippines. PLDT also entered into a Trade Name and Trademark Agreement with NTT Communications under which PLDT has been given the right to use the trade name “Arcstar” and its related trademark, logo and symbols, solely for the purpose of PLDT’s marketing, promotional and sales activities for the Arcstar services within the Philippines.	30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accounts payable	—	6	Selling and promotions	—	1	2
NTT DOCOMO	On June 5, 2006, in accordance with the Cooperation Agreement dated January 31, 2006, an Advisory Services Agreement was entered into by NTT DOCOMO and PLDT. Pursuant to the Advisory Services Agreement, NTT DOCOMO will provide the services of certain key personnel in connection with certain aspects of the business of PLDT and Smart. Also, this agreement governs the terms and conditions of the appointments of such key personnel and the corresponding fees related thereto.	30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accrued expenses and other current liabilities	121	103	Professional and other contracted services	125	105	105

Company Name	Particulars	Terms	Conditions	Statement of Financial Position Classification	2024	2023	Income Statement	2024	2023	2022
					Classification			(in million pesos)		
<i>Transactions with major stockholders, directors and officers:</i>										
JGSHI and Subsidiaries	PLDT and certain of its subsidiaries have existing agreements with Universal Robina Corporation and Robinsons Land Corporation for office and business office rental.	1st month of each quarter; 30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accounts payable and accrued expenses and other current liabilities	59	81	Rent	361	246	269
		Upon depreciation or expiration of lease	Unsecured	ROU assets	4	4	Depreciation and amortization	—	—	44
		2024 – due after December 31, 2025; 2023 – due after December 31, 2024	Unsecured	Lease liabilities - net of current portion	—	78				
	PLDT group's other transactions with JGSHI and subsidiaries	30 days upon receipt of invoice; noninterest-bearing	Unsecured	Accrued expenses and other current liabilities	44	44	Repairs and maintenance	14	48	23
Malayan Insurance Co., Inc., or Malayan	PLDT and certain of its subsidiaries have insurance policies with Malayan covering directors, officers, liability to employees and material damage for buildings, building improvements, equipment and motor vehicles. The premiums are directly paid to Malayan.	Immediately upon receipt of invoice	Unsecured	Accounts payable and accrued expenses and other current liabilities	8	8	Insurance and security services	209	261	229
		Immediately upon receipt of invoice	Unsecured	Prepayments	—	152				
Gotuaco del Rosario and Associates, or Gotuaco	Gotuaco acts as the broker for certain insurance companies to cover certain insurable properties of the PLDT Group. Insurance premiums are remitted to Gotuaco and the broker's fees are settled between Gotuaco and the insurance companies.	Immediately upon receipt of invoice	Unsecured	Accounts payable and accrued expenses and other current liabilities	2	—	Insurance and security services	133	142	144
First Pacific Investment Management Limited, or FPIML	On March 1, 2018, Smart entered into an Advisory Services Agreement with FPIML effective for a period of one-year subject to a 12-month automatic renewal unless either party notifies the other party of its intent not to renew the agreement. FPIML provides advisory and related services in connection with the operation of Smart's business of providing mobile communications services, high-speed internet connectivity, and access to digital services and content. The agreement provides that Smart shall pay a monthly service fee of US\$250 thousand and any additional fee shall be mutually agreed upon by both parties on a monthly basis. On March 26, 2020, Smart and FPIML mutually agreed to reduce the monthly service fee to US\$100 thousand in consideration of the services provided under this agreement, effective April 1, 2020. Starting April 2021, the fee has been increased to \$220 thousand per month. Smart prepaid the fees for the period April to October 2021 (US\$1.54 million).		Unsecured	Accounts payable and accrued expenses and other current liabilities (Notes 23 and 24)	—	—	Professional and other contracted services	163	149	133

Company Name	Particulars	Terms	Conditions	Statement of Financial Position	2024	2023	Income Statement	2024	2023	2022
				Classification	Classification					
					(in million pesos)		(in million pesos)			
Other related parties:										
Various	PLDT and certain of its subsidiaries provide telephone, data communication and other services to various related parties.	30 days upon receipt of invoice	Unsecured	Trade and other receivables (Note 16)	7,948	5,193	Revenues	2,589	2,510	2,518
	PLDT and certain of its subsidiaries avail of lease and other services from various related parties.	2024 – due after December 31, 2025; 2023 – due after December 31, 2024	Unsecured	Lease liabilities - net of current portion (Note 10)	181	66	Expenses	7,652	4,433	5,687
		2024 – due after December 31, 2024; 2023 – due after December 31, 2023	Unsecured	Current portion of lease liabilities (Note 10)	97	42				
		Upon depreciation or expiration of lease	Unsecured	ROU assets (Note 10)	308	148				
		30 days upon receipt of billing; noninterest-bearing	Unsecured	Accounts payable (Note 22)	1,485	666				
		Immediately upon receipt of billing	Unsecured	Accrued expenses and other current liabilities (Note 23)	516	603				

Compensation of Key Officers of the PLDT Group

The compensation of key officers of the PLDT Group by benefit type for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
	(in million pesos)		
Short-term employee benefits	384	582	390
Other long-term employee benefits (Note 25)	168	72	448
Post-employment benefits	22	23	22
Total compensation paid to key officers of the PLDT Group	574	677	860

The amounts disclosed in the table above are the amounts recognized as expenses during the period related to key management personnel.

Effective January 2014, each of the directors, including the members of the advisory board of PLDT, is entitled to a director's fee in the amount of Php250 thousand for each board meeting attended. Each of the members or advisors of the audit, governance, nomination and sustainability, executive compensation, technology strategy, and risk and data privacy and information security committees is entitled to a fee in the amount of Php125 thousand for each committee meeting attended.

Total fees paid for board meetings and board committee meetings amounted to Php85 million, Php88 million and Php82 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Except for the fees mentioned above, the directors are not compensated, directly or indirectly, for their services as such directors.

There are no agreements between PLDT Group and any of its key management personnel providing benefits upon termination of employment, except for such benefits to which they may be entitled under PLDT Group's retirement and incentive plans.

25. Pension and Other Employee Benefits

Pension

Defined Benefit Pension Plans

PLDT has defined benefit pension plans, operating under the legal name "The Board of Trustees for the account of the Beneficial Trust Fund created pursuant to the Benefit Plan of PLDT Co." and covering all of our permanent and regular employees, in which case, benefits are computed based on R.A. 7641 (Retirement Pay Law) or the minimum mandated benefit by the law. For the purpose of complying with Revised PAS 19, *Employee Benefits*, pension benefit expense has been actuarially computed based on defined benefit plan.

PLDT and certain of its subsidiaries' actuarial valuation is performed every year-end. There is no significant change in the fair value of plan assets from December 31, 2022 to December 31, 2024. Based on the latest actuarial valuation, the actual present value of accrued (prepaid) benefit costs as at December 31, 2024 and 2023, and net periodic benefit costs and average assumptions used in developing the valuation as at and for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
	(in million pesos)		
Changes in the present value of defined benefit obligations:			
Present value of defined benefit obligations at beginning of the year	17,964	15,883	22,298
Service costs	1,042	1,016	1,093
Interest costs on benefit obligation	1,043	1,065	1,173
Actuarial losses on obligations – experience	437	154	78
Actuarial losses (gains) on obligations – economic assumptions	(496)	2,303	(3,972)
Actual benefits paid/settlements	(2,744)	(2,848)	(102)
Curtailment and others	130	391	(4,685)
Present value of defined benefit obligations at end of the year	17,376	17,964	15,883
Changes in fair value of plan assets:			
Fair value of plan assets at beginning of the year	14,522	16,291	14,683
Actual contributions	3,201	4,507	6,359
Interest income on plan assets	1,019	1,138	983
Actual benefits paid/settlements	(2,820)	(2,510)	(5,313)
Return on plan assets (excluding amount included in net interest)	(1,937)	(4,904)	(421)
Fair value of plan assets at end of the year	13,985	14,522	16,291
Funded (unfunded) status – net	(3,391)	(3,442)	408
Accrued benefit costs	3,548	3,541	482
Prepaid benefit costs	157	99	890
	2024	2023	2022
Components of net periodic benefit costs:			
Service costs	1,042	1,016	1,093
Interest costs - net	24	(73)	190
Curtailment/settlement losses and other adjustments	130	272	261
Net periodic benefit costs	1,196	1,215	1,544

Actual net loss on plan assets amounted to Php918 million and Php3,766 million for the years ended December 31, 2024 and 2023 and an actual net gain on plan assets amounted to Php562 million for the year ended December 31, 2022.

Based on the latest actuarial valuation, our expected contribution to the defined benefit plan in 2025 will amount to Php4,448 million.

The following table sets forth the expected future settlements by the Plan of maturing defined benefit obligation as at December 31, 2024:

	(in million pesos)
2025	229
2026	350
2027	372
2028	903
2029	834
2030 to 2034	11,947

The average duration of the defined benefit obligation at the end of the reporting period is 12.68 years.

The weighted average assumptions used to determine pension benefits for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
	(in percentage)		
Rate of increase in compensation	5.7	5.7	5.7
Discount rate	6.2	6.0	7.3

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023, assuming if all other assumptions were held constant:

	Increase (Decrease)	
	(in percentage)	(in million pesos)
Discount rate	1	15,251
	(1)	(19,348)
Future salary increases	1	19,334
	(1)	(15,229)

PLDT's Retirement Plan

The Board of Trustees, which manages the beneficial trust fund, is composed of: (i) a member of the Board of Directors of PLDT, who is not a beneficiary of the Plan; (ii) a member of the Board of Directors or a senior officer of PLDT, who is a beneficiary of the Plan; (iii) a senior member of the executive staff of PLDT; and (iv) two persons who are not executives nor employees of PLDT.

Benefits are payable in the event of termination of employment due to: (i) compulsory, optional, or deferred retirement; (ii) death while in active service; (iii) physical disability; (iv) voluntary resignation; or (v) involuntary separation from service. For a plan member with less than 15 years of credited services, retirement benefit is equal to 100% of final compensation for every year of service. For those with at least 15 years of service, retirement benefit is equal to 125% of final compensation for every year of service, with such percentage to be increased by an additional 5% for each completed year of service in excess of 15 years, but not to exceed a maximum of 200%. In the case of voluntary resignation after attainment of age 40 and completion of at least 15 years of credited service, benefit is equal to a percentage of his vested retirement benefit, in accordance with percentages prescribed in the retirement plan.

The Board of Trustees of the beneficial trust fund uses an investment approach with the objective of maximizing the long-term expected return of plan assets.

The majority of the Plan's investment portfolio consists of listed and unlisted equity securities while the remaining portion consists of passive investments like temporary cash investments and fixed income investments.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Board of Trustees invests at least the equivalent amount of actuarially computed expected compulsory retirement benefit payments for the year to liquid/semi-liquid assets such as government securities, savings and time deposits with commercial banks.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the PSE. In order to effectively manage price risk, the Board of Trustees continuously assesses these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

The following table sets forth the fair values, which are equal to the carrying values, of PLDT's plan assets recognized as at December 31, 2024 and 2023:

	2024	2023
	(in million pesos)	
Noncurrent Financial Assets		
Investments in:		
Unquoted equity investments	10,774	9,439
Shares of stock	1,983	2,017
Corporate bonds and loans receivable	303	2,287
Mutual funds	252	225
Government securities	4	10
Total noncurrent financial assets	13,316	13,978
Current Financial Assets		
Cash and cash equivalents	409	399
Receivables	103	42
Total current financial assets	512	441
Total PLDT's Plan Assets	13,828	14,419
Subsidiaries Plan Assets	157	103
Total Plan Assets of Defined Benefit Pension Plans	13,985	14,522

Investment in shares of stocks is valued using the latest bid price at the reporting date. Investments in corporate bonds, mutual funds and government securities are valued using the quoted market prices at reporting date.

Unquoted Equity Investments

As at December 31, 2024 and 2023, this account consists of:

	2024	2023	2024	2023
	(Percentage of Ownership)		(in million pesos)	
MediaQuest	100	100	7,304	8,507
Tahanan Mutual Building and Loan Association, Inc., or TMBLA, (net of subscriptions payable of Php32 million)	100	100	722	672
BTFHI	100	100	2,748	260
			10,774	9,439

Investments in MediaQuest

MediaQuest was registered with the Philippine SEC on June 29, 1999 primarily to purchase, subscribe for or otherwise acquire and own, hold, use, manage, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property or every kind and description, and to pay thereof in whole or in part, in cash or by exchanging, stocks, bonds and other evidences of indebtedness or securities of this any other corporation. Its investments include common shares of stocks of various communication, broadcasting and media entities.

Investments in MediaQuest are carried at fair value. The VIU calculations were derived from cash flow projections over a period of five years based on the 2024 financial budgets approved by MediaQuest's Board of Directors and calculated terminal value. Other key assumptions used in the cash flow projections include revenue growth rate, direct costs and capital expenditures. The post-tax discount rates applied to cash flow projections range from 11.3% to 12.2%. Cash flows beyond the five-year period are determined using 0.0% to 4.8% growth rates.

The Board of Trustees of the PLDT Beneficial Trust Fund approved the issuance by MediaQuest of PDRs with underlying shares of stocks of Cignal TV held by MediaQuest through Satventures (Cignal TV PDRs) amounting to Php6 billion on May 8, 2012. On the same date, MediaQuest Board of Directors approved the investment in Cignal TV PDRs by ePLDT, which gave ePLDT a 40% economic interest in Cignal TV. In various dates in 2012, MediaQuest received a deposit for future PDRs subscription of Php6 billion from ePLDT.

The Board of Trustees of the PLDT Beneficial Trust Fund and the MediaQuest Board of Directors approved an issuance of additional MediaQuest PDRs amounting to Php3.6 billion on January 25, 2013. The underlying shares of these additional PDRs are the shares of Satventures held by MediaQuest (Satventures PDRs), the holder of which will have a 40% economic interest in Satventures. Satventures is a wholly-owned subsidiary of MediaQuest and the investment vehicle for Cignal TV. From March to August 2013, MediaQuest received from ePLDT an amount aggregating to Php3.6 billion representing deposits for future PDRs subscription. The Satventures PDRs and Cignal TV PDRs were subsequently issued on September 27, 2013, providing ePLDT an effective 64% economic interest in Cignal TV. Also, on the same date, the Board of Trustees of the PLDT Beneficial Trust Fund and the MediaQuest Board of Directors approved the issuance of additional MediaQuest PDRs amounting to Php1.95 billion. The underlying shares of these additional PDRs are the shares of stocks of Hastings held by MediaQuest (Hastings PDRs). Hastings is a wholly-owned subsidiary of MediaQuest, which holds all the print-related investments of MediaQuest, including equity interests in the three leading newspapers: The Philippine Star, Philippine Daily Inquirer, and Business World. From June 2013 to October 2013, MediaQuest received from ePLDT an amount aggregating to Php1.95 billion representing deposits for future PDRs subscription.

ePLDT's Board of Directors approved on February 19, 2014 an additional Php500 million investment in Hastings PDRs of which Php300 million was received by MediaQuest on March 11, 2014. As at December 31, 2014, total deposit for PDRs subscription amounted to Php2,250 million.

ePLDT's Board of Directors approved an additional Php800 million investment in Hastings PDRs and settlement of the Php200 million balance of the Php500 million Hastings PDR investment in 2014 on May 21, 2015. Subsequently, on May 30, 2015, the Board of Trustees of the PLDT Beneficial Trust Fund and the Board of Directors of MediaQuest approved the issuance of Php3,250 million Hastings PDRs. This provided ePLDT with 70% economic interest in Hastings. In February 2018, ePLDT entered into a Deed of Assignment with the Board of Trustees of the PLDT Beneficial Trust Fund transferring the Hastings PDRs for Php1,664 million.

The Board of Trustees of the PLDT Beneficial Trust Fund approved additional investment in MediaQuest amounting to Php3,100 million and Php1,400 million to fund MediaQuest's investment requirements in 2019 and 2020, respectively, which

were fully drawn by MediaQuest during the same years. The full amounts were fully drawn by MediaQuest during 2019 and 2020.

In 2021 and 2022, the Board of Trustees of the PLDT Beneficial Trust Fund approved an additional investment in MediaQuest to fund its cash requirements amounting to Php2,000 million and Php1,000 million, respectively. Both investments were already fully drawn by MediaQuest in 2022.

Investment in TMBLA

TMBLA was incorporated for the primary purpose of accumulating the savings of its stockholders and lending funds to them for housing programs. The beneficial trust fund's total investment into TMBLA amounted to Php119 million consisting of initial direct subscription in shares of stocks of TMBLA in the amount of Php20 million (net of unpaid subscription amounting to Php32 million) and subsequently via a Deed of Pledge amounting to Php99 million. The cumulative change in the fair market values of this investment amounted to Php603 million and Php553 million as at December 31, 2024 and 2023, respectively.

Investment in BTFHI

BTFHI was incorporated for the primary purpose of acquiring voting preferred shares in PLDT and while the owner, holder of possessor thereof, to exercise all the rights, powers, and privileges of ownership or any other interest therein.

BTFHI subscribed to a total of 150 million shares of Voting Preferred Stock of PLDT at a subscription price of Php1.00 per share for a total subscription price of Php150 million on October 26, 2012. Total cash dividend income amounted to Php10 million for each of the years ended December 31, 2024, 2023 and 2022. Dividend receivables amounted to Php2 million each as at December 31, 2024 and 2023.

On April 30, 2024, the Board of Trustees of PLDT Beneficial Trust Fund subscribed and paid an additional subscription into BTFHI amounting to Php2,480 million.

Shares of Stocks

As at December 31, 2024 and 2023, this account consists of:

	2024	2023
	(in million pesos)	
Common shares		
PSE	1,093	1,134
PLDT	34	34
Others	496	489
Preferred shares	360	360
	1,983	2,017

Dividends earned on PLDT common shares amounted to Php3 million for each of the years ended December 31, 2024, 2023 and 2022.

Preferred shares represent 300 million unlisted preferred shares of PLDT at Php10 par value, net of subscription payable of Php2,640 million as at December 31, 2024 and 2023. These shares, which bear dividend of 13.5% per annum based on the paid-up subscription price, are cumulative, non-convertible and redeemable at par value at the option of PLDT. Dividends earned on this investment amounted to Php49 million each for the years ended December 31, 2024, 2023 and 2022.

Corporate Bonds and Loans Receivable

Investment in corporate bonds includes various long-term peso and dollar denominated bonds with maturities ranging from June 2024 to June 2030 and fixed interest rates from 4.38% to 6.80% per annum.

On various dates in 2023 and on January 24, 2024, the Board of Trustees of the PLDT Beneficial Trust Fund entered into 10-year loan agreements with TV5 Network Inc. with an aggregate amount of Php2,300 million ("TV5 Loans"). The total amount was fully drawn by TV5 Network Inc. on the respective loan agreement dates. The applicable interest rates for the loans shall be based on the average of the One Year PHP BVAL for the three consecutive business days immediately prior to and including the interest rate setting date plus a credit margin of 125 bps per annum. On April 30, 2024, the Board of Trustees of the PLDT Beneficial Trust Fund entered into an Assignment Agreement, transferring all of its rights, title and

interests in and to the TV5 Loans, with BTF Properties, Inc. On the same date, TV5 settled the loan with BTF Properties, Inc. through dacion en pago for and in consideration of TV5's real properties with an aggregate value of Php2,300 million.

Mutual Funds

Investment in mutual funds includes UITF, bond and equity funds, which aims to out-perform benchmarks in various indices as part of its investment strategy.

Government Securities

Investments in government securities include Retail Treasury Bonds and FXTN bearing interest rates ranging from 3.9% to 4.8% per annum. These securities are fully guaranteed by the government of the Republic of the Philippines.

The allocation of the fair value of the assets for the PLDT pension plan as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in percentage)	
Investments in listed and unlisted equity securities	92	79
Temporary cash investments	3	3
Debt and fixed income securities	2	16
Mutual funds	2	2
Receivables and other assets	1	—
	100	100

Defined Contribution Plans

Smart's and certain of its subsidiaries' contributions to the plan are made based on the employees' years of tenure and range from 5% to 10% of the employee's monthly salary. Additionally, an employee has an option to make a personal contribution to the fund, at an amount not exceeding 10% of his monthly salary. The employer then provides an additional contribution to the fund ranging from 10% to 50% of the employee's contribution based on the employee's years of tenure. Although the plan has a defined contribution format, Smart and certain of its subsidiaries regularly monitor their compliance with Republic Act No. 7641. As at December 31, 2024 and 2023, Smart and certain of its subsidiaries were in compliance with the requirements of Republic Act No. 7641.

Smart's and certain of its subsidiaries' actuarial valuation is performed every year-end. There is no significant change in the fair value of plan assets from December 31, 2023 to December 31, 2024. Based on the latest actuarial valuation, the actual present value of prepaid benefit costs, net periodic benefit costs and average assumptions used in developing the valuation as at and for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
	(in million pesos)		
Changes in the present value of defined contribution obligations:			
Present value of defined contribution obligations at beginning of the year	2,800	2,777	3,264
Service costs	294	262	262
Interest costs on contribution obligation	174	210	156
Actuarial losses (gains) – economic assumptions	(1)	8	(20)
Actuarial losses (gains) – experience	254	(98)	(216)
Actual benefits paid/settlements	(89)	(344)	(396)
Curtailment and others	(197)	(15)	(273)
Present value of defined contribution obligations at end of the year	3,235	2,800	2,777
Changes in fair value of plan assets:			
Fair value of plan assets at beginning of the year	3,618	3,485	4,137
Actual contributions	243	248	299
Interest income on plan assets	223	261	213
Return on plan assets (excluding amount included in net interest)	56	(4)	(322)
Actual contribution paid/settlements	(87)	(372)	(842)
Fair value of plan assets at end of the year	4,053	3,618	3,485
Funded status – net	818	818	708
Prepaid contribution costs (Note 18)	818	818	708
	2024	2023	2022
Components of net periodic contribution costs:			
Service costs	294	262	262
Interest costs - net	(49)	(51)	(57)
Net periodic contribution costs	245	211	205

Actual net income on plan assets amounted to Php318 million and Php257 million for the years ended December 31, 2024 and 2023, respectively and actual net loss on plan assets amounted to Php109 million for the year ended December 31, 2022.

Based on the latest actuarial valuation, Smart and certain of its subsidiaries expect to contribute the amount of approximately Php309 million to the plan in 2025.

The following table sets forth the expected future settlements by the Plan of maturing defined benefit obligation as at December 31, 2024:

	(in million pesos)
2025	119
2026	187
2027	201
2028	275
2029	284
2030 to 2034	2,531

The average duration of the defined contribution obligation at the end of the reporting period is 10 years.

The weighted average assumptions used to determine pension benefits for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
	(in percentage)		
Rate of increase in compensation	5.0	5.0	5.0
Discount rate	6.3	7.3	7.3

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined contribution obligation as at December 31, 2024 and 2023, assuming if all other assumptions were held constant:

	Increase (Decrease)	
	(in percentage)	(in million pesos)
Discount rate	1	32
	(1)	(32)
Future salary increases	(1)	(32)
	1	32

Smart's Retirement Plan

The fund is being managed and invested by BPI Asset Management and Trust Corporation, as Trustee, pursuant to an amended trust agreement dated February 21, 2012.

The plan's investment portfolio seeks to achieve regular income, long-term capital growth and consistent performance over its own portfolio benchmark. In order to attain this objective, the Trustee's mandate is to invest in a diversified portfolio of bonds and equities, both domestic and international. The portfolio mix is kept at 71% and 29% for fixed income securities and equity securities, respectively.

The following table sets forth the fair values, which are equal to the carrying values, of Smart's plan assets recognized as at December 31, 2024 and 2023:

	2024	2023
	(in million pesos)	
Noncurrent Financial Assets		
Investments in:		
Domestic fixed income	2,655	2,471
International equities	854	723
Philippine foreign currency bonds	753	670
Domestic equities	738	613
International fixed income	295	259
Total noncurrent financial assets	5,295	4,736
Current Financial Assets		
Cash and cash equivalents	284	217
Total current financial assets	284	217
Total plan assets	5,579	4,953
Less: Employee's share, forfeitures and mandatory reserve account	1,526	1,335
Total Plan Assets of Defined Contribution Plans	4,053	3,618

Domestic Fixed Income

Investments in domestic fixed income include Philippine Peso denominated bonds, such as government securities and corporate debt securities, with fixed interest rates from 2.90% to 10.13% per annum.

International Equities

Investments in international equities include exchange traded funds in iSHARES Core MSCI World UCITS ETF USD and Invesco QQQ ETF USD.

Philippine Foreign Currency Bonds

Investments in Philippine foreign currency bonds include U.S. Dollar denominated fixed income instruments issued by the Philippine government and local corporations with fixed interest rates from 2.38% to 10.63% per annum.

Domestic Equities

Investments in domestic equities include direct equity investments in common shares listed in the PSE. These investments earn on stock price appreciation and dividend payments. This includes investment in PLDT shares with fair value of Php38 million and Php33 million as at December 31, 2024 and 2023, respectively.

International Fixed Income

Investments in international fixed income include iSHARES U.S. Treasury Bond ETF and PIMCO GIS Global Bond Fund.

Cash and Cash Equivalents

This pertains to the fund's excess liquidity in Philippine Peso and U.S. Dollars including investments in time deposits, money market funds and other deposit products of banks with duration or tenor less than a year.

The asset allocation of the Plan is set and reviewed from time to time by the Plan Trustees taking into account the membership profile, the liquidity requirements of the Plan and risk appetite of the Plan sponsor. This considers the expected benefit cash flows to be matched with asset durations.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the Plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Plan Trustees invest a portion of the fund in readily tradeable and liquid investments which can be sold at any given time to fund liquidity requirements.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the PSE. In order to effectively manage price risk, the Plan Trustees continuously assess these risks by closely monitoring the market value of the securities and implementing prudent investment strategies.

The allocation of the fair value of Smart and certain of its subsidiaries pension plan assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in percentage)	
Investments in debt and fixed income securities and others	71	73
Investments in listed and unlisted equity securities	29	27
	100	100

Other Long-term Employee Benefits

LTIP

The ECC approved on December 23, 2021 the LTIP covering the years 2022 to 2026, covering two cycles, based on the achievement of telco core income targets, with additional performance metrics on Customer Experience and Sustainability to impact the LTIP payout. Cycle 1 covers the performance period from 2022 to 2024. Payout will be based on the

achievement of performance targets. Cycle 2 covers the performance period from 2025 and 2026 and is subject to the ECC's further evaluation and approval of the final terms.

This long-term employee benefit liability was recognized and measured using the projected unit credit method and was amortized on a straight-line basis over the vesting period.

The expense accrued for the LTIP amounted to Php1,136 million, Php839 million and Php1,272 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The accrued incentive payable amounted to Php3,406 million and Php2,183 million as at December 31, 2024 and 2023, respectively. See *Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions – Estimating Pension Benefit Costs and Other Employee Benefits* and *Note 5 – Income and Expenses – Compensation and Employee Benefits*.

26. Provisions and Contingencies

PLDT's Local Business and Franchise Tax Assessments

As at December 31, 2024, PLDT has no contested LGU assessments for franchise taxes based on gross receipts received or collected for services within its respective territorial jurisdiction.

Smart's Local Business and Franchise Tax Assessments

Province of Cagayan

The Province of Cagayan, or the Province, issued a tax assessment against Smart in 2016 for alleged local franchise tax covering years 2011 to 2015. Smart appealed the assessment to the Regional Trial Court, or RTC, on the ground that Smart cannot be held liable for local franchise tax mainly because it has no sales office within the Province pursuant to Section 137 of the Local Government Code (Republic Act No. 7160). The RTC rendered its Decision on November 29, 2021 dismissing the appeal of Smart for lack of jurisdiction without prejudice. Subsequently, a motion for reconsideration was filed by the Province. On April 25, 2023, the RTC ruled in favor of the Province and denied Smart's subsequent Motion for Reconsideration. On May 24, 2023, Smart filed its Petition for Review before the Court of Tax Appeals. On June 27, 2023, the Second Division of the CTA, in a resolution, ordered the Province to file their Comment to the Petition for Review filed by Smart. The same was complied with. On December 14, 2023, Smart filed its Memorandum requesting for favorable decision by stating all legal and factual bases. The case is pending as of the date of this report.

City of Makati

The City of Makati sent letters to Smart and SBI for alleged franchise tax liability, which Smart and SBI refuted through respective protest letters and judicial actions on the ground that Makati City is imposing tax on revenues outside its jurisdiction. After several court proceedings, on March 2, 2023, the City of Makati, Smart and SBI, mutually agreed to execute respective Compromise Agreements to abbreviate the long and protracted court cases. On March 17, 2023, the court approved the Compromise Agreement. Pursuant thereto, on March 28, 2023 and June 30, 2023, external counsels informed Smart and SBI, respectively, that the Courts approved Compromise Agreements, which eventually ended the cases. On April 27, 2023, the City of Makati issued the Business Permits of Smart and SBI. For 2024, all Business Permits were issued by the City of Makati to Smart and SBI.

Digitel's Local Government Unit, or LGU, Assessments

Digitel is discussing with various LGUs, as to the settlement of its local taxes.

DMPI vs. City of Trece Martires

DMPI petitioned in 2010 to declare void the City of Trece Martires' ordinance of imposing tower fee of Php150 thousand for each cell site every year. Application for the issuance of a preliminary injunction by DMPI is pending resolution as of the date of this report.

ACeS Philippines' Withholding Tax Assessments

ACeS Philippines had a case filed with the Supreme Court (*ACeS Philippines Satellite Corporation vs. Commissioner of Internal Revenue* Supreme Court G.R. No. 226680) for alleged 2006 deficiency withholding tax. On July 23, 2014, the CTA Second Division affirmed the assessment of the Commissioner of Internal Revenue for deficiency basic withholding tax, surcharge plus deficiency interest, and delinquency interest amounting to Php87 million. On November 18, 2014, ACeS Philippines filed a Petition for Review with the CTA En Banc. On August 16, 2016, the CTA En Banc also affirmed the

assessment with finality. On October 19, 2016, ACeS Philippines filed a petition before the Supreme Court assailing the decision of the CTA. On February 23, 2017 and March 15, 2017, respectively, the Company paid a compromise settlement amounting to Php27 million and filed a formal request for compromise of tax liabilities before the Bureau of Internal Revenue, or BIR, while the case is pending before the Supreme Court.

ACeS Philippines entered into an amicable settlement with the BIR on February 19, 2021 pursuant to the provisions of the Civil Code of the Philippines and paid an additional compromise settlement amounting to Php20 million. The Commissioner of Internal Revenue signed the judicial compromise agreement on April 18, 2021. The corresponding Certificate of Availment (Compromise Settlement) was issued by the BIR. The parties filed with the Supreme Court on July 21, 2022 a Joint Motion for Judgment based on Judicial Compromise Agreement. On January 31, 2023, ACeS Philippines received the Decision of the Supreme Court dated August 30, 2022 affirming the decision of the CTA En Banc. On February 15, 2023, ACeS Philippines filed its Motion for Reconsideration praying to consider the Joint Motion for Judgment based on Judicial Compromise Agreement filed on July 21, 2022. In a Notice dated February 21, 2023, the Supreme Court required the BIR to comment on the Motion for Reconsideration (on the Decision dated August 30, 2022). The BIR filed its Comment dated March 13, 2023 submitting that the Judicial Compromise Agreement executed by and between the parties be considered and judgment be rendered based thereon.

In a Notice received on June 29, 2023, the Supreme Court issued a Resolution dated April 25, 2023 resolving to deny ACeS Philippines' Motion for Reconsideration with finality. The corresponding Entry of Judgment was received on September 20, 2023. While the Supreme Court Decision and Resolution did not mention the Judicial Compromise Agreement, the BIR – National Evaluation Board previously approved ACeS Philippines' application and payment for compromise settlement and issued the Certificate of Availment.

Arbitration with Eastern Telecommunications Philippines, Inc., or ETPI

Since 1990 up to the present, PLDT and ETPI have been engaged in legal proceedings involving a number of issues in connection with their business relationship. Among PLDT's claims against ETPI are ETPI's alleged uncompensated bypass of PLDT's systems from July 1, 1998 to November 28, 2003; unpaid access charges from July 1, 1999 to November 28, 2003; and non-payment of applicable rates for Off-Net and On-Net traffic from January 1, 1999 to November 28, 2003 arising from ETPI's unilateral reduction of its rates for the Philippines-Hong Kong traffic stream through Hong Kong REACH-ETPI circuits. ETPI's claims against PLDT, on the other hand, involve an alleged Philippines-Hong Kong traffic shortfall for the period July 1, 1998 to November 28, 2003; unpaid share of revenues generated from PLDT's activation of additional growth circuits in the Philippines-Singapore traffic stream for the period July 1, 1999 to November 28, 2003; under reporting of ETPI share of revenues under the terms of a Compromise Agreement for the period January 1, 1999 to November 28, 2003 (which ETPI is seeking to retroact to February 6, 1990); lost revenues arising from PLDT's blocking of incoming traffic from Hong Kong from November 1, 2001 up to November 2003; and lost revenues arising from PLDT's circuit migration from January 1, 2001 up to December 31, 2001.

While the parties have entered into Compromise Agreements in the past (one in February 1990 and another in March 1999), said agreements have not put to rest the issues between them. To avoid protracted litigation and to preserve their business relationship, PLDT and ETPI agreed to submit their differences and issues to voluntary arbitration. On April 16, 2008, PLDT and ETPI signed an Arbitration Settlement Agreement and submitted their respective Statement of Claims and Answers. Subsequent to such submissions, PLDT and ETPI agreed to suspend the arbitration proceedings. ETPI's total claim against PLDT is about Php2.9 billion while PLDT's total claim against ETPI is about Php2.8 billion.

In an agreement, PLDT and Globe have agreed that they shall cause ETPI, within a reasonable time after May 30, 2016, to dismiss Civil Case No. 17694 entitled *Eastern Telecommunications Philippines, Inc. vs. Philippine Long Distance Telephone Company*, and all related or incidental proceedings (including the voluntary arbitration between ETPI and PLDT), and PLDT, in turn, simultaneously, shall withdraw its counterclaims against ETPI in the same entitled case, all with prejudice. As of date of this report, there are no changes on the status of the case.

Department of Labor and Employment, or DOLE, Compliance Order, or Order, to PLDT

In a series of orders including a Compliance Order issued by the DOLE Regional Office on July 3, 2017, which was partly affirmed by DOLE Secretary Silvestre Bello, III, or DOLE Secretary, in his resolutions dated January 10, 2018 and April 24, 2018, the DOLE had previously ordered PLDT to regularize 7,344 workers from 38 of PLDT's third party service contractors. PLDT questioned these "regularization orders" before the CA, which led to the July 31, 2018 Decision of the CA.

In sum, the CA: (i) granted PLDT's prayer for an injunction against the regularization orders; (ii) set aside the regularization orders insofar as they declared that there was labor-only contracting of the following functions: (a) janitorial services, messengerial and clerical services; (b) information technology, or IT, firms and services; (c) IT support services, both

hardware and software, and applications development; (d) back office support and office operations; (e) business process outsourcing or call centers; (f) sales; and (g) medical, dental engineering and other professional services; and (iii) remanded to the DOLE for further proceedings, the matters of: (a) determining which contractors, and which individuals deployed by these contractors, are performing installation, repair and maintenance, or IRM, of PLDT lines which individuals will be covered by the regularization orders because they are performing the core functions of PLDT; and (b) properly computing monetary awards for benefits such as unpaid overtime or 13th month pay, which in the regularization orders amounted to Php51.8 million.

The CA agreed with PLDT's contention that the DOLE Secretary's regularization order was "tainted with grave abuse of discretion" because it did not meet the "substantial evidence" standards set out by the Supreme Court in landmark jurisprudence. The Court also said that the DOLE's appreciation of evidence leaned in favor of the contractor workers, and that the DOLE Secretary had "lost sight" of distinctions involving the labor law concepts of "control over means and methods," and "control over results."

PLDT filed a motion on August 20, 2018 seeking a partial reconsideration of that part of the CA decision, which ordered a remand to the Office of the Regional Director of the DOLE-National Capital Region of the matter of the regularization of individuals performing installation, repair and maintenance, or IRM, services. In its motion, PLDT argued that the fact-finding process contemplated by the Court's remand order is actually not part of the visitatorial power of the DOLE (i.e., the evidence that will need to be assessed cannot be gleaned in the 'normal course' of a labor inspection) and is therefore, outside the jurisdiction of the DOLE Secretary.

PLDT also questioned that part of the CA ruling which seems to conclude that all IRM jobs are "regular or core functions of PLDT." It argued that the law recognizes that some work of this nature can be project-based or seasonal in nature. Instead of the DOLE, PLDT suggested that the National Labor Relations Commission – a tribunal with better fact-finding powers – take over from the DOLE to determine whether the jobs are in fact IRM, and if so, whether they are "regular" or can be considered project-based or seasonal.

Both adverse parties, the PLDT rank-and-file labor union *Manggagawa sa Komunikasyon ng Pilipinas*, or MKP, and the DOLE filed Motions for Reconsideration.

The CA issued a Resolution on February 14, 2019 denying all Motions for Reconsideration and upheld its July 31, 2018 Decision. After filing a Motion for Extension of Time on March 7, 2019, PLDT filed on April 5, 2019 a Petition for Review with the Supreme Court, questioning only one aspect of the CA decision i.e. its order remanding to the DOLE the determination of which jobs fall within the scope of "installation, repair and maintenance," without however a qualification as to the "project" or "seasonal" nature of those engagements. The Supreme Court has consolidated PLDT's Petition with the separate Petitions for Review filed by the DOLE and MKP. PLDT submitted on February 17, 2020 its Comment on the Petitions for Review filed by the DOLE Secretary and MKP. PLDT also received the Comment filed by MKP and the DOLE Secretary dated January 13, 2020 and September 3, 2020, respectively. PLDT filed on September 10, 2020 a Motion for Leave and for Time to File a Consolidated Reply (re: MKP's Comment dated January 13, 2020 and DOLE Secretary's Comment dated September 3, 2020). PLDT filed on December 23, 2020 its Reply to the Comment submitted by MKP and the DOLE Secretary. PLDT received DOLE's Reply dated March 2, 2021 on March 11, 2021.

On March 20, 2024, we received the Supreme Court's Decision dated February 14, 2024, dismissing PLDT's, DOLE's and MKP's petitions and affirming the Court of Appeal's July 31, 2018 Resolution.

The Supreme Court affirmed the Court of Appeals' modification of the DOLE Secretary's Resolution and set aside the orders to regularize the workers of PLDT's service contractors, except those performing "installation, repair and maintenance" services, who may be declared regular employees of PLDT subject to various terms of the remand of the SAVE proceedings to the DOLE NCR Regional Office.

For clarity, the Supreme Court remanded the case to the Office of the Regional Director of the DOLE – NCR and ordered the said office to: (a) review and properly determine the effects of the regularization of the workers performing installation, repair, and maintenance services; (b) review, compute, and properly determine, the monetary award on the labor standards violation, to which PLDT, and the concerned contractors are solidarily liable; and (c) conduct further appropriate proceedings, consistent with the February 14, 2024 Decision.

On April 4, 2024, we filed PLDT's Motion for Partial Reconsideration of even date and on April 16, 2024, PLDT received a copy of MKP's Motion for Partial Reconsideration. To date, the Motions for Partial Reconsideration are pending resolution before the Supreme Court.

This is a Petition for Mandamus filed on October 23, 2018 by Attys. Joseph Lemuel Baligod Baquiran and Ferdinand C. Tecson against the Respondents NTC, the PCC, Liberty, BellTel, Globe, PLDT and Smart. Briefly, the case involves the 700 MHz frequency, among others, or Subject Frequencies, that was originally assigned to Liberty and which eventually became subject of the Co-Use Agreement between Globe, on the one hand, and PLDT and Smart, on the other, or the Co-Use Agreement.

The Petition prayed that: (a) a Temporary Restraining Order, or TRO, /Writ of Preliminary Injunction, or WPI, be issued to enjoin and restrain Globe, PLDT and Smart from utilizing and monopolizing the Subject Frequencies and the NTC from bidding out or awarding the frequencies returned by PLDT, Smart and Globe; (b) the NTC's conditional assignment of the Subject Frequencies be declared unconstitutional, illegal and void; (c) alternatively, Liberty and its successors-in-interest be divested of the Subject Frequencies and the same be reverted to the State; (d) Liberty be declared to have transgressed Section 11 (1), Article XVI of the Constitution; (e) Liberty and its parent company be declared to have contravened paragraph 2 of Section 10, Article XII of the 1987 Constitution; (f) Liberty's assignment of the Subject Frequencies to BellTel be declared illegal and void; (g) the Co-Use Agreement be declared invalid; (h) the NTC be found to have unlawfully neglected the performance of its positive duties; (i) the PCC be found to have unlawfully neglected the performance of its positive duties; (j) a Writ of Mandamus be issued commanding the NTC to revoke the Co-Use Agreement, recall the Subject Frequencies in favor of the State, and make the same available to the best qualified telecommunication players; (k) a Writ of Mandamus be issued commanding the PCC to conduct a full review of PLDT's and Globe's acquisition of all issued and outstanding shares of Vega Telecom; (l) an Investigation of NTC be ordered for possible violation of Section 3 (e) of Republic Act No. 3019 and other applicable laws; and (m) the said TRO/WPI be made permanent.

Essentially, petitioners contend that the NTC's assignments of the Subject Frequencies of Liberty were void for failing to comply with Section 4 (c) of Republic Act No. 7925 which essentially states that "the radio frequency spectrum is a scarce public resource xxx." Even assuming the assignments were valid, Liberty should be deemed divested of the same by operation of law (with the Subject Frequencies reverted to the State), considering that it underutilized or never utilized the Subject Frequencies in violation of the terms and conditions of the assignments. Assuming further that the NTC's assignments of the Subject Frequencies were valid and that Liberty was not divested of the same by operation of law, still, Liberty did not validly assign the Subject Frequencies to BellTel because of the absence of Congressional approval. Petitioners conclude that since the assignments of the Subject Frequencies from the NTC to Liberty, and from Liberty to BellTel, were all illegal and void, it follows that the Subject Frequencies could not serve as the object of the Co-Use Agreement between PLDT, Smart and Globe.

PLDT filed on November 23, 2018 an Entry of Appearance on behalf of PLDT and Smart. PLDT and Smart filed their Comment on January 17, 2019. Essentially, the Comment raised the following arguments: *first*, that the requisites for judicial review and for a mandamus petition are lacking; *second*, that there was no need for Liberty to obtain prior Congressional approval before it assigned the Subject Frequencies to BellTel; and *third*, that the Co-Use Agreement is valid and approved by the NTC, and did not violate the Constitution or any laws.

PLDT received a copy of BellTel's Comment/Opposition dated January 10, 2019 on January 15, 2019. PLDT received a copy of Globe Telecom, Inc.'s, or Globe's Comment/Opposition dated January 21, 2019 on February 12, 2019. In a Resolution dated March 19, 2019, the Supreme Court noted the aforesaid filings. As at the date of the report, however, PLDT has not received any pleadings from the OSG on behalf of the public respondents.

The Supreme Court issued on June 18, 2019 a Resolution consolidating this case with G.R. No. 230798 (Philippine Competition Commission vs. CA [Twelfth Division] and PLDT; Globe, intervenor) and G.R. No. 234969 (Philippine Competition Commission vs. PLDT and Globe). The consolidated cases were assigned to the Supreme Court Division in charge of G.R. No. 230798, the case with the lowest docket number.

On September 17, 2024, PLDT received a Notice of Resolution dated August 6, 2024 issued by the Supreme Court requiring the parties to move in the premises within ten (10) days from notice. PLDT, Liberty Broadcasting and Globe filed their respective compliances.

Notice of Material Breach and Demand for Payment on DITO

PLDT and DITO entered into an agreement in February 2021 for the construction of a transmission facility that served as the point of interconnection for their subscribers. Under the agreement, PLDT established and managed the interconnection facility that operated as the primary physical interface for both companies. The planned facility was completed in March 2021.

PLDT served on DITO on October 6, 2022 a Notice of Material Breach and Demand for Payment due to DITO's refusal to pay the outstanding balance of Php430 million for contracted services provided by PLDT in relation to the building and

provisioning of transmission facilities used by DITO to deliver telecommunication services to its subscribers. Upon DITO's request, PLDT agreed to limit the scope of work, the resulting in a reduction of the outstanding balance to Php280 million, which will be payable in three tranches. To date, DITO has only paid the first and second tranche amounting to Php168 million, with a remaining balance of Php112 million.

Meanwhile, DITO filed a petition with the NTC on September 22, 2021 seeking the latter's intervention in directing Smart to grant DITO's request for additional capacity for interconnection. In response, Smart filed an answer on October 4, 2021 stating that the petition should be denied for DITO's failure to prevent, detect, or block International Simple Resale, or ISR,/Bypass Traffic emanating from its network and DITO's failure to set up an effective fraud management system; and requesting for compensation for losses incurred due to these ISR/ bypass activities, in violation of its Interconnection Agreement with Smart, the provisions of R.A. No. 7925, and NTC MC No. 14-07-2000. The NTC facilitated mediation conferences on November 5, 2021, November 18, 2021, February 4, 2022, and February 16, 2022. On March 6, 2024, Smart filed a Manifestation informing the NTC that Smart already provided additional capacity for interconnection to DITO, and that Smart and DITO executed a memorandum of agreement on bypass activities. On May 9, 2024, Smart filed a Motion to Dismiss in light of the aforementioned supervening events.

Following news reports on August 8, 2022 that DITO had filed a complaint with the PCC against Globe and Smart involving the same issue pending with the NTC on ISR, Smart received a *subpoena duces tecum* dated December 7, 2022 ("December Subpoena") from the PCC Competition Enforcement Office in relation to an ongoing full administrative investigation involving the telecommunications industry. The subpoena notified Smart that it was the subject of ongoing investigation pursuant to Section 2.9 of the 2017 PCC Rules of Procedure, involving allegations of violations by Smart of Section 14(b)(1), 15(b), 15(c) and 15(i) of the Philippine Competition Act. Smart was directed to submit its corporate documents, documents and information pertaining to its operations as a PTE and its relationship with other PTEs, and documents and information on ISR. to the PCC on January 23, 2023, followed by the submission of a supplemental submission on January 27, 2023. On May 26, 2023, Smart received a *subpoena ad testificandum* from the PCC directing duly authorized representative(s) knowledgeable on: (i) Smart's operations, including but not limited to interconnection with other public telecommunications entities, products and services offered, and corporate structure; and (ii) submitted documents in relation to the December Subpoena, to appear before the PCC Enforcement Office on June 8, 2023. Accordingly, Smart representatives appeared before the PCC on the said date for the clarificatory hearing. On July 4, 2023, Smart received a PCC Resolution setting another hearing and requiring Smart's representatives to appear and address pending matters on competitor information, market distinction between postpaid and prepaid services, network coverage, interconnection agreements, clarificatory questions on documents already submitted, and other related matters. Accordingly, representatives attended the clarificatory hearings before the PCC on July 20 and November 20, 2023. On January 19, 2024, DITO informed Smart that it had signed the Memorandum of Agreement (Cooperation Against Bypass Activity) and provided a fully-signed copy on said date. On March 2, 2024, Smart filed a Manifestation informing the PCC-Competition Enforcement Office (PCC-CEO) that an agreement had been reached with DITO on bypass activities and that DITO acknowledged its ISR liabilities for 2021 to August 2023. Smart filed another Manifestation on March 8, 2024, informing the PCC-CEO that it granted DITO additional capacity for interconnection following the execution of the agreement on bypass activities. Smart has not received any subsequent order or resolution from the PCC.

Class Action Suit Against PLDT

On February 6, 2023, Sophia Olsson, an investor in PLDT American Depositary Shares ("ADSs"), filed a putative class action in the United States District Court for the Central District of California (the "Court") against PLDT and certain current and former directors and officers on behalf of herself and all other persons similarly situated who purchased or otherwise acquired ADSs between January 1, 2019 and December 19, 2022 ("U.S. Class Action"). On April 7, 2023, Ms. Olsson and another individual, Kevin Douglas, submitted separate motions to the Court to serve as lead plaintiff in the U.S. Class Action. On May 1, 2023, the Court granted Mr. Douglas's ("Plaintiff") motion to serve as the lead plaintiff.

On July 7, 2023, Plaintiff filed an amended complaint. The amended complaint alleges that PLDT and certain of its current and former directors and officers made materially false and misleading statements regarding PLDT's capital expenditures and internal controls (among other matters) during the period April 23, 2020 through December 19, 2022. On October 10, 2023, PLDT and defendants Manuel V. Pangilinan, Alfredo S. Panlilio, and Marilyn A. Victorio-Aquino (together, "Defendants") moved for dismissal of the amended complaint in its entirety.

On December 1, 2023, Defendants and Plaintiff notified the Court that they had reached an agreement in principle to settle the U.S. Class Action. The notification indicated that, accordingly, Defendants and Plaintiff jointly sought to vacate the schedule for further briefing on PLDT's pending motion to dismiss to allow the parties to finalize the settlement. On December 4, 2023, the Court granted the request to vacate the briefing schedule.

On February 16, 2024, PLDT entered into a Stipulation of Settlement to resolve the U.S. Class Action, and on the same day Plaintiff submitted a motion seeking preliminary approval of the proposed settlement. Under the proposed settlement, which is subject to approval by the Court following notice to the settlement class, the settlement class will receive payment of a

settlement amount of \$3,000,000. The proposed settlement agreement contains no admission of liability, fault or wrongdoing by the Company or any of the named defendants. On March 7, 2024, the Court entered an order preliminarily approving the proposed settlement and scheduling a hearing for August 5, 2024 to determine whether to finally approve the settlement.

On June 6, 2024, the Court rescheduled the final approval hearing from August 5, 2024 to August 9, 2024. On August 9, 2024, following Plaintiff's filing of a motion for final approval of the settlement (together with other motions relating to Plaintiff's proposed plan for allocating settlement proceeds, attorneys' fees for counsel for the class, litigation expenses and an award for Plaintiff), the Court held a hearing to address whether to grant final approval of the settlement. After counsel for the class orally presented these motions, the Court reserved judgment.

On September 17, 2024, the Court granted final approval to PLDT's case-ending settlement of securities class action litigation. The Judgment and Order of the Court provides that the Court will retain jurisdiction over (among other matters) implementation of the settlement and the distribution and disposition of the settlement fund. There is a 30-day period to appeal but any such appeal by a class member on the Plan of Allocation or the amount of attorney's fees will not affect the finality of the Judgment and Order as to the approval of the Settlement vis-a-vis PLDT and the individual defendants. Given that the 30-day period expired with no appeal on record, the case is now considered closed and terminated.

Other disclosures required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, were not provided as it may prejudice our position in ongoing claims, litigations and assessments. See *Note 3 – Management's Use of Accounting Judgments, Estimates and Assumptions – Provision for legal contingencies and tax assessments*.

27. Financial Assets and Liabilities

We have various financial assets such as trade and non-trade receivables, cash and short-term deposits. Our principal financial liabilities, other than derivatives, comprise of bank loans, lease liabilities, trade and non-trade payables. The main purpose of these financial liabilities is to finance our operations. We also enter into derivative transactions, primarily principal only-currency swap agreements, interest rate swaps and forward foreign exchange contracts and options to manage the currency and interest rate risks arising from our operations and sources of financing. Our accounting policies in relation to derivatives are set out in *Note 2 – Summary of Material Accounting Policies – Financial Instruments*.

The following table sets forth our consolidated financial assets and financial liabilities as at December 31, 2024 and 2023:

	Financial instruments at amortized cost	Financial instruments at FVPL	Total financial instruments
(in million pesos)			
Assets as at December 31, 2024			
Noncurrent:			
Financial assets at fair value through profit or loss	—	1,101	1,101
Debt instruments at amortized cost – net of current portion	370	—	370
Derivative financial assets – net of current portion	—	385	385
Other financial assets – net of current portion	3,126 ⁽¹⁾	—	3,126
Current:			
Cash and cash equivalents	10,011	—	10,011
Short-term investments	136	—	136
Trade and other receivables	31,612	—	31,612
Current portion of derivative financial assets	—	30	30
Current portion of debt instruments at amortized cost	25	—	25
Current portion of other financial assets	831 ⁽¹⁾	—	831
Total assets	46,111	1,516	47,627
Liabilities as at December 31, 2024			
Noncurrent:			
Interest-bearing financial liabilities – net of current portion	258,246	—	258,246
Lease liabilities – net of current portion	46,703	—	46,703
Customers' deposits	2,046	—	2,046
Deferred credits and other noncurrent liabilities	90	—	90
Current:			
Accounts payable	61,204	—	61,204
Accrued expenses and other current liabilities	70,795	2	70,797
Current portion of interest-bearing financial liabilities	23,340	—	23,340
Current portion of lease liabilities	7,335	—	7,335
Dividends payable	2,005	—	2,005
Current portion of derivative financial liabilities	—	97	97
Liabilities associated with assets classified as held-for-sale	1,615	—	1,615
Total liabilities	473,379	99	473,478
Net assets (liabilities)	(427,268)	1,417	(425,851)

⁽¹⁾ Includes refundable deposits and notes receivable.

	Financial instruments at amortized cost	Financial instruments at FVPL	Total financial instruments
(in million pesos)			
Assets as at December 31, 2023			
Noncurrent:			
Financial assets at fair value through profit or loss	—	578	578
Debt instruments at amortized cost – net of current portion	395	—	395
Derivative financial assets – net of current portion	—	96	96
Other financial assets – net of current portion	3,481 ⁽¹⁾	—	3,481
Current:			
Cash and cash equivalents	16,177	—	16,177
Short-term investments	122	269	391
Trade and other receivables	26,086	—	26,086
Current portion of debt instruments at amortized cost	200	—	200
Current portion of other financial assets	320 ⁽¹⁾	— ⁽³⁾	320
Total assets	46,781	943	47,724
Liabilities as at December 31, 2023			
Noncurrent:			
Interest-bearing financial liabilities – net of current portion	243,152	—	243,152
Lease liabilities – net of current portion	41,625	—	41,625
Derivative financial liabilities – net of current portion	—	12	12
Customers' deposits	2,238	—	2,238
Deferred credits and other noncurrent liabilities	229	—	229
Current:			
Accounts payable	77,050	—	77,050
Accrued expenses and other current liabilities	71,756	—	71,756
Current portion of interest-bearing financial liabilities	11,646	—	11,646
Current portion of lease liabilities	5,921	—	5,921
Dividends payable	1,912	—	1,912
Current portion of derivative financial liabilities	—	1,021	1,021
Liabilities associated with assets classified as held-for-sale	1,779	—	1,779
Total liabilities	457,308	1,033	458,341
Net liabilities	(410,527)	(90)	(410,617)

⁽¹⁾ Includes refundable deposits and notes receivable.

⁽²⁾ Includes investments in the funds of Credit Suisse and Julius Baer. In 2021, PLDT withdrew US\$6.6 million from the Supply Chain Finance fund of Credit Suisse and impaired the remaining fund value of US\$3.4 million. In the same year, Smart invested US\$5.0 million in the Focus Fixed Income Asia Defensive fund of Julius Baer. As at December 31, 2022, the fund's value is US\$4.85 million. On September 10, 2024, Smart withdrew its investment with Julius Baer amounting to US\$5.0 million with US\$4 thousand earnings from the investment.

⁽³⁾ Includes RCBC Redemption Trust Account. See Note 19 – Equity – Redemption of Preferred Stock.

The following table sets forth our consolidated offsetting of financial assets and liabilities recognized as at December 31, 2024 and 2023:

	Gross amounts of recognized financial assets and liabilities	Gross amounts of recognized financial assets and liabilities set-off in the consolidated statements of financial position	Net amount presented in the consolidated statements of financial position
		(in million pesos)	
December 31, 2024			
Current Financial Assets			
Trade and other receivables			
Foreign administrations	2,536	1,359	1,177
Domestic carriers	356	100	256
Total	2,892	1,459	1,433
Current Financial Liabilities			
Accounts payable			
Suppliers and contractors	58,613	89	58,524
Carriers and others	8,359	5,825	2,534
Total	66,972	5,914	61,058
December 31, 2023			
Current Financial Assets			
Trade and other receivables			
Foreign administrations	4,606	3,480	1,126
Domestic carriers	332	145	187
Total	4,938	3,625	1,313
Current Financial Liabilities			
Accounts payable			
Suppliers and contractors	74,542	24	74,518
Carriers and others	4,713	2,351	2,362
Total	79,255	2,375	76,880

There are no financial instruments subject to an enforceable master netting arrangement as at December 31, 2024 and 2023.

The following table sets forth our consolidated carrying values and estimated fair values of our financial assets and liabilities recognized as at December 31, 2024 and 2023 other than those whose carrying amounts are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	2024	2023	2024	2023
				(in million pesos)
Noncurrent Financial Assets				
Debt instruments at amortized cost	370	395	363	387
Other financial assets – net of current portion	3,126	3,481	2,703	3,184
Total	3,496	3,876	3,066	3,571
Noncurrent Financial Liabilities				
Interest-bearing financial liabilities:				
Long-term debt – net of current portion	258,246	243,152	246,572	232,195
Customers' deposits	2,046	2,238	1,311	1,425
Deferred credits and other noncurrent liabilities	90	229	79	225
Total	260,382	245,619	247,962	233,845

Below is the list of our consolidated financial assets and liabilities carried at fair value that are classified using a fair value hierarchy as required for our complete sets of consolidated financial statements as at December 31, 2024 and 2023. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial statements.

	December 31, 2024				December 31, 2023			
	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
(in million pesos)								
Noncurrent Financial Assets								
Financial assets at FVPL	—	1,098	3	1,101	—	575	3	578
Derivative financial assets – net of current portion	—	385	—	385	—	96	—	96
Current Financial Assets								
Short-term investments	—	—	—	—	—	269	—	269
Current portion of derivative financial assets	—	30	—	30	—	—	—	—
Total	—	1,513	3	1,516	—	940	3	943
Noncurrent Financial Liabilities								
Derivative financial liabilities – net of current portion	—	—	—	—	—	12	—	12
Current Financial Liabilities								
Accrued expenses and other current liabilities	—	2	—	2	—	—	—	—
Current portion of derivative financial liabilities	—	97	—	97	—	1,021	—	1,021
Total	—	99	—	99	—	1,033	—	1,033

⁽¹⁾ Fair values determined using observable market inputs that reflect quoted prices in active markets for identical assets or liabilities.

⁽²⁾ Fair values determined using inputs other than quoted market prices that are either directly or indirectly observable for the assets or liabilities.

⁽³⁾ Fair values determined using discounted values of future cash flows for the assets or liabilities.

As at December 31, 2024 and 2023, there were no transfers into and out of Level 3 and between Level 1 and Level 2 fair value measurements.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Long-term financial assets and liabilities:

Fair value is based on the following:

Type	Fair Value Assumptions	Fair Value Hierarchy
Noncurrent portion of advances and other noncurrent assets	Estimated fair value is based on the discounted values of future cash flows using the applicable zero-coupon rates plus counterparties' credit spread.	Level 3
Fixed rate loans: U.S. Dollar notes	Quoted market price.	Level 1
Investment in debt securities	Fair values were determined using quoted prices. For non-quoted securities, fair values were determined using discounted cash flow based on market observable rates.	Level 1 Level 2
Other loans in all other currencies	Estimated fair value is based on the discounted value of future cash flows using the applicable Commercial Interest Reference Rate and BVAL rates for similar types of loans plus PLDT's credit spread.	Level 3
Variable rate loans	The carrying value approximates fair value because of recent and regular repricing based on market conditions.	Level 2

Derivative Financial Instruments

Forward foreign exchange contracts, foreign currency swaps, foreign currency options and interest rate swaps: The fair values were computed as the present value of estimated future cash flows using market U.S. Dollar and Philippine Peso interest rates as at valuation date.

The valuation techniques considered various inputs including the credit quality of counterparties.

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents, short-term investments, trade and other receivables, accounts payable, accrued expenses and other current liabilities and dividends payable approximate their carrying values as at the end of the reporting period.

Our derivative financial instruments are accounted for as either cash flow hedges or transactions not designated as hedges. Cash flow hedges refer to those transactions that hedge our exposure to variability in cash flows attributable to a particular

risk associated with a recognized financial asset or liability and exposures arising from forecast transactions. Changes in the fair value of these instruments representing effective hedges are recognized directly in other comprehensive income until the hedged item is recognized in our consolidated income statements. For transactions that are not designated as hedges, any gains or losses arising from the changes in fair value are recognized directly to income for the period.

As at December 31, 2024 and 2023, we have taken into account the counterparties' credit risks (for derivative assets) and our own non-performance risk (for derivative liabilities) and have included a credit or debit valuation adjustment, as appropriate, by assessing the maximum credit exposure and taking into account market-based inputs which considers the risk of default occurring and corresponding losses once the default event occurs. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value.

The table below sets out the information about our consolidated derivative financial instruments as at December 31, 2024 and 2023:

							December 31, 2024		December 31, 2023	
	Original Notional Amount	Trade Date	Underlying Transaction in U.S. Dollar	Termination Date	Weighted Average Hedge Cost	Weighted Average Foreign Exchange Rate	Notional Amount	Net Mark- to- market Gains (Losses) in Php	Notional Amount	Net Mark-to- market Gains (Losses) in Php
	(in millions)		(in millions)						(in millions)	
Transactions not designated as hedges:										
PLDT										
Forward foreign exchange contracts	US\$396	Various dates in October to December 2023	U.S. Dollar Liabilities	Various dates in January to June 2024	—	Php56.56	US\$—	—	US\$396	(448)
	US\$795	Various dates in January 2024 to September 2024	U.S. Dollar Liabilities	Various dates in March to December 2024	—	Php57.12	—	—	—	—
	US\$303	Various dates in October to December 2024	U.S. Dollar Liabilities	Various dates in January to July 2025	—	Php58.45	303	(10)	—	—
	US\$14	Various dates in October to December 2024	U.S. Dollar Revenues	Various dates in July to December 2025	—	Php58.65	14	(2)	—	—
	US\$93	Various dates in January 2025	U.S. Dollar Revenues	Various dates in July to August 2025	—	Php58.73				
Foreign exchange options seagull ^(a)	US\$13	Various dates in March to September 2024	U.S. Dollar Liabilities	Various dates in September 2024 to February 2025	—	Php55.62	2	(1)	—	—
					—	Php56.07	—	—	—	—
					—	Php57.07	—	—	—	—
	US\$5	Various dates in October to November 2024	U.S. Dollar Liabilities	Various dates in December 2024	—	Php57.93	—	—	—	—
					—	Php58.25	—	—	—	—
					—	Php59.25	—	—	—	—
	US\$8	Various dates in December 2024	U.S. Dollar Liabilities	Various dates in April 2025	—	Php57.46	8	(2)	—	—
					—	Php57.98	—	—	—	—
					—	Php59.48	—	—	—	—
								(15)		(448)
Smart										
Forward foreign exchange contracts	US\$449	Various dates in June 2023 to December 2024	U.S. Dollar Liabilities	Various dates in January to October 2024	—	Php56.55	US\$—	—	US\$449	(493)
	US\$614	Various dates in January to September 2024	U.S. Dollar Liabilities	Various dates in March to December 2024	—	Php56.74	—	—	—	—
	US\$204	Various dates in October to December 2024	U.S. Dollar Liabilities	Various dates in January to April 2025	—	Php58.18	204	31	—	—
	US\$5	Various dates in October to November 2024	U.S. Dollar Revenues	Various dates in July to October 2025	—	Php58.48	5	(1)	—	—
Foreign exchange options seagull ^(b)	US\$15	Various dates in June 2023	U.S. Dollar Liabilities	Various dates in February 2024	—	Php55.17 Php55.85 Php56.87	—	—	US\$15	(1)
	US\$34	Various dates in March to September 2024	U.S. Dollar Liabilities	Various dates in September 2024 to March 2025	—	Php55.87 Php56.17 Php57.17	4	(3)	—	—
	US\$4	Various dates in December 2024	U.S. Dollar Liabilities	Various dates March to April 2025	—	Php57.64 Php57.97 Php59.26	4	(1)	—	—
								26		(494)
								11		(942)

							December 31, 2024		December 31, 2023	
	Original Notional Amount	Trade Date	Underlying Transaction in U.S. Dollar	Termination Date	Weighted Average Hedge Cost	Weighted Average Foreign Exchange Rate	Notional Amount	Net Mark- to- market Gains (Losses) in Php	Notional Amount	Net Mark-to- market Gains (Losses) in Php
<i>Transactions designated as hedges:</i>										
PLDT										
Long-term foreign currency options ^(c)	US\$290	Various dates in July 2020 and February to March 2021	300M Notes 2031	January 23, 2031	1.20%	Php49.61 Php55.28	US\$290	164	US\$290	(87)
								164		(87)
Smart										
Long-term foreign currency options ^(d)	US\$109	February to April 2021	US\$140 PNB Loan	December 13, 2030	1.63%	Php48.00 Php53.34	US\$66	143	US\$77	92
								143		92
								307		5
								318		(937)

- (a) If the Philippine Peso to U.S. dollar spot exchange rate on fixing date settles between Php56.07 to Php57.07, PLDT will purchase the U.S. Dollar for Php56.07. However, if on maturity, the exchange rate settles above Php57.07, PLDT will purchase the U.S. Dollar for Php56.07 plus the excess above Php57.07, and if the exchange rate is lower than Php56.07, PLDT will purchase the U.S. Dollar at the prevailing Philippine peso to U.S. Dollar spot exchange rate, subject to a floor of Php55.62.

If the Philippine Peso to U.S. dollar spot exchange rate on fixing date settles between Php57.98 to Php59.48, PLDT will purchase the U.S. Dollar for Php57.98. However, if on maturity, the exchange rate settles above Php59.48, PLDT will purchase the U.S. Dollar for Php57.98 plus the excess above Php59.48, and if the exchange rate is lower than Php57.98, PLDT will purchase the U.S. Dollar at the prevailing Philippine peso to U.S. Dollar spot exchange rate, subject to a floor of Php57.46.

- (b) If the Philippine Peso to U.S. Dollar spot exchange rate on fixing date settles between Php56.17 to Php57.17, Smart will purchase the U.S. Dollar for Php56.17. However, if on maturity, the exchange rate settles above Php56.17, Smart will purchase the U.S. Dollar for Php56.17 plus the excess above Php57.17, and if the exchange rate is lower than Php56.17, Smart will purchase the U.S. Dollar at the prevailing Philippine peso to U.S. Dollar spot exchange rate, subject to a floor of Php55.87.

If the Philippine Peso to U.S. Dollar spot exchange rate on fixing date settles between Php57.97 to Php59.26, Smart will purchase the U.S. Dollar for Php57.97. However, if on maturity, the exchange rate settles above Php57.97, Smart will purchase the U.S. Dollar for Php57.97 plus the excess above Php59.26, and if the exchange rate is lower than Php57.97, Smart will purchase the U.S. Dollar at the prevailing Philippine Peso to U.S. Dollar spot exchange rate, subject to a floor of Php57.64.

- (c) PLDT's long-term foreign currency option agreements outstanding as at December 31, 2024 and 2023 were designated as cash flow hedges, wherein the effective portion of the movements in fair value is recognized in our consolidated statements of other comprehensive income, while any ineffective portion is recognized immediately in our consolidated income statements. Settlement of the foreign currency option agreements will depend on the spot exchange rate on the fixing date. If the Philippine peso to U.S. dollar spot exchange rate on fixing date is between Php49.61 and Php55.28, PLDT will purchase the U.S. dollar at Php49.61. However, if on fixing date, the exchange rate is beyond Php55.28, PLDT will purchase the U.S. dollar at the prevailing Philippine peso to U.S. dollar spot exchange rate minus a subsidy of Php5.67, and if the exchange rate is lower than Php49.61, PLDT will purchase the U.S. dollar at the prevailing Philippine peso to U.S. dollar spot exchange rate. The mark-to-market losses amounting to Php239 million and Php119 million were recognized in our consolidated statement of other comprehensive income as at December 31, 2024 and 2023, respectively. Hedge cost accrual on the long-term foreign currency option agreements amounting to Php75 million each were recognized as at December 31, 2024 and 2023, respectively. The intrinsic value of the long-term foreign currency options recognized as other comprehensive income is transferred to profit or loss when the hedged loan is revalued for changes in the foreign exchange rate. The hedge cost portion of the movements in the fair value amounting to Php119 million and Php39 million were recognized in our consolidated income statements for the years ended December 31, 2024, 2023 and 2022, respectively.
- (d) Smart's long-term foreign currency option agreements outstanding as at December 31, 2024 and 2023 were designated as cash flow hedges, wherein the effective portion of the movements in fair value is recognized in our consolidated statements of other comprehensive income, while any ineffective portion is recognized immediately in our consolidated income statements. Settlement of the foreign currency option agreements will depend on the spot exchange rate on the fixing date. If the Philippine Peso to U.S. Dollar spot exchange rate on fixing date is between Php48.00 and Php53.34, Smart will purchase the U.S. Dollar at Php48.00. However, if on fixing date the exchange rate is beyond Php53.34, Smart will purchase the U.S. Dollar for Php48.00 plus the excess above Php53.34, and if the exchange rate is lower than Php48.00, Smart will purchase the U.S. Dollar at the prevailing Philippine Peso to U.S. Dollar spot exchange rate. The mark-to-market gains amounting to Php145 million and Php96 million were recognized in our consolidated statement of

other comprehensive income as at December 31, 2024 and 2023, respectively. Hedge cost accrual on the long-term foreign currency option agreements amounting to Php2 million and Php3 million was recognized as at December 31, 2024 and 2023, respectively. The intrinsic value of the long-term foreign currency options recognized as other comprehensive income are transferred to profit or loss when the hedged loan is revalued for changes in the foreign exchange rate. The hedge cost portion of the movements in the fair value amounting to Php52 million and Php12 million were recognized in our consolidated income statements for the years ended December 31, 2024 and 2023, respectively.

Our derivative financial instruments as at December 31, 2024 and 2023 are presented in the statements of financial position as follows:

	2024	2023
	(in million pesos)	
Asset:		
Noncurrent assets	385	96
Current assets	30	—
Liabilities:		
Noncurrent liabilities (Note 28)	—	(12)
Current liabilities (Note 28)	(97)	(1,021)
Net assets (liabilities)	318	(937)

Movements of our consolidated mark-to-market gains (losses) for the years ended December 31, 2024 and 2023 are summarized as follows:

	2024	2023
	(in million pesos)	
Net mark-to-market losses at beginning of the year	(937)	(1,069)
Gains on derivative financial instruments	4,252	1,436
Settlements, accretion and others	(934)	370
Net fair value losses on cash flow hedges charged to other comprehensive income	(2,063)	(1,674)
Net mark-to-market gains (losses) at end of the year	318	(937)

Our consolidated analysis of gains on derivative financial instruments for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
	(in million pesos)		
Gains on derivative financial instruments	4,252	1,436	2,572
Hedge costs	(229)	(238)	(250)
Net gains on derivative financial instruments (Note 5)	4,023	1,198	2,322

Financial Risk Management Objectives and Policies

The main risks arising from our financial instruments are liquidity risk, foreign currency exchange risk, interest rate risk and credit risk. The importance of managing those risks has significantly increased in light of the considerable change and volatility in both the Philippine and international financial markets. Our Board of Directors reviews and approves policies for managing each of these risks, which are summarized below. We also monitor the market price risk arising from all financial instruments.

Liquidity Risk

Our exposure to liquidity risk refers to the risk that our financial requirements, working capital requirements and planned capital expenditures will not be met.

We manage our liquidity profile to be able to finance our operations and capital expenditures, service our maturing debts and meet our other financial obligations. To cover our financing requirements, we use internally generated funds and proceeds from debt and equity issues and sales of certain assets.

As part of our liquidity risk management program, we regularly evaluate our projected and actual cash flows, including our loan maturity profiles, and continuously assess conditions in the financial markets for opportunities to pursue fund-raising initiatives. These activities may include bank loans, export credit agency-guaranteed facilities, debt capital and equity market issues.

Any excess funds are primarily invested in short-term and principal-protected bank products that provide flexibility of withdrawing the funds anytime. We also allocate a portion of our cash in longer tenor investments such as fixed income securities issued or guaranteed by the Republic of the Philippines, and Philippine banks and corporates and managed funds. We regularly evaluate available financial products and monitor market conditions for opportunities to enhance yields at acceptable risk levels. Our investments are also subject to certain restrictions contained in our debt covenants. Our funding arrangements are designed to keep an appropriate balance between equity and debt and to provide financing flexibility while enhancing our businesses.

Our cash position remains sufficient to support our planned capital expenditure requirements and service our debt and financing obligations; however, we may be required to finance a portion of our future capital expenditures from external financing sources. We have cash and cash equivalents, and short-term investments amounting to Php10,147 million and Php136 million, respectively, as at December 31, 2024, which we can use to meet our short-term liquidity needs. See *Note 15 – Cash and Cash Equivalents*.

The following table summarizes the maturity profile of our financial assets based on our consolidated undiscounted claims outstanding as at December 31, 2024 and 2023:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
(in million pesos)					
December 31, 2024					
<i>Financial instruments at amortized cost:</i>	55,039	51,264	3,608	10	157
Debt instruments at amortized cost	395	25	360	10	—
Other financial assets	4,236	831	3,248	—	157
Temporary cash investments	1,464	1,464	—	—	—
Short-term investments	136	136	—	—	—
Retail subscribers	17,516	17,516	—	—	—
Corporate subscribers	20,936	20,936	—	—	—
Foreign administrations	1,254	1,254	—	—	—
Domestic carriers	256	256	—	—	—
Dealers, agents and others	8,846	8,846	—	—	—
<i>Financial instruments at FVPL:</i>	1,101	—	—	—	1,101
Financial assets at fair value through profit or loss	1,101	—	—	—	1,101
Total	56,140	51,264	3,608	10	1,258
December 31, 2023					
<i>Financial instruments at amortized cost:</i>	54,271	50,127	3,530	412	202
Debt instruments at amortized cost	595	200	45	340	10
Other financial assets	4,069	320	3,485	72	192
Temporary cash investments	6,184	6,184	—	—	—
Short-term investments	122	122	—	—	—
Retail subscribers	19,894	19,894	—	—	—
Corporate subscribers	15,934	15,934	—	—	—
Foreign administrations	1,250	1,250	—	—	—
Domestic carriers	188	188	—	—	—
Dealers, agents and others	6,035	6,035	—	—	—
<i>Financial instruments at FVPL:</i>	1,021	443	—	—	578
Financial assets at fair value through profit or loss	578	—	—	—	578
Short-term investments	443	443	—	—	—
Total	55,292	50,570	3,530	412	780

The following table summarizes the maturity profile of our financial liabilities based on our consolidated contractual undiscounted obligations outstanding as at December 31, 2024 and 2023:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
(in million pesos)					
December 31, 2024					
<i>Debt⁽¹⁾</i>	385,962	20,335	89,028	69,915	206,684
Principal	283,575	19,610	47,479	47,561	168,925
Interest	102,387	725	41,549	22,354	37,759
<i>Lease obligations</i>	77,244	16,560	19,410	16,178	25,096
<i>Various trade and other obligations:</i>	133,811	131,580	362	24	1,845
Suppliers and contractors	58,568	58,524	44	—	—
Utilities and related expenses	57,029	56,934	95	—	—
Carriers and others	2,534	2,534	—	—	—
Employee benefits	9,246	9,246	—	—	—
Customer deposits	2,046	—	177	24	1,845
Dividends	2,005	2,005	—	—	—
Others	2,383	2,337	46	—	—
Total contractual obligations	597,017	168,475	108,800	86,117	233,625
December 31, 2023					
<i>Debt⁽¹⁾</i>	341,848	7,430	77,131	65,342	191,945
Principal	256,927	7,250	43,292	47,648	158,737
Interest	84,921	180	33,839	17,694	33,208
<i>Lease obligations</i>	72,686	15,651	15,767	13,673	27,595
<i>Various trade and other obligations:</i>	151,062	148,560	427	28	2,047
Suppliers and contractors	74,716	74,518	194	4	—
Utilities and related expenses	61,079	61,044	35	—	—
Carriers and others	2,362	2,362	—	—	—
Employee benefits	5,510	5,510	—	—	—
Customers' deposits	2,238	—	167	24	2,047
Dividends	1,912	1,912	—	—	—
Others	3,245	3,214	31	—	—
Total contractual obligations	565,596	171,641	93,325	79,043	221,587

⁽¹⁾ Consists of long-term and short-term debts, including current portion, gross of unamortized debt discount/premium and debt issuance costs.

Debt

See Note 20 – Interest-bearing Financial Liabilities – Long-term Debt for a detailed discussion of our debt.

Our consolidated future minimum lease commitments payable with non-cancellable leases as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Within one year	16,560	15,651
After one year but not more than five years	35,588	29,440
More than five years	25,096	27,595
Total	77,244	72,686

Various Trade and Other Obligations

PLDT Group has various obligations to suppliers for the acquisition of network equipment, contractors for services rendered on various projects, foreign administrations and domestic carriers for the access charges, shareholders for unpaid dividends distributions, employees for benefits and other related obligations, and various business and operational related agreements. Total obligations under these various agreements amounted to approximately Php133,811 million and Php151,062 million as at December 31, 2024 and 2023, respectively. See Note 22 – Accounts Payable and Note 23 – Accrued Expenses and Other Current Liabilities.

Commercial Commitments

Major Network Vendors

Since the last quarter of 2022, we have engaged in discussions with the major network vendors regarding the status of the PLDT Group's capital expenditure commitments and related outstanding balances. These discussions resulted in a number of Settlement and Mutual Release Agreements, or SMRAs, signed between us and the vendors, taking into consideration our program priorities and current business requirements. The significant commitment in respect of major network vendors amounted to about Php33,000 million, net of advances, as a result of the signing of the SMRAs in March 2023. As at December 31, 2024, such commitment has been reduced to Php4,200 million, net of advances and deliveries.

Moreover, new purchase orders relating to the major network vendors issued in 2023 and 2024 amounted to Php11,700 million, net of advances and deliveries.

Other Capital Expenditure Vendors

Commitments related to non-major capital expenditure vendors amounted to Php11,200 million, net of advances and deliveries as of December 31, 2024.

We have no outstanding commercial commitments, in the form of letters of credit, as at December 31, 2024 and 2023.

Collateral

There are no pledges as collateral with respect to our financial liabilities as at December 31, 2024 and 2023.

Foreign Currency Exchange Risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The revaluation of our foreign currency-denominated financial assets and liabilities as a result of the appreciation or depreciation of the Philippine Peso is recognized as foreign exchange gains or losses as at the end of the reporting period. The extent of foreign exchange gains or losses is largely dependent on the amount of foreign currency denominated financial assets and liabilities. While a certain percentage of our revenues are either linked to or denominated in U.S. Dollars, a substantial portion of our capital expenditures, a portion of our indebtedness and related interest expense and a portion of our operating expenses are denominated in foreign currencies, mostly in U.S. Dollars. As such, a strengthening or weakening of the Philippine Peso against the U.S. Dollar will decrease or increase in Philippine Peso terms both the principal amount of our foreign currency-denominated debts and the related interest expense, our foreign currency-denominated capital expenditures and operating expenses as well as our U.S. Dollar-linked and U.S. Dollar-denominated revenues. In addition, many of our financial ratios and other financial tests are affected by the movements in the Philippine Peso to U.S. Dollar exchange rate.

To manage our foreign exchange risks and to stabilize our cash flows in order to improve investment and cash flow planning, we enter into forward foreign exchange contracts, currency swap contracts, currency option contracts and other hedging products aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on our operating results and cash flows. Further details of the risk management strategy are recognized in our hedge designation documentation. We use forward foreign exchange purchase contracts, currency swap contracts and currency option contracts to manage the foreign currency risks associated with our foreign currency-denominated financial liabilities. We accounted for these instruments as either cash flow hedges, wherein changes in the fair value are recognized in our consolidated other comprehensive income until the hedged transaction affects our consolidated income statements or transactions not designated as hedges, wherein changes in the fair value are recognized directly as income or expense for the year.

The impact of the hedging instruments on our consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	Notional Amount (U.S. Dollar)	Carrying Amount (Php)	Line item in our Consolidated Statements of Financial Position
(in million pesos)			
December 31, 2024			
Long-term foreign currency options	356	384	Derivative financial assets – net of current portion
	356	384	
December 31, 2023			
Long-term foreign currency options	367	96	Derivative financial assets – net of current portion
	—	(12)	Derivative financial liabilities – net of current portion
	367	84	

The impact of the hedged items on our consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	2024		2023	
	Cash flow hedge reserve	Cost of hedging reserve	Cash flow hedge reserve	Cost of hedging reserve
(in million pesos)				
PLDT:				
US\$300M Notes 2031	(6,169)	75	(4,546)	75
	(6,169)	75	(4,546)	75
Smart:				
US\$140M PNB	(2,038)	2	(1,599)	3
	(2,038)	2	(1,599)	3

The effect of the cash flow hedge on our consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	Total hedging loss recognized in OCI	Line item in our Consolidated Statements of Financial Position
(in million pesos)		
December 31, 2024		
Long-term foreign currency options	(8,207)	Other comprehensive loss
	(8,207)	
December 31, 2023		
Long-term foreign currency options	(6,145)	Other comprehensive loss
	(6,145)	

The following table shows our consolidated foreign currency-denominated monetary financial assets and liabilities and their Philippine Peso equivalents as at December 31, 2024 and 2023:

	2024		2023	
	U.S. Dollar	Php ⁽¹⁾	U.S. Dollar	Php ⁽²⁾
	(in millions)			
Noncurrent Financial Assets				
Derivative financial assets – net of current portion	7	385	2	96
Total noncurrent financial assets	7	385	2	96
Current Financial Assets				
Cash and cash equivalents	52	2,980	76	4,232
Short-term investments	—	—	5	269
Trade and other receivables – net	97	5,596	115	6,411
Derivative assets	1	30	—	—
Current portion of other financial assets	—	—	—	12
Total current financial assets	150	8,606	196	10,924
Total Financial Assets	157	8,991	198	11,020
Noncurrent Financial Liabilities				
Interest-bearing financial liabilities – net of current portion	667	38,575	681	37,719
Derivative financial liabilities – net of current portion	—	—	—	12
Other noncurrent liabilities	1	29	—	27
Total noncurrent financial liabilities	668	38,604	681	37,758
Current Financial Liabilities				
Accounts payable	1,279	73,973	1,314	72,797
Accrued expenses and other current liabilities	230	13,297	207	11,481
Current portion of interest-bearing financial liabilities	14	797	39	2,149
Current portion of derivative financial liabilities	2	97	18	1,021
Total current financial liabilities	1,525	88,164	1,578	87,448
Total Financial Liabilities	2,193	126,768	2,259	125,206

⁽¹⁾ The exchange rate used to convert the U.S. Dollar amounts into Philippine Peso was Php57.85 to US\$1.00, the Philippine Peso-U.S. Dollar exchange rate as quoted through the Bankers Association of the Philippines, or BAP, as at December 31, 2024.

⁽²⁾ The exchange rate used to convert the U.S. Dollar amounts into Philippine Peso was Php55.42 to US\$1.00, the Philippine Peso-U.S. Dollar exchange rate as quoted through the BAP as at December 31, 2023.

As at February 26, 2025, the Philippine Peso-U.S. Dollar exchange rate was Php57.88 to US\$1.00. Using this exchange rate, our consolidated net foreign currency-denominated financial liabilities would have increased in Philippine Peso terms by Php61 million as at December 31, 2024.

Approximately 14% and 15% of our total consolidated debts (net of consolidated debt discount) was denominated in U.S. Dollars as at December 31, 2024 and 2023, respectively. Our consolidated foreign currency-denominated debt decreased to Php39,015 million as at December 31, 2024 from Php39,479 million as at December 31, 2023. See *Note 20 – Interest-bearing Financial Liabilities*. The aggregate notional amount of our consolidated outstanding derivatives allocated for debt were US\$381 million and US\$485 million as at December 31, 2024 and 2023, respectively. Consequently, the unhedged portion of our consolidated debt amounts were approximately 6% (or 5%, net of consolidated U.S. Dollar cash balances allocated for debt) as at December 31, 2024 and 5% (or 5%, net of consolidated U.S. Dollar cash balances allocated for debt) as at December 31, 2023.

Approximately 15%, 13% and 12% of our consolidated revenues were denominated in U.S. Dollars and/or were linked to U.S. Dollars for the years ended December 31, 2024, 2023 and 2022, respectively. Approximately 14%, 12% and 8% of our consolidated expenses were denominated in U.S. Dollars and/or linked to the U.S. Dollar for the years ended December 31, 2024, 2023 and 2022, respectively. In this respect, the higher weighted average exchange rate of the Philippine Peso against the U.S. Dollar increased our revenues and expenses, and consequently, affects our cash flow from operations in Philippine Peso terms. In view of the anticipated continued decline in dollar-denominated/dollar-linked revenues, which provide a natural hedge against our foreign currency exposure, we are progressively refinancing our dollar-denominated debts in Philippine Pesos.

The Philippine Peso depreciated by 4.38% against the U.S. Dollar to Php57.85 to US\$1.00 as at December 31, 2024 from Php55.42 to US\$1.00 as at December 31, 2023. As a result of our consolidated foreign exchange movements, as well as the amount of our consolidated outstanding net foreign currency financial assets and liabilities, we recognized net consolidated foreign exchange losses of Php36 million and Php4,687 million for the years ended December 31, 2024 and 2022, respectively and net foreign exchange gains of Php1,149 million for the year ended December 31, 2023.

Management conducted a survey among our banks to determine the outlook of the Philippine Peso-U.S. Dollar exchange rate until February 27, 2025. Our outlook is that the Philippine Peso-U.S. Dollar exchange rate may weaken/strengthen by 2.86% as compared to the exchange rate of Php57.85 to US\$1.00 as at December 31, 2024. If the Philippine Peso-U.S. Dollar exchange rate had weakened/strengthened by 2.86% as at December 31, 2024, with all other variables held constant, consolidated profit after tax for the year ended December 31, 2024 and stockholders' equity as at December 31, 2023 would

have been approximately Php2,402 million and Php193 million, respectively, lower/higher, mainly as a result of consolidated foreign exchange gains and losses on conversion of U.S. Dollar-denominated net assets/liabilities and mark-to-market valuation of derivative financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates.

Our policy is to manage interest costs through a mix of fixed and variable rate debts. We evaluate the fixed to floating ratio of our loans in line with movements of relevant interest rates in the financial markets. Based on our assessment, new financing will be priced either on a fixed or floating rate basis. We enter into interest rate swap agreements in order to manage our exposure to interest rate fluctuations. Further details of the risk management strategy are recognized in our hedge designation documentation. We make use of hedging instruments and structures solely for reducing or managing financial risk associated with our debt obligations and not for trading purposes.

There are no outstanding interest rate hedges as at December 31, 2024 and 2023.

The following tables set out the carrying amounts, by maturity, of our financial instruments that are expected to have exposure on interest rate risk as at December 31, 2024 and 2023. Financial instruments that are not subject to interest rate risk were not included in the table.

As at December 31, 2024

	In U.S. Dollars					Total	In Php	Discount/ Debt Issuance Cost In Php	Carrying Value In Php	Fair Value	
	Below 1 year	1-2 years	2-3 years	3-5 years	Over 5 years					In U.S. Dollar	In Php
(in millions)											
Assets:											
Debt Instruments at Amortized Cost											
Philippine Peso	1	—	6	—	—	7	395	—	395	7	388
Interest rate	4.250%	6.250%	4.625% - 4.875%	6.500%	—	—	—	—	—	—	—
Cash in Bank											
U.S. Dollar	14	—	—	—	—	14	785	—	785	14	785
Interest rate	0.0500% - 0.5000%	—	—	—	—	—	—	—	—	—	—
Philippine Peso	91	—	—	—	—	91	5,296	—	5,296	91	5,296
Interest rate	0.0500% - 5.1000%	—	—	—	—	—	—	—	—	—	—
Temporary Cash Investments											
U.S. Dollar	7	—	—	—	—	7	395	—	395	7	395
Interest rate	4.5000% - 5.2500%	—	—	—	—	—	—	—	—	—	—
Philippine Peso	18	—	—	—	—	18	1,069	—	1,069	18	1,069
Interest rate	0.2500% - 6.0000%	—	—	—	—	—	—	—	—	—	—
Short-term Investments											
Philippine Peso	2	—	—	—	—	2	136	—	136	2	136
Interest rate	6.0000% - 6.1000%	—	—	—	—	—	—	—	—	—	—
	133	—	6	—	—	139	8,076	—	8,076	139	8,069
Liabilities:											
Long-term Debt											
Fixed Rate											
U.S. Dollar Notes	—	—	—	—	600	600	34,708	531	34,177	463	26,811
Interest rate	—	—	—	—	2.5000% - 3.4500%	—	—	—	—	—	—
Philippine Peso	315	231	339	316	205	1,406	81,315	581	80,734	1,306	75,550
Interest rate	4.0000% to 4.6500%	4.0000% to 5.3500%	4.0000% to 5.2000%	4.0000% to 5.2000%	4.0000% to 5.0880%	—	—	—	—	—	—
Variable Rate											
U.S. Dollar Loans	—	28	14	28	14	84	4,860	22	4,838	84	4,859
Interest rate	—	SOFR+ 1.31161%	SOFR+ 1.31161%	SOFR+ 1.31161%	SOFR+ 1.31161%	—	—	—	—	—	—
Philippine Peso	24	87	122	478	2,101	2,812	162,692	855	161,837	2,812	162,692
Interest rate	BVAL + 1.0000%	0.5000% to 1.0000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.5000% to 1.0000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.5000% to 0.9000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.5000% to 0.7500% over PHP BVAL (floor rate 4.5000%)	—	—	—	—	—	—
	339	346	475	822	2,920	4,902	283,575	1,989	281,586	4,665	269,912

As at December 31, 2023

	In U.S. Dollars						Discount/ Debt Issuance Cost In Php	Carrying Value In Php	Fair Value		
	Below 1 year	1-2 years	2-3 years	3-5 years	Over 5 years	Total			In Php	In U.S. Dollar	In Php
(in millions)											
Assets:											
Debt Instruments at Amortized Cost											
Philippine Peso	4	—	—	6	—	10	595	—	595	10	587
Interest rate	2.3750% to 2.9000%	4.2500%	6.2500%	4.6250% to 4.8750%	6.5000%	—	—	—	—	—	—
Cash in Bank											
U.S. Dollar	15	—	—	—	—	15	850	—	850	15	850
Interest rate	0.0500% to 0.5000%	—	—	—	—	—	—	—	—	—	—
Philippine Peso	128	—	—	—	—	128	7,082	—	7,082	128	7,082
Interest rate	0.0500% to 1.5000%	—	—	—	—	—	—	—	—	—	—
Temporary Cash Investments											
U.S. Dollar	35	—	—	—	—	35	1,933	—	1,933	35	1,933
Interest rate	4.9000% to 5.1250%	—	—	—	—	—	—	—	—	—	—
Philippine Peso	77	—	—	—	—	77	4,251	—	4,251	77	4,251
Interest rate	0.2500% to 6.2500%	—	—	—	—	—	—	—	—	—	—
Short-term Investments											
Philippine Peso	2	—	—	—	—	2	122	—	122	2	122
Interest rate	0.5000% to 6.1000%	—	—	—	—	—	—	—	—	—	—
	261	—	—	6	—	267	14,833	—	14,833	267	14,825
Liabilities:											
Long-term Debt											
Fixed Rate											
U.S. Dollar Notes	—	—	—	—	600	600	33,251	560	32,691	466	25,845
Interest rate	—	—	—	—	2.5000% to 3.4500%	—	—	—	—	—	—
Philippine Peso	72	377	227	564	334	1,574	87,225	748	86,477	1,471	81,545
Interest rate	5.1021% to 5.2813%	4.0000% to 5.3500%	4.0000% to 5.3500%	4.0000% to 5.2000%	4.0000% to 5.1560%	—	—	—	—	—	—
Variable Rate											
U.S. Dollar Loans	25	28	14	42	14	123	6,816	28	6,788	123	6,816
Interest rate	SOFR + 1.47826%	SOFR + 1.31161%	SOFR + 1.31161%	SOFR + 1.31161%	SOFR + 1.31161%	—	—	—	—	—	—
Philippine Peso	33	99	36	254	1,916	2,338	129,635	793	128,842	2,339	129,635
Interest rate	0.5000% over PHP BVAL	0.6000% to 1.0000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.6000% to 1.0000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.6000% to 1.0000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	0.6000% to 0.9000% over PHP BVAL (floor rate 4.5000% to 4.6250%)	—	—	—	—	—	—
Short-term Debt											
Notes Payable											
	130	504	277	860	2,864	4,635	256,927	2,129	254,798	4,399	243,841

Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk.

Repricing of our regular floating rate financial instruments is done on intervals of three months while repricing of our structured floating rate instruments is done every one year or up to five years. Interest on fixed rate financial instruments is fixed until maturity of the particular instrument.

Approximately 59% and 53% of our consolidated debts (net of consolidated debt discount) were variable rate debts as at December 31, 2024 and 2023, respectively. Our consolidated variable rate debt increased to Php166,675 million as at December 31, 2024 from Php135,630 million as at December 31, 2023.

Management conducted a survey among our banks to determine the outlook of the U.S. Dollar and Philippine Peso interest rates until February 27, 2025. Our outlook is that the U.S. Dollar and Philippine Peso interest rates may move 30 basis points, or bps, and 50 bps higher/lower, respectively, as compared to levels as at December 31, 2024. If the U.S. Dollar interest rates had been 30 bps higher/lower as compared to market levels as at December 31, 2024, with all other variables held constant, consolidated profit after tax for the year ended December 31, 2024 and stockholders' equity as at December 31, 2024 would have been approximately Php5 million and Php30 million, respectively, lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings and loss/gain on derivative transactions. If the Philippine Peso interest rates had been 50 bps higher/lower as compared to market levels as at December 31, 2024, with all other variables held constant, consolidated profit after tax for the year December 31, 2024 and stockholders' equity as at December 31, 2024 would have been approximately Php47 million and Php25 million, respectively, lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings and loss/gain on derivative transactions.

Credit Risk

Credit risk is the risk that we will incur a loss arising from our customers, clients or counterparties that fail to discharge their contracted obligations. We manage and control credit risk by setting limits on the amount of risk we are willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce our exposure to bad debts.

We established a credit quality review process to provide regular identification of changes in the creditworthiness of counterparties. Our credit quality review process allows us to assess the potential loss as a result of the risks to which we are exposed and allow us to take corrective actions.

Maximum exposure to credit risk of financial assets not subject to impairment

The gross carrying amount of financial assets not subject to impairment also represents our maximum exposure to credit risk as at December 31, 2024 and 2023 are as follows:

	2024	2023
	(in million pesos)	
Financial assets at fair value through profit or loss	1,101	578
Derivative financial assets – net of current portion	385	96
Current portion of derivative financial assets	30	—
Short-term investments	—	269
Total	1,516	943

Maximum exposure to credit risk of financial assets subject to impairment

The table below shows the maximum exposure to credit risk for the components of our consolidated statements of financial position, including derivative financial instruments as at December 31, 2024 and 2023. The maximum exposure is shown gross before both the effect of mitigation through use of master netting and collateral arrangements. The extent to which collateral and other credit enhancements mitigate the maximum exposure to credit risk is described in the footnotes to the table.

For financial assets recognized on our consolidated statements of financial position as at December 31, 2024 and 2023, the gross exposure to credit risk equal their carrying amount.

For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that we would have to pay if the guarantees are called upon. For loan commitments and other credit related commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

	December 31, 2024			
	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(in million pesos)			
High grade	14,059	11,670	—	25,729
Standard grade	440	5,486	—	5,926
Substandard grade	—	14,456	—	14,456
Default	279	3,596	13,600	17,475
Gross carrying amount	14,778	35,208	13,600	63,586
Less allowance	279	3,596	13,600	17,475
Carrying amount	14,499	31,612	—	46,111

	December 31, 2023			
	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(in million pesos)			
High grade	20,424	11,070	—	31,494
Standard grade	271	3,683	—	3,954
Substandard grade	—	11,333	—	11,333
Default	442	4,190	13,025	17,657
Gross carrying amount	21,137	30,276	13,025	64,438
Less allowance	442	4,190	13,025	17,657
Carrying amount	20,695	26,086	—	46,781

Maximum exposure to credit risk after collateral held or other credit enhancements

Collateral held as security for financial assets depends on the nature of the instrument. Debt investment securities are generally unsecured. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are regularly updated according to internal lending policies and regulatory guidelines. Generally, collateral is not held over loans and advances to us except for reverse repurchase agreements. Collateral usually is not held against investment securities, and no such collateral was held as at December 31, 2024 and 2023.

Our policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by us during the year.

We have not identified significant risk concentrations arising from the nature, type or location of collateral and other credit enhancements held against our credit exposures.

An analysis of the maximum exposure to credit risk for the components of our consolidated statements of financial position, including derivative financial instruments as at December 31, 2024 and 2023:

	2024		
	Gross Maximum Exposure	Collateral and Other Credit Enhancements ⁽¹⁾	Net Maximum Exposure
	(in million pesos)		
<i>Financial instruments at amortized cost:</i>	46,111	427	45,684
Debt instruments at amortized cost	395	—	395
Other financial assets	3,957	—	3,957
Cash and cash equivalents	10,011	44	9,967
Short-term investments	136	—	136
Corporate subscribers	15,023	346	14,677
Retail subscribers	7,650	37	7,613
Foreign administrations	1,177	—	1,177
Domestic carriers	256	—	256
Dealers, agents and others	7,506	—	7,506
<i>Financial instruments at FVPL:</i>	1,516	—	1,516
Financial assets at FVPL	1,101	—	1,101
Forward foreign exchange contracts	30	—	30
Long-term foreign currency options	385	—	385
Total	47,627	427	47,200

⁽¹⁾ Includes bank insurance, security deposits and customer deposits. We have no collateral held as at December 31, 2024.

	2023		
	Gross Maximum Exposure	Collateral and Other Credit Enhancements ⁽¹⁾	Net Maximum Exposure
	(in million pesos)		
<i>Financial instruments at amortized cost:</i>	46,781	521	46,260
Debt instruments at amortized cost	595	—	595
Other financial assets	3,801	—	3,801
Cash and cash equivalents	16,177	146	16,031
Short-term investments	122	—	122
Corporate subscribers	9,988	338	9,650
Retail subscribers	10,196	37	10,159
Foreign administrations	1,126	—	1,126
Domestic carriers	187	—	187
Dealers, agents and others	4,589	—	4,589
<i>Financial instruments at FVPL:</i>	943	—	943
Financial assets at FVPL	578	—	578
Long-term foreign currency options	96	—	96
Cash equivalents and short-term investments	269	—	269
Total	47,724	521	47,203

⁽¹⁾ Includes bank insurance, security deposits and customer deposits. We have no collateral held as at December 31, 2023.

The table below provides information regarding the credit quality by class of our financial assets according to our credit ratings of counterparties as at December 31, 2024 and 2023:

		Neither past due nor credit impaired		Past due but not credit impaired	
	Total	Class A ⁽¹⁾	Class B ⁽²⁾		Impaired
	(in million pesos)				
December 31, 2024					
Financial instruments at amortized cost:	63,586	25,729	5,926	14,456	17,475
Debt instruments at amortized cost	395	395	—	—	—
Other financial assets	4,236	3,956	1	—	279
Cash and cash equivalents	10,011	9,572	439	—	—
Short-term investments	136	136	—	—	—
Retail subscribers	17,516	5,381	171	2,098	9,866
Corporate subscribers	20,936	5,124	886	9,013	5,913
Foreign administrations	1,254	139	381	657	77
Domestic carriers	256	—	135	121	—
Dealers, agents and others	8,846	1,026	3,913	2,567	1,340
Financial instruments at FVPL:	1,516	328	712	476	—
Financial assets at FVPL	1,101	(87)	712	476	—
Forward foreign exchange contracts	30	30	—	—	—
Long-term foreign currency options	385	385	—	—	—
Total	65,102	26,057	6,638	14,932	17,475
December 31, 2023					
Financial instruments at amortized cost:	64,264	31,494	3,954	11,333	17,483
Debt instruments at amortized cost	595	595	—	—	—
Other financial assets	4,069	3,800	1	—	268
Cash and cash equivalents	16,177	15,907	270	—	—
Short-term investments	122	122	—	—	—
Retail subscribers	19,894	8,083	266	1,847	9,698
Corporate subscribers	15,934	2,341	1,390	6,257	5,946
Foreign administrations	1,250	90	529	507	124
Domestic carriers	188	1	92	94	1
Dealers, agents and others	6,035	555	1,406	2,628	1,446
Financial instruments at FVPL:	1,117	701	242	—	174
Financial assets at FVPL	578	336	242	—	—
Long-term foreign currency options	96	96	—	—	—
Cash equivalents and short-term investments	443	269	—	—	174
Total	65,381	32,195	4,196	11,333	17,657

⁽¹⁾ This includes low risk and good paying customer accounts with no history of account treatment for a defined period and no overdue accounts as at report date; and deposits or placements to counterparties with good credit rating or bank standing financial review.

⁽²⁾ This includes medium risk and average paying customer accounts with no overdue accounts as at report date, and new customer accounts for which sufficient credit history has not been established; and deposits or placements to counterparties not classified as Class A.

The aging analysis of past due but not impaired class of financial assets as at December 31, 2024 and 2023 are as follows:

			Past due but not credit impaired			
	Total	Neither past due nor credit impaired	1-60 days	61-90 days	Over 91 days	Impaired
	(in million pesos)					
December 31, 2024						
Financial instruments at amortized cost:	63,586	31,655	5,927	586	7,943	17,475
Debt instruments at amortized cost	395	395	—	—	—	—
Other financial assets	4,236	3,957	—	—	—	279
Cash and cash equivalents	10,011	10,011	—	—	—	—
Short-term investments	136	136	—	—	—	—
Retail subscribers	17,516	5,552	1,710	248	140	9,866
Corporate subscribers	20,936	6,010	3,182	548	5,283	5,913
Foreign administrations	1,254	520	232	158	267	77
Domestic carriers	256	135	73	17	31	—
Dealers, agents and others	8,846	4,939	730	(385)	2,222	1,340
Financial instruments at FVPL:	1,516	1,040	476	—	—	—
Financial assets at FVPL	1,101	625	476	—	—	—
Forward foreign exchange contracts	30	30	—	—	—	—
Long-term foreign currency options	385	385	—	—	—	—
Total	65,102	32,695	6,403	586	7,943	17,475
December 31, 2023						
Financial instruments at amortized cost:	64,264	35,448	3,505	618	7,210	17,483
Debt instruments at amortized cost	595	595	—	—	—	—
Other financial assets	4,069	3,801	—	—	—	268
Cash and cash equivalents	16,177	16,177	—	—	—	—
Short-term investments	122	122	—	—	—	—
Retail subscribers	19,894	8,349	1,603	223	21	9,698
Corporate subscribers	15,934	3,731	1,500	248	4,509	5,946
Foreign administrations	1,250	619	164	87	256	124
Domestic carriers	188	93	39	20	35	1
Dealers, agents and others	6,035	1,961	199	40	2,389	1,446
Financial instruments at FVPL:	1,117	943	—	—	—	174
Financial assets at FVPL	578	578	—	—	—	—
Long-term foreign currency options	96	96	—	—	—	—
Cash equivalents and short-term investments	443	269	—	—	—	174
Total	65,381	36,391	3,505	618	7,210	17,657

Capital Management Risk

We aim to achieve an optimal capital structure in pursuit of our business objectives which include maintaining healthy capital ratios and strong credit ratings and maximizing shareholder value.

Our approach to capital management focuses on balancing the allocation of cash and the incurrence of debt as we seek new investment opportunities for new businesses and growth areas. On August 5, 2014, the PLDT Board of Directors approved an amendment to our dividend policy, increasing the dividend payout rate to 75% from 70% of our core EPS as regular dividends. However, in view of our elevated capital expenditures to build-out a robust, superior network to support the continued growth of data traffic, plans to invest in new adjacent businesses that will complement the current business and provide future sources of profits and dividends, and management of our cash and gearing levels, the PLDT Board of Directors approved on August 2, 2016, the amendment of our dividend policy, reducing the regular dividend payout to 60% of core EPS. Starting 2019, we base our dividend payout on telco core income. In declaring dividends, we take into consideration the interest of our shareholders, as well as our working capital, capital expenditures and debt servicing requirements. The retention of earnings may be necessary to meet the funding requirements of our business expansion and development programs.

As part of the dividend policy, in the event no investment opportunities arise, we may consider the option of returning additional cash to our shareholders in the form of special dividends or share buybacks. Philippine corporate regulations prescribe, however, that we can only pay out dividends or make capital distribution up to the amount of our unrestricted retained earnings.

Some of our debt instruments contain covenants that impose maximum leverage ratios. In addition, our credit ratings from the international credit ratings agencies are based on our ability to remain within certain leverage ratios.

No changes were made in our objectives, policies or processes for managing capital during the years ended December 31, 2024, 2023 and 2022.

28. Notes to the Statements of Cash Flows

The following table shows the changes in liabilities arising from financing activities as at December 31, 2024 and 2023:

	January 1, 2024	Cash flows	Foreign exchange movement	Others	2024
		(in million pesos)			
Interest-bearing financial liabilities	254,798	24,722	1,698	368	281,586
Lease liabilities	47,546	(12,079)	—	18,571	54,038
Derivative financial liabilities	1,033	704	—	(1,640)	97
Accrued interests and other related costs	2,157	(10,740)	—	11,009	2,426
Dividends	1,912	(20,750)	—	20,843	2,005
	307,446	(18,143)	1,698	49,151	340,152

	January 1, 2023	Cash flows	Foreign exchange movement	Others	2023
		(in million pesos)			
Interest-bearing financial liabilities	249,580	5,175	(319)	362	254,798
Lease liabilities	42,435	(10,707)	—	15,818	47,546
Derivative financial liabilities	1,150	(607)	—	490	1,033
Accrued interests and other related costs	1,868	(9,715)	—	10,004	2,157
Dividends	1,821	(23,328)	—	23,419	1,912
	296,854	(39,182)	(319)	50,093	307,446

Others include the effect of accretion of long-term borrowings, effect of recognition and accretion of lease liabilities, unrealized mark-to-market losses of derivative financial instruments, effect of accrued but not yet paid interest on interest-bearing loans and borrowings and accrual of dividends that were not yet paid at the end of the period.

Non-cash Investing Activities

The following table shows our significant non-cash investing activities and corresponding transaction amounts as at December 31, 2024 and 2023:

	2024	2023
	(in million pesos)	
Acquisition of property and equipment on account	19,219	37,133
Additions to ROU assets	15,607	15,759
Capitalization to property and equipment of:		
Inventories	4,128	2,169
Foreign exchange differences – net	686	195
	39,640	55,256

Non-cash Financing Activities

The following table shows our significant non-cash financing activities and corresponding transaction amounts as at December 31, 2024 and 2023:

	2024	2023
	(in million pesos)	
Additions to lease liabilities	15,607	15,759

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and Board of Directors
PLDT Inc.
Ramon Cojuangco Building
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PLDT Inc. and subsidiaries (the Company) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 included in this Form 17-A and have issued our report thereon dated February 27, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Roel E. Lucas

Partner

CPA Certificate No. 98200

Tax Identification No. 191-180-015

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465323, January 2, 2025, Makati City

February 27, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and Board of Directors
PLDT Inc.
Ramon Cojuangco Building
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PLDT Inc. and subsidiaries (the Company) as of 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 27, 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 Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (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 Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as of 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.

SYCIP GORRES VELAYO & CO.



Roel E. Lucas

Partner

CPA Certificate No. 98200

Tax Identification No. 191-180-015

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-095-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465323, January 2, 2025, Makati City

February 27, 2025



PLDT INC. AND SUBSIDIARIES

Schedule A. Financial Assets
December 31, 2024

Name of Issuing Entity and Association of Each Issue	Number of Shares	Amount Shown in the Balance Sheet	Valued Based on Market	Income Received and Accrued
			Quotation at Balance Sheet Date	
			(In millions)	
Financial assets at fair value through profit or loss				
Listed equity securities	various	Php1,098	Php-	Php-
Others	various	3	N/A	-
	-	Php1,101	N/A	Php-

PLDT INC. AND SUBSIDIARIES

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

December 31, 2024

	December 31, 2023	Additions	Collections	December 31, 2024
	(in millions)			
ACeS Philippines Cellular Corporation	Php18	Php –	Php –	Php18
Airbom Access	–	4	–	4
BayanTrade	8	(8)	–	–
Bonifacio Communications Corporation	11	424	(426)	9
Chikka Phils. Inc.,	–	1,232	–	1,232
Connectivity Unlimited Resource Enterprise, Inc.	–	1,226	–	1,226
CruzTelco (SBI-CC3)	–	–	–	–
Curo Teknika, Inc.	–	–	–	–
Datelco Global Communications, Inc.	–	–	–	–
Digitel Information Technology Services, Inc.	–	–	–	–
Digital Telecommunications Phils., Inc.	15,237	985	(3,177)	13,045
Digitel Mobile Philippines, Inc.	17	(5)	–	12
eInnovations Holdings	–	–	–	–
ePay Investments Pte. Ltd.	–	–	–	–
ePDS, Inc.	8	2	–	10
ePLDT, Inc.	2,995	3,083	(1,682)	4,396
iCommerce Pte. Ltd.	–	–	–	–
I-Contacts Corporation	–	–	–	–
IP Converge Data Services, Inc.	22	24	(48)	(2)
Mabuhay Satellite Corporation	–	–	–	–
PLDT-Maratel, Inc.	–	–	–	–
Metro Kidapawan Telephone Corporation	8	(2)	–	6
Multisys Kidapawan Technologies Corporation	–	56	–	56
MVP Rewards and Loyalty Solutions, Inc.	1	–	–	1
Netgames, Inc.	–	–	–	–
Pacific Global One Aviation Co., Inc.	–	–	–	–
PayMaya Philippines, Inc.	–	–	–	–
PGNL Canada	–	–	–	–
PGNL (ROHQ) Phils.	211	345	–	556
PGNL US	–	–	–	–
Philcom Corporation	22	29	–	51
PLDT Inc.	2,702	1,133	(1,845)	1,990
Pilipinas Global Network Limited	–	–	–	–
PLDT (HK) Limited	198	130	(331)	(3)
PLDT (SG) Pte Ltd	–	–	–	–
PLDT SG Retail Service Pte Ltd.	–	–	–	–
PLDT (UK) Limited	–	–	–	–
PLDT (US) Limited	67	26	(41)	52
PLDT 1528 Unlimited	1	–	–	1
PLDT Capital Pte Ltd	–	–	–	–
PLDT-ClarkTel	–	569	(470)	99
PLDT Communication and Energy Ventures, Inc.	–	1	–	1
PLDT Digital Investments Pte. Ltd.	–	–	–	–
PLDT Global (Phils.) Corporation	11	(8)	–	3
PLDT Global Corporation	859	18,595	(19,053)	401
PLDT Global Investments Holdings Inc	–	–	–	–
PLDT Japan GK	–	–	–	–
PLDT Malaysia Sdn Bhd	–	–	–	–
PLDT Online Inc.	–	–	–	–
PLDT Online Investments Pte. Ltd	–	–	–	–
Primeworld Digital Systems, Inc.	–	591	–	591
Rack I.T. Data Center, Inc.	–	–	–	–
Smart Broadband, Inc.	–	1	–	1
Smart Communications, Inc.	5,973	79,769	(79,420)	6,322
PLDT Subic Telecom, Inc.	15	11	–	26
Talas Data Intelligence, Inc.	–	1	(1)	–
Telesat, Inc.	34	318	(301)	51
Vitro Inc.	–	1,058	–	1,058
Voyager Innovations, Inc.	–	–	–	–
Wifun, Inc.	–	–	–	–
Wolfpac Mobile Inc.	–	–	–	–
	Php28,418	Php109,590	(Php106,795)	Php31,213

All receivables eliminated during the consolidation of financial statements are classified as current. There were no receivables written off during the year.

PLDT INC. AND SUBSIDIARIES

Schedule D. Interest-bearing Financial Liabilities

December 31, 2024

Name of Issuer and Type of Obligation	Total Outstanding Balance	Amount shown as Current		Amount shown as Non-Current	
		Gross Amount	Debt Discount/ Debt Issuance Cost	Gross Amount	Debt Discount/ Debt Issuance
	(In Millions)				
U.S. Dollar Debts:					
Fixed Rate Notes					
The Bank of New York Mellon, London Branch US\$300M Global Bonds Due 2031	Php17,155	Php –	(Php31)	Php17,354	(Php168)
The Bank of New York Mellon, London Branch US\$300M Global Bonds Due 2050	17,022	–	(8)	17,354	(324)
	34,177	–	(39)	34,708	(492)
Term Loans:					
Others					
PNB \$140M Term Loan	Php4,838	Php810	(Php7)	Php4,049	(Php14)
	4,838	810	(7)	4,049	(14)

Name of Issuer and Type of Obligation	Total Outstanding Balance	Amount shown as Current		Amount shown as Non-Current	
		Gross Amount	Debt Discount/ Debt Issuance Cost	Gross Amount	Debt Discount/ Debt Issuance Cost
(In Millions)					
<i>Philippine Peso Debts:</i>					
Term Loans:					
Unsecured Term Loans:					
UBP P8.0B Term Loan	Php7,811	Php80	Php43	Php7,520	Php168
BPI 10B	9,851	100	(5)	9,800	(44)
BPI 1B	970	10	-	960	-
BPI 2B	1,779	20	(25)	1,860	(76)
BPI 2B	1,940	20	-	1,920	-
BPI 3B	2,894	30	(2)	2,880	(14)
BPI 3B	2,893	30	(2)	2,880	(15)
BPI 4.5B	4,257	45	(3)	4,230	(15)
BPI 4B	3,857	40	(3)	3,840	(20)
BPI 5B	4,824	50	(3)	4,800	(23)
BPI P2B	1,980	20	-	1,960	-
BPI P3B	2,730	2,730	-	-	-
BPI P2B	1,814	1,820	(6)	-	-
BPI P3B	2,811	30	(3)	2,790	(6)
BPI 5B	4,547	4,550	(3)	-	-
BPI - 3B (8B)	2,951	30	(2)	2,940	(17)
BPI - 2B (8B)	1,967	20	(1)	1,960	(12)
BPI - 1.5B (8B)	1,482	9	(1)	1,484	(10)
BPI – 800M (8B)	794	9	(1)	791	(5)
BPI – 400M (8B)	397	5	-	395	(3)
MBTC P3B	2,786	30	(2)	2,760	(2)
MBTC P3B	2,924	30	(2)	2,910	(14)
MBTC P4B	3,971	40	(2)	3,960	(27)
MBTC P5B	4,550	4,550	-	-	-
MBTC P3B	2,924	30	(2)	2,910	(14)
MBTC P4B	3,899	40	(3)	3,880	(18)
MBTC P5B	4,548	4,550	(2)	-	-
MBTC P5B	4,546	50	(3)	4,500	(1)
MBTC P1.5B Facility (Tranche-2)	1,500	15	-	1,485	-
MBTC P2.2B Facility (Tranche-3)	2,200	22	-	2,178	-
MBTC P4.2B Facility (Tranche-1)	4,170	43	(3)	4,157	(27)
MBTC P600M Facility (Final)	600	6	-	594	-

Name of Issuer and Type of Obligation	Total Outstanding Balance	Amount shown as Current		Amount shown as Non-Current	
		Gross Amount	Debt Discount/ Debt Issuance Cost	Gross Amount	Debt Discount/ Debt Issuance Cost
		(In Millions)			
SBC P2B	Php1,850	Php20	Php-	Php1,830	Php-
SBC P8B	6,871	160	(4)	6,720	(5)
SBC P4B	1,845	20	(2)	1,830	(3)
BDO - P7.5B	7,447	76	(4)	7,424	(49)
BDO P5B	4,736	50	(12)	4,750	(52)
BDO - P4.47B T1 (P2.97B)	2,948	30	(2)	2,940	(20)
BDO 1B	970	10	-	960	-
BDO P3B	2,828	30	(10)	2,850	(42)
BDO P3B	2,897	30	(3)	2,880	(10)
BDO P3B	2,760	30	-	2,730	-
BDO P2B	2,000	20	-	1,980	-
BDO P3B	2,978	30	(2)	2,970	(20)
PNB P2B	1,896	20	(2)	1,880	(2)
PNB 4B	3,703	40	(43)	3,760	(54)
PNB P 1.5B	1,410	1,410	-	-	-
PNB P1B	911	10	(6)	920	(13)
LBP P3.5B	3,255	35	-	3,220	-
LBP P3B	2,867	30	(2)	2,850	(11)
LBP P1.5B	1,412	16	1	1,394	1
LBP P1B	884	10	(15)	930	(41)
LBP P2.5B	2,425	25	-	2,400	-
LBP P2B	1,782	20	(28)	1,860	(70)
LBP P3B	3,250	35	(2)	3,220	(3)
LBP P3B	2,866	30	(2)	2,850	(12)
LBP P5.5B	5,409	55	(4)	5,390	(32)
LBP P2B	1,854	20	(8)	1,860	(18)
LBP P3B	2,895	30	(2)	2,880	(13)
LBP P3B	2,895	30	(2)	2,880	(13)
LBP P4B	3,821	40	(3)	3,800	(16)
LBP P4B	3,860	40	(3)	3,840	(17)
DBP P2B (5B)	1,865	20	(16)	1,920	(59)
DBP P3B (5B)	2,899	30	(2)	2,880	(9)
DBP 2B(5B)	1,960	20	-	1,940	-
DBP 3B(5B)	2,925	30	(3)	2,910	(12)
DBP P4B	3,864	40	(3)	3,840	(13)
BANK OF CHINA P2B	1,896	20	(2)	1,880	(2)
BANK OF COMMERCE P2.8B	2,779	29	(2)	2,771	(19)
BANK OF COMMERCE P1B	990	10	-	980	-

Name of Issuer and Type of Obligation	Total Outstanding Balance	Amount shown as Current		Amount shown as Non-Current	
		Gross Amount	Debt Discount/ Debt Issuance Cost	Gross Amount	Debt Discount/ Debt Issuance Cost
		(In Millions)			
CHINA BANK P2B (10.5B)	Php1,980	Php20	Php-	Php1,960	Php-
CHINA BANK P2B (10.5B)	1,980	20	-	1,960	-
CHINA BANK P3.5B (10.5B)	3,442	35	(2)	3,430	(21)
CHINA BANK P3B (10.5B)	2,950	30	(2)	2,940	(18)
CHINA BANK P8B	5,418	800	(50)	4,800	(132)
RCBC P4B	3,756	40	(23)	3,800	(61)
RCBC P3B	2,895	30	(2)	2,880	(13)
RCBC P4B	3,933	40	(3)	3,920	(24)
RCBC P4B	3,859	40	(3)	3,840	(18)
MUFG P2.5B	972	25	(2)	950	(1)
HSBC - P1B	1,000	50	-	950	-
HSBC - P2B	1,986	100	(3)	1,900	(11)
PVB - P530M	530	5	-	525	-
	242,571	22,890	(314)	221,118	(1,123)
Total Long-term Debt	Php281,586	Php23,700	(Php360)	Php259,875	(Php1,629)

PLDT INC.
Schedule E. Indebtedness to Affiliates and Related Parties (Long-Term Loans from Related Companies)
December 31, 2024

Name of Issuer and Type of Obligation	Total Outstanding Balance	Amount shown as Current		Amount shown as Non-Current	
		Gross Amount	Debt Discount/ Debt Issuance Cost	Gross Amount	Debt Discount/ Debt Issuance Cost
(In Millions)					
NTT TC Leasing Co. Ltd. US\$25M (2017) ⁽¹⁾	Php–	Php–	Php–	Php–	Php–

⁽¹⁾ The amount of Php1,385 million was fully paid on March 27, 2024.

PLDT INC.

Schedule G. Capital Stock
December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued And Outstanding	Number of Shares Reserved For Options, Warrants, Conversion and Other Rights	Number of Shares Held By Related Parties	Directors and Executive Officers ⁽¹⁾	Others
(In Millions)						
Preferred Stock	538	450	—	450	—	—
Non-Voting Preferred Stock (Php10 par value)	388	300	—	300	—	—
Cumulative Convertible Series II to JJ	88	— ⁽²⁾	—	—	—	—
Cumulative Nonconvertible Series IV	300	300 ⁽³⁾	—	300 ⁽³⁾	—	—
Voting Preferred Stock (Php1 par value)	150	150	—	150	—	—
Common Stock (Php5 par value)	234	216	—	123 ⁽⁴⁾	2	91

⁽¹⁾ Consists of 1,536,738 common shares directly and indirectly owned by directors and executive officers as at December 31, 2024.

⁽²⁾ On June 8, 2015, the Company issued 870 shares of Series JJ 10% Cumulative Convertible Preferred Stock, which are currently outstanding. On January 28, 2020, the Board of Directors approved the redemption of PLDT's Series JJ 10% Cumulative Convertible Preferred Stock which were issued in the year 2014, effective May 12, 2020. In April 2011, the Company issued 370 shares of Series II 10% Cumulative Convertible Preferred Stock, all of which were redeemed by May 11, 2016.

⁽³⁾ Includes 300,000,000 shares subscribed for Php3,000,000,000, of which Php360,000,000 has been paid.

⁽⁴⁾ Represents 25.57% beneficial ownership of First Pacific Group and its Philippine affiliates, and 20.35% beneficial ownership of NTT Group in PLDT's outstanding shares.

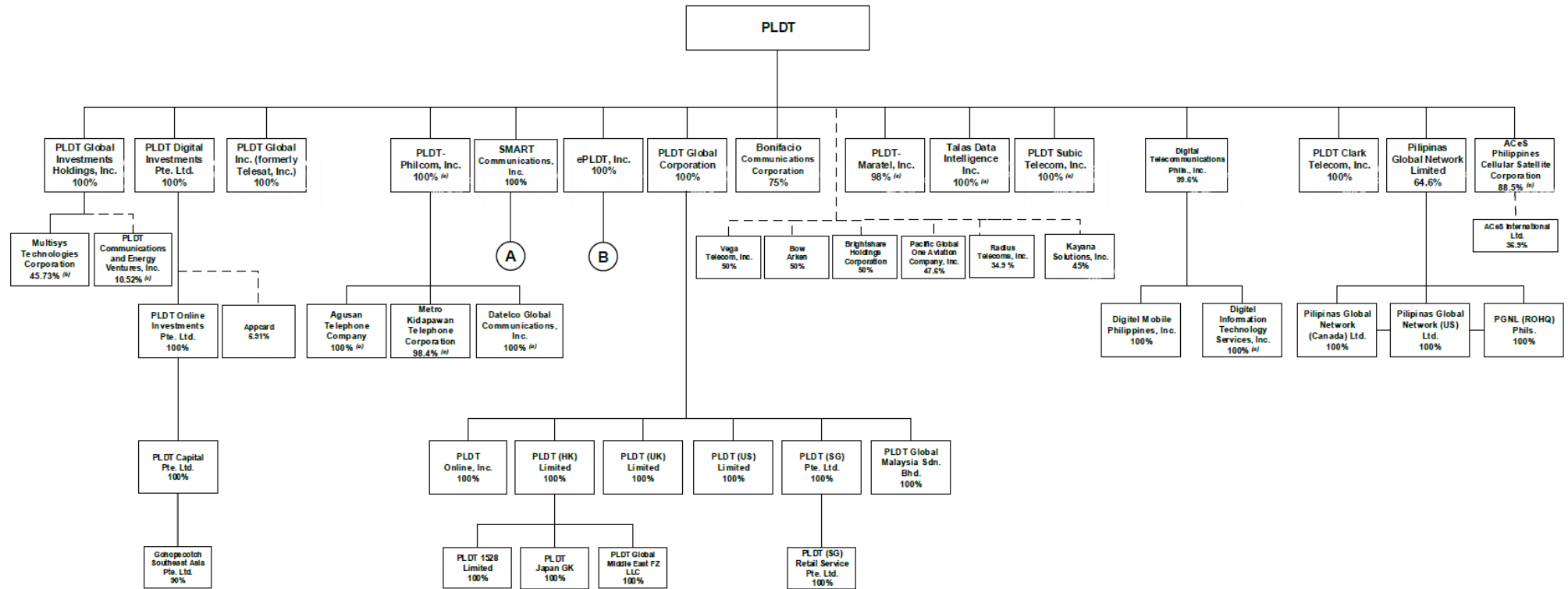
PLDT INC.Schedule H. Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2024

	(in million pesos)
Consolidated unappropriated retained earnings as at December 31, 2023	22,020
Effect of PAS 27 adjustments	7,432
Parent Company's unappropriated retained earnings at beginning of the year	29,452
Adjustments: Unrealized gains in prior years:	
Fair value adjustments of investment property resulting to gain	(6,626)
DTA	(2,196)
Unrealized foreign exchange gains – net (except those attributable to cash and cash equivalents)	(2,590)
Fair value adjustments (market-to-market gains)	(1,385)
Parent Company's unappropriated retained earnings available for dividends as at January 1, 2024	16,655
Add: Net income actually earned/realized during the year	
Parent Company's net income for the year	26,654
Less: Non-actual/unrealized income – net of tax	
Fair value adjustments (mark-to-market gains)	(2,070)
	24,584
Less: Cash dividends declared during the year	
Preferred stock	(59)
Common stock	(20,741)
	(20,800)
Parent Company's unappropriated retained earnings available for dividends as at December 31, 2024	20,439

As at December 31, 2024, our consolidated unappropriated retained earnings amounted to Php33,901 million while the Parent Company's unappropriated retained earnings amounted to Php35,306 million. The difference of Php1,405 million pertains to the effect of PAS 27, Separate Financial Statements, in our investments in subsidiaries, associates and joint ventures accounted for under the equity method.

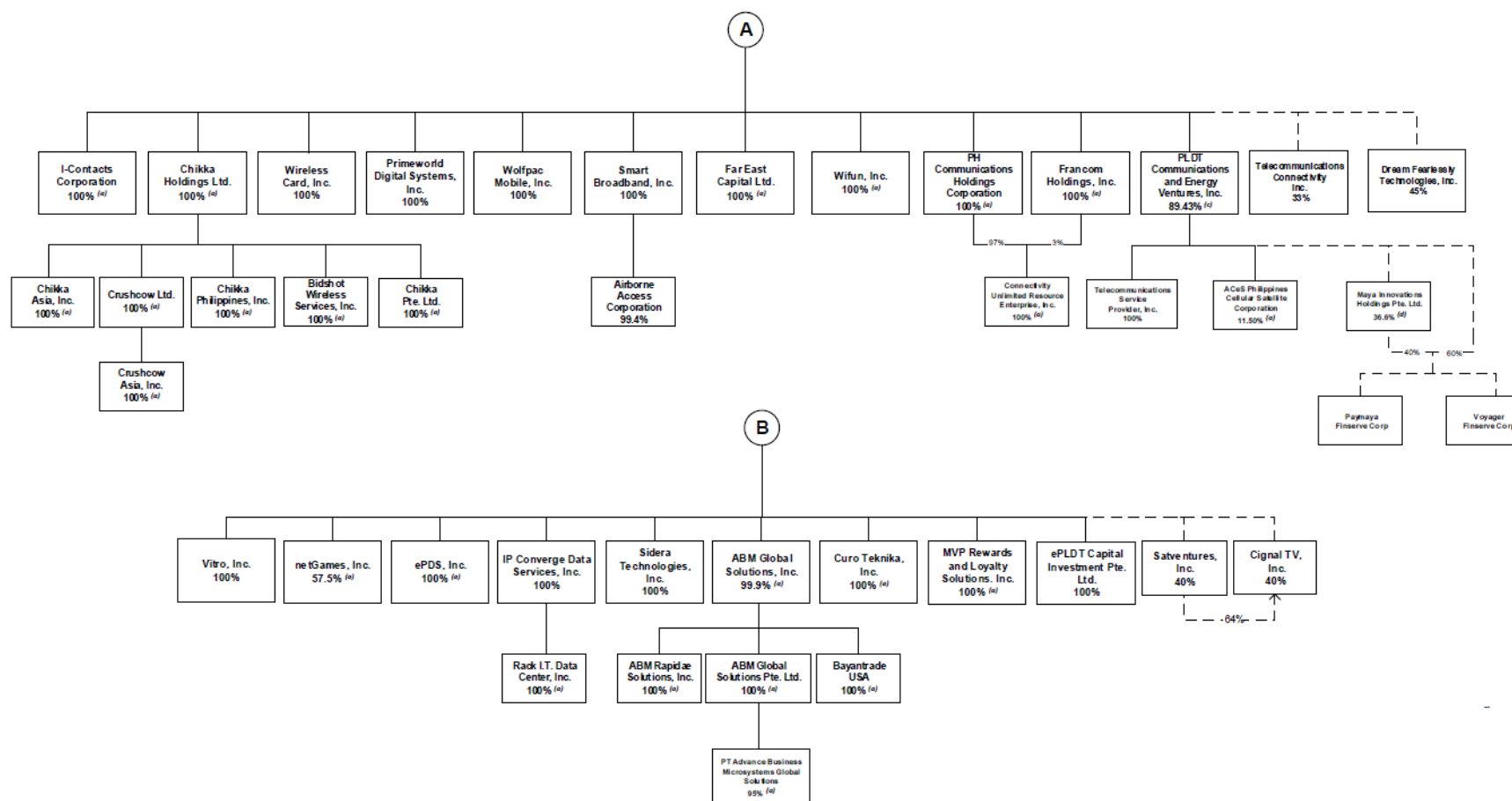
PLDT INC.

Schedule I. Map of the Relationships of the Companies within the Group
December 31, 2024



Legend:

--- Joint Ventures and Associates



Legend:

----- Joint Ventures and Associates

^(a) Ceased commercial operations.

^(b) On January 5, 2024 PLDT Global Investments Holdings, Inc sold 227 common shares of Multisys Technologies Corp, thereby decreasing its ownership from 50.72 to 45.73.

^(c) On February 16, 2024 SEC has approved PLDT Communications and Energy Ventures, Inc's application for increase in capital stock between Smart Communications, Inc and PLDT Global Investments Holdings, Inc, which decreases Smart's ownership interest to 89.43% and increase PGIH's ownership interest of 10.52%.

^(d) On May 16, 2023, Accounting and Corporate Regulatory Authority (ACRA) Singapore approved the change in business name of Voyager Innovations Holdings Pte. Ltd. to Maya Innovations Holdings Pte. Ltd.

PLDT INC.
Schedule J. Financial Soundness Indicators
December 31, 2024 and 2023

	December 31,	
	2024	2023
Current Ratio ⁽¹⁾	0.34:1.0	0.36:1.0
Acid Test Ratio ⁽²⁾	0.22:1.0	0.22:1.0
Solvency Ratio ⁽³⁾	0.33:1.0	0.35:1.0
Net Debt to Equity Ratio ⁽⁴⁾	2.37:1.0	2.28:1.0
Net Debt to EBITDA Ratio ⁽⁵⁾	2.52:1.0	2.30:1.0
Total Debt to EBITDA Ratio ⁽⁶⁾	2.61:1.0	2.46:1.0
Asset to Equity Ratio ⁽⁷⁾	5.40:1.0	5.79:1.0
Total Debt to Equity Ratio ⁽⁸⁾	81:19	82:18
Interest Coverage Ratio ⁽⁹⁾	3.96:1.0	4.50:1.0
Net Profit Margin ⁽¹⁰⁾	15%	13%
Return on Assets ⁽¹¹⁾	5%	4%
Return on Equity ⁽¹²⁾	29%	25%
EBITDA Margin ⁽¹³⁾	52%	52%

⁽¹⁾ Current ratio is measured as current assets divided by current liabilities.

⁽²⁾ Acid test ratio is measured as total of cash and cash equivalents, short-term investments and trade and other receivables divided by total current liabilities.

⁽³⁾ Solvency ratio is measured by adding back non-cash expenses to the net income after tax divided by total debt (long-term debt, including current portion.)

⁽⁴⁾ Net Debt to equity ratio is measured as total debt (principal amount of long-term debt, including current portion, i.e., excluding debt issuance cost) less cash and cash equivalents, short-term investments and debt instruments at amortized cost divided by total equity attributable to equity holders of PLDT.

⁽⁵⁾ Net Debt to EBITDA ratio is measured as total debt (principal amount of long-term debt, including current portion, i.e., excluding debt issuance cost) less cash and cash equivalents, short-term investments and debt instruments at amortized cost divided by EBITDA, for the year.

⁽⁶⁾ Total Debt to EBITDA ratio is measured as total debt (principal amount of long-term debt, including current portion, i.e., excluding debt issuance cost) divided by EBITDA for the year.

⁽⁷⁾ Asset to equity ratio is measured as total assets divided by total equity attributable to equity holders of PLDT.

⁽⁸⁾ Total debt to equity ratio is the ratio between total liabilities to total equity, including non-controlling interest.

⁽⁹⁾ Interest coverage ratio is measured by EBIT, or earnings before interest and taxes for the year, divided by total financing cost less interest income for the year.

⁽¹⁰⁾ Net profit margin is derived by dividing net income for the year with total revenues for the year.

⁽¹¹⁾ Return on assets is measured as net income attributable to equity holders of PLDT for the year divided by average total assets.

⁽¹²⁾ Return on Equity is measured as net income attributable to equity holders of PLDT for the year divided by average total equity attributable to equity holders of PLDT.

⁽¹³⁾ EBITDA margin for the year is measured as EBITDA divided by service revenues for the year.

EBITDA for the year is measured as net income for the year excluding depreciation and amortization, amortization of intangible assets, asset impairment on noncurrent assets, financing cost, interest income, equity share in net earnings (losses) of associates and joint ventures, foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net, provision for (benefit from) income tax and other income (expenses) – net, MRP and non-recurring income (expenses) for the year

PLDT INC.

Schedule K. Supplementary Schedule of External Auditor-Fee Related Information
December 31, 2024 and 2023

	2024	2023
	(in millions)	
Total Audit Fees	Php51	Php50
Non-audit service fees:		
Other Assurance Services	7	6
Tax Services	1	1
All other services	5	2
Total Non-audit Fees	13	9
Total Audit and Non-audit Fees	Php64	Php59

Exhibit 1

SEC Number

PW-55

File Number

PLDT INC.

(Company's Full Name)

Ramon Cojuangco Building

Makati Avenue, Makati City

(Company's Address)

(632) 8816-8534

(Telephone Number)

December 31st

(Fiscal Year Ending)

(month & day)

Sustainability Report

Report

December 31, 2024

Period Ended Date

Melissa Vergel de Dios

(Highest Ranking Person responsible for this report)

SECURITIES AND EXCHANGE COMMISSION

SUSTAINABILITY REPORT

[PURSUANT TO MEMORANDUM CIRCULAR No. 4, SERIES OF 2019 OF THE SECURITIES AND EXCHANGE COMMISSION]

1. Name of Organization: **PLDT Inc.**
2. Location of Headquarters: **Ramon Cojuangco Building, Makati Avenue, Makati City**
3. Location of Operations: **Nationwide**
4. Report Boundary: **Legal Entities (e.g. subsidiaries) included in this report: PLDT Inc., Smart Communications, Inc., ePLDT, Inc., Vitro Inc., PLDT Global Corporation, and Maya Innovations Holdings.**
5. Brand Model, including Primary Activities, Brands, Products, and Services:

PLDT Inc. (PLDT) is the leading fully integrated telecommunications and digital services provider in the Philippines. They offer a wide range of telecommunications and digital services across the Philippines' most extensive fiber optic backbone, fixed line, and cellular networks through their principal business groups Fixed Line, Wireless, and others.

With a strong commitment to doing business responsibly, PLDT aims to contribute to the United Nations Sustainable Development Goals by enabling digital transformation, championing meaningful innovations, and bridging the digital divide

PLDT Home has been providing fixed network and digital services for generations of Filipinos all over the country, offering broadband data services that run through a Fiber-to-the-Home (FTTH) network and covers about 18.5 million homes in 73% of towns and 50% of barangays in the country, as of December 31, 2024. With about 1.2 million kilometers of fiber-optic cables, consisting of over 0.2 million cable kilometers of international fiber, and 1.0 million kilometers of domestic fiber.

PLDT Home's fiber network offers speeds and reliable connections of up to 10 Gbps, enabling access to more innovative products and services on entertainment and security that will continuously enhance the digital home experience for work, play and day-to-day living.

PLDT Enterprise is the corporate business arm of PLDT, the leading telecommunications and digital services provider in the Philippines. Dedicated to delivering innovative fixed-line, wireless, and ICT solutions, PLDT Enterprise enables businesses to adapt to evolving technological needs, optimize efficiency, continuity, and connectivity, and enhance customer experience.

Smart Communications, Inc. (Smart) is a wholly owned wireless communications and digital services subsidiary of PLDT. Smart's network covers 97% of the country's population with its combined 4G LTE and 5G network as of end December 2024, providing mobile communications services, high-speed internet connectivity, and access to digital services and content to millions of Filipinos, supporting the country's growing digital economy, and providing the best customer experience for an increasingly digital Filipino lifestyle.

ePLDT, Inc. (ePLDT) is the ICT subsidiary of ePLDT, is the industry-leading digital transformation partner for enterprises in the Philippines. Leveraging on the expertise and world-class telecommunication infrastructure of the PLDT Group, ePLDT delivers customized ICT services through its suite of secure cloud, data center, and artificial intelligence solutions.

ePLDT, through its data center subsidiary, VITRO Inc, has the largest data center footprint in the country. Its newest facility, VITRO Sta Rosa (VSR), is the country's first AI-ready hyperscale data center which has the capacity of up to 50 MW. VSR's design features energy-efficient cooling and power redundancy for artificial intelligence (AI) and hyperscale operations. The facility is built to achieve a Rated-3 certification, while being Rated-4 ready, ensuring top-tier network resilience and fiber route diversity. Additionally, VSR doubles the total

data center capacity of VITRO Inc to 100 MW further supporting the stringent needs of hyperscalers, AI applications, enterprises, and the public sector.

VITRO Inc. (Vitro) is the pioneer in hyperscale-grade data centers in the Philippines. It provides secure, reliable, and compliant data center solutions to empower the mission-critical operations of its enterprise and hyperscale clients. Established under ePLDT in 2000, VITRO has the largest local data center footprint with 11 state-of-the-art facilities leveraging on the expertise and world-class telecommunication infrastructure of the PLDT Group.

PLDT Global Corporation (PGC) is the international marketing, sales, and operating services arm of the PLDT Group, offering a wide range of products to offshore enterprises and the overseas Filipino market. With presence in the Philippines, USA, Hong Kong, Singapore, and other key regions, PLDT Global delivers customizable end-to-end enterprise solutions through its global network and Points-of-Presence (POPs). Beyond connectivity, it provides diverse consumer solutions and other essential digital services tailored to the needs of Filipinos abroad.

Maya is the Philippines' leading fintech ecosystem, seamlessly delivering digital financial services through Maya Philippines and Maya Bank.

Maya Philippines is registered with the Bangko Sentral ng Pilipinas (BSP) as an electronic money issuer, remittance and transfer company, payment system operator, and virtual asset service provider. It serves all consumer segments through its mobile application offerings and extensive on-ground agent network. As the top omnichannel payments processor and acquirer, it provides online and offline merchant solutions for businesses of all sizes.

Maya Bank is one of only six BSP-licensed digital banks in the country. It focuses on increasing access to essential banking services for underserved consumers and MSMEs.

Maya Philippines and Maya Bank, under the Maya brand, offer next-generation, integrated financial solutions for individuals and businesses across the Philippines.

In addition, a key investment for the Group is Multisys Technologies Corporation, a software solutions company backed by a team of full-stack developers and elite programmers. Operating for over 15 years now, it holds 17 copyrighted solutions and has more than 2500 partners with whom they provide system automation and integration services that enable ease of doing business across the Philippine archipelago and beyond. Its copyrighted platforms and solutions help private companies operate more efficiently as well as assist government agencies deliver faster and more effective services to the public.

6. Reporting Period: **For the year ended on December 31, 2024**

7. Highest Ranking Person responsible for report: **Melissa Vergel de Dios**, Chief Sustainability Officer

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CERTAIN CONVENTIONS AND TERMS USED IN THIS SUSTAINABILITY REPORT

Unless the context indicates or otherwise requires, references to “Company” “we” or “PLDT Group” in this sustainability report mean PLDT Inc. and its subsidiaries, Smart, ePLDT, Vitro, and PGC, and references to “PLDT” mean PLDT Inc., excluding subsidiaries.

Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

In this sustainability report, each reference to:

- *Board of Directors* – the board of directors of PLDT Inc.
- *Fixed Line or Fixed* – fixed-line telecommunications services including fiber home broadband primarily provided by PLDT. They also provide fixed line services such as data center, cloud, cyber security services, and managed information technology services through PLDT’s subsidiary, ePLDT, Vitro, and PGC.
- *Wireless* - mobile telecommunications services provided by Smart Communications, Inc. or Smart.

MATERIALITY PRINCIPLE

The PLDT Group identifies Sustainability as one of the key pillars of its strategy and business performance. It has thus developed a roadmap to embed sustainability in its operations, which focuses on areas that are relevant to its business and stakeholders and aligning with global best practices on the Group’s environmental, social, and governance (ESG) performance.

To drive a holistic and business-aligned approach to sustainability, the Group implements initiatives under four main pillars and twelve material topics that provide guidance in enabling the entire organization in working towards key ESG goals such as using operational resources efficiently, reducing greenhouse gas emissions, promoting digital inclusion, and upholding robust corporate governance. We regularly engage with our various stakeholders to validate these material topics to adapt and respond to evolving market needs and regulations.

PLDT Sustainability Pillar	Material Topic
Connection	● Investments in Innovation and Infrastructure
<i>Anchors on PLDT’s purpose to continuously innovate, expand our digital infrastructure, and invest in the latest network technology to enable the best possible experience for our customers across segments.</i>	● Digital Inclusion and Community Investments ● Customer Experience
Concern	● Customer Welfare
<i>Advocates respect and promotion of fundamental human rights and ensures that our operations deliver a positive impact on our employees, customers, and communities</i>	● Employee Welfare ● Child Protection
Conservation	● Operational Resource Efficiency
<i>Aims to institutionalize consciousness of our environmental impact and actions to embed stewardship into our day-to-day operations.</i>	● Waste Management and Circularity ● Climate-related Risk Management

Commitment	• Corporate Governance and Business Ethics
<i>Reinforces our commitment to uphold the highest standards of corporate governance and business ethics.</i>	• Cybersecurity and Data Privacy • Greening of the Supply Chain

Key strategies, policies, and progress on sustainability and materiality areas are presented periodically to the Governance, Nomination, and Sustainability Committee (GNSC) of the Board of Directors who has oversight over these.

Furthermore, the PLDT Group aims to continuously contribute to the United Nations Sustainable Development Goals (UN SDGs) and the Philippine Development Plan *Ambisyon Natin* 2040 through its sustainability roadmap and management of materiality areas. In particular, we focus on **UN SDG 9: Industry, Innovation, and Infrastructure** as our key priority area that aligns with our organizational purpose and role of enabling innovation, infrastructure, and sustainable industries that drive economic growth, and development.

PART I - ECONOMIC

Item 1. Economic Performance

Direct Economic Value Generated and Distributed

The following table summarizes their financial results of operations for the year ended December 31, 2024:

	Amount (in million PhP)
Direct economic value generated (revenue)	222,541
Direct economic value distributed:	
a. Operating costs	75,894
b. Employee wages and benefits	24,479
c. Payments to suppliers, other operating costs	*
d. Dividends given to stockholders and interest payments to loan providers	31,490
e. Taxes given to government	8,438
f. Investments to community (e.g. donations, CSR)	268

**Payments to suppliers amounting to PhP29,100 million are already part of the Operating Costs*

Impact/s and Management Approach

The PLDT Group endeavors to contribute to the country's sustainable development by enabling digital transformation and helping narrow the digital divide.

Our transformation efforts and product innovations are geared towards addressing customer needs and dynamic market demands to ensure long-term growth and success. Our management puts strong emphasis on bringing innovation to Filipinos and expanding access to the latest technologies, as well as in delivering quality customer service across all segments of the business.

We enable Filipinos to use technology to communicate, achieve economic empowerment, participate in community life, and be resilient, especially in disasters as part of delivering quality customer service and promoting digital inclusion. Additionally, we enable enterprises of all sizes to expand market access and remain competitive in the global digital economy.

In support of the country's digital transformation, the PLDT Group continues to invest in making local broadband speeds competitive with the region.

To reinforce the Philippines' position as a regional hyperscale hub, we have expanded PLDT's total fiber optic cable network footprint to about 1.2 million kilometers, which consists about 0.2 million kilometers of international fiber and over 0.9 million kilometers of domestic fiber, while approximately about 18.5 million homes passed covering 73% of the country's towns and 91% of provinces, at the end of December 2024.

We also continue to invest in the expansion of our network capacity to support the exponential growth of data traffic in the country. With Asia Direct Cable System ready for service in 2025 and the anticipated completion of the Apricot subsea cable system by 2027, we expect to achieve a total capacity of over 140 Terabit/s.

We offer a range of services to enable financial inclusion among Filipinos through Maya Bank, the country's leading digital bank.

Risks and Management Approach

PLDT employs a balanced strategy towards risk management with a measured approach and a moderate risk appetite. The objective is to optimize its financial position while upholding its investment-grade ratings and established dividend policies. PLDT continues to focus on generating robust cash flows supplemented by sufficient borrowing capacity to support requirements for capital investments.

PLDT endeavors to sustain a strong credit rating by exercising prudent financial management. There are various processes in place that require different approval levels depending on the amount of spend.

The PLDT Group navigates various risks that introduce both threats and opportunities amidst a complex and evolving business environment. Acknowledging these risks as fundamental to its operations, we remain committed to systematically managing overall risk exposure to facilitate strategic decision-making through an integrated Enterprise Risk Management Framework (ERMF) that is implemented across all levels of the organization.

The ERMF allows us to identify, analyze, and manage risks to a reasonably acceptable level such that the Company can enhance opportunities, reduce risk, and sustain competitive advantage.

In addition, a centralized repository of risk data is currently being built because of the alignment between the Group Enterprise Risk Management Department's (GRMD) activities with our Internal Audit. In conjunction with establishing supporting operational processes, educational campaigns are also conducted to support the awareness and adoption of ERMF and standards compliance across the organization. These initiatives are key enablers that drive full compliance and develop an intelligent risk culture within the company—essential in promoting active risk assessment and monitoring and facilitating real-time reporting of risks.

PLDT firmly believes that an effective risk management program is crucial for achieving its objectives and subsidiaries, which ultimately creates value for the business and its stakeholders.

It is noted that the risk factors to which the PLDT Group is exposed in the course of its business also change to align with global developments. The identified risks show how human activities, technological advancements, and climate change impact various aspects of the business, including viability in both the short-term and long-term.

PLDT conducts an annual identification and assessment of the top risks that affect the company in order for them to address these risks. The identified top risks for 2024 are the following:

- 1) Changing regulatory environment and compliance requirements
- 2) Consistency of enterprise data management and governance
- 3) Expansion enabling strategic revenue growth
- 4) Telco cyber resilience in an evolving techno-regulatory landscape
- 5) Increased competition from new players and heightened need to deliver against growing customer expectations
- 6) Ability to service debts amidst increasing cash flow requirements
- 7) Enterprise dependency on third-party ecosystems
- 8) Challenges in managing human capital
- 9) Ability to maintain institutional importance and implementation of ESG goals and programs
- 10) Impact of climate change and nature-related conditions on business operations and financial statements

The PLDT Risk Committee reviews the risk profile of key business units every quarter. Business units present an assessment of key risks within their operations and how they impact the top risks, along with activities undertaken to mitigate these risks.

Operational risks are assessed yearly through the Joint Risk Interview exercise with the Internal Audit team. A total of 113 executives were interviewed, and 2,940 risks were identified from October to December 2024. This data will be used to create the 2025 Top Risks, and this will also be the basis for the Assurance Map.

For an in-depth discussion of risk factors, the reader can refer to PLDT's Form 20-F.

Opportunities and Management Approach

The gap between the rich and the poor in modern society underscores the need to address disparities in access to resources and opportunities for economic growth. The PLDT Group recognizes the importance of investing in our network not only to support the increasing demand for connectivity, but also to cater to the unmet needs of underserved sectors and regions across the country to enable equitable opportunities for development.

We aim to stimulate more activities and creative interactions that can drive innovation, entrepreneurship, and economic growth in geographically isolated and disadvantaged areas by offering convenient, reliable, and affordable products and services to the untapped market.

However, with the expansion of access to the online and digital world comes the responsibility to protect vulnerable individuals from exploitation by unscrupulous individuals and groups. At PLDT, we remain dedicated to protecting our customers and promoting a safe and secure digital environment for all, particularly in the areas of data privacy, cybersecurity, and preventing abusive content, with particular emphasis on safeguarding children – the most vulnerable among our customers. We have implemented best practices in child safety and welfare across our systems and processes, guided by our Child Safeguarding Policy.

We have developed a Child Protection Platform (CPP), a pioneering cybersecurity solution designed to block child sexual abuse and exploitation material (CSAEM) at the content level in collaboration with various organizations. This initiative is supported by technology from Palo Alto Networks and partnerships with international organizations such as the WeProtect Global Alliance, the Internet Watch Foundation (IWF), and the Canadian Centre for Child Protection (C3P).

Knowledge-sharing is a critical component of this advocacy. We work closely with the Department of Justice Inter-Agency Council Against Trafficking, the International Justice Mission and other child rights organizations to keep abreast of emerging issues and national solutions to combat OSAEC. Additionally, we continue to collaborate with UNICEF in our efforts to advance adoption of the Children's Rights and Business Principles framework.

Opportunities of the top risks

The PLDT Group recognizes that customers depend on our products and services for education, business, entertainment, and connectivity. And as such, PLDT continues to make a lasting positive impact on the lives of Filipinos. Therefore, strategic approaches have been implemented to manage and mitigate the top risks that may derail the delivery of the Group's services.

	TOP RISKS	OPPORTUNITIES
1	Changing regulatory environment and compliance requirements	• Continue collaborating with regulatory authorities or industry groups to shape new regulations and efficiencies for compliance management • Leverage proactive regulatory compliance as a competitive advantage in customer-centricity
2	Consistency of enterprise data management and governance	• Maintain targeted investments in Artificial Intelligence (AI) for business process and data management automation, especially against shifting international imperatives in data privacy, governance, and ethics
3	Expansion enabling strategic growth	• Continue prioritization of initiatives with the most strategic impact on service delivery and highest return on investment (ROI). • Find opportunities for partnerships with government bodies, other telcos, or private companies to share infrastructure investments and reduce CAPEX strain
4	Telco cyber resilience in an evolving techno-regulatory landscape	• Develop systems to measure the ROI of cybersecurity investments (i.e. tracking reduced breach incidences and faster incident response times) • Reduce CAPEX or OPEX strain by shifting some security functions to cloud-based security platforms (e.g., cloud-based access security brokers, firewalls)

		• Explore new business models in cybersecurity-as-a-service for Enterprise clients
5	Increased competition from new players and heightened need to deliver against growing customer expectations	• Sustain collaboration between frontline and back-end units to drive agile and effective service delivery • Drive up NPS and media presence through consistent, high-impact customer advocacy programs that aim to influence positive exposure in popular channels
6	Ability to service debt amidst increasing cash flow requirements	• Strengthen investor relations to enable strategic private and/or public partnerships that lessen the need for additional debt financing • Continue long-term reevaluation and restructuring of the company's capital structure
7	Enterprise dependency on third-party ecosystems	• Improve leverage, negotiation playbooks, contract flexibility, and risk management to enhance value output from vendors • Further innovation in digital efficiencies for vendor management and sustainable supply chain
8	Challenges in managing human capital	• Drive towards a sustainable workforce through enhanced employee engagement programs, leadership and succession initiatives, and promoting internal mobility • Explore ways to utilize workforce sustainability as a competitive edge in employer branding and practice
9	Ability to maintain institutional importance and implementation of ESG goals and programs	• Further embedding of ESG considerations into the company's performance indicators as well as its risk management process • Targeted investments in data analytics and AI to monitor, report, and improve ESG performance for high-impact business areas, such as energy consumption, waste reduction, and social impact tracking
10	Impact of Climate Change and nature-related conditions on business operations and financial statements	• Use AI and Internet of Things (IoT) technologies to monitor and manage energy consumption in real time across network sites, offices, and facilities

ERM Digitization.

In 2024, the Company advanced to the second phase of its Enterprise Risk Management (ERM) digitization, setting the stage for digitizing the Second Lines of Defense. The Data Privacy Office successfully calibrated its tool to digitize their risk processes. The GRMD and Data Privacy Office had established the integration of risk data between the two systems by the second quarter of 2024. Additionally, the GRMD initiated engagements with other Second Lines of Defense units to commence the preliminary work for digitizing their risk processes.

Item 2. Climate-related Risks and Opportunities

PLDT acknowledges the increasing impact of climate change on its business operations and the broader economy. As part of its commitment to responsible operations, the Company aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

The PLDT Board of Directors through the GNSC is responsible for overseeing the Company's overall sustainability strategy, including climate-related risks and adaptation plans.

The Risk Committee (RC) evaluates the Company's exposure to environmental risks and ensures that appropriate mitigation strategies are in place.

The Corporate Sustainability Office (CSO) and the GRMD collaborate to integrate climate risk considerations into business operations and decision-making.

The Enterprise Business Continuity and Resilience Office (BCRO) ensures that the Company maintains robust disaster preparedness and response capabilities to mitigate operational disruptions due to climate-related hazards.

To further institutionalize climate risk management, the Company integrates climate-related considerations into its enterprise risk management framework, investment planning, and regulatory compliance programs. In addition, concerned employees have sustainability KPIs to ensure that identified climate change adaptation and resilience strategies are carried out.

Strategy

PLDT has identified key transition and physical risks that could impact its financial performance and long-term sustainability:

Transition Risks

Transition risks arise from regulatory changes, market shifts, and evolving consumer preferences as the global economy moves toward low-carbon operations. The primary transition risks identified by the Company include:

a) Policy & Legal Risks

Implementation of a carbon tax in the Philippines could result in additional financial liabilities. The Department of Finance secretary has called for the study of carbon pricing instruments in January 2024. The International Monetary Fund said the Philippines can initially impose a carbon tax of US\$20 per ton and eventually add US\$4 in the succeeding years, according to a report in 2023. This would lead to an estimated carbon tax liability of PhP1,264 million* in 2024.

Compliance with Republic Act 11697 (Electric Vehicle Industry Development Act - EVIDA) mandates the adoption of electric vehicles (EVs) including the replacement of 5% of its fleet to EV by 2034. This may entail additional CAPEX and a potential write-off in existing fleet assets.

b) Technology Risks

The shift to more energy-efficient network infrastructure (e.g., 5G deployment) entails significant capital investments and potential operational disruptions.

While there is a pipeline of renewable energy sources in the Philippines, the limited inventory of renewable power currently results in a continued reliance on coal-based energy to support the country's retail and institutional demand for energy.

**2024 GHG Scopes 1 and 2 emissions of 885,195 metric tons multiplied by US\$24 and translated using forex of PhP59.50*

Increased adoption of new technologies, such as artificial intelligence which involves higher computing capability, is expected to result in higher demand for power.

c) Market & Reputation Risks

Consumers and investors are increasingly favoring eco-friendly brands. According to a Pulse Asia survey, eight (8) out of 10 Filipino consumers prefer environmentally responsible companies. Failure to meet sustainability expectations could lead to revenue loss and higher financing costs.

Higher costs of raw materials and supply chain disruptions due to global climate policies could impact the pricing of network infrastructure components.

Physical Risks

The Company's operations are vulnerable to climate change, particularly due to extreme weather events. A scenario-based risk assessments was conducted using three Representative Concentration Pathways (RCPs), and the results were recorded as follows:

Scenario	Projected Physical Risks by 2030
RCP 2.6 (Aggressive mitigation, <2°C warming)	45% of assets at high risk; 46% of customer base exposed to extreme weather
RCP 4.5 (Moderate mitigation, ~2°C warming)	59% of assets at high risk; potential revenue loss of 47%
RCP 8.5 (Business-as-usual, >4°C warming)	68% of assets at high risk; 73% of customer base exposed to severe weather events

Note: The vulnerability and risk exposure is set to be refreshed in 2025

The main climate-related hazards affecting PLDT are:

- Typhoons and Flooding: Approximately 60% of the Company's assets and 53% of its revenue base are in high-risk areas exposed to extreme weather events.
- Sea Level Rise: Coastal network infrastructure faces risk of permanent inundation.
- Heat Waves & Water Stress: Increasing temperatures could disrupt power supply, affecting network reliability.

Climate-related Opportunities

Despite these risks, the transition to a low-carbon economy presents new opportunities for PLDT such as:

- Investments in Fiber-optic Broadband & Data Centers Powered by Renewable Energy: These are classified as low-carbon investments under the Low Carbon Investment (LCI) Registry Taxonomy.
- Expansion of AI, IoT, and Machine Learning Technologies: These can be used to drive energy efficiency and carbon reduction across the telecommunications sector.
- Partnerships for Renewable Energy Supply: The Company continues to explore additional sources of renewable energy for its own operations. In addition, it aims to encourage suppliers to adopt clean energy solutions to further reduce Scope 3 emissions.

The estimated commercial opportunity from climate initiatives could reach Php26 million in the next decade, with a potential growth up to Php422 million* by 2050.

**Based on the forecast by Structure Research's PH DCI Report (ca. April 2022), the 5-year CAGR for the combined retail and hyperscale data center market is 25% and the addressable market in the fiber industry is estimated to be between 10-12 million.*

Risk Management

The Company integrates these climate risk considerations into its Enterprise Risk Management Framework while following ISO 31000 standards. Climate risks are prioritized based on potential financial and operational impacts with the adoption of the following risk mitigation strategies:

- 1) Disaster Resilience Investments:
 - a. Establishment of a disaster recovery facility to ensure service continuity.
 - b. Strengthening network towers and infrastructure to withstand wind speeds of 240-340 km/h.
 - c. Relocation of critical equipment to higher ground to minimize flood risks.
- 2) Sustainable Business Practices:
 - a. Endeavoring to incorporate shadow carbon pricing in investment decisions.
 - b. Ongoing efforts to phase out older, energy-inefficient, and high-emission technologies.

Metrics & Targets

PLDT Group is committed to a 40% reduction in GHG Scope 1 and Scope 2 emissions by 2030 versus its 2019 baseline. In 2024, the carbon footprint of the company reached 885,195 tCO_{2e}, net of the avoided GHG of 18,196 tCO_{2e} as a result from renewable energy and green energy purchases.

Item 3 - Procurement Practices

Proportion of Spending on Local Suppliers

The following table shows the proportion of spending on local suppliers for the year that ended on December 31, 2024:

	Quantity
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	77.78%

Impact and Management Approach

PLDT considers high-quality procurement as essential support for sustainable growth. Efficient procurement management keeps the Group agile, resilient, and innovative while fulfilling its brand promise and adding value to customers.

PLDT Group has built a network of accredited local and international suppliers and service providers who have passed rigorous evaluation. These partners share our core values and standards, and the Company ensures all transactions are transparent and equitable by setting clear rules for all suppliers.

At the same time, supplier management tools such as SAP Ariba provide a unified platform for enhancing the efficiency and monitoring of sourcing activities across the organization. Additionally, we encourage offshore suppliers to either establish a locally registered entity or partner with a reputable local company. This is important because having a local presence has been proven to enhance response times and support quality.

Risks and Management Approach

Implementing comprehensive strategies for preparedness and disruption management is essential to maintaining the seamless delivery of our products and services. Our supply chain management team works in close coordination with the Enterprise Risk Management (ERM) and in accordance with the Group's Business Continuity Plan (BCP).

Moreover, we incorporate emergency response plans into contracts with key suppliers to effectively address any potential hazards such as:

- **Disaster Risk.** The Procurement Group, along with the BCRO, assesses the business continuity capabilities of key suppliers essential for ensuring ongoing provision during crisis events. Critical network facilities benefit from dependable suppliers who conduct regular maintenance to maintain optimal conditions. The system permits emergency procurement, reverting to standard processes as soon as feasible during extreme weather conditions. Established standard operating procedures for such circumstances enable personnel to promptly address issues in the field.
- **Geo-political Risk.** The Company employs advanced ordering and alternative sourcing methods to ensure a steady supply of technical components. It fosters high-trust partnerships with suppliers to ensure the effectiveness of this strategy.
- **Emerging Technology Risk.** The Company dedicates substantial time and resources to testing, piloting, and knowledge transfer initiatives for emerging technologies that potentially play a pivotal role in the digital communications industry. Management evaluates various factors such as available data, industry trends, market intelligence, and insights, to identify appropriate solutions and partners for collaboration. We foster close collaboration with technology suppliers to continuously advance and remain at the forefront of emerging technological developments through strategic agreements.

Opportunities and Management Approach

PLDT aims to establish a dependable and robust supply chain network for its current needs while facilitating access to future technological advancements. It forms strong alliances with strategic suppliers who align with the Company's goals, values, and ethical standards, ensuring a sustainable approach to supply chain management.

Item 4. Anti-corruption

Training in Anti-corruption Policies and Procedures

The following table shows the proportion of training on Anti-corruption Policies and Procedures:

	Quantity
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated	100.00%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated	100.00%
Percentage of directors and management that have received anti-corruption training*	**
Percentage of employees that have received anti-corruption training	99.93%

* This pertains to directors only

**Since 2007, PLDT has organized an annual in-house training for its directors and officers referred to as the Annual Corporate Governance Enhancement Session (ACGES). Included among the topics covered in the ACGES are anti-corruption, anti-bribery, and related topics such as the role of the Board of Directors in corporate ethics and compliance, business ethics and corporate culture, disclosure controls and procedures, insider trading, whistleblowing procedures, accounting and transparency requirements. Consistent with the Code of Corporate Governance for Publicly Listed Companies, this is complemented with corporate governance-related training that ensures directors and officers are continually informed of developments in governance, business, and regulatory environments, including emerging business trends and risks relevant to PLDT. In 2014, the ACGES was conducted specifically on the topic "Corporate Governance Requirements under US Laws and Regulations and Foreign Corrupt Practices Act of 1977." In 2024, the ACGES topics and speakers approved by PLDT's GNSC and the Philippine Securities and Exchange Commission (PSEC) were "Become an Insurgent: Re-focus and Re-energize Your Business Strategy, Organization, and Culture for Success" by keynote speaker, Mr. David Morey, Chairman and CEO of DMG Global, and best-selling author of the books, "The Underdog Advantage", "The Leadership Campaign", "Creating Business Magic" and "Innovating Innovation"; and "Building a Data-Driven Business: Leveraging AI and Big Data for Growth" by guest speaker, Dr. Erika Fille T. Legara, Managing Director and Chief AI and Data Officer at the Center for AI Research. One of our directors, Mr. James L. Go, has been granted permanent exemption by the PSEC from its corporate governance training requirement.

Impacts and Management Approach

PLDT is listed on both the Philippine and New York Stock Exchanges (PSE and NYSE), and therefore strictly adheres to governance standards established by relevant laws in the Philippines and in the United States, as well as the rules and regulations of the PSEC, PSE, US SEC, and NYSE, including anti-corruption standards.

Additionally, being an associated company of First Pacific Company Ltd., which is listed on the Hong Kong Stock Exchange (HKSE), we also align with the governance standards of the HKSE.

Following applicable laws and regulations and consistent with global best practices, the PLDT Board has adopted and implemented corporate governance policies such as the Code of Business Conduct and Ethics (Code of Ethics) and the Policy on Gift-Giving Activities (Gift-Giving Policy). These, along with other related policies, constitute our company's anti-corruption policy.

Our Gift-Giving Policy is compliant with relevant laws and regulations such as Code of Conduct and Ethical Standards for Public Officials and Employees (Republic Act No. 6713), Anti-Graft and Corrupt Practices Act (Republic Act No. 3019, as amended), Revised Penal Code (Act No. 3815, as amended) and the Foreign Corrupt Practices Act, any regulations implementing such laws, and any amendments or supplements to such laws and regulations, and any laws or regulations repealing and supplanting such laws and regulations.

To implement the anti-corruption policy effectively, the following measures are in place:

- (i) The Gift-Giving Policy enforces procedural safeguards and controls on prohibited or regulated gifts;
- (ii) Related policies, such as the Corporate Governance (CG) Guidelines for Suppliers and Company policies on gifts, entertainment, sponsored travel, whistleblowing, supplier relations, and conflict of interest, support this implementation; and

- (iii) Monitoring and preventive measures are in place to eliminate graft and corruption, including internal controls, training programs, whistleblowing facilities, third-party due diligence, enforcement mechanisms, and participation in anti-corruption initiatives.

In 2024, the Company held two suppliers' briefings to reinforce compliance with Company policies, heighten awareness of anti-corruption measures, and foster shared accountability, ensuring suppliers support the Company's principles and ethical standards. The Company likewise issued reminders to suppliers, and contractors on proper gift handling and disclosure during the holidays, ensuring compliance with CG policies and mitigating associated risks.

Also launched in 2024 was a CG query intranet facility for all employees, which enabled the online submission of queries on CG matters, including gifts and whistleblowing policies, and aligned CG opinions across the PLDT Group for consistent policy application.

In 2024, the Company's annual governance training for employees included a refresher on key good governance principles, the gifts and other governance policies, practical scenarios, policy applications, and compliance standards. New employees were oriented on corporate governance policies, including the Code of Ethics and Gift-Giving Policy, alongside data privacy and cybersecurity, among others. Reminders on the importance of adherence to these policies were regularly shared through email advisories, workplace posts, the intranet knowledge base, and employee feedback mechanisms. During the Christmas season, an advisory was issued to all employees, and specific guidance and instructions were given to officers, executives, and consultants on compliance with anti-corruption laws, regulations and relevant Company policies to remind employees of the standards of conduct required by the Board and Management on Gifts.

For our annual governance training for directors, Board advisors, and officers, pursuant to the recommendations of the PSEC in its Code of Corporate Governance for Publicly Listed Companies and as mandated in the Company's CG Manual and Board of Directors Charter, PLDT's GNSC has determined that relevant governance and technology training on AI, big data, and leadership and innovation were timely, relevant and impactful learning topics in 2024. During the annual governance training, guest speaker Dr. Erika Legara highlighted the role of big data and AI in business growth; and a panel of business leaders discussed the opportunities and challenges of harnessing big data to deliver enhanced Group-wide customer experience. Keynote speaker Mr. David Morey challenged the attendees to lead change by redefining business strategy, organization, and culture for renewed success; and PLDT Group Chairman Mr. M. V. Pangilinan reminded directors and officers: *"Beyond our traditional role of producing profit from the sale of our services and products, lies a more important responsibility to the Group... If we are able to tell ourselves, at the end of the day, at the end of a reporting period, that we have done our job in terms of improving the welfare and lives of the Filipino people, then we would have done a very good job - beyond the bottom line. And that's the context under which we operate, always."*

Third-party due diligence

A key practice in anti-corruption programs is integrating third-party due diligence into a comprehensive prevention approach. Partnering with suppliers, vendors, and contractors involves sharing the responsibility for reporting violations of laws and company policies on bribery and corruption. By collaborating closely and monitoring activities, the Company can promote good governance and value-based business operations within its supply chain. This commitment is further reinforced by the existing policy on vendor sanctions and its implementing guidelines.

UNGC Participation

PLDT and Smart are signatories to the United Nations Global Compact (UNGC) Communication on Progress (CoP), which calls for international cooperation on governance and ethical business practices through values-based strategies, policies, operations, and stakeholder engagement. The goals and principles supported by the UNGC are communicated and promoted through education programs initiated by each Company within the organization and directed towards its various stakeholders.

Incidents of Corruption

The following table shows a summary of incidents of corruption for the reporting year ended December 31, 2024:

	Number of incidents
Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0

Potential Impact and Our Involvement in the Impact

The PLDT Board provides leadership by establishing and overseeing the implementation of the corporate governance framework and policies, ensuring that business conduct is aligned with the long-term goals, vision, mission, and strategic objectives of the Company. The Company's Code of Ethics applies to directors, officers, and employees and outlines our core principles of Accountability, Integrity, Fairness, and Transparency to guide all business relationships at PLDT.

Affected Stakeholders

PLDT's Anti-corruption Policy and other related policies guide the actions and decisions of our employees, agents, representatives, suppliers, contractors, and business partners who uphold the Company's core principles. This unwavering commitment promotes the welfare of our customers and the communities we serve by fostering the efficient production and delivery of services; thus, contributing to PLDT's long-term sustainability.

Identified Risks, Affected Stakeholders, and Our Management Approach

Building and maintaining a culture of compliance and good governance are crucial to engendering stakeholder trust and confidence. Organizations strive to avoid reputational damage that can lead to loss of market share as customers' trust and loyalty waver as corruption allegations can significantly harm this trust.

Given the regulatory obligations and the potential reputational risks that may affect business and governance objectives, the PLDT Group consistently drives its anti-corruption campaign through a values-based approach. We integrate our core values into daily business practices, utilize technology to promote awareness, engage team members, and encourage real-time feedback across the organization.

Identified Opportunities, Benefitted Stakeholders, and our Management Approach

We periodically benchmark against international standards and best practices to learn from successful and impactful business practices. This way, we continually improve our operations to benefit our customers, stockholders, and all other stakeholders.

In 2024, PLDT participated in the 3rd Joint CG Roundtable for Publicly Listed Companies (the "Roundtable") organized by the PSEC, the Institute of Corporate Directors (ICD), and the Good Governance Advocates and Practitioners of the Philippines with the theme: "Elevating Philippine CG Standards." The Roundtable provided insights on regulatory updates relevant to the ASEAN CG Scorecard, international reporting standards and best practices to further strengthen the Company's disclosure reports. The Company was also a participant to the 11th Annual PSEC-PSE CG Forum, which focused on the PSEC's ESG and other initiatives. Company representatives likewise attended the UN Global Compact Academy's and United Nations Office on Drugs and Crime (UNODC)'s: "Deep Dive Session: Measuring Anti-Corruption Compliance in your Company (online), and "Whistleblower Protection in Business" (online), Global Compact Network Philippines' Sustainability and Corporate Governance Peer Learning Session, ICD's Global Governance Summit, and the National Economic Development Authority (NEDA)'s Ugnayang Bayan Forum 2024 for the International Covenant on Economic, Social, and Cultural Rights (ICESCR) Chapter of the 3rd Philippine Human Rights Plan.

Part II – ENVIRONMENT

Item 5. Resource Management

One of the PLDT Group’s materiality areas is operational resource efficiency. This aligns with our goals to minimize our environmental footprint and ensure sustainable use of natural resources, including energy and water.

Pursuing sustainable growth means actively seeking solutions to address these objectives. We strive to achieve these by integrating sustainable practices into our daily operations, tracking consumption, monitoring GHG emissions, and analyzing and reporting on our environmental management performance. Our leadership also considers the ecological impact of business decisions on our stakeholders and communities.

As inaugural members of the government-led Stakeholders’ Chamber on the Sustainable Development Goals of the National Economic and Development Authority (NEDA), we uphold the government’s commitment towards carbon reduction and are actively implementing initiatives to contribute to this goal. Likewise, we support the global ambition to achieve Net Zero emissions by 2050.

Resource Management

Energy Consumption

The following table shows the energy consumption within the organization for the year that ended on December 31, 2024:

	Quantity	Unit
Energy consumption (renewable sources)		
Fixed	108,401	GJ
Wireless	2,713	GJ
Energy consumption (gasoline)		
Fixed	105,326	GJ
Wireless	13,339	GJ
Energy consumption (diesel)		
Fixed	89,375	GJ
Wireless	300,676	GJ
Energy consumption (electricity)		
Fixed	283,350	MWh
Wireless	907,003	MWh

Reduction of energy consumption

The following table shows the reduction* of energy consumption within the organization for the year that ended on December 31, 2024:

	Quantity	Unit
Energy reduction (gasoline) - GJ		
Fixed	-	GJ
Wireless	948	GJ
Energy reduction (diesel) - GJ		
Fixed	26,425	GJ
Wireless	122,719	GJ
Energy reduction (electricity) - kWh		
Fixed	2,103	MWh
Wireless	-	MWh

**compared to 2023 energy consumption*

Impacts and Management Approach

Energy resources are crucial for delivering our products and services, and the Company fully recognizes that proper energy management is essential to achieving our optimization goals.

Our key objectives in managing energy resources are maximizing efficiency and optimizing consumption. Pursuing sustainable growth means actively seeking solutions to address these objectives. We demonstrate our commitment by integrating sustainable practices into daily operations, tracking consumption, monitoring greenhouse gas (GHG) emissions, and analyzing and reporting on performance. Management also considers the ecological impact of business decisions on our stakeholders and the communities where we operate.

We uphold the government's commitment to carbon reduction and are actively implementing initiatives to contribute to this goal as inaugural members of the government-led Stakeholders' Chamber on the Sustainable Development Goals of the NEDA. Likewise, we support the global call for net-zero emissions by 2050.

We are also aligned with the government's focus on adaptation and resilience, as we integrate the same in the design and operation of our fixed and wireless networks.

Renewable Energy

The PLDT Group has established a decarbonization roadmap that integrates renewable energy adoption and green network technologies to achieve a 40% reduction in Scope 1 and 2 GHG emissions by 2030, using 2019 as the base year. The Company aims to transition toward sourcing 100% of its power from renewable energy (RE) as part of its long-term sustainability strategy, dependent on the availability of renewable power. Thus, PLDT seeks to stimulate market demand for alternative power sources, encourage additional generating capacity, and ultimately hopes to contribute to lower energy costs.

In 2024, PLDT and Smart expanded their partnership with First Gen to transition six (6) network facilities in Mindanao to 100% RE. This initiative is expected to generate substantial annual savings in energy and operational costs while reducing GHG emissions by almost 13,000 tons per year, which directly contributes to the Company's decarbonization goals.

PLDT further strengthened its commitment to renewable energy by expanding its energy mix to include geothermal, solar, and wind sources. To accelerate its transition, the Company partnered with ACEN Renewable Energy Solutions (ACEN RES) to power an additional 24 facilities in the Greater Metro Manila area with 100% renewable energy.

This strategic RE switch with ACEN RES is projected to generate significant energy and operational cost savings while cutting GHG emissions by approximately 21,000 tons annually.

Energy Efficiency

Energy conservation remains a core strategy in the PLDT Group's pursuit of operational efficiency and sustainability. The Company implements various initiatives to reduce energy consumption such as adoption of more efficient cooling and lighting systems, the use of AI applications to optimize energy management at remote wireless network sites, and the strategic adjustment of air conditioning thermostats to enhance energy efficiency.

To further strengthen its energy conservation efforts, PLDT has partnered with Meralco subsidiaries MSERV and Spectrum to implement programs aimed at improving energy efficiency. These partnerships also include contracts for electrical maintenance across PLDT and Smart offices, ensuring sustained operational efficiency.

We also continue to leverage cool roof technology, which utilizes insulation materials on roofs and walls to minimize heat transfer, thereby reducing indoor cooling demands. The use of nanofluid technology further enhances energy efficiency by increasing the heat capacity of chiller water, allowing cooling systems to operate with fewer resources. These efforts complement the Green Radio Network Solutions, which deploy intelligent and automated systems across all cellular network sites to optimize energy use and reduce environmental impact.

Fleet Rationalization

We are optimizing our vehicle fleet through a transition to an End-to-End Operations Model with route optimization to further minimize our carbon footprint. By reducing the number of vehicles required for operations, this initiative delivers:

- Cost Efficiency: Lower capital expenditures, reduced maintenance costs, and fuel savings
- Environmental Benefits: Reduced fleet size leading to lower carbon emissions
- Operational Optimization: Improved route planning minimizes redundant trips and maximizes vehicle utilization

Risks and Management Approach

The Energy Efficiency and Conservation Act, enacted in 2019, outlines the government's fundamental policies on energy efficiency and conservation. This law requires companies to conduct energy audits, implement conservation measures, and report on annual energy consumption.

In compliance, the Company's energy managers conduct comprehensive energy audits across the enterprise and gather data for a robust Energy Management Plan that encompasses both short-term and long-term strategies. The execution of the plan is supported by the Network Operations' Energy Environment Safety and Health (EESH) and the Property and Facilities Management (PFARM) groups, which also oversee the impact of energy conservation programs.

We anticipate that additional laws and regulations will be enacted in the future. Hence, the PLDT Group is prepared to comply with initiatives aimed at conserving resources and promoting sustainability.

Opportunities and Management Approach

Our digital transformation initiative has given us the chance to look at how much energy we use as a company. With digital operations, everything runs smoother and more efficiently, plus it encourages us to use less paper by going paperless in the affected areas.

Water Consumption

As a valuable yet finite natural resource, we strive for efficiency in our use of water across our operations. These include having water conservation efforts in our physical facilities and business premises, as well as employing techniques to optimize water use in cooling systems of our network equipment and data centers.

The following table shows the water consumption within the organization for the reporting year that ended on December 31, 2024:

	Quantity	Unit
Water withdrawal ¹	1,480	cubic meters
Water consumption ²	652,487	cubic meters
Water recycled and reused ³	156	cubic meters

¹ abstracted surface and groundwater

² includes purchases from suppliers and bottled water

³ from collected rainwater

Impacts and Management Approach

Responsible water consumption is an important metric for the PLDT Group's non-financial performance. The PFARM and Corporate Environmental, Health, and Safety (CEHS) groups systematically monitor water usage across major facilities and report their findings to management. They implement comprehensive water conservation measures such as closed-loop cooling systems, recycling initiatives, and rainwater utilization strategies. Additionally, they conduct regular maintenance activities, including leak detection, to ensure optimal water management.

Risks and Management Approach

Water is essential for daily operations and employee well-being, as well as facility maintenance. The Company takes a proactive approach to addressing water supply disruptions and diligently seeks alternative sources, even if they involve higher costs.

We also support the government's water conservation initiatives by collaborating with partners to protect watersheds, reforest land areas, conserve peatlands, and maintain ecosystems that ensure a continuous and reliable water supply.

Opportunities and Management Approach

The PLDT Group is cognizant of its influence on its stakeholders and business partners and therefore endeavors to actively campaign and promote water conservation. We recognize that continued support for these initiatives will directly benefit and ensure continuous economic growth in the communities where we operate.

We are also seeking further ways to conserve and limit groundwater extraction. For example, selected facilities in Visayas and Mindanao use rainwater catchment systems to collect rainwater for car washing, plant watering, and floor cleaning.

Materials Used

The PLDT Group does not engage in manufacturing activities and thus deems rendering material usage reporting inapplicable. Equipment and devices provided to subscribers are sourced from vendors that are governed by global standards on production and manufacturing and accordingly furnish necessary compliance and reporting procedures.

Ecosystem and biodiversity (whether in upland/watershed or coastal/marine)

	Quantity
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	28
Habitats protected and restored (hectares)	1.8
IUCN* Red list species and national conservation list species with habitats in areas affected by operations	none

* International Union for Conservation of Nature

Impacts and Management Approach

To be able to connect unserved and underserved areas, we encounter the need to deploy and set up facilities, such as relay towers and cable landing stations, in environmentally protected areas and coastal settlements. We therefore seek necessary approvals and permits from local communities and government authorities to ensure our lawful presence and responsible conduct of business operations.

We strive to remain conscious of our impact on our surrounding environment and consider these in the planning, designing, and building of our network infrastructure. For instance, we lay down our submarine cables at least two kilometers away from marine sanctuaries. We also follow established green buffer zones around our equipment periphery to the extent possible to reduce noise levels and absorb emissions.

In addition, we actively engage with local communities in the form of livelihood support initiatives through digital upskilling and entrepreneurship programs, as well as initiatives to support digital inclusion and quality education.

Our PFARM and CEHS teams monitor the status and performance of all facilities, equipment, and generator sets, and develop management plans encompassing environmental strategies for facilities located in environmentally protected areas. We strive to continuously improve environmental management processes and mechanisms to manage and mitigate potential adverse impacts of our operations on the environment.

Furthermore, we collaborate with our contractors and service providers to regularly assess and manage the environmental impact of any new facilities.

In line with hazardous waste management, we work with DENR-accredited suppliers to ensure the proper treatment of used lead-acid batteries. We implement a recycling program for these batteries and use the proceeds to support initiatives in education, livelihood, and environmental stewardship.

Risks and Management Approach

PLDT ensures compliance with all relevant environmental regulations. This strengthens risk management and business continuity measures, as well as violations can lead to delays, penalties, disapproval, or permit cancellations, business losses, and reputational damage.

We also continue to recognize that climate change poses potential risks for telecommunications operators from both a physical and regulatory perspective.

More severe and frequent natural disasters such as typhoons, heat waves, and earthquakes could increase the likelihood of damage to infrastructure and lead to failures in both wired and wireless networks in the physical world. Additionally, these events could disrupt the supply chain, causing delays in the delivery of supplies. If severe natural disasters occur in quick succession, there may be insufficient resources to repair and restore infrastructure efficiently and cost-effectively.

The heightened awareness of global climate change may prompt the Philippine government to introduce new and more stringent environmental legislation and consequent regulations. These changes could result in increased

operating costs and other capital expenditures. Additionally, new regulations may raise the need for personnel upskilling and technical capacity-building efforts which may impact operational design and overall finances.

Environmental Stewardship Initiatives

As part of ensuring responsible business operations, we are committed to improving the lives of Filipinos while actively protecting the environment and supporting our communities. We recognize our responsibility as environmental stewards and understand the importance of going beyond compliance by proactively advocating for sustainability.

A demonstration of this commitment is our collaboration with the Department of Environment and Natural Resources – Biodiversity Management Bureau (DENR-BMB) for an innovative wetlands conservation project. This initiative successfully identified seven potential peatlands within the Agusan Marsh Wildlife Sanctuary (AMWS).

Wetlands play a critical role in carbon sequestration, storing twice as much carbon as the world's forests. Peatlands are carbon-rich and essential for climate change mitigation. However, when damaged, they can release significant amounts of carbon dioxide into the atmosphere.

Previously, we have provided drone equipment, mobile phones, radio devices, and personal protective gear to enhance biodiversity, disaster risk reduction, and carbon sequestration monitoring activities of the Bantay Danao volunteers at AMWS. This three-year extendable collaboration has enabled us to contribute nearly PHP3 million worth of essential monitoring and patrol materials.

Environmental Impact Management

Air Emissions

Greenhouse Gases (GHG)

	Quantity	Unit
Direct (Scope 1) GHG Emissions		
Fixed – Vehicles	12,984	tCO _{2e}
Wireless - Vehicles	3,549	tCO _{2e}
Fixed – Gensets	1,013	tCO _{2e}
Wireless – Gensets	23,188	tCO _{2e}
Energy indirect (Scope 2) GHG Emissions		
Fixed	198,132	tCO _{2e}
Wireless	646,328	tCO _{2e}
Emissions of ozone-depleting substances (ODS)	7	tCO _{2e}

The availability of digital communications technology helps other sectors reduce their carbon footprint by making operations efficient, resilient, innovative, and sustainable.

In the delivery of data and broadband services, the PLDT Group aims to enhance data speeds, reduce latency, and offer value services while also minimizing carbon footprint. This involves continuously adopting green technologies and more energy efficient infrastructure.

However, operations still require the utilization of gasoline- and diesel-powered equipment as well as the acquisition of energy, which are sources of GHG emissions contributing to the nation's overall emissions. Consequently, this has an impact on the environment and neighboring regions.

In 2024, Scopes 1 and 2 CO₂e emission were recorded at 885,195 tCO₂e.

In the near term, we aim to focus on reducing Scope 1 and Scope 2 GHG emissions, over which we have greater control. In parallel, we are also collaborating while collaborating with suppliers to identify opportunities for emission reduction within our value chain. This includes the following strategies:

- Energy consumption optimization
- Increase in share of purchased renewable energy sources
- Solar solutions
- Fleet rationalization
- Genset optimization

Air Pollutants

Generator sets are crucial in office buildings and relay towers as they provide primary and backup power and ensure network operations continuity. In addition, the provision of services in areas without reliable electricity sources often requires the use of diesel generators. These equipment however may generate smoke and noise pollution should these operate below standards.

We recognize the adverse impact such pollution can bring to communities. Thus, the PFARM and CEHS teams closely monitor the operational performance of our facilities and equipment to optimal standards. We are committed to establishing clean and energy-efficient operations in all our facilities and are investing in clean and renewable energy supplies to achieve this goal. We are currently exploring the use of hybrid- and fuel-cell-powered base stations in remote off-grid areas and plan to expand similar initiatives in the coming years.

Solid and Hazardous Waste

Solid Waste

	Quantity	Unit
Total solid waste generated		
Fixed	291	Metric ton
Wireless	446	Metric ton
Total solid waste disposed		
Recycled or turned-over to accredited recycler		
Fixed	289	Metric ton
Wireless	436	Metric ton
Recycled or turned-over to accredited recycler		
Fixed	-	Metric ton
Wireless	10	Metric ton
Residuals/Landfilled		
Fixed	2	Metric ton
Wireless	-	Metric ton

Our marketing and trade engagement activities make use of printed merchandising collaterals and outdoor advertising materials that eventually end up as solid waste.

To reduce waste, we are actively exploring eco-friendly alternatives for our marketing materials. We are also increasing investments in more durable materials for road and barangay signages and store signs.

Additionally, we are also looking for partnerships with organizations that offer innovative waste management solutions and promote a circular economy.

Hazardous Waste

	Quantity	Unit
Total weight of hazardous waste generated		
Fixed	144	Metric ton
Wireless	267	Metric ton
Total weight of hazardous waste transported		
Fixed	144	Metric ton
Wireless	267	Metric ton

Our operations utilize materials such as batteries that may end up as hazardous waste at the end of their life cycle. The disposal of these items is governed by RA 6969, which specifies requirements for the proper identification, labeling, segregation, handling, and disposal of hazardous wastes.

Non-compliance with hazardous waste management regulations poses significant health and safety risks and incurs penalties from regulatory authorities.

PLDT therefore diligently adheres to these regulations, as outlined in its environmental compliance guidelines. It engages accredited third-party vendors who have the necessary equipment and qualifications to handle, transport, and dispose of these types of waste appropriately.

Furthermore, our Pollution Control Officers (PCOs) possess technical training and background in environmental management, laws, and regulations. They are responsible for identifying, monitoring, and reporting hazardous waste as mandated by the DENR. They also actively promote environmental awareness within the organization, implement pollution prevention programs, and enforce the environmental management framework to prevent violations and ensure a safe and healthy workplace for all employees.

We also enforce a strict policies for waste management and proper disposal. Our Logistics team periodically conducts random spot audits on various facilities and identifies areas for improvement and immediate action required to contain generated waste.

We have also formed a cross-functional team that conducts regular education campaigns for the Operations Teams, Security Personnel at various facilities, and Property and Facilities personnel to ensure they are knowledgeable about the proper storage of generated wastes. To reinforce proper waste management, disciplinary actions are taken against erring personnel who are accountable for safeguarding the standards of a facility.

In addition, we work only with accredited recyclers that undergo audits by the government and various accreditation agencies.

Electronic Waste (e-Waste)

PLDT implements a program called “Be Kind. Recycle” (BKR) that promotes circularity and responsible collection, disposal, and recycling of electronic waste (e-waste). Initially an internal program, BKR has since expanded through partnerships with other private entities, strengthening collective efforts to promote responsible e-waste management.

Through BKR, we facilitate safe disposal of e-waste from consumers and households, ensuring these items are processed by accredited recycling partners in compliance with environmental regulations. The program also raises awareness and encourages participation among employees, business partners, and communities, supporting the circular economy by extending the lifecycle of materials through reuse and responsible recycling

Effluents

Effluents are not a significant metric for PLDT Group's operations. Any generated effluents from the fixed line and wireless operations are treated as municipal wastewater and sent to third-party utilities for treatment, hence they are not monitored or reported.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

The following table shows the information on PLDT's non-compliance with environmental laws and regulations:

	Quantity
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	PhP0.00
Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	-
Number of cases resolved through dispute resolution mechanism	-

The PLDT Group aims to balance providing connectivity solutions and digital innovations with its responsibility to the environment. This objective is guided by corporate governance principles, industry practices, and government regulations as this approach highlights the Company's position on conducting business responsibly and managing its environmental and social operational impacts as part of its sustainability efforts.

A crucial policy guiding the Company is its Occupational Safety, Health, and Environmental Policy, which adheres to the highest standards and ensures the protection of workers and communities in operational areas. This policy mandates compliance with pertinent legal requirements, including those from the Department of Labor and Employment (DOLE), the DENR, and the Department of Energy (DOE). Our CEHS and PFARM teams diligently monitor regulatory updates in environmental legislation and communicate these changes to the relevant business units.

We leverage technology and innovation, including the automation of self-monitoring report preparation to strengthen compliance and operational efficiency. This initiative enhances the effectiveness of PCOs, especially those managing multiple sites and facilities, by streamlining processes and ensuring accurate and timely reporting.

Concurrently, we mandate the same level of environmental compliance from our suppliers and contractors, especially in ensuring adherence to the Special Land Use Plan and the Special Use Agreement in environmentally protected areas. To reinforce these, we subject our suppliers to align with our sustainability guidelines upon accreditation, onboarding, and throughout their service delivery processes. Additionally, we are continuously enhancing our Environmental Management System and strengthening capabilities of our PCOs to assess performance, ensure compliance, and provide regular operational progress reports to the DENR.

Part III - SOCIAL

Item 6. Employee Management

Employee Diversity by Gender

The following table shows the summary of employee data for Fixed-line and Wireless operations as of December 31, 2024:

	Quantity
Total number of employees*	
Number of female employees	
Fixed	3,037
Wireless	1,924
Number of male employees	
Fixed	7,771
Wireless	2,167
Attrition rate	
Fixed	6.99%
Wireless	7.63%
Ratio of lowest paid employee against minimum wage	
Fixed	1.44
Wireless	1.38

**Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)*

***For consistency with our SR publication in June, we used GRI's formula for the attrition rate: Total number of separated employees over the total number of employees as of the end of the reporting year*

Managing people effectively and supporting their development are crucial for business sustainability. We aim to be an employer of choice to attract and retain skilled talents who align with our corporate values and contribute to our long-term growth and success.

Talent Acquisition and Retention

We leverage technology to enable our Talent Team with best sourcing channels. We have also developed hiring strategies based on the annual hiring forecast and employ a candidate-driven hiring and onboarding approach that supported the following initiatives:

- Strengthened partnerships with hiring managers by involving them earlier in the process of sourcing and engaging top candidates.
- Automated candidate attraction and engagement at scale through personalized automated emails, which solicited feedback on candidate experiences, published new hire onboarding announcements, and released welcome messages for new employees.
- Trained recruiters to effectively conduct virtual conversations.
- Replaced in-person interviews and onboarding with remote interactions to expedite hiring timelines and enhance the experience in terms of safety, time efficiency, cost-effectiveness, and accessibility for candidates and new hires.

We conduct an annual evaluation of our hiring processes to ensure their continued effectiveness in attracting qualified candidates for current and future positions. This evaluation aims to enhance candidate responsiveness, expedite hiring timelines, improve data analysis for informed decision-making, and create a positive candidate experience.

PLDT upholds a Diversity and Inclusion Policy that promotes equal opportunity and merit-based criteria in our hiring and employment process. Concurrently, talent retention programs such as (a) pay for performance, (b) variable compensation schemes, (c) recognition of competence, (d) career development and progression opportunities, and (e) employee engagement initiatives are implemented to maintain an engaged workforce.

Additionally, a management program is in place to assess the readiness of employees to take on different or more senior roles. This program also seeks to identify high-potential employees for leadership positions and provide them with the necessary developmental opportunities to facilitate their success.

Compensation and Benefits

Our compensation program has been designed to attract, reward, and retain employees who contribute to the company's growth, profitability, and industry leadership.

The following table shows the summary of employee benefits for Fixed line and Wireless operations for the reporting year that ended on December 31, 2024:

List of Benefits	% of employees who availed for the year			
	Fixed		Wireless	
	Female	Male	Female	Male
SSS	17.08%	15.57%	29.68%	19.80%
PhilHealth	0.66%	0.37%	9.04%	4.75%
Pag-IBIG	18.72%	4.19%	20.27%	15.18%
Parental leaves	4.47%	5.88%	4.16%	2.86%
Vacation leaves	100.00%	100.00%	98.34%	97.37%
Sick leaves	18.25%	15.47%	65.54%	54.55%
Medical benefits (aside from PhilHealth)	100.00%	97.68%	88.93%	86.85%
Housing assistance (aside from Pag-IBIG)	0.89%	0.33%	0.21%	0.32%
Retirement fund (aside from SSS)	4.01%	4.28%	0.16%	0.23%

Employee Training and Development

The following table shows the summary of employee training and development conducted for the reporting year that ended on December 31, 2024:

	Quantity
Total training hours provided to employees	
Female employees	
Fixed	79,235
Wireless	53,695
Male employees	
Fixed	346,859
Wireless	63,681
Average training hours provided to employees	
Female employees	
Fixed	26.09
Wireless	27.91
Male employees	
Fixed	44.64
Wireless	29.39

Impacts and Management Approach

We recognize that continuous learning is the foundation of a resilient and future-ready workforce. In 2024, we continue to deepen our commitment to capability development and leadership growth by empowering employees to take charge of their own development while ensuring business sustainability.

We also scaled up our programs to reach an unprecedented 98.6% of our workforce, reinforcing our dedication to equipping employees with the skills needed to thrive in an evolving digital landscape through strategic learning interventions.

Scaling Learning for a Future-Ready Workforce

Upskilling and reskilling have never been more critical with digital transformation reshaping the future of work. In 2024, we delivered over 543,000 training hours—doubling the hours from the previous year—highlighting our employees' commitment to continuous learning. More than 13,400 employees completed structured learning programs, ensuring they are well-prepared for emerging challenges and opportunities.

We optimized resources and expanded our learning initiatives to maximize impact:

- 98% training coverage, engaging nearly all employees in meaningful learning experiences
- 38.65 Average Training Hours per employee reflected a 55% increase from 2023, strengthening professional development
- Low-cost learning programs that maintained quality while optimizing resources
- 79% positive employee feedback, validating the relevance and effectiveness of our learning initiatives

We also leveraged digital tools and innovative delivery methods to enhance learning experiences, including virtual classrooms, mobile learning, and data-driven analytics for personalized development. New approaches such as nano-learning (such as TikTok-like reels) and blended learning were integrated, ensuring employees stay at the forefront of digital education.

Our leaders embraced transformation, with 95% completing the Leader's Challenge: Escape Velocity program, equipping them to navigate a fast-changing environment. Similarly, 84% of rank-and-file employees and supervisors participated in specialized learning interventions to reinforce core capabilities.

Aligned with industry evolution, our key learning priorities in 2024 focused on:

- Critical Thinking – Strengthening decision-making and problem-solving capabilities.
- Growth Mindset – Cultivating adaptability and a culture of lifelong learning.
- Artificial Intelligence & Data Analytics – Enhancing digital competencies to drive business transformation.

Further fostering self-directed growth, 83% of employees submitted Individual Development Plans, aligning personal aspirations with the company's evolving needs.

Investing in Leadership and Succession for Business Continuity

Our commitment to developing and retaining top talent remains steadfast, reflected in a 98% retention rate among critical workforce segments. This stability enables us to create meaningful career advancement opportunities while sustaining organizational resilience.

To accelerate leadership growth, we introduced tailored development programs:

- Futurescapes Program – Designed for emerging leaders to build critical leadership skills.
- HyperIsland Singapore's Achieving Escape Velocity Program – Equipping high-potential talents with transformation-driven capabilities.

- Executive Coaching & Advanced Education – Leaders participated in executive coaching and pursued advanced education at globally recognized institutions to strengthen strategic decision-making.

We are not just preparing for the future—we are actively shaping it by embedding continuous learning into our corporate culture. Our capability-building strategy unlocks potential, fosters leadership, and ensures our workforce remains competitive and future-ready.

Labor Management Relations

The following table shows the summary of items under collective bargaining agreements for the reporting year that ended on December 31, 2024:

	Quantity
% of employees covered with Collective Bargaining Agreements*	80.96%
Number of consultations conducted with employees concerning employee-related policies	91

**This is only applicable to PLDT employees as it is the only organization that is unionized*

Impacts and Management Approach

PLDT remains committed to fostering strong, collaborative labor relations built on mutual trust, transparency, and fairness. In 2024, we continued to uphold our Collective Bargaining Agreements (CBAs), ensuring employee rights, workplace stability, and constructive engagement with our unions.

Three recognized unions represented our employees such as:

Gabay ng Unyon sa Telekomunikasyon ng mga Superbisor (GUTS)	3,664 members
Manggagawa sa Komunikasyon ng Pilipinas (MKP)	3,884 members
PLDT Sales Supervisors' Union (PSSU)	209 members

These CBAs define bargaining unit membership, outline employment terms, and ensure job security for employees.

CBA Implementation and Engagement

PLDT also adheres to structured processes to ensure fairness and compliance with labor laws and contractual commitments:

- CBA Negotiation & Renewal: As mandated by the Philippine Labor Code, renegotiation begins at least 60 days before agreement expiration to ensure seamless transitions.
- Regular Union Engagement: Quarterly meetings and ongoing discussions with union officers address emerging concerns.
- Comparable Benefits for Exempt Employees: Supervisory employees in excluded positions receive similar working conditions as their unionized counterparts.
- Separation Guidelines: In cases of separation under Article 298 of the Philippine Labor Code, affected employees and their unions receive a minimum 30-day notice, ensuring a smooth transition.

Grievance Resolution Mechanism

PLDT maintains a structured, three-stage grievance-handling process to ensure employee concerns are addressed fairly and efficiently:

1. Stage One – Line Management Resolution: Employees raise concerns through their union to their Line Head or Executive. If unresolved, a formal written record is prepared.
2. Stage Two – Joint Management-Union Grievance Committee: A six-member panel (three management, three union representatives) reviews the issue for resolution.
3. Stage Three – External Arbitration: If the dispute remains unresolved, the matter is referred to the National Conciliation and Mediation Board under the DOLE.

Through these mechanisms, we uphold due process, ensuring every employee has access to fair resolution and legal consultation when needed.

Risk Mitigation and Proactive Engagement

Recognizing that early intervention strengthens labor relations, PLDT fosters proactive dialogue through Ugnayan Sessions, which are informal discussions between management and union representatives. These sessions enable early issue identification and resolution before they escalate to formal grievance processes. Moreover, continuous labor education empowers leaders and employees to understand evolving labor laws and best practices, fostering a more equitable and compliant workplace.

Opportunities for Strengthening Labor Relations

PLDT is committed to continuously improving labor relations by:

- Enhancing Communication Channels: Strengthening transparency and accessibility of policies.
- Ensuring Timely CBA Implementation: Aligning CBA provisions with company policies, where applicable, to streamline execution.
- Advancing Employee Welfare: Developing responsive and continuous enhancement of policies that address evolving employee needs while maintaining business sustainability.

Sustaining Fair and Equitable Employment Practices

CBAs serve as a cornerstone of fair labor practices, covering both economic provisions (wages, benefits, bonuses, allowances, and funding for union-led environmental projects) and political provisions (job security, grievance mechanisms, and union protections). All agreements are aligned with the Philippine Labor Code, ensuring compliance and stability.

Diversity and Equal Opportunity

The following table shows a summary of employee diversity and equal opportunity information conducted for the reporting year that ended on December 31, 2024:

	Quantity
% of female workers in the workforce	
Fixed	28.10%
Wireless	47.03%
% of male workers in the workforce	
Fixed	71.90%
Wireless	52.97%
Number of employees from indigenous communities and/or vulnerable sector*	533

**Vulnerable sectors include the elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

PLDT's non-discrimination policy is designed to create an environment characterized by openness, trust, and respect. Hiring and promotions are based on merit and job fit without consideration of gender, age, race, education, religion, political views, or any other factors unrelated to job performance. Hiring decisions follow the principles of Pay for Position, Pay for Performance, and Pay for Person.

A diverse and inclusive workforce enables us to enhance employee and customer experience and generate innovative ideas and solutions. This allows us to attract and retain employees, reflecting the diversity of the communities where it operates.

PLDT and Smart are members of the Philippine Business & Disability Network (PBDN), a local organization supported by the International Labor Organization (ILO) that advocates for disability inclusion.

Additionally, PLDT and Smart are members of the Philippine Business Coalition for Women Empowerment (PBCWE), which promotes Diversity and Inclusion policies, non-discriminatory practices, equal opportunities, and expanded maternity leaves. We also work with asocial impact tech startup Connected Women, specifically in their Elevate Artificial Intelligence Data Annotation (AIDA) program.

Item 7. Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

The following table shows a summary of information on occupational health and safety for the reporting year that ended on December 31, 2024:

	Quantity
Safe man-hours	
Fixed	3,378,171
Wireless	8,924,489
Number of work-related injuries	
Fixed	54
Wireless	6
Number of work-related fatalities	-
Number of work-related ill-health	-
Number of safety drills	254

Impacts and Management Approach

The PLDT Group places utmost importance on protecting its employees and ensuring a safe and healthy work environment. The welfare of individuals remains a primary concern while we continue to provide essential services to the public during crises or disasters.

This commitment is encapsulated in the Occupational Safety, Health, and Environmental Policy, which adheres to the highest standards in occupational safety, health, and environmental performance as mandated by the Occupational Safety and Health Standards and the Department of Labor and Employment.

PLDT is now ISO certified for an Integrated Management System (IMS - ISO 9001, ISO 45001, and ISO 14001) that encompasses Quality, Environmental, Health, and Safety Management Systems (QEHSMS). The ISO 45001 certification aims to align with global standards for managing occupational risks, enhancing workplace safety measures, and improving the health and safety of employees.

Additionally, PLDT has deployed a healthcare portal app that enables employees to schedule consultation appointments and directly connect with general physicians or specialists. Consultations can be conducted face-to-face or online, allowing both the employee and the medical team to monitor and update the progress of each visit or consultation.

Furthermore, PLDT and Smart developed online applications that significantly enhanced workplace safety and efficiency such as EHS Incident Reporting (EHSIR), online Job Hazard Analysis (eJHA), and Emergency Drill Report (EDR), among others.

Labor Laws and Human Rights

The following table shows a summary of information on labor laws and human rights for the reporting year that ended on December 31, 2024:

	Quantity
Number of legal actions or employee grievances involving forced or child labor	-

PLDT is dedicated to upholding human rights and strictly complies with labor and environmental standards established by laws, regulations, and internationally recognized principles on labor and human rights. We take

action to protect workers' rights and enhance employee welfare, adhering to labor laws concerning forced labor and human rights.

Our policies provide clear guidelines on the expected conduct of all employees in support of laws and regulations such as the Labor Code, the General Labor Standards (GLS), and the Protection against Child Abuse, Exploitation, and Discrimination. Our People Group monitors and ensures compliance with these regulations.

Additionally, we follow a Human Resources Manual that outlines labor rights protection policies. This is supported by a comprehensive grievance handling policy that specifies mechanisms for managing labor rights concerns, while a Committee on Workplace Decorum and Investigation addresses gender-based sexual harassment cases. Employees also have the liberty to resign with a fair notice period. The policy further stipulates the minimum age requirements for employment to address child labor issues.

Supply Chain Management

The PLDT Group implements a supplier accreditation policy to ensure that contracts are awarded to qualified suppliers who provide the best value for money. This policy aligns with the company's commitment to environmental performance, the prevention of forced and child labor, human rights protection, and the fight against bribery and corruption. These factors are carefully considered during the supplier accreditation process. The PLDT Group Supplier Code of Conduct can be accessed [here](#).

In 2024, we held two sessions on sustainability with our suppliers to strengthen communication of our Supplier Code of Conduct and facilitate further alignment and collaborations on our sustainability practices and strategies.

Other activities in 2024 included the enhancement of the Supplier Code of Conduct and Supplier Qualification, an infographic of which was publicly shared and uploaded to the PLDT website. These enhancements were made to align with global best practices.

PLDT also received the Best Collaboration Champion Award at the SAP Philippines Ariba Customer Success Day last year. The accolade acknowledges our procurement digitalization efforts, as exemplified by the ISBN projects, Ariba Mobile and Web Access rollout, and the Ariba Best Practice alignment setup. These initiatives have significantly improved internal processes and user experience.

Additionally, PLDT was nominated under the Ivalua Procurement Excellence Award category, which recognizes organizations that have successfully delivered tangible and quantifiable results through advanced approaches to spend management.

The PLDT Group continues to work closely with its business partners in support of the company's purpose of inspiring innovations and fulfilling its ambition of becoming a sustainability leader in the region. We ensure judicious procurement spending, operational efficiency, and responsible business operations, thereby driving our success in procurement digitalization and collaboration.

Impact and Management Approach

Conscientious Supply Chain Management is vital in ensuring PLDT partners with suppliers who place the same value on carbon footprint reduction, proper waste management, fair labor practices, and prevention of negative environmental and social impacts.

The Procurement Policy and Supply Chain Management processes are designed to align closely with the Company's sustainability strategy. They integrate environmental and social responsibility into operations and influence suppliers to do the same. These policies address human rights, fair labor, environmental protection, and anti-corruption.

New suppliers are screened based on environmental and social criteria, requiring a recent business permit and relevant certifications. Business permits from Local Government Units (LGUs) in the Philippines include environmental components like sanitary and garbage fees. Junk/scrap buyers under Logistics must have an ECC from the DENR.

In addition, local suppliers must also submit DOLE certifications for Child Labor and Regulations, Occupational Safety and Health Standard (OSHS), DO174 registration to ensure Human Rights compliance, and GLS as well

as the Philippine Contractor Accreditation Board (PCAB) License. Meanwhile, an assessment of a foreign supplier company's Business Regulatory Environment is included in the CRIF D-B evaluation, which is reflected through the D&B rating.

Our Procurement Group plays a pivotal role in shaping and executing strategies related to supply chain planning and procurement management. They develop and communicate sourcing strategies that create synergies, enhance efficiencies, and maximize savings. This comprehensive approach ensures value realization in the delivery of supply chain and procurement services. Such team also collaborates closely with various business units to identify requirements, specifications, and forecasts. They also participate actively in the annual budgeting process, providing critical inputs from a supply chain category perspective based on planned sourcing initiatives.

Furthermore, our Procurement Group ensures the effective implementation of supply chain solutions and strategies within procurement operations, supply chain planning, and supply chain performance and risk management. They also cultivate and manage relationships with suppliers, securing resources that best meet business requirements at the most reasonable prices.

This integrated approach ensures that we company remain agile and responsive to market changes, maintaining a robust and sustainable supply chain.

Risks and Management Approach

Selecting appropriate suppliers is crucial for us to ensure alignment of values and consistent delivery of high-quality products, thereby safeguarding brand reputation and track record. The risks associated with non-compliant suppliers extend beyond financial implications, as they can jeopardize relationships with stakeholders.

The Company's Supplier Qualification process incorporates stringent criteria, including compliance with relevant laws on industrial relations, environment, health, and safety to mitigate such risks. This ensures that contracts are awarded only to qualified suppliers who provide the best value and meet the specified requirements.

This process is governed by a Supplier-Contractor Relations Policy, which explicitly outlines the Company's commitment to providing equal opportunities and fair treatment to suppliers in all business transactions. The policy also mandates all personnel to disclose any irregular or unethical conduct by suppliers. Supplementing this is the Anti-Corruption policy and the PLDT Group Supplier Code of Conduct, which foster an overall culture of good governance.

In this manner, the Company encourages suppliers and service providers to manage their sustainability impacts, encompassing economic, social, and environmental aspects. Contracts now with suppliers includes an annex specific to sustainability principles (Sustainable Development Goals) for Suppliers. Furthermore, the Supplier Conforme has been revised to include Environment, Health, and Safety (EHS)-related audits, which must be agreed upon and signed by the supplier. In the event of negative incidents identified within the Supply Chain, suppliers will be notified of the findings and the corrective actions required to address the situation.

Opportunities and Management Approach

The goal is to maintain mutually beneficial relationships with suppliers who uphold and share PLDT's core values of fairness, accountability, integrity, and transparency. The Company has updated its Procurement Policy to emphasize Health, Safety, and the Environment, as well as developing sustainability assessments to encourage innovative, affordable, and eco-friendly products and services.

Suppliers must undergo an onboarding/qualification process before project or contract awarding. Supplier selection is conducted through the RFx process, prioritizing existing suppliers based on their importance, impact, and level of influence or spend. This approach aims to foster mutually beneficial relationships and collaborative efforts to meet the needs of both parties.

PLDT and Smart facilitate meaningful supplier engagement by developing strategies to achieve engagement objectives. Stakeholder engagement is collaborative, with a frequency determined by business requirements. Various communication channels, such as the Supplier Portal, mobile phones, and email, are available to facilitate effective collaboration and enhance supplier relationships.

Relationship with community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable sector* (if applicable)	Does the particular operation have impacts on indigenous people (IP) (Y/N)?	Collective or individual rights that have been identified as of particular concern for the community	Mitigating measures (if negative) or enhancement measures(if positive)
Towers and fiber rollout in ancestral domains	Banay-Banay in Davao Oriental; Mt. Mayapay, Kidapawan City in North Cotabato; Bonbon in Butuan City; Brgy. Inagawan and Brgy. Babuyan in Puerto Princesa City; Brgy. Cugman and Brgy. Manticao in Cagayan de Oro City; Mahatao, Ivana, Itbayat, Sabtang, Uyugan in Batanes; Don Victoriano Chiongbian & Concepcion in Misamis Occidental.	Indigenous Communities	Y	Presence of company facilities in their sacred grounds/ ancestral domain	• Community dialogues • Securing Free, Prior, and Informed Consent (FPIC) • Addressing the needs of the IP community in areas where they operate

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP, Class D, and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certificate Preconditions (CPs) secured and still operational, and provide a copy or link to the certificates if available.

Certificates	Quantity
FPIC process is still undergoing	5
CP secured	-

Identified Risk/s and their Management Approach

The PLDT Group operates facilities across the country and engages with communities to maintain open communication channels and foster relationships that are mutually beneficial. Some facilities are in areas inhabited by Indigenous Peoples (IP). Any concerns from the community and local agencies are addressed in order to prevent friction and misunderstandings regarding the group's intentions.

The PLDT Group regularly communicates and informs concerned communities of decisions and actions that affect them. This is achieved through consultations with the community during the project preparation stage. For IPs, the group secures FPIC, which leads to the issuance of a CP. Currently, there are five ongoing FPIC consultations for towers to be located in ancestral domains.

As a signatory to the UNGC, the Group commits to protecting internationally proclaimed human rights and acknowledges the need for positive action to ensure every voice is heard and all groups are treated with respect and fairness.

Identified Opportunities and their Management Approach

Operating units working with local communities follow a systematic framework for social and environmental stakeholder engagement. Guidance for IP engagement identifies sustainable initiatives to integrate into business processes, creating shared value with the community.

Stakeholder engagements prioritize respect, openness, transparency, and collaboration, from simple to complex projects. Communication campaigns are designed to manage the process and ensure transparency. Community initiatives include reforestation, educational technology, and livelihood training.

Engagement activities also include those deployed during emergencies or natural calamities. The PLDT Group consistently provides free calls, WIFI, and charging services immediately after disasters occur. Additionally, PLDT also opened some of its facilities as temporary evacuation centers for affected residents.

The Group aims to strengthen relationships with communities by demonstrating the benefits of technology and digital innovation. This includes promoting inclusive education, fostering entrepreneurship and innovations, expanding livelihood opportunities, advocating for internet safety and mental wellness, enabling inclusive community participation, and bridging the digital divide.

Customer Management

Customer Satisfaction

	tNPS	Did a third party conduct the customer satisfaction study (Y/N)
Fixed (Fiber)	+14	Y
Wireless	+28	Y
Smart Prepaid	+25	Y
TNT	+35	Y
Smart Postpaid	+28	Y
Smart Bro	+24	Y
Smart Signature	+40	Y

The Company partnered with Medallia, a leader in customer experience platforms, to gather real-time customer feedback. Valuable data were collected that helped to continue improving customer experience programs by using Transactional NPS surveys across digital and agent-assisted channels.

With NPS deeply embedded in our operations, real-time customer feedback continues to drive agility, innovation, and targeted action. In 2024, the Company sustained strong Wireless performance (+28, up from +26) and delivered a significant turnaround in Fixed (Fiber), improving by 14 points from the previous year. These gains were fueled by strategic interventions across key customer journeys. An agile squad was formed to improve the roaming experience, ensuring better accessibility and satisfaction for customers abroad, while an agile tribe within CX was launched to uncover new insights into the repair journey, driving enhancements in service resolution. Additionally, clearer promo communication, proactive customer education on scams, and strengthened agent enablement through Genuine CARE training and cluster management contributed to an improved experience across digital and assisted touchpoints.

PLDT and Smart have unveiled seven new Experience Hubs and refreshed at least 10 stores nationwide to further enhance their customers' in-store experience. This ensures that customers can easily access connectivity services and products fit for their needs.

With enhanced touchpoints across the country, PLDT and Smart customers can take advantage of the latest promos from PLDT Home and Smart Postpaid or switch their mobile numbers to Smart or TNT. Customers can also explore the latest smart gadgets to improve their home and lifestyle. The stores feature self-care kiosks to help customers discover the best connectivity plans suited to their needs, as well as entertainment areas to engage the customers. Knowledgeable store specialists are ready to assist customers, to ensure a meaningful visit.

Also in 2024, Smart collaborated with Adobe, a global leader in helping brands deliver exceptional digital experiences, and Amdocs, a leading provider of software and services to communications and media companies, to pave the way for a more data-driven and customer-centric approach to serving its subscribers. The partnership will further enable Smart to deliver personalized customer experiences through multiple touchpoints, including mobile application, social media, and messaging platforms

Meanwhile, PLDT Global expanded its partnership with the Department of Migrant Workers (DMW) to benefit overseas Filipino workers (OFWs). This included the signing of a Memorandum of Agreement to help reintegrate returning OFWs into the community through providing livelihood and skills development opportunities and to support new OFWs ,through the government-to-government program, by providing them with free SIM cards with one-month subscription plans before leaving the Philippines.

Health and Safety

	Quantity
Number of substantiated complaints on product or service health and safety*	-
Number of complaints addressed	-

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged at and acted upon by government agencies.*

Our customers are our “north star”, and we are committed to ensuring that our products and services meet the highest standards of safety. We conduct thorough testing and research to guarantee that our designs, materials, and labels comply with all health and safety regulations.

Given the rapid advancements in technology and new product introductions, we recognize the importance of addressing potential health and safety concerns proactively. We also perform comprehensive due diligence to protect our customers from any potential risks associated with our offerings.

Public concerns, such as those regarding electromagnetic radiation (EMR) from telecom antennas and devices, are taken seriously. We align with the World Health Organization's (WHO) findings and actively engage in public education through community discussions, position papers, and workshops to provide accurate information on emissions and health effects.

We are committed to educating the public using reliable research to address any health-related concerns as the industry transitions to fifth-generation technology (5G). We collaborate closely with regulatory authorities to ensure that our telecom services are both of high-quality and safe for the public.

Marketing and Labeling

	Quantity
Number of substantiated complaints on marketing and labeling*	-
Number of complaints addressed	-

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Potential Impact, their Involvement in the Impact, and their Management Approach

We design our marketing efforts, including packaging and product labels, to attract and inform potential and existing customers about the benefits of our products and services. The accuracy, clarity, and completeness of the information communicated through these materials significantly impact on the overall customer experience.

Our marketing teams are responsible for ensuring that branding messages and labeling are clear and comply with guidelines set by the Department of Trade and Industry (DTI) and the National Telecommunications Commission (NTC).

Additionally, all our product packaging bears the product certification mark required by the Bureau of Philippine Standards (BPS). This certification allows the public to verify the conformity of our products to PNS and other international standards, ensuring the authenticity and legitimacy of label claims.

The BPS evaluates critical consumer products such as chemicals, electrical, and electronic products, as well as mechanical, construction, and building materials. Locally manufactured products bear a Philippine Standard (PS) mark, while imported products bear Import Commodity Clearance (ICC) certification marks issued following BPS inspection.

Identified Risk/s and their Management Approach

As a Company, we understand the importance of vigilance against misinformation and counterfeit products that seek to illegally profit from our reputation. To combat this, we offer a variety of convenient channels for the public to report such activities or lodge complaints about any misinformation they encounter.

We provide our customers with multiple avenues to communicate their complaints, opinions, or suggestions. They can utilize our hotlines, social media channels, and physical stores where our representatives are ready to respond and address their concerns. Additionally, customers have the option to file complaints with the NTC or the DTI, who then forward these concerns to our Customer Care or Legal Group for their resolution.

We also leverage all available channels to ensure that our consumers receive factual, timely, and comprehensive information about our products and services simultaneously. We are committed to making our communications clear, understandable, and consistent, as this is key to delivering high-quality customer experiences.

Identified Opportunities and their Management Approach

The Company is dedicated to delivering outstanding customer experience, ensuring that customers have comprehensive and convenient access to information about their products and services, as well as a range of pricing options.

In its commitment to continuous improvement, the Company regularly evaluates the customer experience during pre-sales activities to prevent unrealistic customer expectations that may arise from incomplete information. They meticulously examine underlying systemic issues and root causes to address and resolve any issues satisfactorily from the consumer's perspective.

Customer Privacy

Regulatory compliance was the focus of the Privacy Office's activities in 2024.

Highlights of 2024 Activities

2024 was a year of transformation for the Privacy Office as it embarked on projects aimed at strengthening risk management and compliance throughout PLDT.

The Privacy Office underwent a significant transformation by shifting from centralized privacy operations to a hybrid privacy program model. This change yielded highly positive results. The project clearance rate saw a remarkable improvement, increasing from 45% in 2023 under the centralized model to an impressive 99% by the end of 2024 under the hybrid model. Additionally, the benefits were evident in the turnaround time for project clearance: three (3) days for Non-Privacy Sensitive projects, seven (7) days for Low-Risk projects, and 18 days for the completion of full privacy impact assessments.

The Privacy Office also initiated another transformation project to enhance its current consent management capabilities, aiming for commercial implementation by the second quarter of 2025. The new platform, named Unified Consent and Preference Management (UCPM), is designed to standardize consent and preference management across at least 20 digital customer touchpoints. This initiative seeks to support business enablement, improve consent governance, and enhance data quality. To ensure that the right tools and processes are in place to support its operations, the Privacy Office started working on the digitization of its Privacy Impact Assessment (PIA) workflow via a platform-as-a-service provider. With this project, processing of PIAs and tracking of deadlines on reviews of personal data processing projects are expected to become more efficient.

PLDT made significant enhancements in policies, standards, and processes in the Privacy Office in 2024. These initiatives were pivotal in strengthening regulatory alignment, risk oversight, and data protection measures. The Privacy Office updated the Data Privacy Risk Management Standards to bolster enterprise-wide privacy risk controls, reinforced the Third-Party Privacy Management Standards through a comprehensive company-wide communication plan, and provided key inputs to the CCTV Policy to ensure PLDT's compliance with NPC Circular No. 2024-02 on CCTV Systems. Aside from these, the Privacy Office worked on improving its Breach Management and Privacy by Design processes.

The Privacy Office also made substantial strides in strengthening its incident management capability. As a result, the Privacy Incident Management Catalogue now has better records management, making incident tracking and reporting more transparent, precise, and reliable. A "Real Risk of Serious Harm" Calculator was developed to

help assess and rate the severity of personal data breaches. These initiatives will enhance PLDT's capability to comply with the National Privacy Commission's mandatory breach reporting requirements.

Assurance was performed by PLDT's Internal Audit on the entity-level controls of the Privacy Office, mainly on the PIA and incident management processes. No significant issues were identified upon the completion of the audit.

In addition, the Privacy Office continued to produce the Privacy Over Coffee (POC) podcast as part of its efforts to build a culture of privacy. In its second year, they continued to engage audiences with 2,263 live viewers across 11 episodes, covering a range of topics from celebrating Global Data Privacy Day to discussing the intersection of AI and data privacy. They also launched the PIA Bootcamp, a workshop designed to boost employee competencies in integrating data protection principles into the design process of PLDT and Smart systems, programs, products and services. The Bootcamp saw 353 participants across 20 sessions, achieving a 98.99% Average Program Score, 99.25% Learning Satisfaction Score, and a 96 Net Promoter Score. The Bootcamp also received a Gold Award during the 60th Anvil Awards, the highest recognition for outstanding public relations campaigns, programs, and institutions in the Philippines. The Privacy Office's privacy communications activities were capped with the Annual Data Privacy e-Learning Course titled, "Privacy Flix." 99.74% of the 13,657 employees of PLDT and Smart completed the course.

Privacy Incidents

There were four (4) privacy incidents involving customers (for PLDT and Smart combined) as of December 31, 2024. None of the incidents were determined to be covered by the mandatory reporting requirement of the NPC. There is a marked decline in the number of privacy incidents in PLDT and Smart for the second consecutive year. With respect to exercise of right (EOR) of data subjects, there were a total of 35 EOR requests in 2024. This was also significantly lower compared to the previous year.

	Quantity
Number of substantiated complaints on customer privacy*	39
Fixed	14
Wireless	25
Number of complaints addressed	39
Fixed	14
Wireless	25
Number of customers, users, and account holders whose information is used for secondary purposes	~10 million

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Privacy and Information Security Committee

The Board of Directors considers privacy and information security crucial to the company's operations. The Board Committee on Data Privacy and Information Security oversees governance in these areas. This committee reviews and approves the company's strategic plans concerning data privacy and information security, supervises the implementation of systems for identifying, assessing, monitoring, and managing risks related to data privacy and information security, and ensures adherence to established frameworks, structures, policies, standards, and processes.

The following items were discussed in the DPIS Committee with respect to information security in 2024:

- Survey of international and local cybersecurity events, including implications on geopolitics and third-party and supply chain management,
- Operational statistics of the Cybersecurity Operations Group (CSOG), including statistics on blocked access to malicious domains, SMSing messages, and rogue devices.
- Updates to PLDT's risk posture and areas for improvement.

- d. New cybersecurity strategy aligned with Business, Risk Management, and Privacy
- e. CSOG's Awareness Initiatives, including phishing simulations etc.

Meanwhile, the DPIS Committee discussed the following items on privacy and data protection:

- a. Updates on privacy and data protection regulations, including new NPC issuances and the impact of new legislation on PLDT's privacy operations
- b. Statistics on privacy incidents, including personal data breaches and the exercise of data subjects' rights, along with observed trends in recorded incidents and complaints received from data subjects
- c. Updates on the results of the operations of the Privacy Office:
 - a. Conduct of privacy risk assessments and statistics on projects and initiatives,
 - b. Management of privacy incidents and exercise of rights,
 - c. Project updates, particularly on the Unified Consent and Preference Management transformation, and
 - d. Conduct of awareness and education activities, both internal and external.

Data Security

	Quantity
Number of breaches*, including leaks, thefts, and losses of data	4
Fixed	1
Wireless	3

**This data came from DP. For CSOG, no data breach due to a cyber attack and no cybersecurity incident with a significant impact.*

Impacts and Management Approach

The Company appreciates how technological advancements continue to bring immense benefits and opportunities but consequently also attract data security threats from malicious actors. Data leaks and breaches, whether accidental or deliberate, pose significant risks to our customers and employees. Therefore, securing our business data and keeping our customers and employees safe online remain a top priority.

CSOG has significantly advanced its cybersecurity measures to safeguard business data and enhance customer digital experiences.

CSOG has created a Cybersafety microsite containing articles, the latest cybersecurity news, and other educational tips to promote cyber hygiene. All policies and procedures for employees are archived in CSOG's Sentinel SharePoint portal, accessible 24/7 to all PLDT and Smart employees. These policies, including the Corporate Information Security Policy (CISP), ensure compliance with cybersecurity standards and are annually updated and approved by the President and CEO.

Incident reporting is streamlined through the Service Now Security Operations and OneHub module, which allows employees to report security incidents easily. Additionally, a communal cybersecurity incident email is used for reporting and regularly reminded to employees through threat advisories and infographics.

Training is mandatory for all employees, who must confirm their understanding and commitment to comply with the CISP. Annual eLearning courses and special request training sessions are provided, alongside phishing simulations and cyber crisis drills to test and improve incident handling. Failure to complete training results in disciplinary action, impacting an employee's performance evaluation. The Regulatory and Cybercrime Case Management Division enforces these sanctions in coordination with the People Group.

CSOG has a predictive capability to anticipate threats, strengthen preventive measures, and prepare for attacks. The Cyber Security Incident Response Team (CSIRT) leads the response process, collaborating with IT, Network, Legal, Privacy Office, and Group Corporate Communications.

Business continuity plans and cybersecurity incident response processes are in place, regularly tested, and cascaded to all employees and third-party stakeholders. A 24/7 Security Operations Center and robust threat intelligence capabilities support this framework.

In 2024, CSOG revamped its cybersecurity strategy, implementing the Security Onion defense-in-depth strategy. This includes governance, risk, and compliance management, and the deployment of a cyber-attack simulation tool for continuous validation of security controls.

No significant cybersecurity incidents or data breaches occurred in 2024. Looking ahead, CSOG plans to incorporate AI into its strategy and develop a corresponding policy within the year.

Risks and Management Approach

The PLDT Group implements a systematic and comprehensive approach to identifying and addressing data security risks, both at the project level and across the enterprise.

CSOG maintains and regularly updates an asset registry that provides visibility on all servers and systems within the network, detailing relevant asset information, classifications, asset owners, and controls. Complementing this is the CSOG Risk Registry, which tracks and measures the organization's cybersecurity risks by offering an inventory of identified risks for each asset, risk ratings or scores (inherent risks, existing controls, residual risks), risk treatment options, and treatment plans. This registry is part of the risk management process, enabling the identification and evaluation of risks to establish a security profile and a central repository of all risks. This aids in developing implementation plans for yet-to-be-implemented security controls.

They have adopted the National Institute of Standards and Technology (NIST) Framework, which is organized around five key functions: Identify, Protect, Detect, Respond, and Recover. By identifying risks, the organization can understand and manage cybersecurity risks to systems, assets, data, and capabilities while implementing safeguards to ensure the delivery of critical infrastructure services. Detection is achieved by developing and implementing activities to identify cybersecurity events. The Company is not only able to respond to cybersecurity incidents but also maintains a recovery plan to restore any capabilities or services impaired due to such incidents.

By adopting the NIST framework, the Company enhances its ability to prevent, detect, and respond to cyber threats, ultimately improving its overall cybersecurity posture.

At the same time, to enhance customer digital experience, cybersecurity practices are embedded within operations, providing a seamless and secure connection for customers. CSOG strictly implements this customized capability framework and tailored operational processes designed to maintain the organization's security and risk posture.

Opportunities and Management Approach

In 2024, CSOG updated its cybersecurity strategy to enhance each layer of the Security Onion, including external services, perimeter, network and system, endpoint, and user layers. The Security Onion framework, based on CSOG's Cyber Security Capability Framework, illustrates how cybersecurity measures are strengthened, and maturity posture is improved annually. It defines the defense-in-depth strategy for PLDT Group, encompassing people, process, technology, and intelligence aspects.

The roadmap includes the current cybersecurity reference architecture, considering necessary technological updates and planned future projects aimed at improving the cybersecurity maturity posture. The end-to-end operational framework of the Security Onion also incorporates governance, risk, and compliance management to cover all security layers comprehensively. A tier modeling framework has been implemented to enhance active directory security controls. Additionally, a cyber-attack and breach simulation tool has been deployed to provide continuous validation of security controls.

The CISP ensures the execution of the strategy roadmap and the implementation of necessary controls to protect company information assets and comply with all applicable legal and regulatory requirements. This applies not only to CSOG, but also to every employee, third-party vendor, and supplier. The CISP ensures adherence to best practices within the organization.

CSOG policies and standards such as the Cyber Security Classification of Violations and Table of Penalties, are reviewed annually. Standards for effective and proper enactment of cybersecurity policies cover areas such as access management, data sharing, external party security management, information security compliance, information security incident management, and patch and vulnerability management.

Recognizing the PLDT Group's role in nation-building and protecting children from online sexual abuse and exploitation, CSOG continues to use various tools in its arsenal such as the CPP to prevent customers from accessing CSAEM online. Furthermore, as a member of the IWF and the C3P, the PLDT Group has access to timely intelligence relevant to combating child pornography.

PART IV – UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Item 8. Product or Service Contribution to UN SDGs

Key products and services and their contributions to sustainable development

Key Business Units	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Flagship Products			
PLDT Home	PLDT Home, the fixed line consumer business unit of PLDT, provides a comprehensive range of digital services and solutions, including fiber home broadband, designed to keep Filipino households connected. These offerings facilitate convenient access to information, education, lifestyle, and entertainment content, as well as livelihood opportunities, all from the comfort of their homes. Through these, PLDT Home enables and contributes to SDGs 9, 10, 11, 12, 13, 16, and 17.	Access to digital connectivity and online platforms can expose users, including children, to various risks, such as cyber-attacks and harmful content, like child sexual abuse material Customers may also be targeted by unscrupulous actors and cybercriminals. The installation and operation of network facilities across the country, including those undersea, might pose potential risks and impacts on natural resources and ecological systems.	The PLDT Group has made significant investments in various cybersecurity and child protection platforms, integrating these systems into its digital infrastructure. Additionally, the Group proactively implements customer educational programs focused on Internet safety and child online protection. The PLDT Group adheres to internal protocols and mechanisms for environmental management to ensure compliance with relevant laws and regulations regarding environmental protection and conservation. Furthermore, it engages continuously with stakeholders and fosters alliances with industry and academic institutions to strengthen risk management measures and proactively identify opportunities for generating positive environmental value.

PLDT Enterprise	PLDT Enterprise offers connectivity and digital solutions to enterprises, national government agencies, local government units, and other private sector organizations. PLDT Enterprise solutions facilitate digital transformation and industrial development across various sectors, supporting the infrastructure of the Philippine economy. Commercial initiatives and community investments contribute to SDGs 9, 10, 11, 12, 13, 16, and 17.	Digital connectivity can expose users to various harms, abuses, and cyber-attacks. The deployment of network facilities, including undersea cables, can negatively impact natural resources and ecosystems. Data centers, without proper resource optimization, demand high power usage and produce significant greenhouse gas emissions.	The PLDT Group continues to implement various Cyber Security measures within its digital infrastructure to safeguard its Enterprise customers. The Group also conducts customer education programs focused on Internet safety. The PLDT Group adheres to protocols and mechanisms for environmental management to comply with relevant laws and regulations regarding environmental protection and conservation. It engages with stakeholders and forms alliances with industry and academic institutions to enhance risk management measures and identify opportunities for positive environmental impact. The PLDT Group is committed to energy efficiency and resource optimization initiatives aimed at reducing emissions and managing their environmental impact. The Group also explores new technologies to meet the high processing speed and energy efficiency requirements of its data centers.
Smart	Smart, the Group's wireless subsidiary, through mobile connectivity services, contributes to the development of the country's digital economy and offers customer services tailored to the growing digital lifestyle in the Philippines. Smart is aligned with SDGs 9, 10, 11, 12, 13, 16, and 17	Access to digital connectivity and online platforms poses potential risks of harm, abuse, cyber-attacks, and exposure to harmful content for users, including children. Customers are also at risk of exploitation by unscrupulous actors and cybercriminals. The physical deployment and operation of network facilities throughout the country, , may lead to potential risks and adverse	The PLDT Group has invested in various cybersecurity and child protection solutions, integrating these measures into its digital infrastructure. Additionally, the Group actively conducts customer educational programs on Internet safety and child online protection. The PLDT Group adheres to internal protocols and mechanisms for environmental management to ensure compliance with relevant laws and

		impacts on natural resources and ecological systems, including the indigenous people (IP)	regulations on environmental protection and conservation, including engagement with IPs Furthermore, the Group continuously engages with stakeholders and forms alliances with industry and academic institutions to enhance risk management strategies and proactively identify opportunities for creating positive environmental value.
ePLDT	ePLDT, the PLDT Group's ICT subsidiary, provides digital business solutions comprising cloud services, cybersecurity, data center facilities, and managed IT services. These services support connectivity, productivity, safety, and business continuity for various sectors and organizations. ePLDT's operations contribute to SDGs 9, 10, 11,13, and 16	The digital revolution has led to the emergence and expansion of cybercriminals who seek out and exploit vulnerabilities in the digital infrastructures of enterprises and organizations. This can result in cyber security breaches, reputational damage, and financial losses for both enterprises and individuals.	The PLDT Group continues to invest in developing a strategy, infrastructure, and capacity for cyber security. These efforts have enabled the Group to maintain secure services and safeguard its customers against cybercrimes and security breaches.
Vitro	Vitro provides data center solutions across the country that are secured and reliable Vitro's operations contributed to SDG 9 and 11	In the absence of adequate resource optimization measures, data centers demand high power consumption and consequently produce substantial greenhouse gas emissions.	Vitro is working on energy efficiency and resource optimization initiatives to reduce emissions and mitigate its environmental impact, including the addition of renewables in its energy mix. Its newest data center (Vitro Sta. Rosa) was designed according to LEED standards. It is exploring new technologies to meet the high processing speed and energy efficiency requirements of its data centers.

PLDT Global	PLDT Global delivers communications infrastructure and platforms to a worldwide network of carriers, Filipino migrant workers, enterprise clients, and distribution partners, facilitating their ability to establish international connections and access diverse markets across the globe. PLDT Global services contribute to SDGs 9, 10, 11, 12, 13, 16, and 17.	Access to digital connectivity and online platforms can potentially expose users to various harms, abuses, cyber-attacks, and harmful content. Additionally, customers may become targets for unscrupulous actors and cybercriminals.	The PLDT Group continues to make has made significant investments in various Cyber Security platforms, integrating these measures into its digital infrastructure. Additionally, the Group proactively implements customer educational programs focused on Internet safety.
Maya	Maya, is the fintech investment of PLDT, which operates a financial ecosystem that includes a mobile wallet, merchant acquisition, and a digital bank. Maya services contribute to SDG 8, 9, and 11	Customers are also at risk of exploitation by unscrupulous actors and cybercriminals that may try to steal their information and money.	Maya adheres to the Payment Card Industry Data Security Standard (PCI DSS), ensuring high security standards for their platform. They also partner with SHIELD, a premier risk intelligence platform specializing in fraud prevention and detection. Each transaction requires a one-time pin to make sure that each transaction is legitimate.

Corporate Citizenship

SDG 3: *Good Health and Wellbeing*

SDG 4: *Quality Education*

SDG 5: *Gender Equality*

SDG 8: *Decent Jobs and Economic Growth*

SDG 9: *Industry, Innovation, and Infrastructure*

SDG 10: *Reduced Inequalities*

SDG 11: *Sustainable Cities and Communities*

SDG 16: *Peace, Justice, and Strong Institutions*

SDG 17: *Partnership for the Goals*

The PLDT Group implements shared value programs that drive business competitiveness and sustainability by leveraging its leading technology infrastructure and widest network reach.

These programs aim to address the economic and social concerns of stakeholders in the communities where the Group operates.

The Company promotes digital inclusion and optimized application of technology as an enabler of development and transformation. The Group pursues collaborations with partners to generate collective impact particularly in the areas of education, digital wellness, disaster resilience, education, livelihood, and food security. These are the elements of its Corporate Citizenship strategy that are anchored on the Connection, Concern, Conservation, and Commitment pillars of its Sustainability roadmap.

Internet Safety

The PLDT Group is a proactive advocate of Internet safety, data privacy, and cybersecurity for customers and end-users which aims to protect especially the most vulnerable segments like children and the youth. The Company strives to ensure that stakeholders have high-quality and affordable connectivity as well as a safe and secure digital experience.

PLDT and Smart equip individuals, including students, parents, teachers, MSMEs, farmers, and government workers, with essential knowledge to navigate the digital world safely and responsibly under its Be CyberSmart program. This initiative forms a key part of the companies' broader commitment to fostering a safe and inclusive digital environment. Complementing this effort is the Better Today for Kids program that highlights the Group's commitment to protecting children's rights and creating safer online spaces through tech-enabled community efforts.

In 2024, key Internet Safety initiatives and impact included:

- PLDT and Smart reached more than 16,000 individuals, including through the Be CyberSmart internet safety awareness program.
- PLDT and Smart reached more than 1,200 students, parents, and LGU staff through its Better Today for Kids Learning caravan on online sexual abuse and exploitation of children (OSAEC). PLDT and Smart trained over 200 football coaches on Psychological First Aid to help provide a holistic approach to fight OSAEC by including psychosocial support interventions.

Disaster Resilience

The PLDT Group champions disaster resilience and a culture of preparedness within its workforce and communities as a significant contribution as the Philippines gets regularly hit by typhoons, volcanic eruptions, and various natural and human-induced disasters. Communities can have essential support before, during, and after disasters through its enabling technology and infrastructure.

In 2024, key Disaster Resilience initiatives and impact of the PLDT Group included:

- PLDT and Smart distributed 7,867 relief packs to communities affected by disasters. 23 emergency communications stations such as *Libreng Tawag*, *Libreng Charging*, and *Libreng WiFi* were set up in calamity-hit areas.
- PLDT and Smart deployed 4 *Ligtas* Kits to LGUs in hazard-prone areas and trained their representatives on emergency communications. The *Ligtas* Kit is a portable, all-in-one package that contains tools and devices to provide emergency communications to communities vital before, during, and after disasters.
- To advance the development of the national Emergency Communications Plan (NECP), PLDT and Smart, working with the Philippine Disaster Resilience Foundation (PDRF), conducted an NECP Workshop for the regional offices of the Department of Information and Communications Technology.
- PLDT and Smart showcased their leadership in network resilience and disaster response at the GSMA Humanitarian Connectivity Chapter Asia-Pacific workshop held on January 24-25, 2024. They shared best practices and highlighted their early adoption of cutting-edge technologies, emphasizing their status as a global leader and Asian pioneer in emergency cell broadcast systems (ECBS). Smart was the first Philippine telco to deploy ECBS in March 2017.

Education

The PLDT Group is an enabler of the education sector's digital transformation, providing connectivity and ICT solutions for schools and academic institutions and helping address student needs for access to learning platforms and content, remote learning systems, and social connectivity.

The Company pursued partnerships in support of quality education through the promotion of technology-enabled access to education resources, capacity-building programs for the academic community, community-based innovations, and inclusive learning solutions.

In 2024, the PLDT Group Education initiatives and impact included:

- School-in-a-Bag portable digital classroom: PLDT and Smart reached 1,059 basic education teachers and students in last-mile areas
- CVIF-Dynamic Learning Program: a strategy of teaching endorsed by the Department of Education and supported by PLDT and Smart, where 15,688 teachers were trained on disaster- and pandemic-resilient pedagogy that aims to develop independent learners
- Innovation Generation Season 4: launched by PLDT and Smart which welcome 96 teams composed of 388 students and 96 teachers from various schools from Luzon, Visayas, and Mindanao
- TechnoLab Tours: PLDT and Smart provided a unique educational opportunity by hosting 278 students from eight (8) SWEEP schools. These tours offered students a firsthand look at emerging technologies. The TechnoLab facility serves as a sandbox for developing and testing revolutionary communication solutions that aim to improve customer experience. Innovations under development include Open Radio Access Network (ORAN), network disaggregation, extended reality, and advancements in cloud and home connectivity.

Livelihood

PLDT recognizes its key role in enabling the national digital economy that could contribute to alleviating poverty, developing human capital, arresting hunger, and spurring economic progress among Filipinos as the Philippines' largest fully integrated telecommunications company.

Leveraging technology and industry resource expertise, the PLDT Group promotes digital inclusion that is focused on enhancing livelihood for the country's farmers and micro, small, and medium enterprises.

In 2024, key Livelihood initiatives and impact included:

- e-BizNovation Program: PLDT and Smart trained 10,835 representatives of MSMEs and cooperatives on digital entrepreneurship and e-commerce
- Digital Farmers Program: PLDT and Smart supported 2,962 smallholder farmers through digital literacy training in partnership with the Department of Agriculture–Agricultural Training Institute (DA-ATI)
- FarmTech: PLDT and Smart deployed 44 packages to farm organizations to support their digitalization journey
- Distribution of 1,202 planting kits by PLDT and Smart to communities to help jumpstart their edible gardens

Inclusion, Diversity, Equity

PLDT and Smart continued to advocate for digital inclusion of people with disabilities and promote the rights of IP groups. Under the program Inclusion, Diversity, Equity, and Advocacy through Technology (IDEATe) Program, the following milestones were achieved:

- Trained 259 people with orthopedic disabilities on digital skills for entrepreneurship
- Trained 42 people with visual impairment on Android accessibility to enable independent living
- Provided cultural sensitivity orientation to 185 PLDT and Smart employees and external contractors

Note: A more detailed version of this Sustainability Report, highlighting the impacts of our ESG material topics and subjected to limited assurance by an independent third party, will be available by June this year. Differences between this report and the final report, if any, will mainly be due to the review in connection with the assurance process.

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