

2024 ANNUAL REPORT



PRIME MEDIA
Holdings, Inc.

Chairman's Message

2024 Annual Report/ Annual Stockholders Meeting



At Prime Media Holdings Inc. (PMHI), we are unwavering in our dedication to public service as we simultaneously expand our media endeavors while enhancing shareholder value.

This year, we proudly welcomed back the legendary DZMM Radyo Patrol 630.

Media Serbisyo Production Corporation (MSPC), our joint venture with ABS-CBN, announced the transition from DWPM to DZMM Teleradyo Serbisyo, pursuant to the guidance of the Philippine Collective Media Corporation.

The new call sign heralds robust 24/7 programming featuring shows hosted by esteemed journalists and personalities such as Noli De Castro, Charo Santos, and Doris Bigornia. These programs are broadcast on DZMM Radyo Patrol 630, DZMM Teleradyo via cable and satellite TV, as well as through official DZMM social media and YouTube channels.

The notable shift towards digital media, propelled by evolving consumer preferences, has kept us agile. While traditional radio continues to be popular, it also cannot be ignored that our online platforms and social media presence have significantly increased our engagement.

We are motivated by these advancements as we broaden our reach and establish strategic collaborations with organizations that prioritize public service. Aligned with our vision for organizational growth, we remain committed to bolstering shareholder confidence by delivering top-quality content.

Here's to another productive year!



ATTY. MANOLITO A. MANALO
Chairman & President

Board of Directors

Atty. Manolito A. Manalo – Chairman & President

Bernadeth A. Lim – Director, Vice President

Michelle F. Ayangco – Director

Hermogene H. Real – Director

Johnny Y. Aruego, Jr – Independent Director

Francisco L. Layug III – Independent Director

Rolando S. Santos – Treasurer

Atty. Diane Madelyn C. Ching – Corporate Secretary

Dale A. Tongco - Risk Management Officer

2024 Operational & Financial Highlights

Statement of Financial Position

	Audited (in million Pesos)		Increase (Decrease)	
	2024	2023	Amount	%
Assets	₱875.23	₱436.04	₱439.18	100.72%
Liabilities	430.39	210.96	219.43	104.02%
Stockholders' Equity	444.83	225.09	219.74	97.63%

The total **Assets** of the Company increased by P439.18 million or 100.72% compared with the same period last year. The movement in total Assets is attributable to the following:

- **Cash** decreased by P22.64 million or 47.39% from P47.78 million in 2023 to P25.14 million in 2024, mainly due to an additional unsecured loan granted to PCMC amounting to P461.00 million for acquiring key assets necessary to expand business operations nationwide.
- **Receivables** increased by P475.15 million, mainly due to an additional unsecured loan granted to PCMC amounting to P461.00 million for acquiring key assets necessary to expand business operations nationwide.
- **Investment In a Club Share** decreased by P5.00 million due to the Company's disposition at its fair value of P5.50 million during the year.
- **Investment In a Joint Venture** decreased by P3.26 million due to the net loss incurred by MSPC.

The Company's total **Liabilities** of P210.96 million increased by P16.33 million or 8.36% compared with the same period last year. The movement in total Liabilities is attributable to the following:

- **Accrued Expenses And Other Current Liabilities** decreased by P2.76 million or 1.40% from P197.08 million in 2023 to P194.32 million in 2024, mainly due to general cost incurred which may include transfer, processing and legal fees among others as well as taxes in relation to the transfer of assets arising from the MOA.
- **Due To Related Parties** increased by P7.44 million or 34.91% from P13.88 million in 2023 to P21.32 million in 2024, due to the recognition of liability for the Company's additional share in the net loss of the joint venture.

The **Equity** of the Company increased by ₱219.75 million or 97.63% from ₱225.09 million in 2023 to ₱444.83 million in 2024 mainly due to issuance of 75,000,000 common shares at ₱2.95 per share equivalent to ₱221.60, resulting to additional paid-in capital amounting to ₱146.30 million.

Results of Operations

	Audited (in million Pesos)		Increase (Decrease)	
	2024	2023	Amount	%
Income	P9.98	₱0.03	P9.95	32,891.96%
Share in net loss of a joint venture	(25.95)	(17.14)	8.81	51.37%
Expenses	9.45	13.20	(3.75)	(28.41%)

The Company's operating results reflected a net loss of P25.63 million and P30.31 million in 2024 and 2023, respectively. Compared with the same period last year, there is a decrease of P4.68 million or 15.45%. The significant changes were mainly due to the following:

- **Income** for the current period increased by P9.95 million, mainly due to interest income earned in loans receivable.
- **Share In Net Loss of a Joint Venture** increased by P8.81 million or 51.37% compared with same period last year, due to the decline in operating performance of MSPC.
- **Outside Services** decreased by P2.02 million or 50.79% compared with same period last year, mainly due to the payment of outsourced services related to the joint venture entered by the Company last year.
- **Taxes and Licenses** decreased by P1.71 million or 58.80% compared with the same period last year, mainly due to the payment of documentary stamp tax on the loan agreement with PCMC last year.
- **Professional Fees** increased by P0.84 million or 24.06% compared with the same period last year, mainly due to the downpayment made to Unicapital, Inc. to issue a fairness opinion and valuation report on the common shares of Golden Peregrine Holdings, Inc. (GPHI), in relation to the contemplated share-for-share swap between the Company and GPHI for the Company's acquisition of GPHI via share-for-share swap.

Cash Flows

	Audited (in million Pesos)		Increase (Decrease)	
	2024	2023	Amount	%
Cash provided by operating activities	(P13.26)	₱2.38	(P15.64)	(657.81%)
Cash provided by (used) in investing activities	(469.00)	(391.30)	77.70	19.86%
Cash used in financing activities	459.62	(402.86)	56.76	14.09%

- Net cash used in **Operating Activities** amounted to ₱13.26 million in 2024, mainly due to the expenses incurred this year.
- Net cash used in **Investing Activities** increased by ₱77.70 million or 19.86% compared with the same period last year, mainly due to the additional unsecured loan granted to PCMC.
- Net cash provided by **Financing Activities** increased by ₱56.76 million or 14.09% compared with the same period last year, due to proceeds from subscriptions of common shares at a premium and deposit for future stock subscription from individual shareholders.

Explanations for the Material Changes in the Company's Accounts Between 2023 and 2022 are as Follows:

Statement of Financial Position

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Assets	₱436.04	₱45.46	₱390.58	859.17%
Liabilities	210.96	195.27	16.33	8.36%
Stockholders' Equity	225.09	(149.81)	391.22	860.57%

The total **Assets** of the Company increased by ₱390.58 million or 859.17% compared with the same period last year. The movement in total Assets is attributable to the following:

- **Cash** increased by P13.94 million or 41.20% from P33.84 million in 2022 to P47.78 million in 2023, mainly due to issued additional 150,000,000 common shares to Angel Maple Properties, Inc., now known as Valiant Consolidated Resources Inc.), (125,000,000) and Cymac Holdings Corporation (25,000,000) at P2.70 per share equivalent to P405.00 million that paid for in cash.
- **Due From Related Parties** decreased by P2.10 million or 90.63% from P2.32 million in 2022 to P0.22 million in 2023 due to collections of advances to related parties.
- **Loans Receivable** increased by P373.00 million due to an unsecured loan granted to PCMC for the payment of its liabilities, acquisition of equipment, operations, and expansion of its business.
- **Investment in a Club Share** increased by P1.70 million due to recognition of the fair value changes during the year.
- **Investment in a Joint Venture** increased by P3.26 million due to a Joint Venture Agreement (JVA) with ABS-CBN Corporation to form a joint venture entity during the year, which primarily to develop, produce, and financing content, programs, and shows for distribution by other broadcast networks, channels, or platforms, locally and internationally.

The Company's total **Liabilities** of ₱210.96 million increased by ₱16.33 million or 8.36% compared with the same period last year. The movement in total Liabilities is attributable to the following:

- **Accrued Expenses and Other Current Liabilities** increased by ₱16.33 million or 9.03% from ₱180.75 million in 2022 to ₱197.08 million in 2023, mainly due to additions to the liabilities arising from the MOA.
- **Due to a Related Party** decreased by ₱0.64 million or 4.59% from ₱14.52 million in 2022 to ₱13.88 million in 2023, due to payment of advances from MMDC.

The **Equity** of the Company increased by ₱374.89 million or 250.25% from ₱149.81 million deficit in 2022 to ₱225.09 million equity in 2023 mainly due to issuance of common shares of stock amounting to ₱405.00 million during the period.

Results of Operations

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Income	₱0.03	₱0.05	(₱0.02)	(43.48%)
Share in net loss of a joint venture	(17.14)	–	(17.14)	–
Expenses	13.20	6.26	6.94	110.85%

The Company's operating results reflected a net loss of ₱30.31 million and ₱6.20 million in 2023 and 2022, respectively. Comparing with the same period last year, there is a huge decline of ₱24.10 million or 388.42%. The significant changes were mainly due to the following:

- **Income** for the current period in the amount of ₱0.03 million pertains to interest income earned in 2023.
- **Share in Net Loss of a Joint Venture** for the current period in the amount of ₱17.14 million pertains to declined operating performance of the joint venture.
- **Outside Services** increased by ₱2.95 million or 287.02%, primarily due to payment of outsourced services related to the joint venture entered by the Company.
- **Taxes and Licenses** for the period amounting to ₱2.91 million is higher by ₱2.75 million or 1,715.99% compared with the same period last year which is mainly due to payment of documentary stamp tax on loan agreement with PCMC.
- **Professional Fees** increased by ₱0.64 million or 22.44%, primarily due to payment of legal services related to the joint venture entered by the Company.

Cash Flows

	Audited (in million Pesos)		Increase (Decrease)	
	2023	2022	Amount	%
Cash provided by operating activities	₱2.38	₱21.15	(₱18.77)	(88.76%)
Cash provided by (used) in investing activities	(391.30)	4.94	(396.24)	(8,024.10%)
Cash used in financing activities	402.86	0.64	402.22	63,169.27%

- **Net Cash Provided by Operating Activities** decreased by ₱18.77 million or 88.76% compared with the same period last year, mainly due to the additions to the liabilities arising from MOA.
- **Net Cash Used in Investing Activities** amounted to ₱391.30 million, mainly due to an unsecured loan granted to PCMC and investment in a joint venture entered by the Company amounted to ₱373.00 million and ₱20.40 million, respectively.
- **Net Cash Provided by Financing Activities** increased by ₱402.22 million compared with the same period last year, mainly due to proceeds from subscriptions of common shares at a premium.

Performance Indicators

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2024 and December 31, 2023:

	2024	2023
Net Loss	(P25,417,176)	(P30,308,471)
Current assets	506,836,106	54,286,187
Total assets	875,226,406	436,044,941
Current liabilities	215,642,284	210,958,691
Total liabilities	430,392,283	210,958,691
Stockholders' Equity	444,834,123	225,086,250
No. of common shares outstanding	925,298,616	850,298,616

	2024	2023
Current ratio ¹	2.35	0.26
Book value per share ²	0.47	0.25
Debt ratio ³	0.97	0.94
Loss per share ⁴	(0.03)	(0.04)
Return on assets ⁵	(0.04)	(0.13)

Note:

¹ Current Assets / Current Liabilities

² Stockholders' Equity – Preferred Stock / Total Outstanding Number of Shares

³ Total Liabilities / Stockholders' Equity

⁴ Net Loss / Total Outstanding Number of Shares

⁵ Net Loss / Average Total Assets

Management's Discussion and Analysis or Plan of Operation.

In December 2002, the Company changed its primary purpose from a development bank to a holding company other than the continuing activities described in Part I A (1). There are no known trends, events or material commitments that are expected to have a material favorable or unfavorable impact on the financial condition or on income from continuing operations. The Company also signed subscription agreements with its major stockholders for total proceeds of ₱179.00 million, of which ₱70.00 million was received in April 2013 and the balance of ₱109.00 million was collected in May and June 2014. This further brought down the capital deficit and was the major source of funding for the expenses related to the transfer of the remaining assets to PDIC and BSP. Aside from the transfer of assets to PDIC and BSP, the Company continues to pursue the clean-up of its books and the settlement of its remaining obligations to facilitate possible additional capital infusion from third party investors.

The Company's current activities comprise mainly of transferring assets related to its development bank operation to BDO & PDIC. The Stockholders have continued to provide the necessary financial support to sustain company operations. The stockholders converted their preferred stock of ₱48.60 million into common stock in 2016 and converted their advances of ₱600.50 million to additional capital in 2014 and infused capital aggregate ₱119.00 million in 2014 and 2013 to reduce capital deficiency.

On December 1, 2017, the Company submitted an application for Equity Restructuring to the Securities and Exchange Commission (SEC) to reduce capital deficiency. On March 23, 2018, the SEC approved the Company's Equity Restructuring to reduce its deficit as of December 31, 2016 from ₱2,915,362,792.00 to ₱800,440,923.00 by applying its Additional Paid-In Capital amounting to ₱2,114,921,869.00.

The Corporation entered into a Memorandum of Agreement with the majority stockholders of Golden Peregrine (GP) ("GP Shareholders") to acquire 100% of GP, which directly owns Philippine Collective Media Corporation (PCMC), a mass media entity. With PCMC's national franchise, the Corporation may use this as leverage to provide other content providers an avenue to broadcast their contents regionally and nationwide for profit. Under the MOA, as amended, the Corporation shall issue 980,000,000 common shares in favor of GP Shareholders for and in consideration of their assignment of their 100% ownership of GP, subject to completion of certain conditions. Upon completion of this transaction, GP shall become a subsidiary of the Corporation.

On 23 May 2023, the Company entered into a Joint Venture Agreement with ABS-CBN to create a joint venture company which will develop, produce and finance content programs and shows for distribution to local and international broadcast networks, channels and platforms. On 05 July 2023, the parties incorporated such joint venture company under the name, Media Serbisyo Production Corp. (MSPC) with ownership ratio of 51:49 between Prime Media and ABS-CBN. At present, MSPC airs its shows in DWPM 630 (AM radio) of Philippine Collective Media Holdings Inc. and in cable channels under the brand Teleradyo Serbisyo.

In 2023, the Company issued 150,000,000 common shares at ₱2.70 per share equivalent to ₱405.00 million paid for in cash, resulting to additional paid-in capital amounting to ₱253.50 million, net of stock issuance cost of ₱1.50 million. On 19 September 2024, the Company filed an application for Equity Restructuring to partially eliminate the capital deficiency amounting to ₱897.87 Million as of December 31, 2023 by applying the Additional Paid-In Capital amounting to ₱253.50 million. On 14 March 2025, the SEC approved the Company's application for Equity Restructuring.

In August 2023, the Company granted an unsecured loan to PCMC for the payments of its liabilities, acquisition of equipment, operations, and expansion of its business. The loan has no interest in the first year and 7.5% interest on succeeding years. The loan is to be paid within five years and can be paid in whole or in part at any time without penalty. The term of this loan has been shortened to thirty (30) months to be paid on or before February 28, 2026.

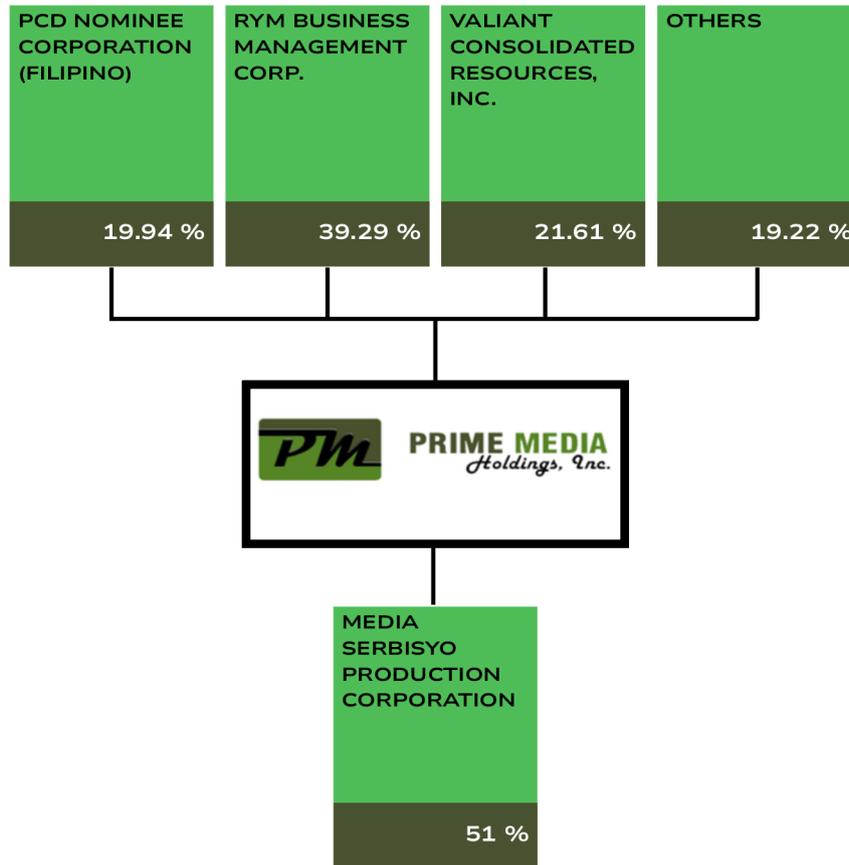
On October 21, 2024, the Company approved new private placement transactions with Cymac Holdings Corp. and Valiant Consolidated Resources, Inc. as summarized below:

Private Placement	Total No. of Common Shares	Date of Issuance of Shares/ Comments
Valiant Consolidated Resources, Inc.	1 st Subscription	75,000,0000 Issued on November 11, 2024
	2 nd Subscription	86,355,932 The remaining balance shall be paid in full after fulfillment of the following conditions: (a) Completion of the Golden Peregrine Transaction, and (b) An increase in capital stock is approved by the Securities and Exchange Commission (SEC).
Cymac Holdings Corporation	1 st Subscription	15,000,000 The remaining balance shall be paid on or before 31 July 2025.
	2 nd Subscription	3,644,068 The remaining balance shall be paid in full after fulfillment of the following conditions: (a) Completion of the Golden Peregrine Transaction, and (b) An increase in capital stock is approved by the Securities and Exchange Commission (SEC).
TOTAL	<u>180,000,000</u>	

On the same date, the Corporation approved the request of PCMC to borrow a total amount of ₱531,000,000.00 with an initial loan of ₱461,000,000.00 payable over a period of five (5) years with 0% interest on the first year and 7% interest per annum in the succeeding years until fully paid. The remaining ₱70,000,000.00 shall be drawn at a later time by PCMC for its business expansion. The interest of this loan has been increased from 7% to 7.5% per annum considering the prevailing interest rates. The term has been shortened to 31 December 2025.

On November 11, 2024, the Corporation issued 75,000,000 new common shares to Valiant Consolidated Resources, Inc. at ₱2.95 per share for a total subscription price of ₱221,250,000.00.

Conglomerate Map





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