

# COVER SHEET

for  
SEC FORM 17-Q

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE ( No. / Street / Barangay / City / Town / Province )

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |   |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |  |  |  |  |  |
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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

**nlexsec@mptc.com.ph**

Company's Telephone Number

**(02) 8-580-8900**

Mobile Number

**0998-962-0895**

No. of Stockholders

**16**

Annual Meeting (Month / Day)

**Any Day in May**

Fiscal Year (Month / Day)

**December 31**

## CONTACT PERSON INFORMATION

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

Name of Contact Person

**Ms. Maria Theresa O. Wells**

Email Address

**nlexsec@mptc.com.ph**

Telephone Number/s

**(02) 8-580-8900**

Mobile Number

**0998-962-0895**

## CONTACT PERSON'S ADDRESS

**NLEX Compound, Balintawak, Caloocan City, Metro Manila**

**NOTE 1 :** 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.

**2 :** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q  
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: March 31, 2025
2. Commission Identification Number: A1997-01451. 3. BIR Tax Identification No: 004-984-946-000

**NLEX CORPORATION**

4. Exact name of issuer as specified in its charter

**Metro Manila, Philippines**

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code:  (SEC Use Only)

**NLEX Compound, Balintawak, Caloocan City**

**1400**

7. Address of issuer's principal office Postal Code

**+632-8-580-8900**

8. Issuer's telephone number, including area code

**N/A**

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class

Number of Shares of Common Stock  
Outstanding and Amount of Debt Outstanding

**Series A Bonds Due 2025**

**Php4,000,000,000.00**

**Series B Bonds Due 2028**

**Php2,000,000,000.00**

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

Yes [ ] No [✓]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

N/A

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [✓] No [ ]

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

Yes [✓] No [ ]

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**PART I--FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**NLEX CORPORATION**  
**(A Subsidiary of Metro Pacific Tollways Corporation)**

**Interim Condensed Financial Statements (unaudited)**  
**March 31, 2025 and 2024**

**NLEX CORPORATION**  
**(A Subsidiary of Metro Pacific Tollways Corporation)**

**INTERIM CONDENSED BALANCE SHEET AS AT MARCH 31, 2025 (UNAUDITED)**  
**AND CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2024 (AUDITED)**

|  | March 31, 2025         | December 31, 2024      |
|--|------------------------|------------------------|
| <b>ASSETS</b>  |                        |                        |
| <b>Current Assets</b>  |                        |                        |
| Cash and cash equivalents (Note 4)                                     | P1,241,167,551         | P2,791,466,651         |
| Financial assets at fair value through profit or loss (FVTPL) (Note 5) | 12,660,045             | 12,612,146             |
| Receivables (Notes 6 and 13)   | 3,489,895,684          | 3,003,488,084          |
| Inventories:   |                        |                        |
| At net realizable value  | 68,312,565             | 63,470,361             |
| At cost  | 13,162,410             | 12,093,597             |
| Other current assets (Note 10)   | 865,052,116            | 539,469,937            |
| <b>Total Current Assets</b>  | <b>5,690,250,371</b>   | <b>6,422,600,776</b>   |
| <b>Noncurrent Assets</b>   |                        |                        |
| Service concession assets (Note 7)                                     | 80,617,254,962         | 80,033,972,919         |
| Goodwill (Note 26)   | 6,213,799,383          | 6,213,799,383          |
| Property and equipment (Note 8)  | 342,082,027            | 356,903,092            |
| Other intangible assets (Note 9)                                       | 111,374,814            | 103,638,982            |
| Other noncurrent assets  | 406,473,542            | 395,315,311            |
| <b>Total Noncurrent Assets</b>   | <b>87,690,984,728</b>  | <b>87,103,629,687</b>  |
| <b>TOTAL ASSETS</b>  | <b>P93,381,235,099</b> | <b>P93,526,230,463</b> |
| <b>LIABILITIES AND EQUITY</b>  |                        |                        |
| <b>Current Liabilities</b>   |                        |                        |
| Accounts payable and other current liabilities (Note 11)               | P6,352,389,879         | P5,996,859,129         |
| Income tax payable   | 1,419,511,717          | 677,951,629            |
| Provisions (Note 12)   | 325,084,560            | 361,979,885            |
| Dividends payable (Note 13)  | -                      | 2,000,000,000          |
| Short-term loans payable   | 1,849,465,875          | 1,999,095,890          |
| Current portion of long-term debt (Note 14)                            | 7,538,207,523          | 7,763,207,523          |
| <b>Total Current Liabilities</b>                                       | <b>17,484,659,554</b>  | <b>18,799,094,056</b>  |
| <b>Noncurrent Liabilities</b>  |                        |                        |
| Long-term debt - net of current portion (Note 14)                      | 36,632,496,735         | 36,617,675,553         |
| Service concession fees payable (Note 15)                              | 3,955,070,041          | 3,905,451,622          |
| Provisions (Note 12)   | 746,386,554            | 538,636,549            |
| Pension liability - net  | 112,600,318            | 105,134,095            |
| Long-term incentive plan payable                                       | -                      | 171,492,995            |
| Deferred tax liabilities - net   | 238,036,764            | 199,390,190            |
| <b>Total Noncurrent Liabilities</b>                                    | <b>41,684,590,412</b>  | <b>41,537,781,004</b>  |
| <b>Total Liabilities</b>   | <b>59,169,249,966</b>  | <b>60,336,875,060</b>  |
| <b>Equity</b>  |                        |                        |
| Capital stock (Note 16)  | 1,878,600,000          | 1,878,600,000          |
| Additional paid-in capital   | 9,965,880,147          | 9,965,880,147          |
| Retained earnings  | 22,523,929,365         | 21,501,299,636         |
| Other comprehensive loss reserve - net                                 | (156,424,379)          | (156,424,380)          |
| <b>Total Equity</b>  | <b>34,211,985,133</b>  | <b>33,189,355,403</b>  |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                      | <b>P93,381,235,099</b> | <b>P93,526,230,463</b> |

*See accompanying notes to Unaudited Interim Condensed Consolidated Financial Statements and Management Discussion and Analysis.*

**NLEX CORPORATION**  
**(A Subsidiary of Metro Pacific Tollways Corporation)**

**INTERIM CONDENSED STATEMENT OF INCOME AS AT MARCH 31, 2025 (UNAUDITED)**  
**AND AS AT MARCH 31, 2024 (UNAUDITED)**

|  | <b>Three Months ended March 31</b> |                 |
|--|------------------------------------|-----------------|
|  | <b>2025</b>                        | <b>2024</b>     |
| <b>OPERATING REVENUES</b>                                |                                    |                 |
| Toll fees - net of discount                              | <b>₱6,983,245,261</b>              | ₱6,005,029,139  |
| Sales of magnetic cards                                  | <b>893</b>                         | 446             |
| Toll revenues  | <b>6,983,246,154</b>               | 6,005,029,585   |
| Non-toll revenues (Note 17)                              | <b>34,655,787</b>                  | 32,234,856      |
| Total revenues   | <b>7,017,901,941</b>               | 6,037,264,441   |
| <b>Cost of services</b> (Note 18)                        | <b>(2,325,178,709)</b>             | (2,147,689,441) |
| <b>Gross Profit</b>                                      | <b>4,692,723,232</b>               | 3,889,575,000   |
| <b>Construction revenue</b> (Note 7)                     | <b>631,523,026</b>                 | 3,489,158,189   |
| <b>Construction costs</b> (Note 7)                       | <b>(631,523,026)</b>               | (3,489,158,189) |
| <b>General and administrative expenses</b> (Note 19)     | <b>(180,343,364)</b>               | (402,763,505)   |
| <b>Interest expense and other finance cost</b> (Note 21) | <b>(334,486,435)</b>               | (289,342,712)   |
| <b>Interest income</b> (Note 20)                         | <b>21,954,219</b>                  | 11,832,977      |
| <b>Foreign exchange gain - Net</b>                       | <b>7,626</b>                       | 164,651         |
| <b>Other income</b>                                      | <b>139,315,886</b>                 | 56,020,215      |
| <b>Income before income tax</b>                          | <b>4,339,171,164</b>               | 3,265,486,626   |
| <b>Provision for (benefit from) income tax</b>           |                                    |                 |
| Current  | <b>745,934,860</b>                 | 608,663,937     |
| Deferred   | <b>38,646,574</b>                  | (19,246,514)    |
|  | <b>784,581,435</b>                 | 589,417,423     |
| <b>Net income</b>  | <b>₱3,554,589,729</b>              | ₱2,676,069,203  |

*See accompanying notes to Unaudited Interim Condensed Consolidated Financial Statements and Management Discussion and Analysis.*

**NLEX CORPORATION**  
**(A Subsidiary of Metro Pacific Tollways Corporation)**

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME AS AT MARCH 31, 2025**  
**(UNAUDITED) AND AS AT MARCH 31, 2024 (UNAUDITED)**

|  | <b>Three Months Ended March 31</b> |                       |
|--|------------------------------------|-----------------------|
|  | <b>2025</b>                        | <b>2024</b>           |
| <b>NET INCOME</b>  | <b>₱3,554,589,729</b>              | <b>₱2,676,069,203</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                                    |                       |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>        |                                    |                       |
| Income tax effect  | -                                  | -                     |
|  | -                                  | -                     |
| <i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i> |                                    |                       |
| Remeasurement gains (losses) on defined benefit Retirement plan (Note 16)                            | -                                  | -                     |
| Income tax effect  | -                                  | -                     |
|  | -                                  | -                     |
| <b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>   | <b>-</b>                           | <b>-</b>              |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>₱3,554,589,729</b>              | <b>₱2,676,069,203</b> |

*See accompanying notes to Unaudited Interim Condensed Consolidated Financial Statements and Management Discussion and Analysis.*

**NLEX CORPORATION**

**(A Subsidiary of Metro Pacific Tollways Corporation)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2025 (UNAUDITED)**

**AND AS AT DECEMBER 31, 2024 (AUDITED)**

|  | Capital Stock         | Additional<br>Paid-in Capital | Retained<br>Earnings  | Other<br>Comprehensive<br>Loss Reserve | Total Equity           |
|--|-----------------------|-------------------------------|-----------------------|--|------------------------|
| At January 1, 2025                                   | P1,878,600,000        | P9,965,880,147                | P21,501,299,636       | (P156,424,379)                         | P33,189,355,404        |
| Cash Dividends (see Note 16)                         | -                     | -                             | (2,531,960,000)       | -                                      | (2,531,960,000)        |
| Net Income   | -                     | -                             | 3,554,589,729         | -                                      | 3,554,589,729          |
| Net Income/Total comprehensive income for the period | -                     | -                             | 3,554,589,729         | -                                      | 3,554,589,729          |
| At March 31, 2025                                    | <b>P1,878,600,000</b> | <b>P9,965,880,147</b>         | <b>P2,523,929,365</b> | <b>(P156,424,379)</b>                  | <b>P34,211,985,133</b> |
| At January 1, 2024                                   | P1,878,600,000        | P9,965,880,147                | P16,400,352,785       | (P102,450,775)                         | P28,142,382,157        |
| Cash dividends (Note 16)                             | -                     | -                             | (6,970,312,988)       | -                                      | (6,970,312,988)        |
| Net income   | -                     | -                             | 12,071,259,839        | -                                      | 12,071,259,839         |
| Other comprehensive income (loss) (Note 16)          | -                     | -                             | -                     | (53,973,605)                           | (53,973,605)           |
| Total comprehensive income for the year              | -                     | -                             | 12,071,259,839        | (53,973,605)                           | 12,017,286,234         |
| At December 31, 2024                                 | P1,878,600,000        | P9,965,880,147                | P21,501,299,636       | (P156,424,380)                         | P33,189,355,403        |

*See accompanying notes to Unaudited Interim Condensed Consolidated Financial Statements and Management Discussion and Analysis.*

**NLEX CORPORATION**  
**(A Subsidiary of Metro Pacific Tollways Corporation)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS AS AT MARCH 31, 2025 (UNAUDITED)**  
**AND INTERIM CONDENSED STATEMENT OF CASH FLOWS AS AT MARCH 31, 2024**  
**(UNAUDITED)**

|  | <b>Three Months Ended March 31</b> |                 |
|--|------------------------------------|-----------------|
|  | <b>2025</b>                        | <b>2024</b>     |
| <b>OPERATING ACTIVITIES</b>  |                                    |                 |
| Income before income tax   | <b>₱4,339,171,164</b>              | ₱3,265,486,626  |
| Adjustments to reconcile income before income tax to net cash flows:       |                                    |                 |
| Amortization of service concession assets (Note 7)                         | <b>408,467,622</b>                 | 394,205,554     |
| Interest expense and other finance costs (Note 21)                         | <b>343,824,756</b>                 | 289,342,712     |
| Depreciation of property and equipment (Note 8, 18, and 19)                | <b>28,253,518</b>                  | 20,881,676      |
| Movements in:  |                                    |                 |
| Provisions   | <b>159,154,561</b>                 | 52,408,894      |
| Accrued retirement costs / pension costs                                   | <b>7,466,223</b>                   | 1,007,943       |
| Long-term incentive plan payable   | <b>(171,492,995)</b>               | 19,080,414      |
| Gain on disposals of property and equipment                                | <b>(202,895)</b>                   | (137,531)       |
| Interest income (Note 20)  | <b>(21,954,219)</b>                | (11,832,977)    |
| Amortization of other intangible assets (Note 9)                           | <b>3,836,918</b>                   | 362,840         |
| Unrealized foreign exchange gain (loss) - net                              | <b>(1,984)</b>                     | (303,032)       |
| Unrealized gain on investments (FVTPL)                                     | <b>(47,899)</b>                    | (26,679)        |
| Operating income before working capital changes                            | <b>5,096,474,770</b>               | 4,030,476,440   |
| Working capital changes:   |                                    |                 |
| Decrease (increase) in:  |                                    |                 |
| Receivables  | <b>(485,944,884)</b>               | (338,842,681)   |
| Inventories  | <b>(5,911,017)</b>                 | 1,188,316       |
| Other current assets   | <b>(325,582,179)</b>               | (65,880,987)    |
| Increase (decrease) in:  |                                    |                 |
| Accounts payable and other current liabilities                             | <b>105,308,942</b>                 | 260,876,265     |
| Cash generated from operation  | <b>4,384,345,632</b>               | 3,887,817,353   |
| Income tax paid  | <b>(4,374,772)</b>                 | (2,357,490)     |
| Net cash flows from operating activities                                   | <b>4,379,970,860</b>               | 3,885,459,863   |
| <b>INVESTING ACTIVITIES</b>  |                                    |                 |
| Decrease (increase) in advances to contractors and other noncurrent assets | <b>(11,158,231)</b>                | 24,524,101      |
| Interest received  | <b>21,491,502</b>                  | 20,102,875      |
| Additions to:  |                                    |                 |
| Service concession asset (Note 7)  | <b>(942,131,246)</b>               | (2,693,709,807) |
| Property and equipment (Note 8)  | <b>(13,229,558)</b>                | (36,037,841)    |
| Other intangible assets (Note 9)   | <b>(11,572,749)</b>                | (3,467,305)     |
| Proceeds from:   |                                    |                 |
| Sale of property and equipment (Note 8)                                    | -                                  | -               |
| Net cash flows used in investing activities                                | <b>(956,600,282)</b>               | (2,688,587,977) |

(Forward)

|   | <b>Three Months Ended March 31</b> |                 |
|---|------------------------------------|-----------------|
|   | <b>2025</b>                        | <b>2024</b>     |
| <b>FINANCING ACTIVITIES</b>   |                                    |                 |
| Proceeds from availment of:   |                                    |                 |
| Short-term debt (Note 14)   | <b>₱1,850,000,000</b>              | ₱3,000,000,000  |
| Long-term debt (Note 14)  | -                                  | 2,200,000,000   |
| Payments of:  |                                    |                 |
| Dividends   | <b>(4,531,960,000)</b>             | (2,800,000,000) |
| Long-term and short-term debt                                       | <b>(2,225,000,000)</b>             | (3,225,000,000) |
| Interest expense and other finance cost                             | <b>(65,163,374)</b>                | (351,937,842)   |
| Debt issue costs  | <b>(1,548,288)</b>                 | (5,547,945)     |
| Net cash flows from (used in) financing activities                  | <b>(4,973,671,662)</b>             | (1,182,485,788) |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>         | <b>(1,550,301,084)</b>             | 14,386,098      |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b> | <b>1,984</b>                       | 303,032         |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>               | <b>2,791,466,651</b>               | 4,048,262,416   |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)</b>          | <b>₱1,241,167,551</b>              | ₱4,062,951,546  |

*See accompanying notes to Unaudited Interim Condensed Financial Statements and Management Discussion and Analysis.*

**NLEX CORPORATION**  
**(A Subsidiary of Metro Pacific Tollways Corporation)**

**NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

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**1. Corporate Information**

General

NLEX Corporation (NLEX Corp. or the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 4, 1997. NLEX Corp.'s primary purpose is to engage in, and carry on, a construction and contracting business, involving tollways, its facilities, interchanges and related works, including the operation and maintenance thereof, or otherwise engage in any work upon roads, bridges, buildings, and structures of all kinds.

On October 19 and November 17, 2016, the Company's Board of Directors (BOD) and stockholders, respectively, approved the change in the Company's corporate name from "Manila North Tollways Corporation" to "NLEX Corporation". The SEC approved the change in the Company's corporate name on February 13, 2017.

Prior to November 4, 2022, the Company was 70.78% owned by Metro Pacific Tollways North Corporation (MPTNC), a wholly owned subsidiary of Metro Pacific Tollways Corporation (MPTC). Following the effectivity of the merger between MPTC and MPTNC, with MPTC as the surviving entity, MPTC acquired, by operation of law, all the shares of MPTNC in the Company.

As of date, and subject to the issuance of applicable tax clearances, MPTC owns 73.96% of the outstanding capital stock of the Company. MPTC is 99.9% owned by Metro Pacific Investments Corporation (MPIC). 46.28% of the outstanding common shares and 100% of the outstanding Class A Preferred shares of MPIC are owned by Metro Pacific Holdings, Inc. (MPHI).

As sole holder of the voting Class A Preferred Shares, MPHI's combined voting interest as a result of all its shareholdings is estimated at 58.34% and 58.32% of the total outstanding shares of MPIC as at December 31, 2024 and 2023, respectively. MPHI is a Philippine corporation whose major stockholders are Enterprise Investment Holdings, Inc. (EIH) (60.0%), Intalink B.V. (26.7%) and First Pacific International Limited (FPIL) (13.3%). First Pacific Company Limited (FPC), a company incorporated in Bermuda and listed in the Hong Kong Stock Exchange, through its subsidiaries Intalink B.V. and FPIL, holds 40.0% equity interest in EIH. FPC's equity interest in EIH is deemed as investment financing under Hong Kong Generally Accepted Accounting Principles. Thus, FPC is required to account for the results and assets and liabilities of EIH and its subsidiaries as part of FPC group of companies in Hong Kong.

The registered office address of the Company is NLEX Compound, Balintawak, Caloocan City, Metro Manila.

Toll Operations

*Manila North Expressway Project (MNEP).* In April 1998, NLEX Corp. (formerly MNTC), as concessionaire, entered into a Supplemental Toll Operation Agreement with the Toll Regulatory Board (TRB), as the grantor, and the Philippine National Construction Corporation (PNCC) as the franchisee for the construction, operation, and maintenance of the MNEP, now the North Luzon Expressway (NLEX), and the installation of the appropriate toll collection system.

The MNEP consists of three phases as follows:

- |          |   |
|----------|---|
| Phase I  | Rehabilitation and expansion of approximately 84 kilometers (km) of the existing NLEX and an 8.5-km stretch of a Greenfield expressway that connects Tipo in Hermosa, Bataan to Subic (Segment 7) |
| Phase II | Construction of the northern parts of the 17-km circumferential road C-5 which connects the current C-5 expressway to the NLEX and the 5.85-km road from McArthur Highway to Letre                |

## Phase III Construction of the 57-km Subic arm of the NLEX to Subic Expressway

The construction of Phase I was substantially completed in January 2005. On January 27, 2005, the Toll Regulatory Board (TRB) issued the Toll Operation Permit (TOP) for the operation and maintenance of Phase I consisting of Segments 1, 2, 3 and including Segment 7 in favor of NLEX Corp. Thereafter, NLEX Corp. took over the NLEX from Philippine National Construction Corporation (PNCC) and commenced its tollway operations on February 10, 2005.

Segment 8.1, a portion of Phase II, which is a 2.7 km-road designed to link Mindanao Avenue to the NLEX, had officially commenced tollway operation on June 5, 2010. Segment 9, a portion of Phase II, which is a 2.4 km-road connecting NLEX to the McArthur Highway, had officially commenced tollway operation on March 19, 2015. In May 2014, Segment 10, a portion of Phase II, which is a 5.76 km four-lane, elevated expressway that will start from the terminal of Segment 9 in Valenzuela City going to Circumferential Road 3 (C-3 Road) in Caloocan City above the alignment of Philippine National Railway (PNR) tracks. Segment 10 construction was completed on February 28, 2019, and officially opened to the public on March 1, 2019. The remaining portion of Phase II is under pre-construction works, while Phase III of the MNEP has not yet been started as at March 31, 2025.

*Subic-Clark-Tarlac Expressway (SCTEX).* Pursuant to the Toll Operation Certificate (TOC) received from the TRB and agreements covering the SCTEX, NLEX Corp. has commenced the management, operation and maintenance of the SCTEX on October 27, 2015. The SCTEX is a 93.77-km four-lane divided highway, traversing the provinces of Bataan, Pampanga and Tarlac.

*NLEX-South Luzon Expressway (SLEX) Connector Road Project (NLEX-SLEX Connector Road).* On November 23, 2016, NLEX Corp. was awarded the concession for the design, financing, construction, operation and maintenance of the NLEX-SLEX Connector Road. The NLEX-SLEX Connector Road is an elevated four-lane toll expressway structure with a length of 8 kilometers passing through and above the right of way of the PNR starting from NLEX Segment 10 at C-3 Road Caloocan City and seamlessly connecting to SLEX through Metro Manila Skyway Stage 3 Project in Manila.

As at March 31, 2025, the construction of NLEX-SLEX Connector Road Section 1 is 100% complete, with toll collection beginning on August 8, 2023. A portion of Section 2, up to Ramon Magsaysay Boulevard in Manila, was completed last October 28, 2023, with toll collection beginning on October 15, 2024. Full completion of the project is dependent on the completion by the operator of MMSS3 of the interconnection structure that connects to Section 2 of the NLEX-SLEX Connector Road.

## 2. Basis of Preparation and Changes to the Company's Accounting Policies

### Basis of Preparation

The interim condensed financial statements have been prepared on a historical cost basis, except for financial assets at FVTPL which are measured at fair value and prepared in accordance with Philippine Accounting Standard (PAS) 34, "Interim Financial Reporting". The interim condensed financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2024.

### 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 as at January 1, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- 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.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- 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 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 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 Company adopted the amendments beginning January 1, 2024. These amendments have no material impact on the financial statements of the Company.

*Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2024 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

#### *Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

### **3. Seasonality of Operations**

Based on historical traffic in the NLEX and SCTEX, the month of January is slightly below the normal average due to the end of the Christmas holidays. From February to May, traffic is above the normal average due to the summer holiday, which is traditionally a peak season for travel. The months of June to August registered the lowest seasonal traffic due to the rainy season. Traffic is expected to improve from September until November, while the month of December has the highest seasonal traffic mainly due to the Christmas holidays.

### **4. Cash and Cash Equivalents**

|                           | <b>March 31, 2025<br/>(Unaudited)</b> | December 31,<br>2024<br>(Audited) |
|---------------------------|---------------------------------------|-----------------------------------|
| Cash and cash equivalents | <b>P485,642,120</b>                   | P1,707,445,025                    |
| Short-term deposits       | <b>755,525,431</b>                    | 1,084,021,626                     |
|                           | <b>P1,241,167,551</b>                 | P2,791,466,651                    |

For purposes of the interim condensed statements of cash flows for the three months ended March 31, 2025 and 2024, cash and cash equivalents as at March 31 comprise of the following:

|                           | <b>2025<br/>(Unaudited)</b> | 2024           |
|---------------------------|-----------------------------|----------------|
| Cash on hand and in banks | <b>P485,642,120</b>         | P4,042,800,866 |
| Short-term deposits       | <b>755,525,431</b>          | 20,150,680     |
|                           | <b>P1,241,167,551</b>       | P4,062,951,546 |

## 5. Financial assets at FVTPL

Details of this account are shown below:

|                                  | March 31, 2025<br>(Unaudited) |                    | December 31, 2024<br>(Audited) |                  |
|----------------------------------|-------------------------------|--------------------|--------------------------------|------------------|
|                                  | Fair Value                    | Principal Amount   | Fair Value                     | Principal Amount |
| <b>Financial assets at FVTPL</b> |                               |                    |                                |                  |
| Short-term                       | <b>₱12,660,045</b>            | <b>₱11,921,954</b> | ₱12,612,146                    | ₱11,921,954      |

The movements in this account follow:

|   | March 31, 2025<br>(Unaudited) | December 31, 2024<br>(Audited) |
|---|-------------------------------|--------------------------------|
| Balance at beginning of year                  | <b>₱12,612,146</b>            | ₱2,288,629                     |
| Additions                                     | –                             | 10,000,000                     |
| Changes in fair value taken to profit or loss | <b>47,899</b>                 | 323,517                        |
| <b>Balance at end of year</b>                 | <b>₱12,660,045</b>            | <b>₱12,612,146</b>             |

## 6. Receivables

This account consists of:

|   | March 31, 2025<br>(Unaudited) | December 31, 2024<br>(Audited) |
|---|-------------------------------|--------------------------------|
| Trade receivables                                 |                               |                                |
| Related parties (see Note 13)                     | <b>₱1,560,902,940</b>         | ₱1,132,432,601                 |
| Third parties                                     | <b>11,989,941</b>             | 9,308,518                      |
| Advances to Department of Public Works and (DPWH) | <b>1,087,536,422</b>          | 1,086,751,163                  |
| Non-trade receivables                             |                               |                                |
| Related parties (see Note 13)                     | <b>638,783,667</b>            | 605,022,491                    |
| Third parties                                     | <b>118,702,928</b>            | 97,657,655                     |
| Receivables from motorists                        | <b>106,056,966</b>            | 100,527,059                    |
| Advances to officers and employees                | <b>57,013,606</b>             | 57,033,199                     |
| Due from related parties (see Note 13)            | <b>11,915,894</b>             | 11,915,894                     |
| Interest receivables                              | <b>9,481,656</b>              | 9,018,939                      |
|   | <b>3,602,384,020</b>          | 3,109,667,519                  |
| Less allowance for doubtful accounts              | <b>112,488,336</b>            | 106,179,435                    |
|   | <b>₱3,489,895,684</b>         | <b>₱3,003,488,084</b>          |

Trade receivables are noninterest-bearing and are generally on terms of 30 to 45 days.

Non-trade receivables are noninterest-bearing and are collectible within a year.

Advances to DPWH are noninterest-bearing used in acquiring right-of-way requirements of the projects in accordance with the Reimbursement Agreement between NLEX and DPWH.

Advances to officers and employees are normally collectible or liquidated on the following month.

Interest receivables are collectible within three to six months.

Movements in the allowance for doubtful accounts as at March 31, 2025 and December 31, 2024 are as follows:

|  | 2025               |                    |                     |
|--|--------------------|--------------------|---------------------|
|  | Trade Receivables  | Other Receivables  | Total               |
| Balance at beginning of year                     | <b>₱60,371,165</b> | <b>₱45,808,270</b> | <b>₱106,179,435</b> |
| Provision for doubtful accounts<br>(see Note 19) | <b>6,308,901</b>   | <b>-</b>           | <b>6,308,901</b>    |
|  | <b>₱66,680,066</b> | <b>₱45,808,270</b> | <b>₱112,488,336</b> |

  

|  | 2024              |                   |              |
|--|-------------------|-------------------|--------------|
|  | Trade Receivables | Other Receivables | Total        |
| Balance at beginning of year                     | ₱35,171,165       | ₱45,808,270       | ₱80,979,435  |
| Provision for doubtful accounts<br>(see Note 19) | 25,200,000        | -                 | 25,200,000   |
|  | ₱60,371,165       | ₱45,808,270       | ₱106,179,435 |

## 7. Service Concession Assets

The movements in this account follow:

|                                  | MNEP                   | SCTEX                 | NLEX-SLEX<br>Connector<br>Road | Total                  |
|----------------------------------|------------------------|-----------------------|--------------------------------|------------------------|
| <b>Cost:</b>                     |                        |                       |                                |                        |
| At January 1, 2024               | ₱56,426,837,042        | ₱5,500,460,270        | ₱25,047,724,362                | ₱86,975,021,674        |
| Additions                        | 5,537,721,497          | 139,551,954           | 2,954,644,207                  | 8,631,917,658          |
| Reclassifications                | (376,230,093)          | 376,230,093           | 65,023,560                     | 65,023,560             |
| At December 31, 2024             | 61,588,328,446         | 6,016,242,317         | 28,067,392,129                 | 95,671,962,892         |
| Additions                        | 344,214,464            | 2,570,448             | 644,964,754                    | 991,749,666            |
| At March 31, 2025                | <b>₱61,932,542,910</b> | <b>₱6,018,812,765</b> | <b>₱28,712,356,883</b>         | <b>₱96,663,712,558</b> |
| <b>Accumulated amortization:</b> |                        |                       |                                |                        |
| At January 1, 2024               | ₱13,361,979,754        | ₱634,436,440          | ₱-                             | ₱13,996,416,194        |
| Amortization (see Note 18)       | 1,559,539,204          | 82,034,575            | -                              | 1,641,573,779          |
| Reclassifications                | (5,394,236)            | 5,394,236             | -                              | -                      |
| At December 31, 2024             | 14,916,124,722         | 721,865,251           | -                              | 15,637,989,973         |
| Amortization (see Note 18)       | 387,044,832            | 21,422,791            | -                              | 408,467,623            |
| At March 31, 2025                | <b>₱15,303,169,554</b> | <b>₱743,288,042</b>   | <b>₱-</b>                      | <b>₱16,046,457,596</b> |
| <b>Net book value:</b>           |                        |                       |                                |                        |
| <b>At March 31, 2025</b>         | <b>₱46,629,373,356</b> | <b>₱5,275,524,723</b> | <b>₱28,712,356,883</b>         | <b>₱80,617,254,962</b> |
| At December 31, 2024             | 46,672,203,724         | 5,294,377,066         | 28,067,392,129                 | 80,033,972,919         |

### MNEP

Additions to service concession assets for the three months ended March 31, 2025 pertain primarily to the installation of various RFID system enhancements, consultancy services and other technical fees for the Multi Lane and Free Flow (MLFF) Project, construction costs of Lingunan Southbound entry ramp and Segment 8.2 Section 1A, and enhancements of existing bridges with an aggregate amount of ₱344.2 million. Borrowing costs capitalized amounted to ₱160.8 million and ₱163.2 million for the three months ended March 31, 2025 and 2024, respectively. The interest rate used to determine the amount of borrowing costs eligible for capitalization ranges from 5.35% to 6.90%.

## SCTEX

Additions in SCTEX comprise mainly of RFID system enhancements and improvement of roadway structures.

## NLEX-SLEX Connector Road

Additions in NLEX-SLEX Connector Road are mostly punch list items and remaining balance of contracted works and the accretion in the present value of periodic payments to DPWH, as consideration for the acquisition of the right of way. Other additions include consultancy fees, technical services, and general and administrative expenses. Capitalized borrowing costs and accretion amounted to P149.0 million and P235.3 million and P49.6 million and P51.8million for the three months ended March 31, 2025 and March 31, 2024, respectively.

## 8. Property and Equipment

The movements in this account are as follows:

|                                       | Land         | Building,<br>Building<br>Improvements<br>and Leasehold<br>Improvements | Transportation<br>Equipment | Office<br>Equipment<br>and Others | Total                 |
|---------------------------------------|--------------|--|-----------------------------|-----------------------------------|-----------------------|
| Cost:                                 |              |  |                             |                                   |                       |
| At January 1, 2024                    | P65,023,560  | P246,518,838   | P242,059,386                | P646,999,773                      | P1,200,601,557        |
| Additions                             | –            | 19,489,479   | 40,649,217                  | 44,509,212                        | 104,647,908           |
| Disposals                             | –            | –  | –                           | –                                 | –                     |
| Reclassification                      | (65,023,560) | (1,560,216)  | –                           | –                                 | (66,583,776)          |
| At December 31, 2024                  | P–           | P264,448,101   | P282,708,603                | P691,508,985                      | P1,238,665,689        |
| Additions                             | –            | 2,927,921  | 3,904,795                   | 6,605,737                         | 13,438,453            |
| <b>At March 31, 2025</b>              | <b>P–</b>    | <b>P267,376,022</b>  | <b>P286,613,398</b>         | <b>P698,114,722</b>               | <b>P1,252,104,142</b> |
| Accumulated depreciation:             |              |  |                             |                                   |                       |
| At January 1, 2024                    | P–           | P129,107,180   | P152,103,593                | P515,228,321                      | P796,439,094          |
| Depreciation                          | –            | 16,473,291   | 31,510,202                  | 37,340,010                        | 85,323,503            |
| At December 31, 2024                  | P–           | P145,580,471   | P183,613,795                | P552,568,331                      | P881,762,597          |
| Depreciation (see Notes<br>18 and 19) | –            | 4,155,634  | 8,006,205                   | 16,097,679                        | 28,259,518            |
| <b>At March 31, 2025</b>              | <b>P–</b>    | <b>P149,736,105</b>  | <b>P191,620,000</b>         | <b>P568,666,010</b>               | <b>P910,022,115</b>   |
| Net book value:                       |              |  |                             |                                   |                       |
| <b>At March 31, 2025</b>              | <b>P–</b>    | <b>P117,639,917</b>  | <b>P94,993,398</b>          | <b>P129,448,712</b>               | <b>P342,082,027</b>   |
| At December 31, 2024                  | –            | 118,867,630  | 99,094,808                  | 138,940,654                       | 356,903,092           |

Additions to property and equipment as at March 31, 2025 and December 31, 2024 amounted to P13.4 million and P104.6 million, respectively comprising of acquisition of service vehicles, office furniture and equipment.

As at March 31, 2025 and December 31, 2024, there are no items of property and equipment with lien or encumbrances or used as security of any outstanding loan.

## 9. Other Intangible Assets

Other intangible assets pertain to computer software relating to the Company's accounting, reporting and asset management systems with an estimated useful life of 5 years. The movements in this account follow:

|                                    | March 31, 2025<br>(Unaudited) | December 31, 2024<br>(Audited) |
|------------------------------------|-------------------------------|--------------------------------|
| Cost:                              |                               |                                |
| Balance at beginning of year       | P245,263,588                  | P208,347,614                   |
| Additions                          | 11,572,749                    | 36,915,974                     |
| Balance at end of the period       | <u>256,836,337</u>            | <u>245,263,588</u>             |
| Accumulated amortization:          |                               |                                |
| Balance at beginning of year       | P141,624,606                  | P138,485,904                   |
| Amortization (see Notes 19 and 20) | 3,836,917                     | 3,138,702                      |
| Balance at end of the period       | <u>145,461,523</u>            | <u>141,624,606</u>             |
| <b>Net book value</b>              | <b><u>P111,374,814</u></b>    | <b><u>P103,638,982</u></b>     |

## 10. Other Current Assets

Details of other current assets are as follows:

|  | March 31, 2025<br>(Unaudited) | December 31, 2024<br>(Audited) |
|--|-------------------------------|--------------------------------|
| Advances to contractors and consultants      | P291,209,250                  | P296,683,862                   |
| Deferred input VAT                           | 238,783,631                   | 155,582,352                    |
| Prepayments                                  | 226,289,882                   | 86,059,791                     |
| Input VAT                                    | 118,925,884                   | 14,758,174                     |
| Creditable withholding tax                   | 31,301,237                    | 27,843,526                     |
|  | <u>906,509,884</u>            | <u>580,927,705</u>             |
| Less: Allowance for unclaimable input VAT    | (14,758,174)                  | (14,758,174)                   |
| Allowance for non-recoverability of advances | (26,699,594)                  | (26,699,594)                   |
|  | <u>P865,052,116</u>           | <u>P539,469,937</u>            |

## 11. Accounts Payable and Other Current Liabilities

This account consists of:

|                                | March 31, 2025<br>(Unaudited) | December 31, 2024<br>(Audited) |
|--------------------------------|-------------------------------|--------------------------------|
| Accrued Expenses               |                               |                                |
| Third parties                  | P3,076,690,598                | P2,370,679,788                 |
| Related parties (see Notes 13) | 644,357,956                   | 545,715,212                    |
| Trade Payables                 |                               |                                |
| Third parties                  | 569,164,479                   | 1,065,416,506                  |
| Related parties (see Notes 13) | 137,143,897                   | 193,464,493                    |
| Retention payable              |                               |                                |
| Third parties                  | 309,421,708                   | 657,715,463                    |
| Related parties (see Notes 13) | 101,601,918                   | 101,601,918                    |
| Output VAT - net               | 866,755,030                   | 535,142,713                    |
| Interest payable               | 355,326,470                   | 105,104,661                    |
| Non-trade Payables             |                               |                                |
| Third parties                  | 42,311,275                    | 42,168,584                     |
| Related parties (see Notes 13) | 50,543,895                    | 49,243,695                     |
| Deferred output VAT            | 66,523,476                    | 74,505,398                     |
| Withholding taxes payable      | 49,023,692                    | 181,708,129                    |
| Unearned revenue               |                               |                                |
| Third parties                  | 12,397,052                    | 12,397,052                     |
| Related parties (see Notes 13) | 2,502,624                     | 2,502,624                      |
| Others                         | 68,625,809                    | 59,492,893                     |
|                                | <u>P6,352,389,879</u>         | <u>P5,996,859,129</u>          |

Accrued expenses consist of:

|                                      | <b>March 31, 2025</b><br><b>(Unaudited)</b> | December 31, 2024<br><b>(Audited)</b> |
|--------------------------------------|---|---------------------------------------|
| Construction costs                   | <b>₱1,644,410,333</b>                       | ₱1,261,604,372                        |
| BCDA Revenue Share                   | <b>522,871,148</b>                          | 274,107,120                           |
| Outside services                     | <b>501,959,142</b>                          | 344,218,875                           |
| TRB fee                              | <b>388,543,363</b>                          | 369,508,011                           |
| PNCC fee                             | <b>115,984,178</b>                          | 109,185,896                           |
| Operating and maintenance costs      | <b>100,903,610</b>                          | 95,528,175                            |
| Repairs and maintenance              | <b>61,986,214</b>                           | 64,250,860                            |
| Project insurance                    | <b>54,733,309</b>                           | 21,893,323                            |
| Salaries and employee benefits       | <b>38,413,840</b>                           | 108,304,340                           |
| Transportation and travel            | <b>36,544,273</b>                           | 31,741,186                            |
| Professional fees                    | <b>36,164,830</b>                           | 25,023,000                            |
| Advertising and marketing expenses   | <b>35,552,610</b>                           | 40,114,774                            |
| Management fees                      | <b>17,361,158</b>                           | 11,196,515                            |
| Toll collection and medical services | <b>7,578,233</b>                            | 3,134,280                             |
| Others                               | <b>158,042,313</b>                          | 156,584,273                           |
|                                      | <b>₱3,721,048,554</b>                       | ₱2,916,395,000                        |

Trade payables and accrued expenses are noninterest-bearing and are normally settled within 30 to 45 days.

Retention payable is a percentage of the amount certified as due to the contractor on an interim certificate that is deducted from the amount due and retained by the Company. Retention payable is usually released at the end of the warranty period.

Output VAT - net pertains to net amount of VAT payable to taxation authority. Deferred output VAT is reported as output VAT upon collection of related receivables within the next reporting period. Withholding taxes and VAT payable are remitted to the government the following month.

Interest payable is settled within three to six months.

## 12. Provisions

The movements in this account follow:

|                                 | Heavy<br>Maintenance | Others              | Total                 |
|---------------------------------|----------------------|---------------------|-----------------------|
| At January 1, 2024              | ₱664,377,285         | ₱142,661,408        | ₱807,038,693          |
| Additions                       | 64,466,899           | 13,450,868          | 77,919,862            |
| Accretion                       | 42,635,745           | -                   | 42,635,745            |
| Payments                        | (21,591,355)         | (5,386,511)         | (26,977,866)          |
| Reversal                        | -                    | -                   | -                     |
| At December 31, 2024            | 749,890,669          | 150,725,765         | 900,616,434           |
| Additions (see Notes 19 and 20) | 201,320,914          | 10,828,692          | 212,149,606           |
| Accretion (see Note 21)         | 11,700,119           | -                   | 11,700,119            |
| Payments                        | (5,271,029)          | (47,724,016)        | (52,995,045)          |
| <b>At March 31, 2025</b>        | <b>₱957,640,673</b>  | <b>₱113,830,441</b> | <b>₱1,071,471,114</b> |
| <b>At March 31, 2025:</b>       |                      |                     |                       |
| <b>Current</b>                  | <b>₱307,750,085</b>  | <b>₱17,334,475</b>  | <b>₱325,084,560</b>   |
| <b>Noncurrent</b>               | <b>649,890,588</b>   | <b>96,495,966</b>   | <b>746,386,554</b>    |
|                                 | <b>₱957,640,673</b>  | <b>113,830,441</b>  | <b>₱1,071,471,114</b> |

|                       | Heavy<br>Maintenance | Others       | Total        |
|-----------------------|----------------------|--------------|--------------|
| At December 31, 2024: |                      |              |              |
| Current               | P307,750,085         | P54,229,800  | P361,979,885 |
| Noncurrent            | 442,140,584          | 96,495,965   | 538,636,549  |
|                       | P749,890,669         | P150,725,765 | P900,616,434 |

Provision for heavy maintenance pertains to the present value of the estimated contractual obligations of the Company to maintain the service concession asset to a specified level of serviceability during the service concession term and to restore the same assets in good working condition prior to turnover of the assets to the Grantor at the end of the concession period. The amount of provision is reduced by the actual payment during the period..

Other provisions include employee leave entitlements expected to be settled beyond one year after the reporting date.

### 13. Related Party Disclosures

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

The following table provides the total amount of significant transactions with related parties for the relevant period:

| Related Party                             | Relationship               |             | Management Fees<br>(see Note 19) | Professional Fee<br>(see Note 19) | Outside Services<br>(see Notes 18 and 19) | Repairs and Maintenance<br>(see Notes 18 and 19) | Communication, Light and Water<br>(see Notes 18 and 19) | Advertising and Marketing Expenses<br>(see Notes 18 and 19) | Fuel & Oil, Transportation and Travel Expenses, Rental<br>(see note 18) | Income from Utility Facilities<br>(see Note 17) | Other Income       |
|---|----------------------------|-------------|----------------------------------|-----------------------------------|---|--|---|---|---|---|--------------------|
| MPTC                                      | Parent Company             | <b>2025</b> | <b>₱7,738,046</b>                | <b>₱-</b>                         | <b>₱-</b>                                 | <b>₱-</b>  | <b>₱-</b>   | <b>₱-</b>   | <b>₱-</b>   | <b>₱-</b>                                       | <b>₱18,650,838</b> |
|   |                            | 2024        | 7,738,046                        | 180,000                           | -   | 176,269  | -   | -   | -   | -   | 13,927,006         |
| MPIC                                      | Parent Company of MPTC     | <b>2025</b> | -                                | -                                 | -   | -  | -   | -   | -   | -   | -                  |
|   |                            | 2024        | -                                | -                                 | -   | -  | -   | -   | -   | -   | -                  |
| MPTDI (formerly MPTMSI)                   | Subsidiary of MPTC         | <b>2025</b> | -                                | -                                 | <b>19,362,861</b>                         | -  | -   | -   | -   | -   | <b>2,065,163</b>   |
|   |                            | 2024        | -                                | -                                 | 19,362,861                                | -  | -   | -   | -   | -   | 1,580,035          |
| Easytrip Services Corp. (ESC)             | Joint Venture of MPT North | <b>2025</b> | -                                | -                                 | <b>26,496,064</b>                         | -  | -   | <b>10,613,986</b>   | -   | -   | <b>1,226,086</b>   |
|   |                            | 2024        | -                                | -                                 | 88,502,371                                | -  | -   | 7,107,765   | -   | -   | -                  |
| Smart Communications Inc. (Smart)         | Associate of FPC           | <b>2025</b> | -                                | -                                 | -   | -  | <b>1,008,949</b>  | <b>18,571</b>   | -   | -   | -                  |
|   |                            | 2024        | -                                | -                                 | -   | -  | 1,909,166   | -   | -   | -   | -                  |
| Egis Projects Philippines Inc.            | Associate of FPC           | <b>2025</b> | -                                | <b>6,828,879</b>                  | -   | <b>8,214,319</b>                                 | -   | -   | -   | -   | -                  |
|   |                            | 2024        | -                                | 6,532,182                         | -   | 6,941,804  | -   | -   | -   | -   | -                  |
| Indra Philippines Inc.                    | Associate of FPC           | <b>2025</b> | -                                | -                                 | -   | <b>12,500,000</b>                                | -   | -   | -   | -   | -                  |
|   |                            | 2024        | -                                | -                                 | -   | 11,772,295                                       | -   | -   | -   | -   | -                  |
| PLDT                                      | Associate of FPC           | <b>2025</b> | -                                | -                                 | -   | -  | <b>2,130,660</b>  | -   | -   | <b>486,203</b>                                  | -                  |
|   |                            | 2024        | -                                | -                                 | -   | -  | 2,085,465   | -   | -   | 2,415,918                                       | -                  |
| Cavitex Infrastructure Corp (CIC)         | Subsidiary of MPTC         | <b>2025</b> | -                                | -                                 | -   | -  | -   | -   | <b>551</b>  | -   | <b>22,351,378</b>  |
|   |                            | 2024        | -                                | -                                 | -   | -  | -   | -   | -   | -   | 18,098,344         |
| Cebu Cordova Link Expressway (CCLEC)      | Subsidiary of MPTC         | <b>2025</b> | -                                | -                                 | -   | -  | -   | -   | -   | -   | <b>1,853,064</b>   |
|   |                            | 2024        | -                                | -                                 | -   | -  | -   | -   | -   | -   | 506,764            |
| Metro Pacific Tollways Vizmin (MPTVizmin) | Subsidiary of MPTC         | <b>2025</b> | -                                | -                                 | -   | -  | -   | -   | -   | -   | -                  |
|   |                            | 2024        | -                                | -                                 | -   | -  | -   | -   | -   | -   | -                  |

(Forward)

| Related Party   | Relationship        |      | Management Fees<br>(see Note 19) | Professional Fee<br>(see Note 19) | Outside Services<br>(see Notes 18 and 19) | Repairs and Maintenance<br>(see Notes 18 and 19) | Communication, Light and Water<br>(see Notes 18 and 19) | Advertising and Marketing Expenses<br>(see Notes 18 and 19) | Fuel & Oil, Transportation and Travel Expenses, Rental<br>(see note 18) | Income from Utility Facilities<br>(see Note 17) | Other Income        |
|---|---------------------|------|----------------------------------|-----------------------------------|---|--|---|---|---|---|---------------------|
| SAVVICE Inc. (formerly Southbend Express Services)    | Subsidiary of MPTC  | 2025 | P-                               | P-                                | <b>P163,622,174</b>                       | <b>P25,635</b>                                   | P-  | P-  | <b>P435,594</b>   | P-  | P-                  |
|   |                     | 2024 | -                                | -                                 | 129,508,204                               | 104,302  | -   | -   | 14,909,146  | -   | -                   |
| MPT Mobility (formerly NLEX Ventures Corporation)     | Subsidiary of MPTC  | 2025 | -                                | -                                 | <b>31,855,777</b>                         | -  | -   | -   | -   | <b>12,478,656</b>                               | <b>41,864,908</b>   |
|   |                     | 2024 | -                                | -                                 | 21,123,160                                | -  | -   | -   | -   | -   | 3,358,732           |
| Metro Pacific Tollways South Management Corp (MPTSMC) | Subsidiary of MPTC  | 2025 | -                                | -                                 | -   | -  | -   | -   | -   | -   | -                   |
|   |                     | 2024 | -                                | -                                 | -   | -  | -   | -   | -   | -   | -                   |
| MPCALA Holdings Inc                                   | Subsidiary of MPTNC | 2025 | -                                | -                                 | -   | -  | -   | -   | <b>146</b>  | -   | <b>21,769,966</b>   |
|   |                     | 2024 | -                                | -                                 | -   | -  | -   | -   | -   | -   | 8,309,444           |
| Manila Electric Company (Meralco)                     | Associate of MPIC   | 2025 | -                                | -                                 | -   | -  | <b>6,963,154</b>  | -   | -   | -   | -                   |
|   |                     | 2024 | -                                | -                                 | -   | -  | 18,125,559  | -   | -   | -   | -                   |
| Maynilad  | Associate of MPIC   | 2025 | -                                | -                                 | -   | -  | <b>369,379</b>  | -   | -   | -   | -                   |
|   |                     | 2024 | -                                | -                                 | -   | -  | 543,271   | -   | -   | -   | -                   |
| Total   |                     | 2025 | <b>P7,738,046</b>                | <b>P6,828,879</b>                 | <b>P241,336,876</b>                       | <b>P20,739,954</b>                               | <b>P10,472,142</b>                                      | <b>P10,632,557</b>  | <b>P436,291</b>   | <b>P12,964,859</b>                              | <b>P109,781,403</b> |
|   |                     | 2024 | 7,738,046                        | 6,712,182                         | 258,496,596                               | 18,994,670                                       | 22,663,461  | 7,107,765   | 14,909,146  | 2,415,918                                       | 45,780,325          |

Outstanding balances of receivables from/payables to related parties are carried in the statements of financial position under the following accounts:

| Related Party                                      | Relationship                |      | Advances to Suppliers<br>(see Note 11) | Receivables <sup>(2)</sup><br>(see Note 6) | Due from Related Parties <sup>(1)</sup><br>(see Note 6) | Due to Affiliate <sup>(2)</sup><br>(see Note 12) | Accounts Payable and Other Current Liabilities and Dividends Payable <sup>(2)</sup> | Terms                                | Conditions               |
|--|-----------------------------|------|--|--|---|--|---|--------------------------------------|--------------------------|
|  |                             |      |  |  |   |  | (see Notes 12 and 17)   |                                      |                          |
| MPTC   | Intermediate Parent Company | 2025 | P-                                     | <b>P114,012,297</b>                        | <b>P1,681,966</b>                                       | P-   | <b>P25,728,955</b>  | (1) On demand; noninterest-bearing   | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 93,040,003                                 | 1,681,966   | -  | 1,481,619,274   | (2) 30-45 days; noninterest-bearing  | impairment               |
| Metro Pacific Tollways South Management Corp.      | Subsidiary of MPTSC         | 2025 | -                                      | <b>1,278,042</b>                           | <b>377,544</b>  | -  | <b>13,283,048</b>   | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 1,278,042                                  | 377,544   | -  | 13,283,048  |                                      |                          |
| MPCALA Holdings, Inc. (MHI)                        | Subsidiary of MPTNC         | 2025 | -                                      | <b>24,130,343</b>                          | -   | -  | <b>1,652,236</b>  | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 35,678,561                                 | -   | -  | 1,652,236   |                                      |                          |
| CIC  | Subsidiary of MPTC          | 2025 | -                                      | <b>31,246,871</b>                          | <b>233,805</b>  | -  | <b>89,033</b>   | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 36,129,586                                 | 233,805   | -  | 89,033  |                                      |                          |
| ESC  | Subsidiary of MPTC          | 2025 | -                                      | <b>1,573,709,028</b>                       | <b>91,350</b>   | -  | <b>205,704,327</b>  | (1) On demand; noninterest-bearing   | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 1,137,630,091                              | 91,350  | -  | 172,907,359   | (2) 7 days; noninterest-bearing      | impairment               |
| Indra  | Associate of MPIC           | 2025 | -                                      | -  | -   | -  | <b>60,787,809</b>   | Within one year; noninterest-bearing | Unsecured; no impairment |
|  |                             | 2024 | -                                      | -  | -   | -  | 71,240,359  |                                      |                          |
| Smart  | Associate of FPC            | 2025 | -                                      | <b>1,838,614</b>                           | -   | -  | <b>1,733,074</b>  | 30-45 days; noninterest-bearing      | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 1,838,614                                  | -   | -  | 2,044,153   |                                      |                          |
| PLDT   | Associate of FPC            | 2025 | -                                      | <b>14,338,787</b>                          | -   | -  | <b>367,645</b>  | 30-45 days; noninterest-bearing      | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 32,811,840                                 | -   | -  | 315,779   |                                      |                          |
| Meralco  | Associate of MPIC           | 2025 | -                                      | <b>1,776,431</b>                           | -   | -  | <b>9,649,014</b>  | Within one year; noninterest-bearing | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 1,200,498                                  | -   | -  | 12,957,794  |                                      |                          |
| Maynilad   | Subsidiary of MPIC          | 2025 | <b>85,890</b>                          | <b>335,517</b>                             | <b>65,237</b>   | -  | -   | Within one year; noninterest-bearing | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 335,517                                    | 65,237  | -  | 32,059  |                                      |                          |
| MPTDI  | Subsidiary of MPTC          | 2025 | -                                      | <b>15,736,314</b>                          | <b>8,708,393</b>  | -  | <b>34,579,941</b>   | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 18,588,928                                 | 8,708,393   | -  | 12,893,537  |                                      |                          |
| MPT Mobility                                       | Subsidiary of MPTC          | 2025 | -                                      | <b>391,947,502</b>                         | <b>752,168</b>  | -  | <b>115,911,225</b>  | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 351,526,070                                | 752,168   | -  | 89,271,365  |                                      |                          |
| Cebu Cordova Link Expressway Corporation           | Subsidiary of MPTC          | 2025 | -                                      | <b>4,752,036</b>                           | <b>5,431</b>  | -  | <b>544,853</b>  | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 2,628,036                                  | 5,431   | -  | 544,853   |                                      |                          |
| SAVVICE  | Subsidiary of MPTC          | 2025 | -                                      | <b>24,494,396</b>                          | -   | -  | <b>316,524,578</b>  | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | 81,600,000                             | 24,663,585                                 | -   | -  | 299,316,648   |                                      |                          |
| MPIC   | Parent Company of MPTC      | 2025 | -                                      | <b>8,159</b>                               | -   | -  | -   | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | -                                      | 8,159                                      | -   | -  | 202,104   |                                      |                          |
| EPPI   | Associate of FPC            | 2025 | -                                      | <b>82,271</b>                              | -   | -  | <b>147,913,567</b>  | On demand; noninterest-bearing       | Unsecured; no impairment |
|  |                             | 2024 | -                                      | -  | -   | -  | 118,349,960   |                                      |                          |
| Egis Investment Partners Philippines, Inc. (EIPPI) | Stockholder                 | 2025 | -                                      | -  | -   | -  | -   | On demand; noninterest-bearing       | Unsecured                |
|  |                             | 2024 | -                                      | -  | -   | -  | 209,825,508   |                                      |                          |
| Banco de Oro Unibank, Inc. (BDO)                   | Stockholder                 | 2025 | -                                      | -  | -   | -  | <b>(62,519,500)</b>   | On demand; noninterest-bearing       | Unsecured                |
|  |                             | 2024 | -                                      | -  | -   | -  | 318,564,156   |                                      |                          |
| Global Fund Holdings, Inc. (Global Fund)           | Stockholder                 | 2025 | -                                      | -  | -   | -  | -   | On demand; noninterest-bearing       | Unsecured                |
|  |                             | 2024 | -                                      | -  | -   | -  | 80,506,867  |                                      |                          |
| Republic of the Philippines                        | Stockholder                 | 2025 | -                                      | -  | -   | -  | -   | On demand; noninterest-bearing       | Unsecured                |
|  |                             | 2024 | -                                      | -  | -   | -  | 6,911,530   |                                      |                          |
| Total  |                             | 2025 | <b>P85,890</b>                         | <b>P2,199,686,608</b>                      | <b>P11,915,894</b>                                      | P-   | <b>P871,949,805</b>   |                                      |                          |
|  |                             | 2024 | 81,600,000                             | 1,737,455,092                              | 11,915,894  | -  | 2,892,527,942   |                                      |                          |

## 14. Short-term Loans and Long-term Debt

### Short-term Loans Payable

On November 6, 2023, NLEX Corp availed of 91-day short-term loans from Rizal Commercial Banking Corporation (RCBC) and Philippine National Bank (PNB) amounting to ₱2,000.0 million and ₱1,000.0 million, respectively, both with an annual interest rate of 6.0% and maturity date of February 5, 2024. The proceeds were used to bridge finance the Company's capital expenditures. These short-term loans were paid on their maturity dates.

On March 27, 2024, the Company availed of 268-day short-term loans from PNB amounting to ₱1,000.0 million, with an annual interest rate of 5.9% and maturity date of December 20, 2024. The proceeds were used to bridge finance the Company's capital expenditures. The short-term loan was paid on its maturity date.

On April 29, 2024, the Company availed of 91-day short-term loans from Metropolitan Bank & Trust Company (Metrobank) amounting to ₱1,500.0 million, with an annual interest rate of 5.2% and maturity date of July 29, 2024. The proceeds were used to bridge finance the Company's capital expenditures. The short-term loan was paid on its maturity date.

On December 20, 2024, the Company availed of 32-day short-term loan from Metropolitan Bank & Trust Company (Metrobank) amounting to ₱2,000.0 million, with an annual interest rate of 5.2% and maturity date of January 21, 2025. The proceeds were used to bridge finance the Company's capital expenditures. The Company partially settled the short-term loan amounting to ₱1,400.0 million on the maturity date, while the remaining ₱600.0 million was rolled over for another 30 days. On February 20, 2025, the outstanding balance was fully settled.

On March 28, 2025, the Company availed of 31-day short-term loans from Philippine National Bank (PNB) amounting to ₱1,850.0 million, with an annual interest rate of 5.2% and maturity date of April 28, 2025. The proceeds were used to bridge finance the refinancing requirements for the first quarter of the year. The Company partially settled the short-term loan amounting to ₱550.0 million on the maturity date, while the remaining ₱1,300.0 million was rolled over for another 60 days.

This account consists of:

|   | <b>March 31, 2025</b><br><b>(Unaudited)</b> | December 31, 2024<br>(Audited) |
|---|---|--------------------------------|
| Peso-denominated Notes and Loans:       |   |                                |
| Corporate Notes                         | <b>₱15,279,000,000</b>                      | ₱15,279,000,000                |
| Term Loan Facilities                    | <b>23,125,000,000</b>                       | 23,350,000,000                 |
| Fixed-rate Bonds                        | <b>6,000,000,000</b>                        | 6,000,000,000                  |
|   | <b>44,404,000,000</b>                       | 44,629,000,000                 |
| Less: unamortized debt issue costs      | <b>233,295,742</b>                          | 248,116,924                    |
|   | <b>44,170,704,258</b>                       | 44,380,883,076                 |
| Less: current portion of long-term debt | <b>7,538,207,523</b>                        | 7,763,207,523                  |
|   | <b>₱36,632,496,735</b>                      | ₱36,617,675,553                |

The unamortized debt issue costs incurred in connection with the availment of long-term debt amounting to ₱233.3 million and ₱248.1 million as at March 31, 2025 and December 31, 2024, respectively, were deducted against the long-term debt.

The movements in debt issue costs are as follows:

|  | <b>March 31, 2025</b><br><b>(Unaudited)</b> | December 31, 2024<br>(Audited) |
|--|---|--------------------------------|
| Balance at beginning of period                   | <b>₱248,116,924</b>                         | ₱243,475,560                   |
| Amortization during the year*(see Note 7 and 21) | <b>(15,191,045)</b>                         | (65,286,636)                   |
| Debt issue costs incurred during the year        | <b>369,863</b>                              | 69,928,000                     |
| Balance at end of period                         | <b>₱233,295,742</b>                         | ₱248,116,924                   |

*\*Includes amortization of debt issue costs capitalized to service concession assets amounting to ₱8,159,897 in 2025 and ₱35,108,625 in 2024.*

#### 2020 Corporate Notes Facility

On November 4, 2020, NLEX Corp. entered into a Corporate Notes Facility Agreement with various financial institutions for an unsecured note amounting to ₱20,000.0 million (₱11,000.0 million for Tranche A Facility and ₱9,000.0 million for Tranche B Facility), with tenors ranging from 7 years (Tranche A) and 10 years (Tranche B). The noteholders for Tranche A are China Banking Corporation (CBC), Development Bank of the Philippines, KEB Hana Bank Manila Branch, Land Bank of the Philippines (LBP), and The Insular Life Assurance Company, Ltd. while the noteholders for Tranche B are CBC, LBP, Sun Life of Canada (Philippines) Inc., and United Coconut Planters Bank. The initial drawdown was made on November 11, 2020 amounting to ₱5,000.0 million, of which, ₱2,750.0 million refers to Tranche A while ₱2,250.0 million refers to Tranche B.

The applicable interest rate for the initial drawdown for Tranche A (7-year tranche) was 4.04% from Issue Date until the day immediately prior to second (2nd) anniversary of the Initial Issue Date while for Tranche B (10-year tranche) was 4.29% from Issue Date until the day immediately prior to fifth (5th) anniversary of the Initial Issue Date.

From March 26, 2021 until May 2, 2022, NLEX Corp. made subsequent drawdowns amounting to ₱15,000.0 million from the remaining ₱20,000.0 million Corporate Notes Facility which were priced at prevailing market rates prior to drawdown date, ranging from 4.58% to 6.86% for Tranche A and 4.29% to 6.38% for Tranche B.

#### Term Loan Facilities

*BDO Unibank Inc.* On September 19, 2019, NLEX Corp. entered into a term loan facility agreement with BDO Unibank Inc. for a 10-year fixed-rate loan amounting to ₱5,000.0 million. The proceeds of the loan will be used to partially finance the Company's capital expenditure projects.

By December 27, 2019, the Company has fully availed of the loan, with interest rates ranging from 4.73% to 5.21% p.a. On September 23, 2024, the interest rate was repriced to 6.60%.

*Philippine National Bank (PNB).* On December 4, 2015, the Company entered into a 10-year term loan facility agreement with PNB for a facility amount of ₱5,000.0 million to finance capital expenditures such as the NLEX Lane Widening Project, NLEX-SCTEX Integration Project and the upgrade of the SCTEX.

From December 10, 2015 until October 24, 2017, the Company availed of the loan with an interest rate ranging from 5.00% to 5.66%. Debt issue costs incurred amounted to ₱15.0 million on the initial drawdown and ₱14.2 million on the second drawdown, including the commitment fees.

On December 15, 2021, the Company partially prepaid its term loan facility with PNB amounting to ₱1,000.0 million as well as other scheduled principal repayments under the loan agreement.

*Unionbank of the Philippines (Unionbank).* On January 29, 2016, NLEX Corp. entered into a new ten-year term loan facility agreement with Unionbank for a facility amount of ₱5,000.0 million to finance capital expenditures which include Segment 10 and its exit ramps and the NLEX-SLEX Connector Road. On February 3 and December 29, 2016, NLEX Corp. made its initial and second drawdown amounting to ₱1,000.0 billion each. The undrawn amount will be available for drawing in one (1) or more availments on any banking day within one (1) year from July 24, 2015 with an extension period up to July 24, 2017, or such longer period as the parties may agree upon in writing. Total debt issue costs incurred on the initial and second drawdown amounted to ₱11.0 million.

On July 24, 2017, the Company opted not to extend the availability period of the undrawn amount of the term loan facility. On August 9, 2017, Unionbank, billed NLEX Corp. for the commitment fee of ₱12.1 million.

Interest payment shall be made quarterly until the date of maturity on February 3, 2026.

*Metropolitan Bank and Trust Company (Metrobank).* On November 11, 2022, the Company entered into a ₱7,000.0 million, 10-year term loan agreement with Metrobank to finance its capital expenditures and other general corporate purposes. The loan is subject to intermediate re-pricing based on pre-agreed pricing options.

On November 16, 2022, the Company made an initial drawdown of ₱4,000.0 million with an annual interest rate of 7.13%. On March 21, 2023, the Company made its second drawdown amounting to ₱3,000.0 million with an annual interest rate of 7.50%.

*Bank of the Philippine Islands (BPI).* On December 18, 2023, the Company entered into a ₱10,000.0 million, 10-year term loan agreement with BPI to finance partially fund its capital expenditures and refinance its maturing debt. The loan is subject to intermediate re-pricing based on pre-agreed pricing options.

On December 28, 2023, the Company made an initial drawdown of ₱2,000.0 million with an annual interest rate of 6.57%. On February 2, 2024 and July 26, 2024, the Company made its second and third drawdown amounting to ₱2,200.0 million and ₱1,000.0 million, respectively, and with an annual interest rate of 6.69%. By September 3, 2024, the Company has fully availed the loan, with interest rates ranging from 6.57% to 6.69% p.a. amounting to ₱4,800.0 million.

#### Fixed-rate Bonds

On July 4, 2018, the Company issued ₱4,000.0 million fixed-rate bonds with term of seven years at 6.64% per annum and ₱2,000.0 million with a term of ten years at 6.90% per annum, for public distribution and sale in the Philippines. Interest payments are payable quarterly in arrears on July 4, October 4, January 4 and April 4, starting on October 4, 2018.

The bonds will be payable at the end of the seven-year and ten-year maturity periods on July 4, 2025 and July 4, 2028, respectively. The proceeds will be used by the Company to partially fund the construction cost of Segment 10: C3-R10 Ramp Project, portion of Phase II of MNEP, which will connect the C-3 Road in Caloocan City to the R-10 in the Port area, and other general corporate purposes.

The bonds issued by the Company in 2018 contain an early redemption option where the Company has the right, but not the obligation, to redeem in whole, and not in part, any series of the bonds before the relevant maturity dates. The early redemption option was assessed by the management as closely and clearly related to the host contract.

### **15. Service Concession Fees Payable**

The movements in the service concession fees payable are as follows:

|                          | <b>March 31, 2025</b><br><b>(Unaudited)</b> | December 31, 2024<br>(Audited) |
|--------------------------|---|--------------------------------|
| At January 1             | <b>₱3,905,451,622</b>                       | ₱3,701,582,561                 |
| Accretion                | <b>49,618,419</b>                           | 203,869,061                    |
| Balance at end of period | <b>₱3,955,070,041</b>                       | ₱3,905,451,622                 |

### **16. Equity**

#### Capital Stock

Details of shares of stock of the Company as at March 31, 2025 and December 31, 2024 follow:

|                             | Number of Shares |
|-----------------------------|------------------|
| Authorized - ₱100 par value | 40,000,000       |
| Issued                      | 18,786,000       |

## Cash dividends

The following cash dividends were declared as of March 31, 2025:

| Declaration Date      | Record Date           | Payment Date          | Cash Dividend<br>per Share | Total                 |
|-----------------------|-----------------------|-----------------------|----------------------------|-----------------------|
| <b>March 19, 2025</b> | <b>March 29, 2025</b> | <b>March 30, 2025</b> | <b>₱134.78</b>             | <b>₱2,531,960,000</b> |
| December 18, 2024     | December 27, 2024     | February 13, 2025     | 106.46                     | 2,000,000,000         |
| August 13, 2024       | August 29, 2024       | September 4, 2024     | 208.47                     | 3,916,312,988         |
| April 16, 2024        | April 21, 2024        | April 29, 2024        | 56.11                      | 1,054,000,000         |
| December 15, 2023     | December 29, 2023     | January 12, 2024      | 149.05                     | 2,800,000,000         |

## Other Comprehensive Loss Reserve

|  | Re-measurement<br>of Defined<br>Benefit Plan | Income Tax<br>Related to<br>Defined<br>Benefit Plan | Total          |
|--|--|---|----------------|
| Balance at January 1 and<br>March 31, 2025 | (₱160,802,312)                               | (₱4,377,932)  | (₱156,424,380) |

|                                  | Re-measurement<br>of Defined<br>Benefit Plan | Income Tax<br>Related to<br>Defined<br>Benefit Plan | Total          |
|----------------------------------|--|---|----------------|
| Balance at January 1, 2024       | (₱97,303,953)                                | (₱5,146,822)  | (₱102,450,775) |
| Remeasurement loss (see Note 25) | (63,498,359)                                 | 9,524,754   | (53,973,605)   |
| Balance at December 31, 2024     | (₱160,802,312)                               | (₱4,377,932)  | (₱156,424,380) |

## **17. Non-Toll Revenue**

Details of non-toll revenue follow:

|   | For Three Months Ended March 31 |             |
|---|---------------------------------|-------------|
|   | 2025                            | 2024        |
|   | <i>(Unaudited)</i>              |             |
| Income from toll service and utility facilities | <b>₱34,655,787</b>              | ₱32,234,856 |
|   | <b>₱34,655,787</b>              | ₱32,234,856 |

## **18. Cost of Services**

This account consists of:

|  | For Three Months Ended March 31 |              |
|--|---------------------------------|--------------|
|  | 2025                            | 2024         |
|  | <i>(Unaudited)</i>              |              |
| BCDA Revenue Share                                     | <b>₱665,182,170</b>             | ₱572,999,892 |
| Amortization of service concession assets (see Note 7) | <b>408,467,622</b>              | 394,205,554  |
| PNCC fee (see Note 22)                                 | <b>321,112,512</b>              | 275,201,407  |
| Outside services (see Note 13)                         | <b>262,728,726</b>              | 265,795,272  |
| Provision for heavy maintenance (see Note 12)          | <b>201,320,914</b>              | 177,261,119  |
| Salaries and employee benefits                         | <b>195,517,225</b>              | 197,067,991  |
| Repairs and maintenance (see Note 13)                  | <b>123,547,568</b>              | 81,604,395   |
| Insurance  | <b>30,006,047</b>               | 39,693,715   |
| Depreciation of property and equipment (see Note 8)    | <b>19,683,291</b>               | 12,662,095   |
| Communication, light & water                           | <b>14,694,386</b>               | 28,099,045   |
| Fuel & Oil (see Note 13)                               | <b>11,965,314</b>               | 22,635,305   |

|  | <b>For Three Months Ended March 31</b> |                       |
|--|--|-----------------------|
|  | <b>2025</b>                            | <b>2024</b>           |
|  | <i>(Unaudited)</i>                     |                       |
| Advertising and promotions                           | <b>10,690,660</b>                      | 12,026,670            |
| Toll collection and medical services                 | <b>5,556,850</b>                       | 5,460,000             |
| Amortization of other intangible assets (see Note 9) | <b>3,816,525</b>                       | 293,932               |
| Others   | <b>50,888,899</b>                      | 62,683,049            |
|  | <b>P2,325,178,709</b>                  | <b>P2,147,689,441</b> |

## 19. General and Administrative Expenses

This account consists of:

|  | <b>For Three Months Ended March 31</b> |                     |
|--|--|---------------------|
|  | <b>2025</b>                            | <b>2024</b>         |
|  | <i>(Unaudited)</i>                     |                     |
| Taxes and licenses                                   | <b>P84,413,702</b>                     | P163,694,971        |
| Salaries and employee benefits                       | <b>(78,847,032)</b>                    | 111,697,875         |
| Outside services (see Note 13)                       | <b>56,909,262</b>                      | 31,468,030          |
| Professional fees                                    | <b>46,486,677</b>                      | 37,983,981          |
| Advertising and marketing expenses                   | <b>25,858,303</b>                      | 18,362,347          |
| Provisions (see Note 12)                             | <b>10,190,387</b>                      | 9,681,903           |
| Depreciation of property and equipment (see Note 8)  | <b>8,570,228</b>                       | 8,219,581           |
| Management fees (see Note 13)                        | <b>7,738,046</b>                       | 7,738,046           |
| Office supplies                                      | <b>5,451,253</b>                       | 5,287,626           |
| Representation and travel                            | <b>4,549,556</b>                       | 2,325,670           |
| Rentals  | <b>1,389,074</b>                       | 722,825             |
| Training and development costs                       | <b>1,243,476</b>                       | 1,740,455           |
| Repairs and maintenance (see Note 13)                | <b>714,160</b>                         | 1,180,315           |
| Communication, light & water                         | <b>411,436</b>                         | 369,755             |
| Directors' fees                                      | <b>320,000</b>                         | 500,000             |
| Amortization of other intangible assets (see Note 9) | <b>20,393</b>                          | 68,908              |
| Miscellaneous  | <b>4,924,443</b>                       | 1,721,217           |
|  | <b>P180,343,364</b>                    | <b>P402,763,505</b> |

## 20. Interest Income

Sources of interest income follow:

|                           | <b>For Three Months Ended March 31</b> |                    |
|---------------------------|--|--------------------|
|                           | <b>2025</b>                            | <b>2024</b>        |
|                           | <i>(Unaudited)</i>                     |                    |
| Cash and cash equivalents | <b>P21,954,219</b>                     | P11,832,977        |
| Others                    | <b>—</b>                               | —                  |
|                           | <b>P21,954,219</b>                     | <b>P11,832,977</b> |

## 21. Interest Expense and Other Finance Costs

Sources of interest expense and other finance costs follow:

|   | <b>For Three Months Ended March 31</b> |              |
|---|--|--------------|
|   | <b>2025</b>                            | <b>2024</b>  |
|   | <i>(Unaudited)</i>                     |              |
| Interest expense on:                          |  |              |
| Loans (see Note 14)                           | <b>P305,922,265</b>                    | P272,302,975 |
| Provision for heavy maintenance (see Note 12) | <b>11,700,119</b>                      | 10,359,915   |
| Finance costs:                                |  |              |

|  | <b>For Three Months Ended March 31</b> |              |
|--|--|--------------|
|  | <b>2025</b>                            | <b>2024</b>  |
|  | <i>(Unaudited)</i>                     |              |
| Amortization of debt issue costs (see Note 14) | <b>7,401,133</b>                       | 5,564,151    |
| Lenders' fees                                  | <b>9,447,949</b>                       | 1,080,565    |
| Bank charges                                   | <b>14,969</b>                          | 35,106       |
|  | <b>₱334,486,435</b>                    | ₱289,342,712 |

## 22. Significant Contracts and Commitments

### **PNCC Fee**

In consideration of the assignment by PNCC of its usufructuary rights, interests and privileges under its franchise, PNCC is entitled to receive payment equivalent to 6% and 2% of the toll revenues from the NLEX and Segment 7, respectively. Any unpaid balance carried forward will accrue interest at the rate of the latest Philippine 91-day Treasury bill rate plus 1% per annum. This entitlement, as affirmed in the Amended and Restated Shareholders' Agreement (ARSA) dated September 30, 2004, shall be subordinated to operating expenses and the requirements of the financing agreements and shall be paid out subject to availability of funds. In December 2006, NLEX Corp. entered into a letter agreement with PNCC to set out the detailed procedure for payment.

The PNCC franchise expired in May 2007. However, since payment is a continuing obligation under the ARSA, NLEX Corp. continues to accrue and pay PNCC entitlement.

In accordance with the TRB directive, 90% of the PNCC fee is to be remitted to the National Treasury through the TRB, while the balance of 10% to PNCC.

As of March 31, 2025, and 2024, the Company recorded PNCC fee amounting to ₱321.1 million and ₱275.2 million, respectively (see Note 18).

### **NLEX Harbor Link Port Extension to Anda Circle Project**

On October 19, 2020, the recommendation of the Department of Public Works and Highways (DPWH) to Toll Regulatory Board (TRB) to implement the proposed Harbor Link Port Extension to Anda Circle Project of the Company has been approved. This project will be within the scope of the existing NLEX concession. The Company has been advised to proceed with the preparation, completion and submission of requirements, documents and processes that are necessary on the implementation of the project. As at March 31, 2025, the Company is still waiting for the approval of the project's legal framework.

### **NLEX-SLEX Connector Road**

On November 5, 2019, the Company awarded an ₱8.0 billion contract to DM Consunji Inc. (DMCI) for the construction of the first section of the Connector Road. The contract covers the main civil works for the Caloocan to España Boulevard section.

On December 1, 2021, the Company awarded a ₱4.2 billion contract to China Road and Bridge Corporation for the construction of the second section of the Connector Road. The contract covers the main civil works for the España Boulevard to Sta. Mesa section.

As at March 31, 2025, the construction of NLEX-SLEX Connector Road is 96% complete.

### **Candaba Central Infill (3rd Viaduct)**

On February 1, 2023, the Company entered into a ₱6.12 billion target cost contract with Leighton Contractors (Asia) Limited for the design and construction of the Candaba 3rd Viaduct Project over a period of 23 months. The project includes the design and construction of a new five-km viaduct along the Candaba Viaduct. The Project has been approved by the TRB last June 2022 based on the preliminary cost estimate. In January 2023, after completing the competitive selection of contractor with the most responsive preliminary engineering design (PED) and costing, the Company submitted an updated supplemental project information memorandum to the TRB. This incorporates the actual bid price of the preferred contractor and the corresponding investment recovery scheme in the form of an add-on toll in the closed system of NLEX. As at December 31,

2024, the construction of Candaba Central Infill (3rd Viaduct) is 100% complete. A Certificate of Substantial Completion dated December 3, 2024 and Toll Operation Permit dated February 14, 2025 were issued by the TRB.

#### Segment 8.2 Section 1A Project

On February 2025, NLEX Corp. awarded to China Road and Bridge Corporation (CRBC), the construction of a NLEX Segment 8.2 Section 1A. The project entails the design and construction of a new two-kilometer Section 1A of Segment 8.2 from Mindanao Avenue to Quirino Highway. The project is expected to be completed by the first quarter of 2026.

#### Toll Collection Interoperability Agreement

On September 15, 2017, NLEX Corp., together with together with San Miguel Holdings Corporation, Private Infra Development Corporation, Citra Metro Manila Tollways Corporation, Skyway O&M Corporation, Citra Central Expressway Corporation, Vertex Tollways Development Incorporation, South Luzon Tollways Corporation, Manila Toll Expressway Systems Incorporated, Star Infrastructure Development Corporation, Star Tollway Corporation, MPTC, CIC, MHI, BCDA, Ayala Corporation, MCX Tollway, Inc., Department of Transportation, DPWH, and Land Transportation Office, has signed the MOA for Toll Collection Interoperability with TRB; whereby the concessionaires or facility operators agreed to timely, smoothly, and fairly implement the interoperability of the electronic toll collection systems and cash payment systems of the covered expressways and of future toll expressways, consistent with and subject to the concessionaires and operators' respective concession agreements, toll operations agreements, and supplemental toll operations agreement, as applicable.

The agreement will be implemented in two phases and to be operationalized within twelve (12) months from signing of the MOA. The first phase covers electronic collection interoperability, while the second phase covers cash collection interoperability. As at March 31, 2025, the implementation is still in progress.

#### Multi-Lane Free Flow Master Services Agreement

On October 4, 2024, Egis Projects Philippines, Inc. ("EPPI") and NLEX entered into the Multi-Lane Free Flow Master Services Agreement ("MLFF MSA") pursuant to which EPPI shall provide turnkey design, engineering, supply, construction, installation, integration, testing, go-live, commissioning, operation, maintenance and related services for a multi-lane free flow tolling system on the MPTC toll roads in the Philippines in accordance with the terms of the MLFF MSA.

#### Traffic Management Memorandum of Agreement

On January 18, 2006, NLEX Corp., DPWH and the City of Valenzuela entered into a memorandum of agreement to develop a traffic engineering management plan in coordination and cooperation with other government agencies and local government units and to address traffic build-up and congestion within the Valenzuela interchange. Under the MOA, DPWH shall improve pavements and construct road widening while NLEX Corp and Valenzuela City shall implement measures such as improvement of pedestrian barriers, crossing markings and road signs, deployment of traffic enforcers, clearing of sidewalks.

On July 9, 2019, NLEX Corp. renewed its agreement with the City Government of San Fernando, Pampanga. Under the agreement, both parties shall adopt and execute the agreed traffic management plan to address the traffic situation within the territorial jurisdiction of San Fernando, Pampanga.

On June 29, 2020, NLEX Corp. renewed its memorandum of agreement with the City Government of Meycauayan to address the traffic situation within the territorial jurisdiction of Meycauayan City.

On November 23, 2020, the officials of NLEX Corp. and City of Angeles Pampanga entered into a memorandum of agreement to address the traffic situation within the Angeles Interchange. Under the MOA, both parties shall implement measures around the traffic management zone which include the deployment of traffic personnel, improvement of service time at the toll plaza, clearing of sidewalks, and prohibition of illegal parking, loading/unloading and jaywalking affecting the NLEX traffic flow.

## 23. Financial Assets and Financial Liabilities

### Fair values

A comparison of carrying and fair values of all of the Company's financial instruments other than those with carrying amounts that are reasonable approximate of fair values, by category as at March 31, 2025 and December 31, 2024 is as follows:

|                                | March 31, 2025         |                        | December 31, 2024 |                 |
|--------------------------------|------------------------|------------------------|-------------------|-----------------|
|                                | Carrying Value         | Fair Value             | Carrying Value    | Fair Value      |
| <b>Financial Asset</b>         |                        |                        |                   |                 |
| Financial Assets at FVTPL:     |                        |                        |                   |                 |
| Unit investment trust fund     | <b>P12,660,045</b>     | <b>P12,660,045</b>     | P12,612,146       | P12,612,146     |
|                                | <b>P12,660,045</b>     | <b>P12,660,045</b>     | P12,612,146       | P12,612,146     |
| <b>Financial Liability</b>     |                        |                        |                   |                 |
| Other financial liability:     |                        |                        |                   |                 |
| Long-term debt                 | <b>P44,170,704,258</b> | <b>P43,995,026,706</b> | P44,380,883,076   | P43,854,319,116 |
| Service concession fee payable | <b>3,955,070,041</b>   | <b>1,518,299,045</b>   | 3,905,451,622     | 1,566,276,221   |
|                                | <b>P48,125,774,299</b> | <b>P45,513,325,751</b> | P48,286,334,698   | P45,420,595,337 |

The management assessed that the fair values of cash and cash equivalents, receivables, restricted cash, accounts payable and other current liabilities, and dividends payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

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:

### Investments in UITFs

Fair value of investments in UITFs is determined based on published net asset value per share (NAVPS). NAVPS is computed as total assets of the fund less total liabilities over the total units outstanding as of the end of the reporting period. The funds are primarily invested in quoted securities in various industries and quoted government securities.

### Long-term Debt

For fixed rate peso-denominated notes and loans, except the fixed-rate bonds where the fair value is based on its quoted market price as at March 31, 2025 and December 31, 2024, estimated fair value is based on the discounted value of future cash flows using the prevailing peso interest rates. In 2025 and 2024 the prevailing peso interest rates ranged from 5.83% to 6.44% and 5.52% to 6.96%, respectively.

### Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

|   | March 31, 2025         | Level 1               | Level 2                | Level 3               |
|---|------------------------|-----------------------|------------------------|-----------------------|
| <b>Assets measured at fair value:</b>                   |                        |                       |                        |                       |
| Financial assets at FVTPL:                              |                        |                       |                        |                       |
| UITF  | <b>P12,660,045</b>     | <b>P-</b>             | <b>P12,660,045</b>     | <b>P-</b>             |
| <b>Liabilities for which fair values are disclosed:</b> |                        |                       |                        |                       |
| Other financial liabilities:                            |                        |                       |                        |                       |
| Long-term debt  |                        |                       |                        |                       |
| Fixed-rate bonds  | <b>P6,117,111,725</b>  | <b>P6,117,111,725</b> | <b>P-</b>              | <b>P-</b>             |
| Peso-denominated notes and loans                        | <b>38,111,210,723</b>  | <b>-</b>              | <b>38,111,210,723</b>  | <b>-</b>              |
| Service concession fee payable                          | <b>1,518,299,045</b>   | <b>-</b>              | <b>-</b>               | <b>1,518,299,045</b>  |
|   | <b>P45,746,621,493</b> | <b>P6,117,111,725</b> | <b>P38,111,210,723</b> | <b>P1,518,299,045</b> |

|  | 2024                   | Level 1               | Level 2                | Level 3               |
|--|------------------------|-----------------------|------------------------|-----------------------|
| <b>Assets Measured at Fair Value</b>                   |                        |                       |                        |                       |
| <b>Financial assets at FVTPL:</b>                      |                        |                       |                        |                       |
| Investments in UITFs                                   | P12,612,146            | P–                    | P12,612,146            | P–                    |
| <b>Liabilities for which Fair Values are Disclosed</b> |                        |                       |                        |                       |
| <b>Other financial liabilities:</b>                    |                        |                       |                        |                       |
| Long-term debt   |                        |                       |                        |                       |
| Fixed-rate bonds                                       | P6,089,401,038         | P6,089,401,038        | P–                     | P–                    |
| Peso-denominated notes and loans                       | 39,785,616,583         | –                     | 39,785,616,583         | –                     |
| Service concession fees payable                        | 1,566,276,221          | –                     | –                      | 1,566,276,221         |
|  | <b>P47,441,293,842</b> | <b>P6,089,401,038</b> | <b>P39,785,616,583</b> | <b>P1,566,276,221</b> |

During the periods ended March 31, 2025 and December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

## 24. Contingencies and Others

### a. VAT

NLEX Corp. received the following VAT assessments from the BIR:

- The BIR issued a Formal Letter of Demand on March 16, 2009 requesting NLEX Corp. to pay deficiency VAT plus penalties amounting to P1,010.5 million for taxable year 2006.
- A Final Assessment Notice was received from the BIR dated November 15, 2009 assessing NLEX Corp. deficiency VAT plus penalties amounting to P584.6 million for taxable year 2007.
- The BIR issued a Notice of Informal Conference dated October 5, 2009 assessing NLEX Corp. for deficiency VAT plus penalties amounting to P470.9 million for taxable year 2008. On May 21, 2010, the BIR issued another notice increasing the deficiency VAT for taxable year 2008 to P1,209.2 million (including penalties). On June 11, 2010, NLEX Corp. filed its Position Paper with the BIR reiterating its claim that it is not subject to VAT on toll fees.
- The BIR issued a Notice of Informal Conference on May 21, 2010 assessing NLEX Corp. deficiency VAT plus penalties amounting to P1,026.6 million for taxable year 2009. On June 11, 2010, NLEX Corp. filed its Position Paper with the BIR reiterating its claim that it is not subject to VAT on toll fees.

On April 3, 2014, the BIR accepted and approved NLEX Corp.'s application for abatement and issued a Certificate of Approval for the cancellation of the basic output tax, interest and compromise penalty amounting to P1,010.5 million and P584.6 million for taxable years 2006 and 2007, respectively. As at March 31, 2025, the VAT assessments for taxable years 2008 and 2009 remain pending with the BIR and there were no abatements made for these assessments.

Notwithstanding the foregoing, management believes, in consultation with its legal counsel, that in any event, the STOA amongst NLEX Corp., ROP, acting by and through the TRB, and PNCC, provides NLEX Corp. with legal recourse in order to protect its lawful interests in case there is a change in existing laws which makes the performance by NLEX Corp. of its obligations materially more expensive.

b. Real Property Taxes

- In July 2008 and April 2013, NLEX Corp filed Petitions for Review under Section 226 of the Local Government Code with the Local Board of Assessment Appeals of the Province of Bulacan seeking to declare as null and void tax declarations issued by the Provincial Assessor of the Province of Bulacan. The said tax declarations were issued in the name of NLEX Corp as owner/administrator/beneficial user of the NLEX and categorized the NLEX as a commercial property subject to real property tax. NLEX Corp argues that NLEX is property of the public dominion and exempt from RPT. The cases are pending as of March 31, 2025.
- In September 2013, NLEX Corp. received notices of realty tax delinquencies for the years 2006 to 2012 and 2013 issued by the Provincial Treasurer of Bulacan stating that if NLEX Corp fails to pay or remit the alleged delinquent taxes, the remedies provided for under the law for the collection of delinquent taxes shall be applied to enforce collection. On September 27, 2013, the Bureau of Local Government Finance of the Department of Finance wrote a letter to the Province of Bulacan advising it to hold in abeyance any further course of action pertaining to the alleged real property tax delinquency. In January 2017, the Provincial Treasurer of Bulacan issued a notice of realty tax delinquencies of ₱459M for the years 2006 to 2017 stating that it could apply the remedies provided under the law for the collection of delinquent taxes. The matter is pending as of March 31, 2025.
- In December 2023 and January 2024, NLEX Corp. received notices of tax assessment with tax declarations for the year 2023 and 2024 issued by the Municipal Assessor Office of the Municipality of Guiguinto, Bulacan for the properties located in Municipality of Guiguinto Bulacan. On January 31, 2024, NLEX Corp. filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. On February 12, 2024, the Respondents filed its Opposition to NLEX Corp.'s Petition. The LBAA rules provide for the supplementary application of the Rules of Court. Thus, NLEX Corp. need not to file a reply as Respondent's allegations are deemed controverted. The case is pending as of March 31, 2025.

The outcome of the claims on RPT cannot be presently determined. Management believes that these claims will not have a significant impact on NLEX Corp.'s consolidated financial statements. Management and its legal counsel also believe that the STOA also provides NLEX Corp. with legal recourse in order to protect its lawful interests in case there is a change in existing laws which makes the performance by NLEX Corp. of its obligations materially more expensive.

c. Local Business Taxes (LBT)

In March 2019, TMC filed an application for cessation of its business operations in Caloocan City pursuant to its merger with NLEX Corp. In April 2019, NLEX Corp received an assessment for alleged deficiency local business taxes for taxable year 2018 in the total amount of ₱13.4 million. In June 2019, NLEX Corp filed its protest on the assessment. Due to the inaction of the Office of the City Treasurer, in September 2019, NLEX Corp filed a complaint for annulment of the assessment with the Regional Trial Court of Caloocan City with a claim for refund in the amount of ₱5.4 million, representing excess LBT paid for taxable year 2018. The parties submitted their respective memoranda. On June 7, 2024, the Regional Trial Court of Caloocan City issued a decision dismissing the NLEX Corp complaint and ruled in favor of the City of Caloocan. On August 2, 2024, NLEX Corp. filed a motion for reconsideration while the City of Caloocan filed its opposition to NLEX Corp's motion for reconsideration on September 5, 2023. On September 11, 2023, NLEX Corp filed a motion to admit with reply with the Regional Trial Court of Caloocan City. On October 31, 2023, the Regional Trial Court of Caloocan City denied the NLEX's Motion for Reconsideration. Hence, on December 7, 2023, NLEX Corp. filed a Petition for Review with the Court of Tax Appeals ("CTA"). On March 19, 2024, the CTA issued a Resolution directing the parties to file their respective Memoranda. The case is pending with the CTA as of March 31, 2025.

In September 2019, the Business Permit and Licensing Office (“BPLO”) of the City of Valenzuela (CGV) issued a demand to pay billing statement for alleged deficiency local business tax amounting to ₱47.8 million. Subsequently, the BPLO cancelled the initial billing and issued a revised assessment for alleged deficiency in local business taxes in the reduced amount of ₱26.5 million. In November 2019, NLEX Corp. paid the reduced amount under protest. In January 2020, NLEX Corp. filed its protest with a claim for refund of the revised assessment. Due to the inaction of the Office of the City Treasurer, NLEX Corp. filed a complaint for annulment of the assessment with the Regional Trial Court of the Caloocan City. On March 13, 2023, the RTC of Caloocan issued a Decision granting the refund of the ₱22.8 million representing revenues from toll services. However, the ₱3.0 million pertaining to signage services was denied on the ground of lack of jurisdiction of the trial court. NLEX Corp. and the City of Valenzuela filed their respective partial motion for reconsideration. On May 22, 2023, the Regional Trial Court of Caloocan issued an order denying NLEX Corp.’s and the City of Valenzuela’s respective partial motion for reconsideration for lack of merit. In June 2023, the City of Valenzuela filed a petition for review before the Court of Tax Appeals (CTA), which was docketed as CTA Case No. 296 while in July 2023, NLEX Corp. filed a petition for review before the CTA which was docketed as CTA Case No. 297. On August 22, 2023, the City of Valenzuela filed its comment/opposition to the petition filed by NLEX Corp. On August 23, 2023, NLEX Corp. filed with the CTA a motion for consolidation of the CTA Case Nos. 296 and 297. On August 30, 2023, the CTA issued a resolution for CTA Case No. 296 directing NLEX Corp. to file a comment to the petition filed by the City of Valenzuela and a resolution for CTA Case No. 297 directing the parties to submit their respective memoranda. The City of Valenzuela was ordered in the CTA’s resolution for CTA Case No. 296 to file its comment to the motion for consolidation of the CTA Case Nos. 296 and 297. On October 9, 2023, NLEX Corp. filed its memorandum in CTA Case No. 297. On October 16, 2023, NLEX Corp. filed its comment to the petition filed by the City of Valenzuela. On November 15, 2023, the CTA issued a Resolution, noting the comment/Opposition filed by the City of Valenzuela to NLEX Corp. Motion to Consolidate. On February 1, 2024, the CTA, issued a Notice of Resolution, denying the NLEX Corp.’s Motion for Consolidation for being moot and academic considering that the CTA Case No. 297 was deemed submitted for decision last November 20, 2023. On November 15, 2024, the CTA issued a decision in the CTA Case No. 296, denying the petition for review filed by the CGV on July 5, 2023, due to lack of merit. Similarly on November 18, 2024, the CTA rendered a decision in CTA Case No. 297, ordering CGV to refund NLEX Corp. in the amount of ₱3.81 million, representing erroneously collected and paid LBT for signage services for taxable years 2022 to 2019. On December 27, 2024, external counsel received the CGV’s Motion for Reconsideration regarding the CTA Case No. 297. NLEX filed its comment to CGV’s Motion for Reconsideration on January 6, 2025. On January 9, 2025, external counsel received the CGV’s Motion for Reconsideration for the CTA Case No. 296. Hence, NLEX filed its comment on January 19, 2025. The CTA case Nos. 296 and 297 are both pending with the CTA for decision as of March 31, 2025.

In November 2019, the City Treasurer of Valenzuela issued to NLEX Corp. an assessment for alleged deficiency LBT for the years 2013 to 2019 in the amount of ₱9.9 million. The assessment pertains to the imposition of LBT on the VAT component of NLEX Corp.’s gross receipts for the said years. In November 2019, NLEX Corp. timely filed its protest to the assessment. The City Treasurer of Valenzuela failed to act on the protest filed by NLEX Corp. within the period provided in the Local Government Code. Hence, in February 2020, NLEX Corp. filed a complaint for the annulment of the assessment with the Regional Trial Court of Valenzuela City. The Regional Trial Court issued a decision cancelling and setting aside the deficiency assessment. The City of Valenzuela filed a motion for reconsideration, but the trial court issued a resolution denying the motion for reconsideration. In April 2023, the City of Valenzuela filed a petition for review with the CTA, while NLEX Corp. filed its comment to the City of Valenzuela’s petition on August 24, 2023. On September 12, 2023, the CTA issued a resolution ordering NLEX Corp. to file a memorandum. On October 12, 2023, NLEX Corp. filed a memorandum. On November 23, 2023, the City of Valenzuela filed its Memorandum with the CTA. On January 25, 2024, the CTA issued a Resolution stating that the case is submitted for decision as both parties have filed their respective Memorandum. On November 25, 2024, the CTA issued a decision denying the CGV’s petition for lack of merit. The Decision dated November 25, 2022, and the Resolution dated February 23, 2023, both rendered by the TRC-Branch 283, Valenzuela City, Civil Case No. 27-V-20, are affirmed. NLEX Corp. Received on

January 3, 2025, the copy of the CGV's Motion for Reconsideration. NLEX Corp. filed its comments to CGV's Motion for Reconsideration on January 13, 2025. The case is still pending for CTA Resolution as of May 2, 2025.

d. Toll Rate Adjustments

In June 2012, NLEX Corp., as petitioner-applicant, filed a Petition for Approval of Periodic Toll Rate Adjustment with the TRB praying for the adjustment of the toll rates for the NLEX, effective January 1, 2013 (2012 Petition).

In September 2014, NLEX Corp., as petitioner-applicant, filed a Petition for Approval of Periodic Toll Rate Adjustment with the TRB praying for the adjustment of the toll rate for the NLEX, effective January 1, 2015 (2014 Petition).

On September 30, 2016, NLEX Corp., as petitioner-applicant, filed a Petition for Approval of Periodic Toll Rate Adjustment with the TRB praying for the adjustment of the toll rate for the NLEX effective January 1, 2017 (2016 Petition).

On September 28, 2018, NLEX Corp., as petitioner-applicant, filed a Petition for Approval of Periodic Toll Rate Adjustment with the TRB praying for the adjustment of the toll rate for the NLEX effective January 1, 2019 (2018 Petition).

On September 30, 2020, NLEX Corp., as petitioner-applicant, filed a Petition for Approval of Periodic Toll Rate Adjustment with the TRB praying for the adjustment of the toll rate for the NLEX effective January 1, 2021 (2020 Petition).

On September 23, 2022, NLEX Corp., as petitioner-applicant, filed a Petition for Approval of Periodic Toll Rate Adjustment with the TRB praying for the adjustment of the toll rate for the NLEX effective January 1, 2023 (2022 Petition).

On October 27, 2015, NLEX Corp. was granted the right and obligation to manage, operate, and maintain the SCTEX under the terms of the Business Agreement between NLEX Corp. and BCDA. Under the agreements covering the SCTEX, toll rate adjustment petitions shall be filed with the TRB yearly. Prior to October 27, 2015, the BCDA filed petitions for toll rate adjustment effective in 2012, 2013, and 2015 (SCTEX Petitions). Thereafter, on September 29, 2016 (2016 SCTEX Petition), and September 30, 2020 (2020 SCTEX Petition), NLEX Corp, as petitioner-applicant, filed a petition for toll rate adjustment effective January 1, 2017, and January 1, 2021, and January 1, 2023, respectively.

On January 22, 2019, NLEX Corp., as petitioner-applicant, filed a Petition for Implementation of Approved Adjustment to Authorized Toll Rates with Application for Provisional Relief with the TRB praying for the adjustment of the toll rate for the NLEX Open System effective February 15, 2019 upon completion of the NLEX Harbor Link Project (NLEX Segments 9 and 10) (Segment 10 Add-on Toll Rate Petition).

On June 6, 2020, NLEX Corp., as petitioner-applicant, filed an Amended Petition for Implementation of Approved Adjustment to Authorized Toll Rates with Application for Provisional Relief with the TRB praying for the adjustment of the toll rate for the substantially completed Segment 10: C3-R10 Section (C3-R10 Add-on Toll Rate Petition).

On February 18, 2021, NLEX Corp., as petitioner-applicant, filed a Petition for Implementation of Adjustment to Authorized Toll Rates with Application for Provisional Relief with the TRB praying for the adjustment of the toll rate for the substantially completed expansion of NLEX Segment 7 and San Fernando Interchange (NLEX Lane Widening Phase 2 Add-on Toll Rate Petition).

On November 20, 2024, NLEX Corp., as petitioner-applicant, filed a petition for the approval and implementation of add-on for the Candaba Viaduct Renewal, Expansion and Traffic Mobility Program (the "Candaba 3<sup>rd</sup> Viaduct Add-on Toll Rate Petition").

#### 2012 and 2014 Petitions

On February 15, 2019, NLEX Corp. received a Consolidated Resolution dated October 2018 issued by the TRB which approved and allowed NLEX Corp. to implement the toll rate adjustment indicated therein on a staggered basis in 2018, 2020, 2022, and 2024.

On March 20, 2019, the TRB issued a Notice to Start Collection of the first tranche effective March 21, 2019. On September 30, 2020, NLEX Corp. filed with the TRB a Manifestation of Compliance stating the completion of publication of the toll fee matrix with the second tranche and praying for the issuance of a Notice to Start Collection. On October 9, 2020, the TRB issued a Notice to Start Collection of the second tranche effective immediately. On May 6, 2021, the TRB issued a Notice to Start Collection of the third tranche.

On February 7, 2023, the TRB issued a Notice to Start Collection of the fourth tranche. On June 15, 2023, NLEX Corp. implemented the fourth and last tranche of the periodic toll rate adjustments.

#### 2016 Petition

On January 6, 2022, NLEX Corp received a Resolution dated July 2021 issued by the TRB which approved and allowed NLEX Corp to implement the toll rate adjustments indicated therein on a date not earlier than January 1, 2022, to protect the general welfare. The TRB directed NLEX Corporation to cause the publication of the adjusted authorized toll rates in a newspaper of general circulation prior to the issuance of a Notice to Start Collection. On March 22, 2022, the TRB issued a Notice to Start Collection. On May 12, 2022, NLEX Corp implemented the periodic toll rate adjustment.

#### 2018 and 2020 Petitions

On April 17, 2023, NLEX Corp. received a Consolidated Resolution dated February 16, 2023 issued by the TRB which approved and allowed NLEX Corp to implement the provisional toll rate adjustments in the said 2018 and 2020 Petitions on a staggered basis, equally distributed in two tranches for the years 2023 and 2024, not earlier than April 1, 2023. On May 25, 2023, the TRB issued a Notice to Start Collection of the first tranche effective immediately. On June 15, 2023, NLEX Corp. implemented the first tranche of the periodic toll rate adjustments. On May 14, 2024, the TRB issued a Notice to Start Collection of the second tranche. On June 4, 2024, NLEX Corp. implemented the second and last tranche of the periodic toll rate adjustments.

#### 2022 Petition

On January 8, 2025, NLEX Corp. received the TRB Order (Resolution) dated January 6, 2025, resolving the NLEX 2022 Petition for Periodic Toll Rate Adjustment. In its Order, TRB approved the implementation of the provisional toll rate adjustments on a staggered basis in two (2) tranches, equally distributed in 2025 and 2026. On January 31, 2025, the TRB issued a Notice to Start Collection of the first tranche effective immediately. On March 2, 2025, NLEX Corp. implemented the first tranche of the periodic toll rate adjustments.

#### 2024 NLEX Petition

On September 30, 2024, NLEX Corp. Filed a Petition for Periodic Toll Rate Adjustments effective 2025. NLEX Corp. has yet to receive regulatory approval for the 2024 NLEX Petition.

#### Segment 10 Add-on Toll Rate Petition

On March 5, 2019, the TRB issued a letter to NLEX Corp stating that the TRB (a) conditionally approved the subject Petition and granted NLEX Corp. provisional authority to collect the add-on tolls for the Open System of the NLEX and (b) allowing the implementation of the new authorized toll price for the NLEX (Integrated Toll Fee Matrix) which is attached to the said letter. The Integrated Toll Fee Matrix includes both: (a) the first tranche of the approved adjusted toll rates in the 2012 and 2014 Petitions stated in the TRB's Consolidated Resolution dated October 2018; and (b) the provisionally approved add-on toll rates in the Segment 10 Add-on Toll Rate Petition. On March 20, 2019, the TRB issued a Notice to Start Collection effective March 21, 2019.

#### C3-R10 Add-on Toll Rate Petition

On August 5, 2020, the TRB issued a Resolution which provisionally approved and allowed NLEX Corp to implement the add-on toll for the Open System subject of the Petition. On November 20, 2020, the TRB issued a Notice to Start Collection effective November 23, 2020.

#### NLEX Lane Widening Phase 2 Add-on Toll Rate Petition

On October 21, 2021, the TRB issued a Notice to Start Collection of the provisional add-on toll for the Closed System. On May 12, 2022, NLEX Corp implemented the add-on toll rate adjustment.

#### Candaba 3rd Viaduct Add-on Toll Rate Petition

On February 7, 2025, the TRB issued an Order approving and allowing the provisional add-on toll for the NLEX Closed System to be implemented. On February 27, 2025, the TRB issued a notice to start collection of the provisional add-on toll for the closed system. On March 2, 2025, NLEX Corp. implemented the add-on toll rate adjustment.

#### SCTEX Petitions

NLEX Corp. as petitioner-applicant, filed petitions for toll rate adjustments effective January 1, 2021, and January 1, 2023 (the “2020 and 2022 SCTEX Petitions”), January 1, 2023 (the 2023 SCTEX Petition”) and January 1, 2025 (the “2024 SCTEX Petition”).

#### 2020 and 2022 SCTEX Petitions

On July 5, 2023, NLEX Corp. received a Consolidated Resolution dated April 24, 2023 issued by the TRB which approved and allowed NLEX Corp. to implement the provisional toll rate adjustments in the 2020 and 2022 SCTEX Petitions on a staggered basis, in three (3) tranches, equally distributed for the years 2023, 2024 and 2025, not earlier than 01 July 2023.

On August 15, 2023, the TRB issued a Notice to Start Collection of the first tranche.

On October 17, 2023, NLEX Corp. implemented the first tranche of the periodic toll rate adjustments. On October 2, 2024, the TRB issued a Notice to Start Collection of the second tranche.

#### 2023 SCTEX Petition

On September 28, 2023, NLEX Corp. filed a Petition for Periodic Toll Rate Adjustment effective 2024. NLEX Corp. has yet to receive regulatory approval for this Petition.

#### 2024 SCTEX Petition

On September 28, 2024, NLEX Corp filed a Petition for Periodic Toll Rate Adjustment effective 2025. NLEX Corp has yet to receive regulatory approval for this Petition.

#### NLEX - SLEX Connector Road Project Toll Rate Petition

On March 9, 2023, NLEX Corp. filed a Petition for the Implementation of the Fractional Initial Base Toll for Section 1 of the NLEX-SLEX Connector Road Project with application for Provisional Relief with the TRB (Connector Section 1 Petition). On July 3, 2023, NLEX Corp. received the TRB Notice to Start Collection for the provisional Fractional Opening Base Toll Rate for Section 1 of the NLEX-SLEX Connector Road Project which shall take effect immediately. On July 20, 2023, the TRB issued an Order directing NLEX Corp. to publish in full the contents of the Connector Section 1 Petition, along with the applicable toll fee matrix, in a newspaper of general circulation at least once a week for three (3) consecutive weeks, within fifteen (15) days from receipt of the Order. NLEX Corp. published on July 25, August 1 & 8, 2023, respectively. On August 8, 2023, NLEX Corp. implemented the provisional Fractional Initial Toll for Section 1 of the NLEX-SLEX Connector Road Project.

On November 6, 2023, NLEX Corp. filed a Supplemental Petition for Implementation of the Updated Fractional Initial Base Toll for Section 1 and the Commercially Operable Portion of Section 2 of the NLEX- SLEX Connector Road Project. On July 26, 2024, the TRB issued a Notice to Start Collection of the updated fractional initial base toll rate. On October 21, 2024, NLEX Corp. Implemented the Updated Fractional Initial Base Toll Rate adjustment.

- e. *Garlitos, Jr. vs. Bases Conversion and Development Authority, NLEX Corporation and the Executive Secretary, SC (G.R. No. 217001)*

Atty. Onofre G. Garlitos, Jr. filed with the Supreme Court a Petition for Prohibition and Mandamus with Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction dated March 17, 2015, against the BCDA, NLEX Corp, and the Executive Secretary. The Petition prays that (a) a writ of preliminary mandatory and prohibitory injunction be issued enjoining the BCDA, NLEX Corp, and Executive Secretary from proceeding with the SCTEX project and compelling the BCDA to rebid the SCTEX operation and maintenance project, and (b) an order be issued (i) annulling the bidding procedure, direct negotiations, and the Price Challenge conducted by the BCDA, and the Concession Agreement, Business and Operating Agreement, and all subsequent amendments and modifications thereto and (ii) compelling the BCDA to rebid the operation and maintenance of the SCTEX.

NLEX Corp filed its comment praying that the Petition be denied. The BCDA, through the Office of the Government Corporate Counsel, and the Executive Secretary, through the OSG, also filed their respective Comment praying that the Petition be denied due course and dismissed for lack of merit. In November and December 2015, the petitioner filed a Manifestation and Motion to Resolve Prayer for TRO and/ or Writ of Preliminary Injunction. On July 4, 2016, the Supreme Court issued a Resolution noting the Manifestations of the petitioner. In February 2020, the Supreme Court issued a Notice that petitioner's counsel had failed to pay the ₱1,000 fine due to his failure to comply with a show cause resolution for non-filing of a consolidated reply to the separate comments of the Executive Secretary and BCDA.

In July 2020, the Supreme Court issued another Notice for the petitioner's counsel to pay an increased fine of P2,000 and to comply with the resolution to file a consolidated reply to the separate comments of the Executive Secretary and BCDA. On October 28, 2020, NLEX Corp's counsel received from BCDA's counsel a Motion for Leave to File Manifestation with Motion for Submission for Resolution dated October 1, 2020. In a Resolution dated January 27, 2021, the Supreme Court noted the notice of withdrawal of petitioner's counsel. In a Resolution dated 28 March 2022, the Supreme Court (a) imposed upon petitioner's (withdrawing) counsel an additional fine which, together with the original fine, shall be paid to the Supreme Court and (b) ordered petitioner's (withdrawing) counsel to submit a consolidated reply to the separate comments of the Executive Secretary and BCDA. The case is pending as of May 2, 2025.

- f. NLEX Corp. is also a party to other cases and claims arising from the ordinary course of business filed by third parties which are either pending decisions by the courts or are subject to settlement agreements. The outcome of these claims cannot be presently determined. In the opinion of management and the Company's legal counsel, the eventual liability from these lawsuits or claims, if any, will not have a material adverse effect on the Company's financial position and financial performance.

## **25. Operating Segment Information**

The Company has only one operating segment, which is the tollways business. The Company's results of operations are reviewed by the chief operating decision maker to make decisions and to assess Company performance, and for which discrete financial information is available.

The Company's performance is evaluated based on net income for the year; earnings before interest, taxes and depreciation and amortization (EBITDA); EBITDA margin; core income; and core income margin. Net income for the year is measured consistent with the net income in the financial statements.

EBITDA is measured as net income excluding amortization of service concession asset and other intangible assets, depreciation of property and equipment, provision for heavy maintenance and other provisions, asset impairment on noncurrent assets, interest expense and other finance costs, interest income, net foreign exchange gain (loss), gain (loss) on derivative financial instruments, provision for (benefit from) income tax and other nonrecurring income and expenses. Nonrecurring

items represent income and expenses that, through occurrence or size, are not considered usual operating items. EBITDA margin pertains to EBITDA divided by net toll revenues.

Core income for the year is measured as net income, excluding adjustments on net foreign exchange gain (loss), gain (loss) on derivative financial instruments, gain (loss) on prepayment or extinguishment of debt, asset impairment on noncurrent assets, net of tax effects of aforementioned adjustments and other nonrecurring income and expenses, as defined under the Company's policy.

Core income margin pertains to core income divided by net toll revenues. Net income margin pertains to net income divided by net toll revenues.

The revenues, net income, assets, liabilities, and other information of the Company's operations as at and for the period ended March 31, 2025, and 2024 are as follows:

|  | 2025                   | 2024            |
|--|------------------------|-----------------|
| Net toll revenues  | <b>₱6,983,245,261</b>  | ₱6,005,029,139  |
| Other income   | <b>173,924,666</b>     | 85,135,794      |
| Total revenues   | <b>7,157,169,927</b>   | 6,090,164,933   |
| Operating and maintenance costs                              | <b>(1,691,890,357)</b> | (1,563,266,741) |
| Operating expenses   | <b>(170,354,214)</b>   | (390,412,538)   |
| EBITDA   | <b>5,294,925,357</b>   | 4,136,485,654   |
| Financing costs  | <b>(309,457,956)</b>   | (279,840,545)   |
| Core income before depreciation, amortization and provisions | <b>4,985,467,401</b>   | 3,856,645,109   |
| Depreciation, amortization and provisions*                   | <b>(1,429,738,504)</b> | (1,179,945,621) |
| Core income  | <b>3,555,728,897</b>   | 2,676,699,488   |
| Nonrecurring items   | <b>(1,139,168)</b>     | (630,285)       |
| Net income   | <b>₱3,554,589,729</b>  | ₱2,676,069,203  |
| EBITDA margin for the year                                   | <b>74%</b>             | 68%             |
| Core income margin for the year                              | <b>50%</b>             | 44%             |
| Net income margin for the year                               | <b>50%</b>             | 44%             |
| Total assets   | <b>₱93,381,235,099</b> | ₱90,683,537,214 |
| Total liabilities  | <b>59,169,249,966</b>  | 59,865,085,854  |
| Total equity   | <b>34,211,985,133</b>  | 30,818,451,360  |

\* Includes provision for current and deferred taxes.

|  | 2025                | 2024           |
|--|---------------------|----------------|
| Other disclosures:   |                     |                |
| Capital expenditure (consists of additions to service concession asset, property and equipment, investment properties and other intangible assets) | <b>₱966,933,553</b> | ₱1,912,081,621 |

The following table shows the reconciliation of EBITDA to net income for the period ended March 31, 2025, and 2024.

|   | 2025                  | 2024           |
|---|-----------------------|----------------|
| EBITDA  | <b>₱5,294,925,357</b> | ₱4,136,485,653 |
| Amortization of service concession asset (see Note 7) | <b>(408,467,622)</b>  | (394,205,554)  |
| Interest expense and other finance costs              | <b>(334,486,435)</b>  | (289,342,712)  |
| Provision for heavy maintenance (see Note 20)         | <b>(201,320,914)</b>  | (177,261,119)  |

|   | 2025                  | 2024           |
|---|-----------------------|----------------|
| Depreciation and amortization of property and equipment and other intangible assets (see Notes 8 and 9) | <b>(32,090,436)</b>   | (21,244,516)   |
| Interest income (see Note 21)   | <b>17,579,446</b>     | 9,475,488      |
| Unrealized Gain on Investments (see Note 5)   | <b>47,899</b>         | 26,679         |
| Nonrecurring items:   |                       |                |
| Provisions (see Note 13)  | <b>(1,398,530)</b>    | (794,936)      |
| Foreign exchange gain – net   | <b>7,626</b>          | 164,651        |
| Other charges – net   | <b>251,735</b>        | –              |
| Income before income tax  | <b>4,335,048,126</b>  | 3,263,303,634  |
| Provision for income tax:   |                       |                |
| Current   | <b>741,811,823</b>    | 606,480,945    |
| Deferred  | <b>38,646,574</b>     | (19,246,514)   |
|   | <b>780,458,397</b>    | 587,234,431    |
| Net income for the year   | <b>₱3,554,589,729</b> | ₱2,676,069,203 |

The following table shows the reconciliation of the core income to the net income for the period ended March 31, 2025, and 2024.

|                             | 2025                  | 2024           |
|-----------------------------|-----------------------|----------------|
| Core income for the year    | <b>₱3,555,728,897</b> | ₱2,676,699,488 |
| Provisions (see Note 13)    | <b>(1,398,530)</b>    | (794,936)      |
| Foreign exchange gain - net | <b>7,626</b>          | 164,651        |
| Other charges – net         | <b>251,736</b>        | –              |
| Net income for the year     | <b>₱3,554,589,729</b> | ₱2,676,069,203 |

## 26. Goodwill

### *Impairment Testing of Goodwill*

In assessing the impairment for goodwill, the Company compares the carrying amounts of the underlying assets against their recoverable amounts (the higher of the assets' fair value less costs of disposal and their value in use (VIU)).

The pre-tax discount rates of 14.2% and 14.3% applied to cash flow projections reflect the weighted average cost of capital as at December 31, 2024, and 2023, respectively. In the assessment of the recoverable amounts, the VIUs were calculated based on cash flow projections as per the most recent financial budgets and forecasts, which represent management's reasonable and best estimates of the ranges of economic conditions that will exist over the forecast period. The average forecast period used in the computation is 13 years and 14 years for 2024 and 2023, respectively. The forecasted period is more than 5 years as management can reliably estimate the cash flows for their entire concession period. The cash flows during the projection periods are derived using estimated average growth rates of traffic volume and toll fees. The average growth rate of traffic volume used in 2024 and 2023 is at 9.2% and 7.4%, respectively, for NLEX open system, and 7.6% and 6.3%, respectively, for NLEX closed system. On the other hand, toll fee growth used in 2024 and 2023 is at 3.9% and 3.8%, respectively, for NLEX open system, and 6.0% and 5.8%, respectively, for NLEX closed system. Management also believes that no reasonably possible change in any of the key assumptions used would cause the carrying value of goodwill to materially exceed its recoverable amount.

## Item 2. 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 the accompanying unaudited interim financial statements.

This discussion may contain 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.

### For the First Quarter ended March 31, 2025

#### Financial Highlights and Key Performance Indicators:

##### Statement of Income Data

| In PhP, Millions   | 31-Mar-25   | 31-Mar-24   | Increase (Decrease) |      |
|--|-------------|-------------|---------------------|------|
|  | (unaudited) | (unaudited) | Amount              | %    |
| Operating revenue  | ₱7,018      | ₱6,037      | 981                 | 16   |
| Cost of services   | (2,325)     | (2,148)     | 177                 | 8    |
| General and administrative expenses  | (180)       | (403)       | (223)               | (55) |
| Interest expense and other financing costs, net of interest income of ₱22 million and ₱12 million in 2025 and 2024, respectively | (313)       | (277)       | 36                  | 13   |
| Foreign exchange loss – net  | 0           | 0           | –                   | –    |
| Other income   | 139         | 56          | 83                  | 148  |
| Provision for income tax   | (785)       | (589)       | 196                 | 33   |
| Net income   | ₱3,555      | ₱2,676      | 879                 | 33   |
| Net income margin  | 51%         | 44%         |                     |      |

##### Statement of Financial Position

| In PhP, Millions    | 31-Mar-25   | 31-Dec-24 | Increase (Decrease) |       |
|---------------------|-------------|-----------|---------------------|-------|
|                     | (unaudited) | (Audited) | Amount              | %     |
| Balance Sheet Data: |             |           |                     |       |
| Total assets        | ₱93,381     | ₱93,526   | (145)               | (0.2) |
| Total liabilities   | 59,169      | 60,337    | (1,168)             | (2)   |
| Total equity        | 34,212      | 33,189    | 1,023               | 3     |

## Result of Operation

The table below shows the consolidated revenues, expenses, and net income of NLEX Corporation for the quarters ended March 31, 2025, and March 31, 2024.

### Statement of Income Data

| In PhP, Millions   | 31-Mar-25   | 31-Mar-24   | Increase (Decrease) |      |
|--|-------------|-------------|---------------------|------|
|  | (unaudited) | (unaudited) | Amount              | %    |
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| Net income   | ₱3,555      | ₱2,676      | 879                 | 33   |
| Net income margin  | 51%         | 44%         |                     |      |

### March 31, 2025 Compared to March 31, 2024

#### Revenues

| In PhP, Millions      | 31-Mar-25     |            | 31-Mar-24     |            | Increase (Decrease) |           |
|-----------------------|---------------|------------|---------------|------------|---------------------|-----------|
|                       | (unaudited)   |            | (unaudited)   |            |                     |           |
|                       | Amount        | %          | Amount        | %          | Amount              | %         |
| Toll Revenues         | ₱6,983        | 100        | ₱6,005        | 99         | ₱978                | 16        |
| Non-toll Revenues     | 35            | 0          | 32            | 1          | 3                   | 8         |
| <b>Total Revenues</b> | <b>₱7,018</b> | <b>100</b> | <b>₱6,037</b> | <b>100</b> | <b>₱981</b>         | <b>16</b> |

The Company's operating revenues were mainly from toll fees at NLEX, SCTEX and NLEX Connector. The Company also generated other income from fees collected from toll service facilities located along NLEX.

For the first quarter of 2025, toll revenues reached ₱6,983 million, higher by 16% or ₱978 million from ₱6,005 million posted during the first quarter of 2024 because of higher traffic volume and impact of toll rate adjustments implemented in March 2025 in NLEX and October 2024 in SCTEX. In addition, NLEX Connector Section 2 started to contribute to the Company's toll revenues in October 2024.

As of March 31, 2025, average daily traffic for the NLEX reached 354,378 daily vehicle entries, higher than 2024 figures by 2%, while average daily traffic in SCTEX reached 82,514 daily vehicle entries or 1% higher than last year's figures covering the same three-month period. In addition, NLEX Connector traffic reached 20,698 daily entries for the 1<sup>st</sup> quarter of 2025.

### Cost of Services

As of March 31, 2025, major cost items include the concession fees being paid to Government partners and asset amortization costs. The table below shows the details of these accounts for the period ended March 31, 2025, and 2024:

| In Php, Millions                          | 31-Mar-25     |            | 31-Mar-24     |            | Increase / (Decrease) |          |
|---|---------------|------------|---------------|------------|-----------------------|----------|
|   | Amount        | %          | Amount        | %          | Amount                | %        |
| BCDA Revenue Share                        | P665          | 29         | P573          | 27         | P92                   | 16       |
| Amortization of service concession assets | 408           | 18         | 394           | 18         | 14                    | 4        |
| PNCC fee                                  | 321           | 14         | 275           | 13         | 46                    | 17       |
| Outside services                          | 263           | 11         | 266           | 12         | (3)                   | (1)      |
| Provision for heavy maintenance           | 201           | 9          | 177           | 8          | 24                    | 14       |
| Salaries and employee benefits            | 196           | 8          | 197           | 9          | (1)                   | (1)      |
| Repairs and maintenance                   | 124           | 5          | 82            | 4          | 42                    | 51       |
| Insurance                                 | 30            | 1          | 40            | 2          | (10)                  | (47)     |
| Depreciation                              | 20            | 1          | 13            | 1          | 7                     | 55       |
| Light & Water                             | 15            | 1          | 28            | 1          | (13)                  | (48)     |
| Fuel & Oil                                | 12            | 1          | 23            | 1          | (11)                  | (47)     |
| Toll collection and medical services      | 5             | -          | 5             | -          | -                     | 2        |
| Others                                    | 65            | 2          | 75            | 4          | (10)                  | (13)     |
| <b>Total cost of services</b>             | <b>P2,325</b> | <b>100</b> | <b>P2,148</b> | <b>100</b> | <b>P177</b>           | <b>8</b> |

BCDA Revenue Share of P665 million pertains to fees paid to BCDA, representing 50% of toll revenues in SCTEX. As of the first quarter of 2025, BCDA Revenue Share increased by 16% versus the same period in 2024, driven by higher toll revenues in the SCTEX. On the other hand, PNCC fee consists of the Government share in NLEX revenues, of which 90% is remitted directly to the National Government and the balance of 10% to PNCC. PNCC fee increased by 17% during the quarter from P275 million in 2024 to P321 million in 2025, mainly due to higher vehicle entries compared to last year and implementation of toll adjustments in March 2025.

Amortization of service concession assets for the first quarter reached P408 million, higher by 4% or P 14 million from P394 million last year due to the higher traffic volume during the first quarter of 2025 and additions to concession assets during the period.

Provision for heavy maintenance reached P201 million as of the first quarter of 2025, higher by 14% or P24 million from P177 million last year mainly due to the SCTEX heavy maintenance program in 2025.

Repairs and maintenance increased by 42 million or 51% higher than last year. The increase in costs is attributed mainly to the maintenance agreements for the toll collection system, computer hardware and software and repairs of buildings, transportation and office equipment.

Total cost of services as of the first quarter of 2025 amounted to P2,325 million, higher by 8% or P177 million versus P2,148 million recorded during the same period last year.

### **General and Administrative Expenses**

| In Php millions                    | 31-Mar-25   |            | 31-Mar-24   |            | Increase / (Decrease) |             |
|------------------------------------|-------------|------------|-------------|------------|-----------------------|-------------|
|                                    | Amount      | %          | Amount      | %          | Amount                | %           |
| Taxes and Licenses                 | ₱84         | 47         | ₱164        | 33         | (₱80)                 | (48)        |
| Salaries and Employee benefits     | (79)        | (44)       | 112         | 34         | (191)                 | (171)       |
| Outside services                   | 57          | 32         | 31          | 7          | 26                    | 84          |
| Professional fees                  | 46          | 26         | 38          | 13         | 8                     | 21          |
| Advertising and marketing expenses | 26          | 14         | 18          | 2          | 8                     | 41          |
| Provisions                         | 10          | 6          | 10          | 1          | –                     | 5           |
| Depreciation                       | 8           | 5          | 8           | 2          | –                     | 4           |
| Management fees                    | 8           | 4          | 8           | 2          | –                     | –           |
| Representation and travel          | 4           | 3          | 2           | 1          | 2                     | 96          |
| Others                             | 16          | 7          | 12          | 5          | 4                     | 33          |
| <b>Total</b>                       | <b>₱180</b> | <b>100</b> | <b>₱403</b> | <b>100</b> | <b>(223)</b>          | <b>(55)</b> |

As of March 31, 2025, general and administrative expenses amounted to ₱180 million, ₱223 million or 55% lower than the ₱403 million incurred during the same period last year mainly due to the one-off reversal of provisions for employee incentives. Outside services increased by ₱26 million or 84%, mostly arising from higher security services and shuttling costs, while professional fees increased by ₱8 million or 22% mainly due to higher legal fees.

### **Interest and Financing Costs**

Net financing costs for the three-month ended March 31, 2025 amounted to ₱313 million higher by 13% or ₱36 million versus last year due to higher interest rates in 2025.

As of March 31, 2025, net capitalized borrowing costs amounted to ₱399 million.

| In Php, Millions                            | 31-Mar-25   |            | 31-Mar-24  |            | Increase / (Decrease) |           |
|---|-------------|------------|------------|------------|-----------------------|-----------|
|   | Amount      | %          | Amount     | %          | Amount                | %         |
| Interest and financing costs:               |             |            |            |            |                       |           |
| Interest expense                            | ₱318        | 95         | ₱283       | 98         | 35                    | 2         |
| Amortization of debt issue costs            | 7           | 2          | 6          | 1          | 1                     | 50        |
| Lenders' fees and bank charges              | 10          | 3          | 0          | 1          | 10                    | 100       |
| <b>Total interest &amp; financing costs</b> | <b>335</b>  | <b>100</b> | <b>289</b> | <b>100</b> | <b>46</b>             | <b>16</b> |
| Interest Income:                            |             |            |            |            |                       |           |
| Cash and cash equivalents                   | (22)        | 100        | 12         | 100        | (10)                  | 86        |
| <b>Total interest income</b>                | <b>(22)</b> | <b>100</b> | <b>12</b>  | <b>100</b> | <b>(10)</b>           | <b>86</b> |

|                            |             |  |             |  |            |           |
|----------------------------|-------------|--|-------------|--|------------|-----------|
| <b>Net Financing costs</b> | <b>₱313</b> |  | <b>₱277</b> |  | <b>₱36</b> | <b>13</b> |
|----------------------------|-------------|--|-------------|--|------------|-----------|

### **Net Income**

Net Income for the three months of 2025 is at ₱3,555 million, 33% higher than last year driven by higher traffic and implementation of catch-up and add-on toll adjustments.

### **Balance Sheet**

| In PhP, Millions           | 31-Mar-25 | 31-Dec-24 | Increase (Decrease) |       |
|----------------------------|-----------|-----------|---------------------|-------|
|                            | Unaudited | (Audited) | Amount              | %     |
| <b>Balance Sheet Data:</b> |           |           |                     |       |
| Total assets               | ₱93,381   | ₱93,526   | (145)               | (0.2) |
| Total liabilities          | 59,169    | 60,337    | (1,168)             | (2)   |
| Total equity               | 34,212    | 33,189    | 1,023               | 3     |

### **March 31, 2025 Compared to December 31, 2024**

#### **Assets**

Cash and cash equivalents as of March 31, 2025 stood at ₱1,241 million, lower by ₱1,550 million from ₱2,791 million in December 31, 2024 primarily due to payment of dividends, short-term loans and long-term debt.

Receivables, comprising of advances for the right-of-way acquisition, utility facility fees and receivables from affiliates reached ₱3,490 million, higher by ₱486 million compared to ₱3,004 million as of December 2024.

Service concession assets stood at ₱80,617 million, slightly higher than the ₱80,034 million recorded as of December 31, 2024. The slight increase was mainly attributable to the costs related to the capital expenditure program for 2025.

As of March 31, 2025, total assets stood at ₱93,381 million, lower by ₱145 million versus ₱93,526 million as of December 31, 2024.

#### **Liabilities and Stockholder's Equity**

As of March 31, 2025, current liabilities decreased to ₱17,485 million, 7% or ₱1,314 million lower than December 31, 2024 figures of ₱18,799 million, due to the payment of dividends in January 2025.

Long-term debt remained almost unchanged at ₱36,632 million as of March 31, 2025 vs ₱36,618 million in December 2024.

Total liabilities as of March 31, 2025 amounted to ₱59,169 million, lower by ₱1,168 million from ₱60,337 million posted in December 2024 due to the reversal of provisions.

Stockholders' equity reached ₱34,212 million, up by 3% or ₱1,023 million from the ₱33,189 million as of December 2024 due to higher net income reported in the first quarter of 2025.

## **Key Financial Indicator**

The following table shows the Company's relevant financial ratios:

|                                |                              | 31-Mar-25 | 31-Dec-24 |
|--------------------------------|------------------------------|-----------|-----------|
| Current ratio                  | Current Assets               | 0.33      | 0.34      |
|                                | Current liabilities          |           |           |
| Debt-to-equity (DE) ratio      | Interest bearing liabilities | 1.29      | 1.34      |
|                                | Stockholders' equity         |           |           |
| Net profit margin              | Net Income                   | 51%       | 47%       |
|                                | Revenues                     |           |           |
| Return on assets               | Net income*                  | 16%       | 13%       |
|                                | Average total assets         |           |           |
| Return on stockholders' equity | Net income*                  | 42%       | 39%       |
|                                | Average stockholders' equity |           |           |

*\*annualized*

Current ratio was maintained at 0.33 times as at quarter-end from 0.34 times as at end-2024. The Company has adequate sources of liquidity including daily cash flows from operations and available short-term lines amounting to ₱16,134 million as of March 31, 2025.

Debt-to-equity ratio improved to 1.29 times as of the first quarter of 2025, from 1.34 times as of December 2024 primarily due to higher retained earnings and steady debt level.

The net profit margin went up to 51% from 47% posted in 2024 due to lower operating and maintenance costs during the quarter.

Return on assets and stockholders' equity remained stable at 16% and 42%, respectively.

## **Cash Flows**

The table below summarizes the Company's comparative cash flows as of March 31, 2025, and 2024.

|  | 31-Mar-25              | 31-Mar-24 |
|--|------------------------|-----------|
| Cash Flows                                   |                        |           |
|  | <i>(in ₱ Millions)</i> |           |
| Cash and cash equivalents, beginning balance | ₱2,791                 | ₱4,048    |
| Net cash provided by operating activities    | 4,380                  | 3,886     |
| Net cash used in investing activities        | (957)                  | (2,689)   |
| Net cash provided by financing activities    | (4,974)                | (1,182)   |
| Net increase (decrease) in cash              | (1,550)                | 15        |
| Cash and cash equivalents, ending balance    | ₱1,241                 | ₱4,063    |

### **Cash Flows from Operating Activities**

Net cash flows generated from operating activities during the first quarter of 2025 reached ₱4,380 million, stronger than 2024 figures mainly due to higher toll revenues.

### **Cash Flows from Investing Activities**

For the first quarter of 2025, net cash flows used for investing activities amounted to ₱957 million, significantly lower compared to the comparable period last year. Key investments during the period include the construction of Lingunan Southbound entry ramp and Segment 8.2 Section 1A projects, development costs for the Multi Lane Free Flow projects and remaining costs of the NLEX Connector Road and Candaba 3<sup>rd</sup> Viaduct projects .

## **Cash Flows from Financing Activities**

Net cash flows used for financing activities amounted ₱4,974 million, higher compared to the same period last year of ₱1,183 million mainly because of the scheduled repayments of long-term and short-term debt amounting to ₱2,225.0 million, payment of interest expenses amounting to ₱65 million and payment of remaining dividends out of the earnings amounting to ₱4,532 million. Due to stronger operating cashflows, the financing obligations for the quarter were covered with minimal increase in debt level for the period.

## **Other Financial Information**

**(i) Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.**

Any future quarantine measures that can be implemented by government that severely limit the mobility of people, goods and services may have a material impact on the issuer's liquidity. Thus, the Company maintains adequate short-term credit lines to cover any liquidity requirements.

**(ii) Any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.**

The registrant's concession agreements include standard provisions relating to events of default. Any breach of the loan covenants or material adverse change may result in an event of default.

**(iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.**

The Company has no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

**(iv) Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described.**

The Company has no new material commitments for capital expenditures during the 1<sup>st</sup> quarter of 2025 aside from the construction of the NLEX Segment 8.2 Section 1A Project,

**(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations.**

- a. **Tariff Increase** – The uncertainty in regulatory approval of petitions for toll rate adjustments could temper the growth in net revenues of the Company moving forward.
- b. **Higher Fuel Prices** – Vehicle operating costs normally go higher with the increase in fuel prices, thereby decreasing the demand for travel. Uncertainties in the movement of crude prices in the world market could affect the expected traffic volume growth in NLEX and SCTEX.

**(vi) Any significant elements of income or loss that did not arise from the registrant's continuing operations.**

During the period, there were no significant elements of income or loss that arose from transactions outside the registrant's continuing operations.

## **PART II-- OTHER INFORMATION**

### **List of Disclosures Not Made Under SEC Form 17-C**

The Company has disclosed all reportable events under SEC Form 17-C.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 15, 2025.

By:



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Maria Theresa O. Wells  
Chief Finance Officer *fr*