

14 November 2025

**Philippine Dealing & Exchange Corp.**

29th Floor, BDO Equitable Tower,  
8751 Paseo de Roxas, Makati City

Attention: **ATTY. SUZY CLAIRE R. SELLEZA**  
*Head - Issuer Compliance and Disclosure Department*

Re: SMC Tollways Fixed Rate Bonds Series A due 2030  
SMC Tollways Fixed Rate Bonds Series B due 2031  
SMC Tollways Fixed Rate Bonds Series C due 2034  
Quarterly Report (SEC Form 17-Q)

Gentlemen:

In compliance with the Philippine Dealing & Exchange Corp. ("PDEX") guidelines, please find enclosed copy of our disclosure to Securities and Exchange Commission on November 14, 2025.

Very truly yours,



**RAOUL EDUARDO C. ROMULO**  
*Corporate Information Officer*

# COVER SHEET

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 S.E.C. Registration Number

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(Company's Full Name)

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M	A	N	D	A	L	U	Y	O	N	G	C	I	T	Y							

Business Address : No. Street City / Town / Province )

<b>Atty. Mary Rose S. Tan</b>
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 Contract Person

<b>(632) 8632-3000</b>
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 Company Telephone Number

1	2	Fiscal Year
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3	1	Day
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1	7	-	Q	
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 FORM TYPE  
 (amended)

0	5	Annual Meeting
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1 <sup>st</sup>	Tuesday	Day
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 Secondary License Type, If Applicable

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 Dept. Requiring This Doc.

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 Amended Articles Number/Section

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 Total No. of Stockholders

Total Amount of Borrowings
 

	Domestic		Foreign
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To be Accomplished by SEC Personnel Concerned

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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 September 30, 2025
2. Commission identification number CS201310694
3. BIR Tax Identification No. 008-547-087
4. Exact name of issuer as specified in its charter SMC TOLLWAYS CORPORATION
5. Province, country or other jurisdiction of incorporation or organization  
METRO MANILA, PHILIPPINES
6. Industry Classification Code:  (SEC Use Only)
7. Address of issuer's principal office Postal Code  
11<sup>th</sup> Floor, San Miguel Properties Centre, 1550  
7 St. Francis Street, Mandaluyong City
8. Issuer's telephone number, including area code (632) 8632 – 3000
9. Former name, former address and former fiscal year, if changed since last report N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA  
Amount of Debt Outstanding

	<u>Amount</u>	<u>Interest Rate</u>
<b>Series A</b>	P10.6 Billion	6.4783%
<b>Series B</b>	5.9 Billion	6.7026%
<b>Series C</b>	<u>18.5 Billion</u>	6.9331%
<b>Total</b>	P35.0 Billion	

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 [ ]

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements.

The unaudited consolidated financial statements of SMC Tollways Corporation (“SMC Tollways” or “Parent Company”) and its subsidiaries (collectively, the “Group”) as of and for the period ended September 30, 2025 (with comparative figures as of December 31, 2024 and for the period ended September 30, 2024) and Selected Notes to Consolidated Financial Statements is hereto attached as **Annex “A”**.

### Item 2. Management’s Discussion and Analysis of Financial Position and Financial Performance.

The information required by Part III, Paragraph (A)(2)(b) of “Annex C, as amended” is attached hereto as **Annex “B”**.

## PART II – OTHER INFORMATION


SMC Tollways may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C, which otherwise be required to be filed with respect to such information, or in a subsequent report on Form 17-Q.

NONE

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **SMC TOLLWAYS CORPORATION**

Signature and Title:   
**RAOUL EDUARDO C. ROMULO**  
Senior Vice President, Chief Finance Officer  
and Treasury Head

Date: November 14, 2025

Signature and Title:   
**CRISALLIE D. GERONIMO**  
Senior Manager - Comptrollership

Date: November 14, 2025

**SMC TOLLWAYS CORPORATION AND SUBSIDIARIES**  
**(A Wholly-owned Subsidiary of Atlantic Aurum Investments B.V.)**

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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(Amounts in Thousands)**

	Note	September 30, 2025 Unaudited	December 31, 2024 Audited
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		P20,872,610	P17,279,552
Restricted cash		7,628,525	9,884,391
Trade and other receivables		311,875	239,148
Input value-added tax (VAT)		2,446,765	2,981,449
Other current assets		190,886	332,780
Total Current Assets		31,450,661	30,717,320
<b>Noncurrent Assets</b>			
Service concession rights	5	78,386,405	79,084,191
Due from related parties	4	1,864,337	-
Goodwill		483,452	483,452
Advances to contractors		338,793	360,009
Property and equipment	6	311,732	204,361
Deferred tax assets		25,593	26,368
Right-of-use (ROU) assets		-	2,702
Other noncurrent assets		105,186	35,854
Total Noncurrent Assets		81,515,498	80,196,937
		<b>P112,966,159</b>	<b>P110,914,257</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and other current liabilities		P4,678,364	P5,963,819
Current portion of:			
Long-term debt - net of debt issue costs		5,175,192	5,520,340
Provision for resurfacing and maintenance obligation		126,323	126,323
Lease liabilities		-	2,345
Dividends payable		-	96,025
Due to a related party	4	61,844	61,844
Income tax payable		608,075	354,515
Total Current Liabilities		10,649,798	12,125,211
<b>Noncurrent Liabilities</b>			
Noncurrent portion of:			
Long-term debt - net of debt issue costs		42,982,706	46,739,320
Provision for resurfacing and maintenance obligation		172,585	172,585
Retention payable		166,124	78,514
Net retirement liabilities		77,188	79,780
Deferred tax liabilities		358,115	369,960
Total Noncurrent Liabilities		43,756,718	47,440,159
Total Liabilities		<b>P54,406,516</b>	<b>P59,565,370</b>

(Forward)

	September 30, 2025 Unaudited	December 31, 2024 Audited
<b>Equity</b>		
Capital stock	P6,953,846	P6,953,846
Retained earnings	58,779,465	52,422,714
Other comprehensive loss	(15,465)	(15,465)
Other equity reserves	(13,594,274)	(13,594,274)
Equity attributable to equity holders of the		
Parent Company	52,123,572	45,766,821
Non-controlling interest	6,436,071	5,582,066
Total Equity	58,559,643	51,348,887
	<b>P112,966,159</b>	<b>P110,914,257</b>

*See accompanying Management Discussion and Analysis, and Selected Notes to the Consolidated Financial Statements.*

**CERTIFIED CORRECT:**

  
**CRISALLIE D. GERONIMO**  
Senior Manager - Comptrollership

**SMC TOLLWAYS CORPORATION AND SUBSIDIARIES**  
**(A Wholly-owned Subsidiary of Atlantic Aurum Investments B.V.)**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Amounts in Thousands, except Per Share Data)**

	Periods Ended September 30		For the Quarter Ended	
	2025	2024	2025	2024
Note	Unaudited	Unaudited	Unaudited	Unaudited
<b>REVENUE</b>				
Revenue from toll operations	P16,268,533	P15,373,011	P 5,408,641	P5,042,224
Toll operation and maintenance fee	303,750	303,750	101,250	101,250
	16,572,283	15,676,761	5,509,891	5,143,474
<b>COST OF SERVICES</b>	<b>(4,533,754)</b>	<b>(4,413,776)</b>	<b>(1,496,841)</b>	<b>(1,449,660)</b>
<b>GROSS PROFIT</b>	<b>12,038,529</b>	<b>11,262,985</b>	<b>4,013,050</b>	<b>3,693,814</b>
<b>OPERATING EXPENSES</b>	<b>(1,011,316)</b>	<b>(767,645)</b>	<b>(302,412)</b>	<b>(203,284)</b>
<b>CONSTRUCTION REVENUE (COSTS)</b>				
Construction revenue	1,918,468	1,441,997	591,077	504,638
Construction costs	(1,918,468)	(1,441,997)	(591,077)	(504,638)
	-	-	-	-
<b>OTHER INCOME (CHARGES)</b>				
Interest expense and other financing charges	(2,938,769)	(2,959,601)	(953,105)	(944,688)
Interest income	1,021,335	860,529	349,485	305,097
Rental income	80,338	62,447	31,385	22,158
Income from insurance claims	-	11,829	-	-
Others - net	9,036	13,928	3,541	1,954
	(1,828,060)	(2,010,868)	(568,694)	(615,479)
<b>INCOME BEFORE INCOME TAX</b>	<b>9,199,153</b>	<b>8,484,472</b>	<b>3,141,944</b>	<b>2,875,051</b>
<b>INCOME TAX EXPENSE</b>	<b>1,822,837</b>	<b>1,215,497</b>	<b>709,167</b>	<b>422,973</b>
<b>NET INCOME</b>	<b>7,376,316</b>	<b>7,268,975</b>	<b>2,432,777</b>	<b>2,452,078</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>P7,376,316</b>	<b>P7,268,975</b>	<b>P2,432,777</b>	<b>P2,452,078</b>
Net income and total comprehensive income attributable to:				
Equity holders of the Parent Company	P6,356,751	P6,276,081	P2,089,761	P2,118,058
Non-controlling interest	1,019,565	992,894	343,016	334,020
	P7,376,316	P7,268,975	P2,432,777	P2,452,078
<b>Basic and Diluted Earnings Per Share</b>	<b>7</b>	<b>P91.41</b>	<b>P90.25</b>	<b>P30.05</b>
			<b>P30.05</b>	<b>P30.46</b>

*See accompanying Management Discussion and Analysis, and Selected Notes to the Consolidated Financial Statements.*

**CERTIFIED CORRECT:**

  
**CRISALLIE D. GERONIMO**  
Senior Manager – Comptrollership

**SMC TOLLWAYS CORPORATION AND SUBSIDIARIES**  
**(A Wholly-owned Subsidiary of Atlantic Aurum Investments B.V.)**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(Amounts in Thousands, except Number of Shares and Par Value per Share)**

	Periods Ended September 30	
	2025	2024
<b>CAPITAL STOCK - ₱100 par value</b>		
Authorized - 80,000,000 shares		
Issued and outstanding - 69,538,459 common shares	<b>₱6,953,846</b>	<b>₱6,953,846</b>
<b>RETAINED EARNINGS</b>		
Balance at beginning of period	52,422,714	44,515,546
Net income	6,356,751	6,276,081
Balance at end of period	<b>58,779,465</b>	<b>50,791,627</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
<i>Cumulative remeasurement loss on net retirement liabilities</i>		
Balance at beginning and end of period	<b>(15,465)</b>	<b>(13,293)</b>
<b>OTHER EQUITY RESERVES</b>	<b>(13,594,274)</b>	<b>(13,594,274)</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>52,123,572</b>	<b>44,137,906</b>
<b>NON-CONTROLLING INTEREST</b>		
Balance at beginning of period	5,582,067	5,072,828
Net income	1,019,565	992,894
Cash dividends	(165,561)	(488,405)
Balance at end of period	<b>6,436,071</b>	<b>5,577,317</b>
	<b>₱58,559,643</b>	<b>₱49,715,223</b>

*See accompanying Management Discussion and Analysis, and Selected Notes to the Consolidated Financial Statements.*

**CERTIFIED CORRECT:**

  
**CRISALLIE D. GERONIMO**  
 Senior Manager - Comptrollership

**SMC TOLLWAYS CORPORATION AND SUBSIDIARIES**  
**(A Wholly-owned Subsidiary of Atlantic Aurum Investments B.V.)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Amounts in Thousands)**

	Note	Periods Ended September 30	
		2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		₱9,199,153	₱8,484,472
Adjustments for:			
Interest expense and other financing charges		2,938,769	2,959,601
Depreciation and amortization	6	2,666,794	2,565,453
Retirement expense		21,459	16,073
Interest income		(1,021,335)	(860,529)
Net foreign exchange gain		(231)	(1,949)
Gain on disposal of property and equipment	6	(298)	(1,295)
Gain on lease modification		(133)	-
Provision for resurfacing and maintenance obligation		-	8,627
Operating income before working capital changes		13,804,178	13,170,453
Decrease (increase) in:			
Trade and other receivables		(83,002)	(54,812)
Input VAT		534,684	491,188
Other current assets		142,490	165,461
Increase (decrease) in accounts payable and other current liabilities		(845,236)	199,854
Net cash generated from operations		13,553,114	13,972,144
Income tax paid		(1,580,347)	(1,207,508)
Interest received		1,031,610	870,603
Contributions to retirement plan		(24,051)	(10,720)
Net cash provided by operating activities		12,980,326	13,624,519
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to:			
Service concession rights	5	(1,918,770)	(1,401,834)
Property and equipment	6	(156,680)	(102,303)
Decrease (increase) in:			
Advances to contractors		21,216	(55,308)
Due from related parties	4	(1,864,337)	-
Other noncurrent assets		(69,332)	6,009
Payment of retention payable		(340,016)	(6,363)
Proceeds from disposal of property and equipment		720	1,295
Net cash used in investing activities		(4,327,199)	(1,558,504)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of:			
Long-term debt		(4,166,400)	(7,635,978)
Interest expense and other financing charges		(2,886,692)	(2,845,898)
Dividends to non-controlling interest		(261,586)	(771,721)
Lease liabilities		(1,488)	(2,518)
Decrease (increase) in restricted cash		2,255,866	(1,029,588)
Net cash used in financing activities		(₱5,060,300)	(₱12,285,703)

(Forward)

	Note	Periods Ended September 30	
		2025	2024
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		₱231	₱1,949
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3,593,058	(217,739)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		17,279,552	10,964,076
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>₱20,872,610</b>	<b>₱10,746,337</b>

*See accompanying Management Discussion and Analysis, and Selected Notes to the Consolidated Financial Statements.*

**CERTIFIED CORRECT:**

  
**CRISALLIE D. GERONIMO**  
 Senior Manager - Comptrollership

**SMC TOLLWAYS CORPORATION AND SUBSIDIARIES**  
**(A Wholly-owned Subsidiary of Atlantic Aurum Investments B.V.)**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in Thousands except as Otherwise Stated)**

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**1. Reporting Entity**

**General Information**

SMC Tollways Corporation (Tollways or the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on June 7, 2013 to deal with real and personal property of every kind and description, including securities or obligations of any corporation or association engaged in any business, including but not limited to those engaged in the logistics, tollways, infrastructure and similar businesses.

The Parent Company has a corporate life of 50 years pursuant to its articles of incorporation. However, under the Revised Corporation Code of the Philippines which took effect on February 23, 2019, the Parent Company has a perpetual corporate life.

The Parent Company is a wholly-owned subsidiary of Atlantic Aurum Investments B.V. (AAIBV), a holding company incorporated in the Netherlands. The ultimate parent of the Parent Company is Top Frontier Investment Holdings, Inc., a holding company incorporated in the Philippines.

In 2013, the Parent Company acquired a total of 87.84% interest in SMC Skyway Corporation (SMC SKYWAY) from AAIBV and Terramino Holdings, Inc. (THI), for a total consideration of ₱20,722.6 million.

In 2016, the Parent Company acquired 100% interest in Stage 3 Connector Tollway Holdings Corporation (S3CTHC) from AAIBV for a total consideration of ₱16,300.0 million. As at September 30, 2025 and December 31, 2024, S3CTHC owns 90% of SMC Skyway Stage 3 Corporation (MMSS3).

In 2020, the Parent Company acquired a total of 53.37% interest in Toll Road Operation & Maintenance Venture Corporation (TROMV) from Padma Investment PTE. Ltd. for ₱0.1 million. The acquisition resulted to an indirect ownership of 57.88% interest in Skyway O&M Corporation (SOMCO).

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**2. Material Accounting Policy Information**

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting* and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at December 31, 2024.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on November 12, 2025.

The interim consolidated financial statements are presented in Philippine peso and all financial information are rounded off to the nearest thousands (₱000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of new and amendments to standards as part of Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *Adoption of Amendments to Standards*

The Group has adopted the Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The adoption of the amendments to standards did not have a material effect on the interim consolidated financial statements.

#### *New and Amendments to Standards Not Yet Adopted*

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- **Classification and Measurement of Financial Instruments** (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
  - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
  - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
    - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
    - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1, *Presentation of Financial Statements*. The new standard introduces the following key requirements:
  - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss;
  - Management-defined performance measures are disclosed in a single note to the financial statements; and
  - Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

### 3. Segment Information

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the services produced. The operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit.

#### **Business Segments**

The Group's main businesses are as follows:

- The toll concession segments have granted the primary and exclusive privilege, responsibility and obligation to design and construct the toll roads.
- The toll operation segment has granted the primary and exclusive privilege, responsibility and obligation to operate and maintain the toll roads.
- Others include holding entities.

#### **Geographical Segments**

The Group operates and generates revenue principally in the Philippines. Consequently, geographical business information is not applicable.

#### **Inter-segment Transactions**

Segment revenue, segment expenses and operating results include transfers among business segments and among geographical segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar services. Such transfers are eliminated upon consolidation.

Management monitors operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

On a consolidated basis, the Group's performance is evaluated based on core net income for the period. Core net income for the period is measured as consolidated net income.

The following tables present revenue and expense information and certain assets and liabilities information regarding the different business segments for the periods ended September 30, 2025 and 2024, and as at September 30, 2025 and December 31, 2024:

	2025					Total
	Toll Concession	Toll Operation	Others	Eliminations		
<b>REVENUE</b>	<b>₱16,268,532</b>	<b>₱992,363</b>	<b>₱1,195,920</b>	<b>(₱1,884,532)</b>		<b>₱16,572,283</b>
<b>COST OF SERVICES</b>	<b>(3,708,084)</b>	<b>(780,334)</b>	<b>-</b>	<b>(45,336)</b>		<b>(4,533,754)</b>
<b>GROSS PROFIT</b>	<b>12,560,448</b>	<b>212,029</b>	<b>1,195,920</b>	<b>(1,929,868)</b>		<b>12,038,529</b>
<b>OPERATING EXPENSES</b>	<b>(843,900)</b>	<b>(155,366)</b>	<b>(12,050)</b>	<b>-</b>		<b>(1,011,316)</b>
<b>CONSTRUCTION REVENUE (COSTS)</b>						
Construction revenue	1,918,468	-	-	-		1,918,468
Construction costs	(1,918,468)	-	-	-		(1,918,468)
	-	-	-	-		-
<b>OTHER INCOME (CHARGES)</b>						
Interest expense and other financing charges	(1,134,100)	-	(1,804,669)	-		(2,938,769)
Interest income	626,411	1,029	393,895	-		1,021,335
Rental income	80,338	-	-	-		80,338
Others – net	640	7,718	678	-		9,036
	(426,711)	8,747	(1,410,096)	-		(1,828,060)
<b>INCOME BEFORE INCOME TAX</b>	<b>11,289,837</b>	<b>65,410</b>	<b>(226,226)</b>	<b>(1,929,868)</b>		<b>9,199,153</b>
<b>INCOME TAX EXPENSES</b>	<b>1,732,658</b>	<b>22,272</b>	<b>79,241</b>	<b>(11,334)</b>		<b>1,822,837</b>
<b>NET INCOME</b>	<b>9,557,179</b>	<b>43,138</b>	<b>(305,467)</b>	<b>(1,918,534)</b>		<b>7,376,316</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱9,557,179</b>	<b>₱43,138</b>	<b>(₱305,467)</b>	<b>(₱1,918,534)</b>		<b>₱7,376,316</b>

(Forward)

	2025				
	Toll Concession	Toll Operation	Others	Eliminations	Total
<b>SEGMENT ASSETS</b>	<b>₱99,667,457</b>	<b>₱506,777</b>	<b>₱123,021,508</b>	<b>(₱110,229,583)</b>	<b>₱112,966,159</b>
<b>SEGMENT LIABILITIES</b>	<b>₱44,028,239</b>	<b>₱246,852</b>	<b>₱67,531,952</b>	<b>(₱57,400,527)</b>	<b>₱54,406,516</b>
<b>Other Information</b>					
Cost of services and operating expenses excluding depreciation and amortization	₱1,914,463	₱906,425	₱57,388	₱-	₱2,878,276
Depreciation and amortization	2,637,519	29,275	-	-	2,666,794
Additions to service concession rights and property and equipment	1,984,807	90,643	-	-	2,075,450
	2024				
	Toll Concession	Toll Operation	Others	Eliminations	Total
<b>REVENUE</b>	₱15,373,011	₱968,713	₱3,527,963	(₱4,192,926)	₱15,676,761
<b>COST OF SERVICES</b>	(3,590,965)	(777,474)	-	(45,337)	(4,413,776)
<b>GROSS PROFIT</b>	11,782,046	191,239	3,527,963	(4,238,263)	11,262,985
<b>OPERATING EXPENSES</b>	(602,454)	(157,998)	(7,193)	-	(767,645)
<b>CONSTRUCTION REVENUE (COSTS)</b>					
Construction revenue	1,441,997	-	-	-	1,441,997
Construction costs	(1,441,997)	-	-	-	(1,441,997)
	-	-	-	-	-
<b>OTHER INCOME (CHARGES)</b>					
Interest expense and other financing charges	(1,525,157)	(2,531)	(1,431,913)	-	(2,959,601)
Interest income	824,498	3,537	32,494	-	860,529
Rental income	62,447	-	-	-	62,447
Income from insurance proceeds	11,829	-	-	-	11,829
Others – net	9,919	8,862	-	(4,853)	13,928
	(616,464)	9,868	(1,399,419)	(4,853)	(2,010,868)
<b>INCOME BEFORE INCOME TAX</b>	10,563,128	43,109	2,121,351	(4,243,116)	8,484,472
<b>INCOME TAX EXPENSES</b>	1,190,606	18,391	6,500	-	1,215,497
<b>NET INCOME</b>	9,372,522	24,718	2,114,851	(4,243,116)	7,268,975
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱9,372,522</b>	<b>₱24,718</b>	<b>₱2,114,851</b>	<b>(₱4,243,116)</b>	<b>₱7,268,975</b>
<b>SEGMENT ASSETS</b>	<b>₱101,377,097</b>	<b>₱485,531</b>	<b>₱123,479,907</b>	<b>(₱114,428,278)</b>	<b>₱110,914,257</b>
<b>SEGMENT LIABILITIES</b>	<b>₱53,244,967</b>	<b>₱269,869</b>	<b>₱67,684,883</b>	<b>(₱61,634,349)</b>	<b>₱59,565,370</b>
<b>Other Information</b>					
Cost of services and operating expenses excluding depreciation and amortization	₱1,652,615	₱910,823	₱52,530	₱-	₱2,615,968
Depreciation and amortization	2,540,805	24,649	-	-	2,565,453
Additions to service concession rights and property and equipment	1,446,674	57,463	-	-	1,504,137

#### 4. Related Party Disclosures

Transactions with the related parties are made at normal market prices and terms. Amount owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

	For the Periods Ended September 30		September 30, 2025	December 30, 2024	Terms and Conditions
	2025	2024			
	Amount of Transactions		Outstanding Balance		
<b>Trade and other receivables</b>					
Entities under common control	<b>₱249,234</b>	₱475,746	<b>₱62,028</b>	₱29,262	30 days; noninterest-bearing, unsecured
<b>Other Current Assets</b>					
Entities under common control	<b>₱447</b>	₱-	<b>₱447</b>	₱595	Refundable upon termination of lease
<b>Due from Related Parties</b>					
Entities under common control	<b>₱1,864,337</b>	₱-	<b>₱1,864,337</b>	₱-	240 months; interest-bearing, unsecured
<b>Accounts payable and other current liabilities:</b>					
Entities under common control	<b>₱12,967,780</b>	₱11,950,808	<b>₱105,881</b>	₱185,256	5 -30 days; noninterest-bearing, unsecured
Intermediate Parent	<b>451,141</b>	272,413	<b>47,880</b>	44,533	5 -30 days; noninterest-bearing, unsecured
			<b>₱153,761</b>	₱229,789	
<b>Fair Value of Plan Assets</b>					
Plan Assets	<b>₱24,051</b>	₱31,819	<b>₱144,923</b>	₱116,052	Under SMHC Multi-Employer Plan
<b>Due to a Related Party</b>	<b>₱-</b>	₱-	<b>₱61,844</b>	₱61,844	On demand, noninterest-bearing, unsecured

#### Trade Receivables

- a. On June 14, 2023, the Group with SMC NAIAX, SMC SLEX, STAR Infrastructure Development Corporation (SIDC), Manila Toll Expressway Systems, Inc. (MATES), STAR Tollway Corporation (STC), SMC TPLEX Corporation (SMC TPLEX) and TPLEX Operations and Maintenance Corporation (TOMCO), entered into a MOA on Inter-operability of Toll Collection System to ensure the inter-operability of toll collection system and traffic operations in accordance with the TRB guidelines for seamless traffic system and improved quality of service to the motorists throughout the toll roads. Total related cash transactions amounted to ₱97.8 million and ₱339.8 million for the periods ended September 30, 2025 and 2024, respectively. The Group has toll receivable amounting to ₱24.7 million and ₱10.5 million as at September 30, 2025 and December 31, 2024, respectively.

- b. SMC SKYWAY entered into a lease contract with other related parties as lessees, for the right to lease the advertising areas and spaces within the area of responsibility of the SMC SKYWAY at the South Metro Manila Skyway (SMMS). Total rental income amounted to ₱31.0 million and ₱25.9 million for the periods ended September 30, 2025 and 2024, respectively. The outstanding rental receivable amounted to ₱18.4 million and ₱9.5 million as at September 30, 2025 and December 31, 2024, respectively.
- c. MMSS3 entered into lease contracts with other related parties as lessees, for the right to lease the advertising areas and spaces within the area of responsibility of the Group at the Skyway Stage 3. Total rental income amounted to ₱26.7 million and ₱16.3 million for the periods ended September 30, 2025 and 2024, respectively. The outstanding rental receivable amounted to ₱7.5 million and ₱4.9 million as at September 30, 2025 and December 31, 2024, respectively.
- d. SOMCO agreed with SMC NAIAX to manage, operate and maintain the toll roads and toll road facilities, interchanges, and related facilities of the entire NAIAX. Revenue from toll operation and maintenance amounted to ₱93.7 million and ₱93.7 million for the periods ended September 30, 2025 and 2024, respectively. Outstanding receivable amounted to ₱11.4 million and ₱4.4 million as at September 30, 2025 and December 31, 2024, respectively.

### **Other Current Assets**

The Group also entered into lease agreements with entities under common control for the lease of office and parking space. The lease agreement is for a period of one year and renewable every year thereafter unless terminated by either party. Security deposit amounting to ₱0.4 million and ₱0.6 million as at September 30, 2025 and December 31, 2024, respectively, and will be refunded upon termination of the lease agreement.

### **Due from Related Parties**

#### *Loan agreements with Related Parties*

The Group extended loans to various parties to finance constructions of their respective infrastructure projects. Terms of the loans with these related parties are as follows:

	<b>Date of loan agreement</b>	<b>Principal</b>
SMC Northern Access Link Expressway Corp.	June 4, 2025	₱403,000
SMC Southern Access Link Expressway Corp.	June 4, 2025	787,000
South Luzon Tollroad-5 Expressway, Inc.	June 4, 2025	171,000
SMC Bulacan Water Services Corporation	June 27, 2025	45,000
SMC NBEX Inc.	July 17, 2025	25,000
SMC NBEX Inc	August 4, 2025	121,000
SMC TPLEX Extension Infrastructure Corp.	July 8, 2025	35,000
SMC TPLEX Extension Infrastructure Corp.	August 28, 2025	44,000
Air Gate Media, Inc.	July 14, 2025	100,000
Pasig River Expressway Corporation	August 4, 2025	33,000
SMC CBEX Inc.	August 28, 2025	17,000
SMC Marilao Access Link Expressway Corp.	August 28, 2025	26,000
SMC Marilao Access Link Expressway Corp.	September 17, 2025	34,000
		<b>₱1,841,000</b>

The term of the loans are 240 months from the date of the agreements with interest and principal payable in full and in cash on maturity date. The loans do not carry any covenants.

Loans bear interest rates as follows:

<u>Interest period</u>	<u>Interest rate</u>
First, Second, Third and Fourth interest period	Prevailing market rate for a 180-day loan tenor
Fifth, Sixth, Seventh interest period	Prevailing market rate for a 5-year loan tenor
Final interest period	Prevailing market rate for a 3-year loan tenor

In September 30, 2025 and 2024, interest income earned from the loans amounted to ₱23.3 million and nil, respectively. As at September 30, 2025 and December 31, 2024, the aggregate carrying amount of the loan principal and interests amounted to ₱1,864.3 million and nil, respectively.

### **Accounts Payable and Other Current Liabilities**

#### *Entities under Common Control*

- a. In relation to the interoperability arrangement between SMC SKYWAY and SLEX, total related transactions pertaining to ETC transactions amounted to ₱7,770.7 million and ₱6,738.8 million for the periods ended September 30, 2025 and 2024, respectively. The Group has toll payable to SMC SLEX amounting to ₱32.2 million and ₱47.0 million as at September 30, 2025 and December 31, 2024, respectively.
- b. Pursuant to a MOA entered into by SMC SKYWAY and SMC NAIAX, the Group shall collect and remit to SMC NAIAX all toll fees collected from the ETC users of NAIAX Expressway. Total related transactions amounted to ₱1,243.6 million and ₱1,185.2 million for the periods ended September 30, 2025 and 2024, respectively. Outstanding payable to SMC NAIAX amounted to ₱3.0 million and ₱6.0 million as at September 30, 2025 and December 31, 2024, respectively.
- c. Pursuant to a MOA entered into by SMC SKYWAY and SIDC dated August 20, 2018, the Group shall collect and remit to SIDC all toll fees collected from the ETC users of STAR Tollways. Total related transaction amounted to ₱1,438.0 million and ₱1,338.0 million for the periods ended September 30, 2025 and 2024, respectively. Outstanding payable to SIDC amounted to ₱1.1 million and ₱1.2 million as at September 30, 2025 and December 31, 2024, respectively.
- d. The Group entered into a one-year lease agreement, renewable for another year with MATES for the lease of machineries and equipment used for construction and road repairs. Total related transaction amounted to nil and ₱3.6 million for the periods ended September 30, 2025 and 2024, respectively. Outstanding payable to MATES amounted to nil and ₱0.1 million as at September 30, 2025 and December 31, 2024, respectively.
- e. Pursuant to a MOA entered into by SMC SKYWAY and SMC TPLEX, dated February 27, 2019, the Group shall collect and remit to SMC TPLEX all toll fees collected from the ETC users of Tarlac-Pangasinan-La Union Expressway (TPLEX). Total related transaction amounted to ₱2,089.2 million and ₱1,977.8 million for the periods ended September 30, 2025 and 2024, respectively. Outstanding payable to SMC TPLEX amounted to nil and ₱46.0 million as at September 30, 2025 and December 31, 2024, respectively.
- f. The Group and Intelligent E-Processes Technologies Corp. (IETC) entered into service agreements for non-exclusive and nontransferable license to use the toll collection system, preventive and corrective maintenance of Intelligent Transportation System and RFID management and customer services. The agreement is valid until December 31, 2025, renewable for another term. Total related transaction amounted to ₱262.7 million and ₱325.3 million for the periods ended September 30, 2025 and 2024. Outstanding payable to IETC amounted to ₱34.1 million and ₱39.8 million as at September 30, 2025 and December 31, 2024, respectively.

- g. The Group also purchased other goods and services from various related parties. These are settled within the respective related parties' normal settlement period. Total related transactions amounted to ₱163.6 million and ₱382.1 million for the periods ended September 30, 2025 and 2024, respectively. Outstanding payable for these transactions amounted to ₱35.4 million and ₱45.2 million as at September 30, 2025 and December 31, 2024, respectively.

#### *Intermediate Parent*

In 2025, the Group and San Miguel Holdings Corp. (SMHC) entered into a Shared Services Agreement wherein the Group agreed to pay SMHC an annual fee for the Shared Services rendered by SMHC on behalf of the Group. The Group also agreed to reimburse SMHC for all out-of-pocket expenses, incurred by SMHC in the performance of the Shared Services and all costs and expenses incurred by SMHC in rendering any service, at the request of the Group not covered by the Shared Services Agreement.

#### **Due to a Related Party**

Due to a related party represents the transaction costs incurred in obtaining the loan facilities which were paid by a related party in behalf of the Group.

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, *Related Party Disclosures*, but with whom SMC Tollways Corporation or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

## **5. Service Concession Rights**

Service concession rights consist of:

		September 30, 2025				
Note	Stage 1	Stage 2	Stage 3	Skyway Extension	Total	
<b>Cost</b>						
Balance at beginning of period	₱18,751,948	₱10,589,930	₱64,867,698	₱10,384,719	₱104,594,295	
Additions	219,517	27,435	1,536,273	135,545	1,918,770	
Balance at end of period	18,971,465	10,617,365	66,403,971	10,520,264	106,513,065	
<b>Accumulated Amortization</b>						
Balance at beginning of period	12,463,811	4,699,474	7,181,208	1,165,611	25,510,104	
Amortization	287,321	258,009	1,603,266	467,960	2,616,556	
Balance at end of period	12,751,132	4,957,483	8,784,474	1,633,571	28,126,660	
<b>Carrying Amount</b>	<b>₱6,220,333</b>	<b>₱5,659,882</b>	<b>₱57,619,497</b>	<b>₱8,886,693</b>	<b>₱78,386,405</b>	
		December 31, 2024				
	Stage 1	Stage 2	Stage 3	Skyway Extension	Total	
<b>Cost</b>						
Balance at beginning of year	₱18,721,031	₱10,318,329	₱63,122,891	₱10,214,459	₱102,376,710	
Additions	30,917	271,601	1,744,807	170,260	2,217,585	
Balance at end of year	18,751,948	10,589,930	64,867,698	10,384,719	104,594,295	
<b>Accumulated Amortization</b>						
Balance at beginning of year	12,080,717	4,355,462	5,078,086	553,730	22,067,995	
Amortization	383,094	344,012	2,103,122	611,881	3,442,109	
Balance at end of year	12,463,811	4,699,474	7,181,208	1,165,611	25,510,104	
<b>Carrying Amount</b>	<b>₱6,288,137</b>	<b>₱5,890,456</b>	<b>₱57,686,490</b>	<b>₱9,219,108</b>	<b>₱79,084,191</b>	

Service concession rights mainly consist of costs incurred for the construction of the toll roads. The service concession rights related to the Project Road during construction is not amortized until such time that the toll road is completed and put into operational use.

## **Construction Revenue and Construction Costs**

The Group recognized construction revenue and construction costs amounting to ₱1,918.5 million and ₱1,442.0 million for the periods ended September 30, 2025 and 2024, respectively, in reference to the stage of completion of the construction.

## **6. Property and Equipment**

Property and equipment consist of:

September 30, 2025					
	Transportation Equipment	Machineries and Equipment	Office Equipment, Furniture and Fixtures	Building Improvements	Total
<b>Cost</b>					
Balance at beginning of period	₱329,695	₱165,693	₱112,445	₱29,690	₱637,523
Additions	1,651	85,988	20,297	48,744	156,680
Disposal	(2,642)	(8,391)	(1,896)	-	(12,929)
Balance at end of period	328,704	243,290	130,846	78,434	781,274
<b>Accumulated Depreciation</b>					
Balance at beginning of period	210,997	112,711	96,245	13,209	433,162
Depreciation	24,921	15,095	6,652	2,219	48,887
Disposal	(2,642)	(8,391)	(1,474)	-	(12,507)
Balance at end of period	233,276	119,415	101,423	15,428	469,542
<b>Carrying Amount</b>	<b>₱95,428</b>	<b>₱123,875</b>	<b>₱29,423</b>	<b>₱63,006</b>	<b>₱311,732</b>

December 31, 2024					
	Transportation Equipment	Machineries and Equipment	Office Equipment, Furniture and Fixtures	Building Improvements	Total
<b>Cost</b>					
Balance at beginning of year	₱293,202	₱116,265	₱102,953	₱17,285	₱529,705
Additions	40,553	49,428	11,262	12,405	113,648
Disposal	(4,060)	-	(1,770)	-	(5,830)
Balance at end of year	329,695	165,693	112,445	29,690	637,523
<b>Accumulated Depreciation</b>					
Balance at beginning of year	184,100	98,981	89,974	11,301	384,356
Depreciation	30,489	13,730	8,041	1,908	54,168
Disposal	(3,592)	-	(1,770)	-	(5,362)
Balance at end of year	210,997	112,711	96,245	13,209	433,162
<b>Carrying Amount</b>	<b>₱118,698</b>	<b>₱52,982</b>	<b>₱16,200</b>	<b>₱16,481</b>	<b>₱204,361</b>

The total cost of fully depreciated property and equipment still in use amounted to ₱306.7 million and ₱274.2 million as at September 30, 2025 and December 31, 2024, respectively.

The Group disposed property and equipment with total cost of ₱12.9 million and ₱5.8 million for the period ended September 30, 2025 and December 31, 2024, respectively, which resulted to gain on disposal of ₱0.3 million and ₱1.3 million for the period ended September 30, 2025 and December 31, 2024, respectively. Gain or loss on disposal of property and equipment were presented as part of "Others" under "Other income (charges)" of the consolidated statements of comprehensive income.

Depreciation and amortization charged to cost of services and operating expenses were as follows:

	<b>September 30, 2025</b>	September 30, 2024
Service concession rights	<b>P2,616,556</b>	P2,525,688
Property and equipment	<b>48,887</b>	37,250
ROU assets	<b>1,351</b>	2,515
	<b>P2,666,794</b>	P2,565,453

Depreciation and amortization is allocated as follows:

	<b>September 30, 2025</b>	September 30, 2024
Cost of services	<b>P2,655,059</b>	P2,557,888
Operating expenses	<b>11,735</b>	7,565
	<b>P2,666,794</b>	P2,565,453

## 7. Basic and Diluted Earnings per Share

The computation of basic and diluted earnings per share is as follows (amounts in thousands except per share data):

	<b>September 30, 2025</b>	September 30, 2024
Net income attributable to the holders of the Parent Company	<b>P6,356,751</b>	P6,276,081
Divide by weighted average shares outstanding common shares	<b>69,538</b>	69,538
Basic and diluted earnings per share	<b>P91.41</b>	P90.25

The Parent Company has no potentially dilutive common shares for the period ended September 30, 2025, and 2024. Accordingly, the basic and diluted earnings per shares are stated at the same amount.

## 8. Financial Risk and Capital Management Objectives and Policies

### Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Interest Rate Risk
- Credit Risk
- Liquidity Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, restricted cash, security deposits (included under "Other current assets" account), due from related parties, miscellaneous deposits (included under "Other noncurrent assets" account), retention payable, long-term debt, dividends payable, due to a related party, and lease liabilities. These financial instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, and accounts payables and other current liabilities (excluding statutory payables) arise directly from and are used to facilitate its daily operations.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: (a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; (b) performance of the internal auditors; (c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (d) compliance with tax, legal and regulatory requirements, including the disclosure control and procedures; (e) evaluation of management's process to assess and manage the enterprise risk issues; and (f) fulfillment of the other responsibilities set out by the BOD.

The Audit and Risk Oversight Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the Securities and Exchange Commission (SEC).

The Audit and Risk Oversight Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit assists the Audit and Risk Oversight Committee in monitoring and evaluating the effectiveness of the risk management and governance processes of the Group. Internal Audit undertakes both regular and special reviews of risk management control and procedures, the results of which are reported to the Audit and Risk Oversight Committee.

### **Interest Rate Risk**

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The long-term debt of the Group is exposed to cash flow interest rate risk since it is subject to floating interest rate. The Group regularly monitors interest rate movements and, on the basis of current and projected economic and monetary data, decides on the best alternative to take to protect it from spiraling interest costs should interest rates go up.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on long-term debt, with all other variables held constant, of the income before income tax of the Group:

	<b>September 30, 2025</b>		<b>December 31, 2024</b>	
	<b>Change in Basis Points</b>	<b>Effect on Income Before Income Tax</b>	<b>Change in Basis Points</b>	<b>Effect on Income Before Income Tax</b>
Increase	<b>+0.02</b>	<b>(P42,900)</b>	+0.08	(P211,130)
Decrease	<b>-0.02</b>	<b>P42,900</b>	-0.08	211,130

*\*interest rate should not be lower than floor of 6.00%*

The assumed movement in basis points for the interest rate sensitivity analysis is based on the best estimate of expected change considering future trends of the Group, showing significantly lower volatility than in previous years.

There is no impact on the equity of the Group other than those already affecting the consolidated statements of comprehensive income.

### **Credit Risk**

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables.

The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The credit quality of financial assets is being managed by the Group using internal credit ratings.

The table below shows the credit quality by class of financial asset based on the rating system of the Group:

	September 30, 2025				
	Neither Past Due nor Impaired		Past due but		Total
	High Grade	Standard Grade	not impaired	Impaired	
Cash and cash equivalents*	P20,869,988	P -	P -	P -	P20,869,988
Restricted cash	7,628,525	-	-	-	7,628,525
Trade and other receivables	-	296,863	15,012	733,649	1,045,524
Security deposits**	-	447	-	-	447
Due from related parties	-	1,864,337	-	-	1,864,337
Miscellaneous deposits***	-	7,579	-	-	7,579
	<b>P28,498,513</b>	<b>P2,169,226</b>	<b>P15,012</b>	<b>P733,649</b>	<b>P31,416,400</b>

\*Excluding cash on hand amounting to P2.6 million as at September 30, 2025

\*\*Included under "Other current assets" account

\*\*\*Included under "Other noncurrent assets" account

	December 31, 2024				
	Neither Past Due nor Impaired		Past due but		Total
	High Grade	Standard Grade	not impaired	Impaired	
Cash and cash equivalents*	P17,276,370	P -	P -	P -	P17,276,370
Restricted cash	9,884,391	-	-	-	9,884,391
Trade and other receivables	-	223,617	15,531	733,649	972,797
Security deposits**	-	595	-	-	595
Miscellaneous deposits***	-	2,206	-	-	2,206
	<b>P27,160,761</b>	<b>P226,418</b>	<b>P15,531</b>	<b>P733,649</b>	<b>P28,136,359</b>

\*Excluding cash on hand amounting to P3.2 million as at December 31, 2024

\*\* Included under "Other current assets" account

\*\*\*Included under "Other noncurrent assets" account

The Group evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets are those which collectability is assured based on past experience. Standard grade financial assets are considered moderately realizable and some accounts which would require some reminder follow-ups to obtain settlement from the counterparty. The Group determines if credit risk have increased significantly when financial assets are more than 30 days past due.

**Impairment.** An impairment analysis is performed at each reporting date using a provision matrix (or lifetime expected loss allowance, if simplified approach) to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

For toll receivables, the Group has adopted a lifetime expected loss allowance in estimating ECL to receivables through the use of a provisions matrix using fixed rates of credit loss provisioning based on recent historical collection rates after incorporating forward-looking information. The Group's policy in estimating ECL on other receivables are based on a 12-month basis. Allowance for ECL amounted to P733.6 million as at September 30, 2025 and December 31, 2024. Management assessed that the allowance is sufficient to cover the ECL of trade and other receivables.

Generally, trade and other receivables are written off if collection cannot be made despite exhausting all extrajudicial and legal means of collection. The maximum exposure to credit risk at reporting date is the carrying value of the financial assets. The Group does not hold collateral as security.

For financial assets at amortized cost which mainly comprise of cash and cash equivalents and restricted cash, it is the Group's policy to measure ECL on these instruments on a 12-month basis.

However, where there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The following are considered in the assessment:

- ECL for cash and cash equivalents (excluding cash on hand) are not significant primarily because the placements are with reputable counterparty banks that possess good credit ratings.
- For deposits, the Group considered the financial capacity of the counterparty to refund the deposit once the agreement has been terminated.

### **Liquidity Risk**

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarize the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted receipts and payments used for liquidity management:

<b>September 30, 2025</b>	<b>Carrying Amount</b>	<b>Contractual Cash Flow</b>	<b>1 Year or Less</b>	<b>&gt;1 Year - 2 Years</b>	<b>&gt;2 Years - 5 Years</b>	<b>Over 5 Years</b>
<b>Financial Assets</b>						
Cash and cash equivalents	<b>P20,872,610</b>	<b>P20,872,610</b>	<b>P20,872,610</b>	–	–	–
Restricted cash	<b>7,628,525</b>	<b>7,628,525</b>	<b>7,628,525</b>	–	–	–
Trade and other receivables	<b>311,875</b>	<b>311,875</b>	<b>311,875</b>	–	–	–
Security deposits*	<b>447</b>	<b>447</b>	<b>447</b>	–	–	–
Due from related parties	<b>1,864,337</b>	<b>1,864,337</b>	–	–	–	<b>1,864,337</b>
Miscellaneous deposits**	<b>7,579</b>	<b>7,579</b>	–	<b>7,579</b>	–	–
<b>Financial Liabilities</b>						
Accounts payable and other current liabilities***	<b>4,268,019</b>	<b>4,268,019</b>	–	–	–	–
Retention payable	<b>233,832</b>	<b>233,832</b>	<b>67,708</b>	<b>166,124</b>	–	–
Long-term debt****	<b>48,157,898</b>	<b>67,577,682</b>	<b>8,770,496</b>	<b>11,252,909</b>	<b>23,169,036</b>	<b>24,385,241</b>
Due to a related party	<b>61,844</b>	<b>61,844</b>	<b>61,844</b>	–	–	–

\*Included under "Other current assets" account

\*\*Included under "Other noncurrent assets" account

\*\*\*Excluding statutory payables amounting to P342.9 million and retention payable amounting to P67.7 million.

\*\*\*\*Including interest payable to maturity amounting to P18,947.0 million.

December 31, 2024	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
<b>Financial Assets</b>						
Cash and cash equivalents	₱17,279,552	₱17,279,552	₱17,279,552	–	–	–
Restricted cash	9,884,391	9,884,391	9,884,391	–	–	–
Trade and other receivables	239,148	239,148	239,148	–	–	–
Security deposits*	595	595	595	–	–	–
Miscellaneous deposits**	2,206	2,206	–	2,206	–	–
<b>Financial Liabilities</b>						
Accounts payable and other current liabilities***	4,986,505	4,986,505	4,986,505	–	–	–
Retention payable	573,848	573,848	495,334	78,514	–	–
Dividends payable	96,025	96,025	96,025	–	–	–
Long-term debt****	52,259,660	74,720,331	9,367,974	8,400,294	14,629,936	42,322,127
Lease liabilities	2,345	2,381	2,381	–	–	–
Due to a related party	61,844	61,844	61,844	–	–	–

\*Included under "Other current assets" account

\*\*Included under "Other noncurrent assets" account

\*\*\*Excluding statutory payables amounting to ₱482.0 and retention payable amounting to ₱495.3 million.

\*\*\*\*Including interest payable to maturity amounting to ₱21,932.2 million.

### **Capital Management**

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders, issue new shares or do conversion of related party advances to an equity component item.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

The Group is not subject to externally imposed capital requirements except for the required compliance of net debt-to-equity ratio of not more than 3.0x with the loan covenants.

## **9. Financial Assets and Financial Liabilities**

*Recognition and Initial Measurement.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset (unless a trade receivable without a significant financing component) or financial liability is initially measured at a fair value of the consideration given or received. The initial measurement of financial instruments, except for those designated as at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at transaction price.

### **Financial Assets**

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

As at September 30, 2025, and December 31, 2024, the Group does not have financial assets measured at FVPL and FVOCI.

*Financial Assets at Amortized Cost.* A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- it is held within a business model with the objecting of holding the financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the profit or loss when the financial asset is derecognized, modified or impaired.

As at September 30, 2025, and December 31, 2024, cash and cash equivalents, restricted cash, trade and other receivables, security deposits (included under “Other current assets” account), due from related parties, and miscellaneous deposits (included under “Other noncurrent assets” account) of the Group are classified under this category.

#### Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

As at September 30, 2025, and December 31, 2024, the Group does not have financial liabilities measured at FVPL.

*Financial Liabilities at Amortized Cost.* This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in “Interest expense and other financing charges” account in the consolidated statements of comprehensive income. Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized or impaired or through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized the consolidated statements of comprehensive income.

As at September 30, 2025, and December 31, 2024, accounts payable and other current liabilities (excluding statutory payables), retention payable, long-term debt, dividends payable, due to a related party, and lease liabilities of the Group are classified under this category.

#### **Impairment of Financial Assets**

The Group recognizes an allowance for expected credit losses (ECL) on financial assets at amortized costs.

ECL are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognized allowance for impairment based on either 12-month or lifetime ECL depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECL for receivables that do not contain significant financing component. The Group uses provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether the financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECL on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of comprehensive income.

#### **Classification of Financial Instrument between Liability and Equity**

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	September 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Cash and cash equivalents	<b>₱20,872,610</b>	<b>₱20,872,610</b>	₱17,279,552	₱17,279,552
Restricted cash	<b>7,628,525</b>	<b>7,628,525</b>	9,884,391	9,884,391
Trade and other receivables	<b>311,875</b>	<b>311,875</b>	239,148	239,148
Security deposits*	<b>447</b>	<b>447</b>	595	595
Due from related parties	<b>1,864,337</b>	<b>1,864,337</b>	-	-
Miscellaneous deposits**	<b>7,579</b>	<b>7,579</b>	2,206	2,206
	<b>₱30,685,373</b>	<b>₱30,685,373</b>	₱27,405,892	₱27,405,892

	September 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Liabilities</b>				
Accounts payable and other current liabilities***	<b>₱4,267,801</b>	<b>₱4,267,801</b>	₱4,986,505	₱4,986,505
Retention payable	<b>233,832</b>	<b>233,832</b>	573,848	573,848
Long-term debt	<b>48,157,898</b>	<b>48,630,700</b>	52,259,660	55,699,868
Due to a related party	<b>61,844</b>	<b>61,844</b>	61,844	61,844
Dividends payable	-	-	96,025	96,025
Lease liabilities	-	-	2,345	2,306
	<b>₱52,721,375</b>	<b>₱53,194,177</b>	₱57,980,227	₱61,420,396

\*Included under "Other current assets" account

\*\*Included under "Other noncurrent assets" account

\*\*\*Excludes statutory payables and retention payable totaling ₱410.6 million and ₱977.3 million as at September 30, 2025 and December 31, 2024, respectively.

### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### Derecognition of Financial Assets and Financial Liabilities

*Financial Assets.* A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the assets have expired; or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" agreement; and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

### **Fair Value Measurements**

The Group measures financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### **Fair Value Hierarchy**

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The methods and assumptions used by the Group in estimating the fair values of the foregoing financial instruments are as follows:

*Cash and Cash Equivalents, Restricted Cash, Trade and Other Receivables, Due from Related Parties, Accounts Payable and Other Current Liabilities (excluding statutory payables), Retention Payable, Dividends Payable and Due to a Related Party.* The carrying amounts approximate the fair values at reporting dates due to the short-term maturities of these financial instruments. The fair value measurement for the current financial assets and liabilities are categorized as Level 3 (significant unobservable input).

*Security Deposits and Miscellaneous Deposits.* Due to the insignificant effect of discounting the sum of future cash flows, the amount of cash given up approximates the fair value of security deposits as at reporting date. The fair value measurement for the security deposits has been categorized as Level 2 (significant observable inputs).

*Lease Liabilities.* The estimated fair value of the Group's lease liabilities were determined as the sum of all remaining rental payments discounted using the prevailing market rate of interest for similar types of obligations. The fair value measurement for lease liabilities have been categorized as Level 2 (significant observable input).

*Long-term Debt.* The fair value of the long-term debt of the Group was computed using the prevailing market rate of similar instrument (Level 2).

There are no significant transfers between levels in the fair value hierarchy. The Group does not have financial instruments carried at fair value as at September 30, 2025 and December 31, 2024.

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## 10. Other Matters

### a. Commitments

The outstanding purchase commitments of the Group amounted to ₱3,256.6 million and ₱6,115.6 million as at September 30, 2025 and December 31, 2024, respectively.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business, and ongoing infrastructure projects, and will be funded by available cash and long-term debt.

### b. There were no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.

### c. There were no material changes in estimates of amounts reported in prior financial years.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
 OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE**

**INTRODUCTION**

The following discussion should be read in conjunction with the attached unaudited consolidated statements of financial statements of SMC Tollways Corporation ("SMC Tollways" or "Parent Company") and its subsidiaries (collectively referred to as the "Group") as at and for the period ended September 30, 2025 (with comparative figures as at December 31, 2024 and for the period ended September 30, 2024). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as at September 30, 2025 and for all the other periods presented, have been made. Certain information and footnote disclosure normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS) have been omitted.

**I. FINANCIAL PERFORMANCE**

**2025 vs 2024**

(Amounts in Thousands)	September 30		Horizontal Analysis		Vertical Analysis	
	2025	2024	Amount	%	2025	2024
<b>REVENUE</b>						
Revenue from toll operations	<b>₱16,268,533</b>	₱15,373,011	<b>₱895,522</b>	<b>6%</b>	<b>98%</b>	98%
Toll operation and maintenance fee	<b>303,750</b>	303,750	-	<b>0%</b>	<b>2%</b>	2%
	<b>16,572,283</b>	15,676,761	<b>895,522</b>	<b>6%</b>	<b>100%</b>	100%
<b>COST OF SERVICES</b>	<b>(4,533,754)</b>	(4,413,776)	<b>119,978</b>	<b>3%</b>	<b>(27%)</b>	(28%)
<b>GROSS PROFIT</b>	<b>12,038,529</b>	11,262,985	<b>775,544</b>	<b>7%</b>	<b>73%</b>	72%
<b>OPERATING EXPENSES</b>	<b>(1,011,316)</b>	(767,645)	<b>243,671</b>	<b>32%</b>	<b>(6%)</b>	(5%)
<b>CONSTRUCTION REVENUE (COSTS)</b>						
Construction revenue	<b>1,918,468</b>	1,441,997	<b>476,471</b>	<b>33%</b>	<b>12%</b>	9%
Construction costs	<b>(1,918,468)</b>	(1,441,997)	<b>(476,471)</b>	<b>33%</b>	<b>(12%)</b>	(9%)
	-	-	-			
<b>OTHER INCOME (CHARGES)</b>						
Interest expense and other financing charges	<b>(2,938,769)</b>	(2,959,601)	<b>(20,832)</b>	<b>(1%)</b>	<b>(18%)</b>	(19%)
Interest income	<b>1,021,335</b>	860,529	<b>160,806</b>	<b>19%</b>	<b>6%</b>	5%
Rental income	<b>80,338</b>	62,447	<b>17,891</b>	<b>29%</b>	<b>0%</b>	0%
Income from insurance claims	-	11,829	<b>(11,829)</b>	<b>(100%)</b>	<b>0%</b>	0%
Others - net	<b>9,036</b>	13,928	<b>(4,892)</b>	<b>(35%)</b>	<b>0%</b>	0%
	<b>(1,828,060)</b>	(2,010,868)	<b>(182,808)</b>	<b>(9%)</b>	<b>(11%)</b>	(13%)
<b>INCOME BEFORE INCOME TAX</b>	<b>9,199,153</b>	8,484,472	<b>714,681</b>	<b>8%</b>	<b>56%</b>	54%
<b>INCOME TAX EXPENSE</b>	<b>1,822,837</b>	1,215,497	<b>607,340</b>	<b>50%</b>	<b>11%</b>	8%
<b>NET INCOME</b>	<b>₱7,376,316</b>	₱7,268,975	<b>₱107,341</b>	<b>1%</b>	<b>45%</b>	46%
Net income attributable to:						
Equity holders of the Parent Company	<b>₱6,356,751</b>	₱6,276,081	<b>₱80,670</b>	<b>1%</b>	<b>38%</b>	40%
Non-controlling interest	<b>1,019,565</b>	992,894	<b>26,671</b>	<b>3%</b>	<b>6%</b>	6%
	<b>₱7,376,316</b>	₱7,268,975	<b>₱107,341</b>	<b>1%</b>	<b>45%</b>	46%

For the 3<sup>rd</sup> quarter of 2025, traffic volume increased across all vehicular classes. SMC Skyway Corporation ("SMC SKYWAY") achieved an Average Daily Traffic (ADT) of 283,106, higher by 3% from 275,016 in 2024, while SMC Skyway Stage 3 Corporation ("MMSS3") achieved an ADT of 176,165, higher by 10% from 160,206 in 2024.

Total revenue amounted to ₱16,572.3 million, a 6% increase from ₱15,676.8 million in September 2024.

Consolidated cost of services posted an increase of ₱120.0 million or 3% mainly due to the following items: (a) increase in government fees which is directly proportional to the increase in toll revenue, (b) increase in repairs and maintenance due to higher hardware and software maintenance, (c) increase in contracted services due to higher manpower services and RFID subscriber management fee; offset by decrease in provision for resurfacing and maintenance obligation.

Consolidated operating expenses recorded an increase of ₱243.7 million or 32%, mainly due to (a) increase in management fee due to additional allocation, (b) increase in taxes and licenses due to higher revenue tax base for business permits, (c) increase in contracted services due to recognition of overtime charges incurred in 2024 and (d) increase in other expenses due to higher insurance, membership and dues, and advertising costs. Those were offset by the (a) decrease in repairs and maintenance due to lower transportation maintenance costs, and (b) decrease in personnel costs due to lower manpower from last year.

For other income and charges, the Group recorded lower interest expense and other financing charges by ₱20.8 million due to lower outstanding balance of the long-term debt. Interest income increased by ₱160.8 million due to higher funds available for placements. Rental income also posted an increase of ₱17.9 million due to higher advertising space rentals.

Income tax expense was higher by ₱607.3 million as result of higher taxable income from operations, income tax holiday expiration of MMSS3, and increased final taxes from interest income.

### 2024 vs. 2023

(Amounts in Thousands)	September 30		Horizontal Analysis		Vertical Analysis	
	2024	2023	Amount	%	2024	2023
<b>REVENUE</b>						
Revenue from toll operations	₱15,373,011	₱14,666,762	₱706,249	5%	98%	98%
Toll operation and maintenance fee	303,750	303,750	-	0%	2%	2%
	<b>15,676,761</b>	<b>14,970,512</b>	<b>706,249</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>
<b>COST OF SERVICES</b>	<b>(4,413,776)</b>	<b>(3,785,946)</b>	<b>627,830</b>	<b>17%</b>	<b>(28%)</b>	<b>(25%)</b>
<b>GROSS PROFIT</b>	<b>11,262,985</b>	<b>11,184,566</b>	<b>78,419</b>	<b>1%</b>	<b>72%</b>	<b>75%</b>
<b>OPERATING EXPENSES</b>	<b>(767,645)</b>	<b>(870,206)</b>	<b>(102,561)</b>	<b>(12%)</b>	<b>(5%)</b>	<b>(6%)</b>
<b>CONSTRUCTION REVENUE (COSTS)</b>						
Construction revenue	1,441,997	608,365	833,632	137%	9%	4%
Construction costs	(1,441,997)	(608,365)	(833,632)	(137%)	(9%)	(4%)
	-	-	-			
<b>OTHER INCOME (CHARGES)</b>						
Interest expense and other financing charges	(2,959,601)	(3,449,996)	(490,395)	(14%)	(19%)	(23%)
Interest income	860,529	705,810	154,719	22%	5%	5%
Rental income	62,447	53,946	8,501	16%	0%	0%
Income from insurance claims	11,829	-	11,829	100%	0%	0%
Others - net	13,928	15,165	(1,237)	(8%)	0%	0%
	<b>(2,010,868)</b>	<b>(2,675,075)</b>	<b>(664,207)</b>	<b>(25%)</b>	<b>(13%)</b>	<b>(18%)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>8,484,472</b>	<b>7,639,285</b>	<b>845,187</b>	<b>11%</b>	<b>53%</b>	<b>51%</b>
<b>INCOME TAX EXPENSE</b>	<b>1,215,497</b>	<b>1,207,190</b>	<b>8,307</b>	<b>1%</b>	<b>8%</b>	<b>8%</b>
<b>NET INCOME</b>	<b>₱7,268,975</b>	<b>₱6,432,095</b>	<b>₱836,880</b>	<b>13%</b>	<b>46%</b>	<b>43%</b>
Net income attributable to:						
Equity holders of the Parent Company	₱6,276,081	₱5,499,407	₱776,674	14%	40%	37%
Non-controlling interest	992,894	932,688	60,206	6%	6%	6%
	<b>₱7,268,975</b>	<b>₱6,432,095</b>	<b>₱836,880</b>	<b>13%</b>	<b>46%</b>	<b>43%</b>

For the 3<sup>rd</sup> quarter of 2024, traffic volume increased across all vehicular classes. SMC Skyway achieved an ADT of 275,016, higher by 1% from 271,074 in 2023, while MMSS3 achieved an ADT of 160,206, higher by 5% from 152,111 in 2023.

Total revenue amounted to ₱15,676.8 million, an increase of 5% from ₱14,970.5 million in 2023.

Consolidated cost of services posted an increase of ₱627.8 million or 17% mainly due to the following items: (a) additional amortization of Skyway Extension and recognition of depreciation expense on machinery and equipment acquired during the period, (b) increase in government fees which is directly proportional to the increase in toll revenue, (c) higher personnel costs due to salary adjustments and related benefits, and (d) increase in contracted services due to higher manpower services and RFID subscriber management fee. These were offset by lower hardware and software maintenance.

Consolidated operating expenses posted a decrease of ₱102.6 million or 12%, mainly due to (a) lower taxes and licenses, (b) decrease in outside services due to lower manpower services, (c) lower representation and entertainment due to lesser external meetings, (d) decrease in communication, light and water, (e) lower insurance expense, seminars and training and other expenses; offset by the (a) increase in management fees due to inflationary increase, (b) increase in professional fees due to legal fees, and (c) increase in personnel costs due to salary adjustments and related benefits .

For other income and charges, the Group recorded lower interest expense and other financing charges by ₱490.4 million due to lower outstanding balance of the long-term debt. Interest income increased by ₱154.7 million due to higher short-term placements. Rental income posted an increase of ₱8.5 million, and income from insurance claims amounted to ₱11.8 million.

Income tax expense was higher by ₱8.3 million as result of higher taxable income from operations and increased final taxes from interest income.

### III. FINANCIAL POSITION

#### 2025 vs 2024

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	September 30, 2025	December 31, 2024	Amount	%	2025	2024
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	₱20,872,610	₱17,279,552	₱3,593,058	21%	18%	16%
Restricted cash	7,628,525	9,884,391	(2,255,866)	(23%)	7%	9%
Trade and other receivables	311,875	239,148	72,727	30%	0%	0%
Input value-added tax (VAT)	2,446,765	2,981,449	(534,684)	(18%)	2%	3%
Other current assets	190,886	332,780	(141,894)	(43%)	0%	0%
<b>Total Current Assets</b>	<b>31,450,661</b>	<b>30,717,320</b>	<b>733,341</b>	<b>2%</b>	<b>28%</b>	<b>28%</b>
<b>Noncurrent Assets</b>						
Service concession rights	78,386,405	79,084,191	(697,786)	(1%)	69%	71%
Due from related parties	1,864,337	-	1,864,337	100%	2%	0%
Goodwill	483,452	483,452	-	0%	0%	0%
Advances to contractors	338,793	360,009	(21,216)	(6%)	0%	0%
Property and equipment	311,732	204,361	107,371	53%	0%	0%
Deferred tax asset	25,593	26,368	(775)	(3%)	0%	0%
Right-of-use (ROU) assets	-	2,702	(2,702)	(100%)	0%	0%
Other noncurrent assets	105,186	35,854	69,332	193%	0%	0%
<b>Total Noncurrent Assets</b>	<b>81,515,498</b>	<b>80,196,937</b>	<b>1,318,561</b>	<b>2%</b>	<b>72%</b>	<b>72%</b>
	<b>₱112,966,159</b>	<b>₱110,914,257</b>	<b>₱2,051,902</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	₱4,678,364	₱5,963,819	(₱1,285,455)	(22%)	4%	5%
Current portion of:						
Long-term debt - net of debt issue costs	5,175,192	5,520,340	(345,148)	(6%)	5%	5%
Provision for resurfacing and maintenance obligation	126,323	126,323	-	0%	0%	0%
Lease liabilities	-	2,345	(2,345)	(100%)	0%	0%
Due to a related party	61,844	61,844	-	0%	0%	0%
(Forward)						

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	September 30, 2025	December 31, 2024	Amount	%	2025	2024
Dividends payable	₱-	₱96,025	(₱96,025)	(100%)	0%	0%
Income tax payable	608,075	354,515	253,560	72%	1%	0%
<b>Total Current Liabilities</b>	<b>10,649,798</b>	12,125,211	<b>(1,475,413)</b>	<b>(12%)</b>	<b>9%</b>	<b>11%</b>
<b>Noncurrent Liabilities</b>						
Noncurrent portion of:						
Long-term debt - net of debt issue costs	42,982,706	46,739,320	(3,756,614)	(8%)	38%	42%
Provision for resurfacing and maintenance obligation	172,585	172,585	-	0%	0%	0%
Retention payable	166,124	78,514	87,610	112%	0%	0%
Net retirement liabilities	77,188	79,780	(2,592)	(3%)	0%	0%
Deferred tax liabilities	358,115	369,960	(11,845)	(3%)	0%	0%
<b>Total Noncurrent Liabilities</b>	<b>43,756,718</b>	47,440,159	<b>(3,683,441)</b>	<b>(8%)</b>	<b>39%</b>	<b>43%</b>
<b>Total Liabilities</b>	<b>54,406,516</b>	59,565,370	<b>(5,158,854)</b>	<b>(9%)</b>	<b>48%</b>	<b>54%</b>
<b>EQUITY</b>						
Capital stock	6,953,846	6,953,846	-	0%	6%	6%
Retained earnings	58,779,465	52,422,714	6,356,751	12%	52%	47%
Other comprehensive loss	(15,465)	(15,465)	-	0%	0%	0%
Other equity reserves	(13,594,274)	(13,594,274)	-	0%	(12%)	(12%)
Equity attributable to equity holders of the Parent Company	52,123,572	45,766,821	6,356,751	14%	46%	41%
Non-controlling interest	6,436,071	5,582,066	854,005	15%	6%	5%
<b>Total Equity</b>	<b>58,559,643</b>	51,348,887	<b>7,210,756</b>	<b>14%</b>	<b>52%</b>	<b>46%</b>
	<b>₱112,966,159</b>	₱110,914,257	<b>₱2,051,902</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>

Total assets as of September 30, 2025 amounted to ₱112,966.2 million from ₱110,914.3 million in December 31, 2024.

Cash and cash equivalents amounted to ₱20,872.6 million, 21% higher than ₱17,279.6 million in 2024 due to higher cash generated from operations as a result of higher traffic in Skyway and MMSS3.

Restricted cash amounted to ₱7,628.5 million, 23% lower from ₱9,884.4 million in 2024 due to lower cash balance required by loan covenants.

Trade and other receivables increased from ₱239.1 million to ₱311.9 million mainly due to higher toll receivables from credit card transactions.

Input VAT posted a decrease of ₱534.7 million or 18% due to higher output VAT from toll revenue claimed against input VAT.

Other current assets decreased from ₱332.8 million to ₱190.9 million due to amortization of deferred input VAT.

Service concession rights posted a net decrease of ₱697.8 million or 1% due to amortization of service concession rights.

Due from related parties amounted to ₱1,864.3 million which pertains to loans provided to various related parties.

Non-current portion of advances to contractors posted a decrease of ₱21.2 million or 6% due to recoupment in progress billings.

Property and equipment posted a net increase of ₱107.4 million or 53% due to acquisition of various fixed assets to be used in operation.

Other noncurrent assets increased by ₱69.3 million or 193% due to the additional miscellaneous prepaid assets.

Accounts payable and other current liabilities decreased by ₱1,285.5 million or 22% is due to payments to third parties and release of retention payable.

Dividends payable decreased by ₱96.0 million due to dividends payments in June, August and September 2025.

Income tax payable increased by ₱253.6 million or 72% due to higher taxable income compared to last year.

Current and non-current portion of long term-debt - net of debt issue cost, posted a net decrease of ₱4,101.8 million due to principal payments.

Higher retention payable is due to on-going construction in MMSS3.

Total equity as of September 30, 2025 amounted to ₱58,559.6 million, higher by 14% from December 31, 2024 balance of ₱51,348.9 million, mainly due to the net income generated for the period.

As at September 30, 2025 and December 31, 2024, the Parent Company's retained earnings is in excess of its paid-in capital stock by ₱27,951.9 million and ₱28,363.9 million, respectively. The management is planning to use the retained earnings for future business opportunities.

### 2024 vs. 2023

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	September 30, 2024	December 31, 2023	Amount	%	2024	2023
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	₱10,746,337	₱10,964,076	(₱217,739)	(2%)	10%	10%
Restricted cash	9,491,943	8,463,304	1,028,639	12%	9%	8%
Trade and other receivables	248,792	183,906	64,886	35%	0%	0%
Input VAT	3,307,696	3,798,884	(491,188)	(13%)	3%	4%
Other current assets	175,727	341,189	(165,462)	(48%)	0%	0%
<b>Total Current Assets</b>	<b>23,970,495</b>	<b>23,751,359</b>	<b>219,136</b>	<b>1%</b>	<b>23%</b>	<b>23%</b>
<b>Noncurrent Assets</b>						
Service concession rights	79,184,858	80,308,715	(1,123,857)	(1%)	76%	77%
Goodwill	483,452	483,452	-	0%	0%	0%
Advances to contractors	240,425	185,117	55,308	30%	0%	0%
Property and equipment	207,883	145,349	62,534	43%	0%	0%
Deferred tax asset	23,244	27,153	(3,909)	(14%)	0%	0%
ROU assets	3,605	6,119	(2,514)	(41%)	0%	0%
Other noncurrent assets	21,644	24,878	(3,234)	(13%)	0%	0%
<b>Total Noncurrent Assets</b>	<b>80,165,111</b>	<b>81,180,783</b>	<b>(1,015,672)</b>	<b>(1%)</b>	<b>77%</b>	<b>77%</b>
	<b>₱104,135,606</b>	<b>₱104,932,142</b>	<b>(₱796,536)</b>	<b>(1%)</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	₱5,132,662	₱4,888,806	₱243,856	5%	5%	5%
Current portion of:						
Long-term debt – net of debt issue costs	10,284,244	9,135,556	1,148,688	13%	10%	9%
Provision for resurfacing and maintenance obligation	113,803	111,883	1,920	2%	0%	0%
Lease liabilities	3,310	3,414	(104)	(3%)	0%	0%
Dividends payable	-	283,316	(283,316)	(100%)	0%	0%
Due to a related party	61,844	61,844	-	0%	0%	0%
Income tax payable	333,100	280,499	52,601	19%	0%	0%
<b>Total Current Liabilities</b>	<b>15,928,963</b>	<b>14,765,318</b>	<b>1,163,645</b>	<b>8%</b>	<b>15%</b>	<b>14%</b>
<b>Noncurrent Liabilities</b>						
Noncurrent portion of:						
Long-term debt – net of debt issue costs	37,825,777	46,505,921	(8,680,144)	(19%)	36%	44%
Provision for resurfacing and maintenance obligation	159,194	152,487	6,707	4%	0%	0%

(Forward)

(Amounts in Thousands)			Horizontal Analysis Increase/(Decrease)		Vertical Analysis	
	September 30, 2024	December 31, 2023	Amount	%	2024	2023
Noncurrent portion of:						
Retention payable	₱91,113	₱96,576	(₱5,463)	(6%)	0%	0%
Lease liabilities	-	2,414	(2,414)	(100%)	0%	0%
Net retirement liabilities	73,523	76,103	(2,580)	(3%)	0%	0%
Deferred tax liabilities	341,813	398,494	(56,681)	(14%)	0%	0%
<b>Total Noncurrent Liabilities</b>	<b>38,491,420</b>	<b>47,231,995</b>	<b>(8,740,575)</b>	<b>(19%)</b>	<b>37%</b>	<b>45%</b>
<b>Total Liabilities</b>	<b>54,420,383</b>	<b>61,997,313</b>	<b>(7,576,930)</b>	<b>(12%)</b>	<b>52%</b>	<b>59%</b>
<i>(Forward)</i>						
<b>Equity</b>						
Common stock	6,953,846	6,953,846	-	0%	7%	7%
Retained earnings	50,791,627	44,515,546	6,276,081	14%	49%	42%
Other comprehensive loss	(13,293)	(13,117)	176	1%	0%	0%
Other equity reserves	(13,594,274)	(13,594,274)	-	0%	(13%)	(13%)
Equity attributable to equity holders of the Parent Company	44,137,906	37,862,001	6,275,905	17%	42%	36%
Non-controlling interest	5,577,317	5,072,828	504,489	10%	5%	5%
<b>Total Equity</b>	<b>49,715,223</b>	<b>42,934,829</b>	<b>6,780,394</b>	<b>16%</b>	<b>48%</b>	<b>41%</b>
	<b>₱104,135,606</b>	<b>₱104,932,142</b>	<b>(₱796,536)</b>	<b>(1%)</b>	<b>100%</b>	<b>100%</b>

Total assets as of September 30, 2024 amounted to ₱104,135.6 million from ₱104,932.1 million in December 31, 2023.

Cash and cash equivalents amounted to ₱10,746.3 million, 2% lower from ₱10,964.1 million in 2023 due to increase in capital expenditures for the period.

Restricted cash amounted to ₱9,491.9 million, 12% higher from ₱8,463.3 million in 2023 due to higher cash balance required by loan covenants and higher toll revenue.

Trade and other receivables increased from ₱183.9 million to ₱248.8 million mainly due to higher credit card transactions.

Input VAT posted a decrease of ₱491.2 million or 13% due to higher output VAT from toll revenue claimed against input VAT.

Other current assets decreased to ₱175.7 million from ₱341.2 million due to lower advances to contractors to be applied within one-year.

Service concession rights posted a net decrease of ₱1,123.9 million or 1% due to amortization of service concession rights.

Non-current portion of advances to contractors posted an increase of ₱55.3 million or 30% due to additional down payments for contractors of MMSS3.

Property and equipment posted a net increase of ₱62.5 million or 43% due to the additional acquisition of fixed assets to be used in operation.

Other noncurrent assets decreased by ₱3.2 million or 13% due to amortization of miscellaneous prepaid expenses.

Accounts payable and other current liabilities increased by ₱243.9 million or 5% due to increase in the current portion of retention payable and increase in refundable toll replenishments due to a higher prepaid RFID load.

Dividends payable decreased by ₱283.3 million due to the dividend payments to external parties.

Income tax payable increased by ₱52.6 million or 19% due to higher taxable income from last year.

Current and non-current portion of long-term debt - net of debt issue cost, posted a net decrease of ₱7,531.5 million due to principal payments.

Lower retention payable is due to settlement and releases of payments.

Total equity as of September 30, 2024 amounted to ₱49,715.2 million, higher by 16% from December 31, 2023 balance of ₱42,934.8 million, mainly due to the net income generated for the period.

As at September 30, 2024 and December 31, 2023, the Parent Company's retained earnings is in excess of its paid-in capital stock by ₱27,040.8 million and ₱24,934.7 million, respectively. Under the loan facility, the Parent Company is restricted from declaring, making or paying any dividend, charge, fee, or other distribution whether in cash or in kind or in respect of its share capital.

#### IV. SOURCES AND USES OF CASH

A brief summary of cash flow movement is shown below.

(Amounts in Thousands)	September 30	
	2025	2024
Net cash provided by operating activities	₱12,980,326	₱13,624,519
Net cash used in investing activities	(4,327,199)	(1,558,504)
Net cash used in financing activities	(5,060,300)	(12,285,703)

Net cash provided by operating activities consists of income for the year and changes in noncash current assets, certain current liabilities and other working capital items.

It also pertains to net cash generated from cash collections from toll transactions and payments of third-party payables.

Net cash used in investing activities includes the following:

(Amounts in Thousands)	September 30	
	2025	2024
Additions to:		
Service concession rights	(₱1,918,770)	(₱1,401,834)
Property and equipment	(156,680)	(102,303)
Decrease (increase) in:		
Advances to contractors	21,216	(55,308)
Due from related parties	(1,864,337)	-
Other noncurrent assets	(69,332)	6,009
Net additions to (payment of) retention payable	(340,016)	(6,363)
Proceeds from disposal of property and equipment	720	1,295

Net cash used in financing activities includes the following:

(Amounts in Thousands)	September 30	
	2025	2024
Payments of:		
Long-term debt	(₱4,166,400)	(₱7,635,978)
Interest expense and other financing charges	(2,886,692)	(2,845,898)
Dividends to non-controlling interest	(261,586)	(771,721)
Lease liabilities	(1,488)	(2,518)
Decrease (increase) in restricted cash	2,255,866	(1,029,588)

The effect of exchange rate changes on cash and cash equivalents amounted to a gain of ₱0.2 million and ₱2.0 million in September 30, 2025 and 2024, respectively.

## V. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against December 31, 2024 and September 30, 2024. Please refer to Items II “Financial Performance” and III “Financial Position” for the discussion of certain Key Performance Indicators.

Ratio	Formula	September 30, 2025	December 31, 2024
<b>Current ratio</b>	Total Current Assets	<b>31,450,661</b>	30,717,320
	Divided by: Total Current Liabilities	<b>10,649,798</b>	12,125,211
	Current ratio	<b>2.95</b>	2.53
<b>Acid test ratio</b>	Total Current Assets	<b>31,450,661</b>	30,717,320
	Less: Prepayments	<b>(174,034)</b>	(143,929)
	Quick assets	<b>31,276,627</b>	30,573,391
	Divided by: Total Current Liabilities	<b>10,649,798</b>	12,125,211
	Acid test ratio	<b>2.94</b>	2.52
<b>Net debt-to-equity ratio</b>	Total liabilities	<b>13,693,582</b>	17,249,123
	Divided by: Total equity	<b>29,378,440</b>	25,575,963
	Net debt-to-equity ratio	<b>0.47</b>	0.67
<b>Asset-to-equity ratio</b>	Total assets	<b>112,966,159</b>	110,914,257
	Divided by: Total equity	<b>58,559,643</b>	51,348,887
	Asset-to-equity ratio	<b>1.93</b>	2.16
<b>Solvency ratio</b>	Net income before depreciation and amortization	<b>10,043,111</b>	12,737,258
	Divided by: Total liabilities	<b>54,406,516</b>	59,565,370
	Solvency ratio	<b>0.18</b>	0.21
<b>Profitability</b>			
<b>Return on equity</b>	Net income attributable to equity holders of the Parent Company	<b>6,356,751</b>	7,907,168
	Divided by: Equity attributable to equity holders of the Parent Company	<b>52,123,572</b>	45,766,821
	Return on equity	<b>12.20%</b>	17.28%
<b>Return on assets</b>	Net income	<b>7,376,316</b>	9,237,646
	Divided by: Total assets	<b>112,966,159</b>	110,914,257
	Return on assets	<b>6.53%</b>	8.33%
<b>Net profit margin</b>	Net income	<b>7,376,316</b>	9,237,646
	Divided by: Total revenue	<b>16,572,283</b>	21,174,042
	Net profit margin	<b>44.51%</b>	43.63%

Ratio	Formula	September 30, 2025	December 31, 2024
Interest coverage ratio	Earnings before interest, taxes depreciation and amortization	10,510,731	12,225,499
	Divided by: Interest expense	2,905,041	2,544,953
	Interest coverage	3.62:1	4.80:1

Ratio	Formula	September 30, 2025	September 30, 2024
Revenue Growth	( Current period revenue )	16,572,283	15,676,761
	Divided by: Prior period revenue -1	15,676,761	10,533,287
	( Revenue growth )	5.7%	48.8%

## VII. OTHER MATTERS

### a. Commitments

The outstanding purchase commitments of the Group amounted to ₱3,256.6 million as at September 30, 2025.

These consist mainly of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business, and ongoing infrastructure projects, and will be funded by available cash and long-term debt.

- b. There were no known trends, demands, commitments, events, or uncertainties that would materially impact the Group's liquidity. The Group does not anticipate any cash flow or liquidity issues within the next 12 months. Furthermore, the Group was not in default or breach in any material respect concerning any note, loan, lease, or other indebtedness or financing arrangements requiring payments. All trade payables have been settled within the stated trade terms.
- c. There were no known events that will trigger a direct or contingent financial obligation material to the Group, including any defaults or acceleration of obligations. No material contingencies and any events or transactions exist that are material to an understanding of the current interim period.
- d. There were no known trends, events, or uncertainties that have had or are reasonably expected to have a favorable or unfavorable impact on net sales, revenues, or income from continuing operations.
- e. There are no significant elements of income or loss that did not arise from continuing operations.
- f. The effects of seasonality or cyclical on the operations of the business of the Group are not material.
- g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), or other relationships created by the Group with unconsolidated entities or other persons during the reporting period.