

COVER SHEET

for
SEC FORM 17-Q

SEC Registration Number

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COMPANY NAME

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C	O	R	P	O	R	A	T	I	O	N)																							

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

N	L	E	X		C	O	M	P	O	U	N	D	,		B	A	L	I	N	T	A	W	A	K	,										
C	A	L	O	O	C	A	N		C	I	T	Y	,		M	E	T	R	O		M	A	N	I	L	A									

Form Type

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Department requiring the report

M	S	R	D
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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

nlexsec@mptc.com.ph

Company's Telephone Number

(02) 8-580-8900

Mobile Number

0998-962-0895

No. of Stockholders

15

Annual Meeting (Month / Day)

Any Day in May

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Ms. Maria Theresa O. Wells

Email Address

nlexsec@mptc.com.ph

Telephone Number/s

(02) 8-580-8900

Mobile Number

0998-962-0895

CONTACT PERSON'S ADDRESS

NLEX Compound, Balintawak, Caloocan City, Metro Manila

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

SECURITIES AND EXCHANGE COMMISSION

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

1. For the quarterly period ended: **September 30, 2025**
2. Commission Identification Number: **A1997-01451**. 3. BIR Tax Identification No: **004-984-946-000**
4. **NLEX CORPORATION**
Exact name of issuer as specified in its charter
5. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **NLEX Compound, Balintawak, Caloocan City** **1400**
Address of issuer's principal office Postal Code
8. **+632-8-580-8900**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Series B Bonds Due 2028</u>	<u>Php2,000,000,000.00</u>

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

Yes [] No [✓]

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

N/A

12. Indicate by check mark whether the registrant:

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

Yes [✓] No []

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

Yes [✓] No []

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PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

Interim Condensed Financial Statements (unaudited)
September 30, 2025 and 2024

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

INTERIM CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2025 (UNAUDITED)
AND CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2024 (AUDITED)

	September 30, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱502,096,080	₱2,791,466,651
Financial assets at fair value through profit or loss (FVTPL) (Note 5)	13,041,937	12,612,146
Receivables (Notes 6 and 13)	3,169,544,728	3,003,488,084
Inventories:		
At net realizable value	66,251,163	63,470,361
At cost	10,154,354	12,093,597
Other current assets (Note 10)	1,436,875,595	539,469,937
Total Current Assets	5,197,963,857	6,422,600,776
Noncurrent Assets		
Service concession assets (Note 7)	81,973,325,228	80,033,972,919
Goodwill (Note 26)	6,213,799,383	6,213,799,383
Property and equipment (Note 8)	379,969,970	356,903,092
Other intangible assets (Note 9)	111,771,254	103,638,982
Other noncurrent assets	404,374,625	395,315,311
Total Noncurrent Assets	89,083,240,460	87,103,629,687
TOTAL ASSETS	₱94,281,204,317	₱93,526,230,463
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	₱5,640,325,027	₱5,996,859,129
Income tax payable	717,185,949	677,951,629
Provisions (Note 12)	371,097,572	361,979,885
Dividends payable (Note 13)	-	2,000,000,000
Short-term loans payable	-	1,999,095,890
Current portion of long-term debt (Note 14)	4,913,862,852	7,763,207,523
Total Current Liabilities	11,642,471,400	18,799,094,056
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 14)	41,118,963,126	36,617,675,553
Service concession fees payable (Note 15)	4,050,174,215	3,905,451,622
Provisions (Note 12)	937,855,491	538,636,549
Pension liability - net	104,289,544	105,134,095
Long-term incentive plan payable	247,888,126	171,492,995
Deferred tax liabilities - net	181,616,135	199,390,190
Total Noncurrent Liabilities	46,640,786,637	41,537,781,004
Total Liabilities	58,283,258,037	60,336,875,060
Equity		
Capital stock (Note 16)	1,878,600,000	1,878,600,000
Additional paid-in capital	9,965,880,147	9,965,880,147
Retained earnings	24,309,890,513	21,501,299,636
Other comprehensive loss reserve - net	(156,424,380)	(156,424,380)
Total Equity	35,997,946,280	33,189,355,403
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	₱94,281,204,317	₱93,526,230,463

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

NLEX CORPORATION

(A Subsidiary of Metro Pacific Tollways Corporation)

**INTERIM CONDENSED STATEMENT OF INCOME AS AT SEPTEMBER 30, 2025 (UNAUDITED)
AND AS AT SEPTEMBER 30, 2024 (UNAUDITED)**

	Nine Months ended September 30		Three Months ended September 30	
	2025	2024	2025	2024
OPERATING REVENUES				
Toll fees - net of discount	₱21,788,480,569	₱18,514,477,446	₱7,112,438,096	₱6,206,798,381
Sales of magnetic cards	893	1,473	–	580
Toll revenues	21,788,480,462	18,514,478,919	7,112,438,096	6,206,798,961
Non-toll revenues (Note 17)	107,792,410	165,710,271	14,354,756	91,854,054
Total revenues	21,896,272,872	18,680,189,190	7,126,792,852	6,298,653,015
Cost of services (Note 18)	(7,443,538,824)	(6,596,720,596)	(2,598,102,343)	(2,103,890,857)
Gross Profit	14,452,734,048	12,083,468,594	4,428,690,509	4,194,762,158
Construction revenue (Note 7)	2,492,817,086	6,412,132,164	1,147,323,285	2,606,356,636
Construction costs (Note 7)	(2,492,817,086)	(6,412,132,164)	(1,147,323,285)	(2,606,356,636)
General and administrative expenses (Note 19)	(971,245,317)	(870,956,917)	(275,495,485)	(217,679,079)
Interest expense and other finance cost (Note 21)	(1,219,686,138)	(961,342,250)	(587,567,708)	(352,994,252)
Interest income (Note 20)	56,680,172	81,989,890	15,379,039	39,785,752
Foreign exchange gain - Net	3,123,681	(256,270)	17,908,307	(1,374,223)
Other income	245,858,667	159,848,153	34,531,214	37,065,655
Income before income tax	12,567,464,113	10,492,751,200	3,733,442,876	3,699,566,011
Provision for (benefit from) income tax				
Current	2,237,953,621	1,926,182,088	699,390,650	669,075,310
Deferred	(17,774,055)	(89,018,155)	26,209,441	(30,363,726)
	2,220,179,566	1,837,163,933	725,600,091	638,711,584
Net income	₱10,347,285,547	₱8,655,587,267	₱3,007,842,785	₱3,060,854,427

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

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME AS AT SEPTEMBER 30, 2025 (UNAUDITED) AND AS AT SEPTEMBER 30, 2024 (UNAUDITED)

	Nine Months Ended September 30	
	2025	2024
NET INCOME	₱10,347,285,547	₱8,655,587,267
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Income tax effect	-	-
	-	-
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gains (losses) on defined benefit Retirement plan (Note 16)	-	(53,246,617)
Income tax effect	-	13,311,654
	-	-
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	-	(39,934,963)
TOTAL COMPREHENSIVE INCOME	₱10,347,285,547	₱8,615,652,304

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

NLEX CORPORATION

(A Subsidiary of Metro Pacific Tollways Corporation)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY AS AT SEPTEMBER 30, 2025 (UNAUDITED)

AND AS AT DECEMBER 31, 2024 (AUDITED)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Loss Reserve	Total Equity
At January 1, 2025	₱1,878,600,000	₱9,965,880,147	₱21,501,299,636	(₱156,424,380)	₱33,189,355,403
Cash Dividends (see Note 16)	–	–	(7,538,694,670)	–	(7,538,694,670)
Net Income	–	–	10,347,285,547	–	10,347,285,546
Net Income/Total comprehensive income for the period	–	–	10,347,285,547	–	10,347,285,546
At September 30, 2025	₱1,878,600,000	₱9,965,880,147	₱24,309,890,513	(₱156,424,380)	₱35,997,946,280
At January 1, 2024	₱1,878,600,000	₱9,965,880,147	₱16,400,352,785	(₱102,450,775)	₱28,142,382,157
Cash dividends (Note 16)	–	–	(6,970,312,988)	–	(6,970,312,988)
Net income	–	–	12,071,259,839	–	12,071,259,839
Other comprehensive income (loss) (Note 16)	–	–	–	(53,973,605)	(53,973,605)
Total comprehensive income for the year	–	–	12,071,259,839	(53,973,605)	12,017,286,234
At December 31, 2024	₱1,878,600,000	₱9,965,880,147	₱21,501,299,636	(₱156,424,380)	₱33,189,355,403

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

NLEX CORPORATION
(A Subsidiary of Metro Pacific Tollways Corporation)

INTERIM CONDENSED STATEMENT OF CASH FLOWS AS AT SEPTEMBER 30, 2025
(UNAUDITED) AND INTERIM CONDENSED STATEMENT OF CASH FLOWS AS AT SEPTEMBER
30, 2024 (UNAUDITED)

	Nine Months Ended September	
	2025	2024
OPERATING ACTIVITIES		
Income before income tax	₱12,565,465,113	₱10,492,751,605
Adjustments to reconcile income before income tax to net cash flows:		
Amortization of service concession assets (Note 7)	1,349,275,705	1,196,875,968
Interest expense and other finance costs (Note 21)	1,208,282,105	961,342,250
Depreciation of property and equipment (Note 8, 18, and 19)	28,253,518	60,332,158
Movements in:		
Provisions	372,939,312	459,285,138
Accrued retirement costs / pension costs	(844,551)	(14,112,713)
Long-term incentive plan payable	76,395,131	19,080,414
Loss (gain) on disposals of property and equipment	2,077,467	(2,260,691)
Interest income (Note 20)	(56,680,171)	(81,989,890)
Amortization of other intangible assets (Note 9)	3,836,918	882,196
Unrealized foreign exchange gain (loss) - net	(16,894,415)	609,828
Unrealized gain on investments (FVTPL)	(429,791)	(178,002)
Operating income before working capital changes	15,533,676,341	13,092,618,261
Working capital changes:		
Decrease (increase) in:		
Receivables	(138,393,943)	(718,639,167)
Inventories	(841,559)	11,811,609
Other current assets	(1,182,389,306)	(329,975,798)
Increase (decrease) in:		
Accounts payable and other current liabilities	87,807,491	441,550,042
Cash generated from operation	14,299,859,024	12,497,364,947
Income tax paid	(2,198,719,301)	(1,858,307,277)
Net cash flows from operating activities	12,101,139,723	10,639,057,671
INVESTING ACTIVITIES		
Decrease (increase) in advances to contractors and other noncurrent assets	249,224,737	(20,449,134)
Interest received	55,717,066	97,808,166
Additions to:		
Service concession asset (Note 7)	(3,125,024,602)	(7,063,216,119)
Property and equipment (Note 8)	(53,397,862)	(53,570,433)
Other intangible assets (Note 9)	(11,969,190)	(36,789,146)
Financial assets at FVTPL	–	(10,000,000)
Proceeds from:		
Sale of property and equipment (Note 8)	–	–
Net cash flows used in investing activities	(2,885,449,851)	(7,086,216,666)
<i>(Forward)</i>		

	Nine Months Ended September	
	2025	2024
FINANCING ACTIVITIES		
Proceeds from availment of:		
Long-term debt (Note 14)	₱6,000,000,000	₱8,000,000,000
Short-term debt (Note 14)	1,850,000,000	4,500,000,000
Payments of:		
Dividends	(9,538,694,670)	(7,770,312,988)
Long-term and short-term debt	(8,200,000,000)	(7,450,000,000)
Interest expense and other finance cost	(1,583,054,366)	(476,989,058)
Debt issue costs	(50,205,822)	(79,325,342)
Net cash flows from (used in) financing activities	(11,521,954,858)	(3,276,627,388)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,306,264,986)	276,213,616
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	16,894,415	(609,828)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,791,466,651	4,048,262,416
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	₱502,096,080	₱4,323,866,204

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

NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

1. Corporate Information

General

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

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

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

As of date, and subject to the issuance of applicable tax clearances, MPTC, directly and through its wholly-owned subsidiary, MPT North, Inc. (formerly Egis Investment Partners Philippines, Inc.), owns approximately 83.85% of the outstanding capital stock of the Company. MPTC is 99.9% owned by Metro Pacific Investments Corporation (MPIC). 46.28% of the outstanding common shares and 100% of the outstanding Class A Preferred shares of MPIC are owned by Metro Pacific Holdings, Inc. (MPHI).

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

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

Toll Operations

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

The MNEP consists of Six phases as follows:

Phase I	Rehabilitation and expansion of approximately 84 kilometers (km) of the existing NLEX and an 8.5-km stretch of a Greenfield expressway that connects Tipo in Hermosa, Bataan to Subic (Segment 7)
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Phase II	Construction of the northern parts of the 17-km circumferential road C-5 which connects the current C-5 expressway to the NLEX and the 5.85-km road from McArthur Highway to Letre
Phase III	Construction of the 57-km Subic arm of the NLEX to Subic Expressway

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

Segment 8.1, a portion of Phase II, which is a 2.7 km-road designed to link Mindanao Avenue to the NLEX, officially commenced tollway operation on June 5, 2010. Segment 9, a portion of Phase II, which is a 2.4 km-road connecting NLEX to the McArthur Highway, officially commenced tollway operation on March 19, 2015. In May 2014, Segment 10, a portion of Phase II, which is a 5.76 km four-lane, elevated expressway that will start from the terminal of Segment 9 in Valenzuela City going to Circumferential Road 3 (C-3 Road) in Caloocan City above the alignment of Philippine National Railway (PNR) tracks. Segment 10 construction was completed on February 28, 2019, and officially opened to the public on March 1, 2019. The remaining portion of Phase II is under pre-construction works, while Phase III of the MNEP has not yet been started as at September 30, 2025.

Segment 8.2 – Section 1A Project. The project entails the design and construction of a new two-km Section 1A of Segment 8.2 from Mindanao Ave to Quirino Highway. The project is expected to be completed on Q1 2026.

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

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

As at September 30, 2025, the construction of NLEX-SLEX Connector Road Section 1 is 100% complete, with toll collection beginning on August 8, 2023. A portion of Section 2, up to Ramon Magsaysay Boulevard in Manila, was completed last October 28, 2023, with toll collection beginning on October 15, 2024. Full completion of the project is upon completion of the interconnection structure to connect the Section 2 of the NLEX-SLEX Connector Road with the Skyway Stage 3.

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

Basis of Preparation

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

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2025.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

▪ Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

▪ Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Company adopted the amendments beginning January 1, 2024. These amendments have no material impact on the financial statements of the Company.

Effective beginning on or after January 1, 2025

▪ PFRS 17, *Insurance Contracts*

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

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

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

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2024 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued

by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

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

- Amendments to PAS 21, *Lack of exchangeability*

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

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

Deferred effectivity

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

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

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

3. Seasonality of Operations

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

4. Cash and Cash Equivalents

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash and cash equivalents	P283,803,638	P1,707,445,025
Short-term deposits	218,292,442	1,084,021,626
	P502,096,080	P2,791,466,651

For purposes of the interim condensed statements of cash flows for the Nine months ended September 30, 2025 and 2024, cash and cash equivalents as at September comprise of the following:

	2025 (Unaudited)	2024
Cash on hand and in banks	P283,803,638	P745,330,554
Short-term deposits	218,292,442	3,578,535,651
	P502,096,080	P4,323,866,205

5. Financial assets at FVTPL

Details of this account are shown below:

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Fair Value	Principal Amount	Fair Value	Principal Amount
Financial assets at FVTPL				
Short-term	₱13,041,937	₱11,921,954	₱12,612,146	₱11,921,954

The movements in this account follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of year	₱12,612,146	₱2,288,629
Additions	-	10,000,000
Changes in fair value taken to profit or loss	429,791	323,517
Balance at end of year	₱13,041,937	₱12,612,146

6. Receivables

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables		
Related parties (see Note 13)	₱1,243,833,438	₱1,132,432,601
Third parties	21,153,025	9,308,518
Advances to Department of Public Works and (DPWH)	1,089,715,020	1,086,751,163
Non-trade receivables		
Related parties (see Note 13)	613,253,452	605,022,491
Third parties	121,356,841	97,657,655
Receivables from motorists	115,909,599	100,527,059
Advances to officers and employees	50,707,817	57,033,199
Due from related parties (see Note 13)	11,915,894	11,915,894
Interest receivables	9,982,044	9,018,939
	3,277,827,130	3,109,667,519
Less allowance for doubtful accounts	108,282,402	106,179,435
	₱3,169,544,728	₱3,003,488,084

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

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

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

Advances to officers and employees are normally collectible or liquidated in the following month, except for car plan-related interest-bearing advances with maximum re-payment period of five (5) years.

Interest receivables are collectible within three to Nine months.

Movements in the allowance for doubtful accounts as at September 30, 2025 and December 31, 2024 are as follows:

	2025		
	Trade Receivables	Other Receivables	Total
Balance at beginning of year	₱60,371,165	₱45,808,270	₱106,179,435
Provision for doubtful accounts (see Note 19)	2,102,967	-	2,102,967
	₱62,474,132	₱45,808,270	₱108,282,402

	2024		
	Trade Receivables	Other Receivables	Total
Balance at beginning of year	₱35,171,165	₱45,808,270	₱80,979,435
Provision for doubtful accounts (see Note 20)	25,200,000	-	25,200,000
	₱60,371,165	₱45,808,270	₱106,179,435

7. Service Concession Assets

The movements in this account follow:

	MNEP	SCTEX	NLEX-SLEX Connector Road	Total
Cost:				
At January 1, 2024	₱56,426,837,042	₱5,500,460,270	₱25,047,724,362	₱86,975,021,674
Additions	5,537,721,497	139,551,954	2,954,644,207	8,631,917,658
Reclassifications	(376,230,093)	376,230,093	65,023,560	65,023,560
At December 31, 2024	61,588,328,446	6,016,242,317	28,067,392,129	95,671,962,892
Additions	1,634,083,750	35,644,064	1,618,900,200	3,288,628,014
At September 30, 2025	₱63,222,412,196	₱6,051,886,381	₱29,686,292,329	₱98,960,590,906
Accumulated amortization:				
At January 1, 2024	₱13,361,979,754	₱634,436,440	₱-	₱13,996,416,194
Amortization (see Note 18)	1,559,539,204	82,034,575	-	1,641,573,779
Reclassifications	(5,394,236)	5,394,236	-	-
At December 31, 2024	14,916,124,722	721,865,251	-	15,637,989,973
Amortization (see Note 18)	1,285,890,708	63,384,997	-	1,349,275,705
At September 30, 2025	₱16,202,015,430	₱782,250,248	₱-	₱16,987,265,678
Net book value:				
At September 30, 2025	₱47,020,396,766	₱5,266,636,133	₱29,686,292,329	₱81,973,325,228
At December 31, 2024	46,672,203,724	5,294,377,066	28,067,392,129	80,033,972,919

MNEP

Additions to service concession assets amounted to ₱1,634.1 million as of September 30, 2025, mainly for Multi-Lane and Free Flow (MLFF) Project, Lingunan Southbound entry ramp, remaining works for Candaba viaduct 3rd bridge, the on-going construction of Segment 8.2 Section 1A, and strengthening and enhancements of existing bridges. Capitalized borrowing costs amounted to ₱271.2 million, up from ₱384.5 million in the same period of 2024, based on interest rates ranging from 6.38% to 7.15%.

SCTEX

Additions in SCTEX comprise mainly of RFID system enhancements, installation of additional CCTVs and improvement of roadway structures.

NLEX-SLEX Connector Road

Additions to the NLEX-SLEX Connector Road are mainly comprised of remaining contracted works, drainage systems, and Right of way perimeter fence. Other additions included consultancy, technical services, and administrative costs.

Capitalized borrowing costs and accretion reached ₱689.6 million and ₱129.1 million, respectively, both higher than the ₱678.1 million and ₱676.2 million recorded in the same period last year.

8. Property and Equipment

The movements in this account are as follows:

	Land	Building, Building Improvements and Leasehold Improvements	Transportation Equipment	Office Equipment and Others	Total
Cost:					
At January 1, 2024	₱65,023,560	₱246,518,838	₱242,059,386	₱646,999,773	₱1,200,601,557
Additions	–	19,489,479	40,649,217	44,509,212	104,647,908
Reclassification	(65,023,560)	(1,560,216)	–	–	(66,583,776)
At December 31, 2024	₱–	₱264,448,101	₱282,708,603	₱691,508,985	₱1,238,665,689
Additions	–	37,360,760	22,507,580	45,159,524	105,027,864
Disposals	–	–	(4,718,765)	(8,271,829)	(12,990,594)
At September 30, 2025	₱–	₱301,808,861	₱300,497,418	₱728,396,680	₱1,330,702,959
Accumulated depreciation:					
At January 1, 2024	₱–	₱129,107,180	₱152,103,593	₱515,228,321	₱796,439,094
Depreciation	–	16,473,291	31,510,202	37,340,010	85,323,503
At December 31, 2024	₱–	₱145,580,471	₱183,613,795	₱552,568,331	₱881,762,597
Depreciation (see Notes 18 and 19)	–	12,461,458	24,261,477	45,238,051	81,960,986
Disposals	–	–	(4,718,765)	(8,271,829)	(12,990,594)
At September 30, 2025	₱–	₱158,041,929	₱203,156,507	₱589,534,553	₱950,732,989
Net book value:					
At September 30, 2025	₱–	₱143,766,932	₱97,340,911	₱138,862,127	₱379,969,970
At December 31, 2024	–	118,867,630	99,094,808	138,940,654	356,903,092

Additions to property and equipment as at September 30, 2025 and December 31, 2024 amounted to ₱105.1 million and ₱104.6 million, respectively comprising of acquisition of service vehicles, office furniture and equipment and building improvements.

As at September 30, 2025 and December 31, 2024, there are no items of property and equipment with lien or encumbrances or used as security of any outstanding loan.

9. Other Intangible Assets

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost:		
Balance at beginning of year	P245,263,588	P208,347,614
Additions	19,592,416	36,915,974
Balance at end of the period	264,856,004	245,263,588
Accumulated amortization:		
Balance at beginning of year	P141,624,606	P138,485,904
Amortization (see Note 19)	11,460,144	3,138,702
Balance at end of the period	153,084,750	141,624,606
Net book value	P111,771,254	P103,638,982

10. Other Current Assets

Details of other current assets are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Advances to contractors and consultants	P 705,041,975	P296,683,862
Deferred input VAT	236,579,778	155,582,352
Prepayments	269,929,341	86,059,791
Input VAT	236,814,600	14,758,174
Creditable withholding tax	29,967,669	27,843,526
	1,478,333,363	580,927,705
Less: Allowance for unclaimable input VAT	(14,758,174)	(14,758,174)
Allowance for non-recoverability of advances	(26,699,594)	(26,699,594)
	P1,436,875,595	P539,469,937

11. Accounts Payable and Other Current Liabilities

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Accrued Expenses		
Third parties	P 2,678,515,522	P2,370,679,788
Related parties (see Note 13)	704,560,007	545,715,212
Trade Payables		
Third parties	71,557,476	1,065,416,506
Related parties (see Note 13)	121,271,033	193,464,493
Retention payable		
Third parties	391,751,430	657,715,463
Related parties (see Note 13)	121,018,266	101,601,918
Output VAT - net	889,200,203	535,142,713
Interest payable	339,236,933	105,104,661

(Forward)

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Non-trade Payables		
Third parties	₱ 48,523,507	₱42,168,584
Related parties (see Note 13)	52,846,273	49,243,695
Withholding taxes payable	64,621,618	181,708,129
Deferred output VAT	57,846,585	74,505,398
Unearned revenue		
Third parties	13,896,416	12,397,052
Related parties (see Note 13)	2,502,624	2,502,624
Others	82,977,134	59,492,893
	₱5,640,325,027	₱5,996,859,129

Accrued expenses consist of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Construction cost	₱ 1,405,359,172	₱1,261,604,372
Outside services	662,043,632	344,218,875
TRB fee	388,543,363	369,508,011
BCDA Revenue Share	224,725,508	274,107,120
Operating and maintenance costs	109,583,631	95,528,175
PNCC fee	109,221,217	109,185,896
Salaries and employee benefits	89,934,401	108,304,340
Repairs and maintenance	78,082,232	64,250,860
Professional fees	38,935,948	25,023,000
Transportation and travel	35,711,118	31,741,186
Management fees	32,330,761	11,196,515
Advertising and marketing expenses	24,191,259	40,114,774
Toll collection and medical services	3,134,280	3,134,280
Project insurance	-	21,893,323
Others	181,279,007	156,584,273
	₱3,383,075,529	₱2,916,395,000

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

Retention payable is an amount deducted from the billing of the contractor and retained by the Company. Retention money will be released at the end of the warranty period.

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

Interest payable is settled within three to nine months.

12. Provisions

The movements in this account follow:

	Heavy Maintenance	Others	Total
At January 1, 2024	₱664,377,285	₱142,661,408	₱807,038,693
Additions	64,468,994	13,450,868	77,919,862
Accretion	42,635,745	–	42,635,745
Payments	(21,591,355)	(5,386,511)	(26,977,866)
At December 31, 2024	749,890,669	150,725,765	900,616,434
Additions (see Notes 19 and 20)	516,650,842	36,681,667	553,332,509
Accretion (see Note 21)	35,397,317	–	35,397,317
Payments	(114,235,594)	(66,157,603)	(180,393,197)
At September 30, 2025	₱ 1,187,703,234	₱ 121,249,829	₱ 1,308,953,063
At September 30, 2025:			
Current	₱307,750,085	₱ 63,347,487	₱ 371,097,572
Noncurrent	879,953,149	57,902,342	937,855,491
	₱ 1,187,703,234	₱ 121,249,829	₱ 1,308,953,063
At December 31, 2024:			
Current	₱307,750,085	₱54,229,800	₱361,979,885
Noncurrent	442,140,584	96,495,965	538,636,549
	₱749,890,669	₱150,725,765	₱900,616,434

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

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

13. Related Party Disclosures

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

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

Related Party	Relationship		Management Fees (see Note 19)	Professional Fee (see Note 19)	Outside Services (see Notes 18 and 19)	Repairs and Maintenance (see Notes 18 and 19)	Communication, Light and Water (see Notes 18 and 19)	Advertising and Marketing Expenses (see Notes 18 and 19)	Fuel & Oil, Transportation and Travel Expenses, Rental (see note 18)	Income from Utility Facilities (see Note 17)	Other Income
MPTC	Parent Company	2025	₱ 21,103,763	₱--	₱--	₱--	₱--	₱8,000,000	₱--	₱--	₱4,169,943
		2024	23,214,139	460,000	—	3,594,807	—	—	—	—	44,319,377
MPIC	Parent Company of MPTC	2025	—	—	—	—	—	—	—	—	—
		2024	—	—	—	—	—	64,478	—	—	—
MPTDI (formerly MPTMSI)	Subsidiary of MPTC	2025	—	—	97,242,958	—	—	—	—	—	7,093,800
		2024	—	—	58,088,583	—	—	—	—	—	5,306,936
Easytrip Services Corp. (ESC)	Joint Venture of MPT North	2025	—	—	236,019,527	—	—	28,460,170	—	3,105,652	15,009,558
		2024	—	—	216,939,626	—	—	39,528,117	—	—	1,746,104
Smart Communications Inc. (Smart)	Associate of FPC	2025	—	—	—	638	4,859,222	43,929	—	—	—
		2024	—	—	—	—	3,697,158	—	—	600,630	—
Egis Projects Philippines Inc.	Associate of FPC	2025	—	19,016,674	—	24,642,957	—	—	—	—	—
		2024	—	17,730,455	—	24,642,957	—	—	—	—	—
Indra Philippines Inc.	Associate of FPC	2025	—	—	—	42,464,742	—	—	—	—	—
		2024	—	—	—	41,028,047	—	—	—	—	—
PLDT	Associate of FPC	2025	—	—	—	—	6,407,881	—	—	—	—
		2024	—	—	—	—	6,249,540	—	—	4,052,359	—
Cavitex Infrastructure Corp (CIC)	Subsidiary of MPTC	2025	—	—	—	—	—	—	791	—	35,590,924
		2024	—	—	—	—	—	—	—	—	18,215,482
Cebu Cordova Link Expressway (CCLEC)	Subsidiary of MPTC	2025	—	—	—	—	—	—	—	—	7,983,938
		2024	—	—	—	—	—	—	—	—	2,718,606
Metro Pacific Tollways Vizmin (MPTVizmin)	Subsidiary of MPTC	2025	—	—	—	—	—	—	—	—	—
		2024	—	—	—	—	—	—	—	—	—
SAVVICE Inc. (formerly Southbend Express Services)	Subsidiary of MPTC	2025	—	—	536,819,920	5,101,627	—	—	435,946	—	2,448,230
		2024	—	—	427,915,423	6,913,617	579,352	—	1,069,937	—	4,285,591
MPT Mobility (formerly NLEX Ventures Corporation)	Subsidiary of MPTC	2025	—	—	98,840,957	—	—	—	—	—	99,592,161
		2024	—	—	95,567,331	—	—	—	—	—	13,493,711
Metro Pacific Tollways South Management Corp (MPTSMC)	Subsidiary of MPTC	2025	—	—	—	—	—	—	—	—	—
		2024	—	—	—	—	—	—	—	—	—
MPCALA Holdings Inc (MHI)	Subsidiary of MPTNC	2025	—	—	—	—	—	—	146	—	34,575,925
		2024	—	—	—	—	—	—	—	—	23,910,577

(Forward)

Related Party	Relationship		Management Fees (see Note 19)	Professional Fee (see Note 19)	Outside Services (see Notes 18 and 19)	Repairs and Maintenance (see Notes 18 and 19)	Communication, Light and Water (see Notes 18 and 19)	Advertising and Marketing Expenses (see Notes 18 and 19)	Fuel & Oil, Transportation and Travel Expenses, Rental (see note 18)	Income from Utility Facilities (see Note 17)	Other Income
Manila Electric Company (Meralco)	Associate of MPIC	2025	P--	P--	P--	P--	P44,110,675	P--	P--	P--	P--
		2024	-	-	-	-	57,348,431	-	-	-	-
Maynilad	Associate of MPIC	2025	-	-	-	-	1,203,703	-	-	-	-
		2024	-	-	-	-	1,138,969	-	-	-	-
Total		2025	P21,103,763	P 19,016,674	P968,923,362	P72,209,964	P56,581,481	P36,504,099	P436,883	P3,105,652	P206,464,479
		2024	23,214,139	18,190,455	798,510,963	76,179,427	69,013,451	39,592,596	1,069,937	4,652,990	113,996,384

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

Related Party	Relationship		Advances to Suppliers (see Note 11)	Receivables ⁽²⁾ (see Note 6)	Due from Related Parties ⁽¹⁾ (see Note 6)	Due to Affiliate ⁽²⁾ (see Note 12)	Accounts Payable and Other Current Liabilities and Dividends Payable ⁽²⁾ (see Notes 12 and 17)	Terms	Conditions
MPTC	Intermediate Parent Company	2025	P--	P99,563,676	P1,681,966	P--	P 59,185,413	(1) On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	93,040,003	1,681,966	-	1,481,619,274	(2) 30-45 days; noninterest-bearing	
MPTSMC	Subsidiary of MPTSC	2025	-	370,287	377,544	-	13,283,048	On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	1,278,042	377,544	-	13,283,048		
MHI	Subsidiary of MPTC	2025	-	30,364,955	-	-	1,652,236	On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	35,678,561	-	-	1,652,236		
CIC	Subsidiary of MPTC	2025	-	33,080,950	233,805	-	89,033	On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	36,129,586	233,805	-	89,033		
ESC	Subsidiary of MPTC	2025	-	1,280,074,496	91,350	-	164,476,277	(1) On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	1,137,630,091	91,350	-	172,907,679	(2) 7 days; noninterest-bearing	
Indra	Associate of MPIC	2025	-	-	-	-	72,113,567	Within one year; noninterest-bearing	Unsecured, no impairment
		2024	-	-	-	-	71,240,359		
Smart	Associate of FPC	2025	3,181	1,838,614	-	-	1,986,511	30-45 days; noninterest-bearing	Unsecured; no impairment
		2024	-	1,838,614	-	-	2,044,153		
PLDT	Associate of FPC	2025	-	16,260,035	-	-	254,443	30-45 days; noninterest-bearing	Unsecured; no impairment
		2024	-	32,811,840	-	-	315,779		
Meralco	Associate of MPIC	2025	19,731,424	2,067,915	-	-	5,015,778	Within one year; noninterest-bearing	Unsecured, no impairment
		2024	-	1,200,498	-	-	12,957,794		
Maynilad	Subsidiary of MPIC	2025	-	335,517	65,237	-	(54,010)	Within one year; noninterest-bearing	Unsecured, no impairment
		2024	-	335,517	65,237	-	32,059		
MPTDI	Subsidiary of MPTC	2025	-	16,699,141	8,708,393	-	114,705,934	On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	18,588,928	8,708,393	-	12,893,537		
MPT Mobility	Subsidiary of MPTC	2025	-	366,672,474	752,168	-	88,197,390	On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	351,526,070	752,168	-	89,271,365		
CCLEC	Subsidiary of MPTC	2025	-	11,046,840	5,431	-	544,853	On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	2,628,036	5,431	-	544,853		
SAVVICE	Subsidiary of MPTC	2025	62,680,8	24,590,674	-	-	385,369,030	On demand; noninterest-bearing	Unsecured; no Impairment
		2024	81,600,000	24,663,585	-	-	299,316,648		
MPIC	Parent Company of MPTC	2025	-	8,159	-	-	-	On demand; noninterest-bearing	Unsecured; noImpairment
		2024	-	8,159	-	-	202,104		

(Forward)

Related Party	Relationship		Advances to Suppliers (see Note 11)	Receivables ⁽²⁾ (see Note 6)	Due from Related Parties ⁽¹⁾ (see Note 6)	Due to Affiliate ⁽²⁾ (see Note 12)	Accounts Payable and Other Current Liabilities and Dividends Payable ⁽²⁾	Terms	Conditions
							(see Notes 12 and 17)		
EPPI	Associate of FPC	2025	₱520,727,652	₱82,271	₱-	₱-	₱168,577,313	On demand; noninterest-bearing	Unsecured; no impairment
		2024	-	-	-	-	118,349,960		
EIPPI	Stockholder	2025	-	-	-	-	-	On demand; noninterest-bearing	Unsecured
		2024	-	97,562	-	-	209,825,508		
Banco de Oro Unibank, Inc. (BDO)	Stockholder	2025	-	-	-	-	(74,032,703)	On demand; noninterest-bearing	Unsecured
		2024	-	-	-	-	318,564,156		
Global Fund Holdings, Inc. (Global Fund)	Stockholder	2025	-	-	-	-	-	On demand; noninterest-bearing	Unsecured
		2024	-	-	-	-	80,506,867		
Republic of the Philippines	Stockholder	2025	-	-	-	-	-	On demand; noninterest-bearing	Unsecured
		2024	-	-	-	-	6,911,530		
Total		2025	₱ 603,143,146	₱1,883,056,004	₱11,915,894	₱-	₱1,001,364,113		
		2024	81,600,000	1,737,455,092	11,915,894	-	2,892,527,942		

14. Short-term Loans and Long-term Debt

Short-term Loans Payable

On March 28, 2025, the company availed of 31-day short-term loan from Philippine National Bank (PNB) amounting to ₱1,850.0 million with an annual interest rate of 5.2% and maturity date of April 28, 2025. The proceeds were used to bridge finance the refinancing requirements for the 1st quarter of the year. The Company partially settled 550.0 million on its original maturity date. The remaining balance of ₱1,300.0 was rolled over for an additional 60-day period, with a new maturity date of June 27, 2025. Upon reaching this date, the outstanding balance was further extended for a 90-day period, maturing on September 25, 2025, and was fully paid on that date.

Long-term Debt

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Peso-denominated Notes and Loans:		
Corporate Notes	₱15,279,000,000	₱15,279,000,000
Term Loan Facilities	29,000,000,000	23,350,000,000
Fixed-rate Bonds	2,000,000,000	6,000,000,000
	46,279,000,000	44,629,000,000
Less: unamortized debt issue costs	246,174,022	248,116,924
	46,032,825,978	44,380,883,076
Less: current portion of long-term debt	4,913,862,852	7,763,207,523
	₱41,118,963,126	₱36,617,675,553

The unamortized debt issue costs incurred in connection with the availment of long-term debt amounting to ₱246.2 million and ₱248.1 million as at September 30, 2025 and December 31, 2024, respectively, were deducted against the long-term debt.

The movements in debt issue costs are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	₱248,116,927	₱243,475,560
Debt issue costs incurred during the year	45,000,000	69,928,000
Amortization during the year*(see Notes 7 and 21)	(46,942,905)	(65,286,636)
Balance at end of period	₱246,174,022	₱248,116,924

*Includes amortization of debt issue costs capitalized to service concession assets amounting to ₱18,880,819 in 2025 and ₱35,108,625 in 2024.

2020 Corporate Notes Facility

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

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

From March 26, 2021 until May 2, 2022, NLEX Corp. made subsequent drawdowns amounting to ₱15,000.0 million from the remaining ₱20,000.0 million Corporate Notes Facility which were priced at prevailing market rates prior to drawdown date, ranging from 4.21% to 6.86% for Tranche A and 4.29% to 6.38% for Tranche B.

Term Loan Facilities

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

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

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

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

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

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

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

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

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

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

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

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

China Banking Corporation (Chinabank). On October 30, 2024, the Company entered a ₱10,000.0 million, 10-year term loan agreement with Chinabank to finance its capital expenditures and other general corporate purposes. The loan is subject to intermediate re-pricing based on pre-agreed pricing options.

On December 26, 2024, the Company made an initial drawdown of ₱1,000.0 million with an annual interest rate of 6.56%. On September 30, 2025, the Company made its second drawdown amounting to ₱6,000.0 million and with an annual interest of 6.41%.

Fixed-rate Bonds

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

On July 4, 2025, the ₱4,000.0 million, 7-year fixed-rate bonds matured and were fully settled. The proceeds were used by the Company to partially fund the construction cost of Segment 10: C3-R10 Ramp Project, portion of Phase II of MNEP, which will connect the C-3 Road in Caloocan City to the R-10 in the Port area, and other general corporate purposes.

The remaining outstanding bonds amounting to ₱2,000.0 million will mature on July 4, 2028.

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

15. Service Concession Fees Payable

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At January 1	₱3,905,451,622	₱3,701,582,561
Accretion	144,722,593	203,869,061
Balance at end of period	₱4,050,174,215	₱3,905,451,622

16. Equity

Capital Stock

Details of shares of stock of the Company as at September 30, 2025 and December 31, 2024 follow:

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

Cash dividends

The following cash dividends were declared as of September 30, 2025:

Declaration Date	Record Date	Payment Date	Cash Dividend per Share	Total
June 20, 2025	June 30, 2025	July 17, 2025	₱266.51	₱5,006,734,670
March 19, 2025	March 29, 2025	March 30, 2025	134.78	2,531,960,000
December 18, 2024	December 27, 2024	February 13, 2025	106.46	2,000,000,000
August 13, 2024	August 29, 2024	September 4, 2024	208.47	3,916,312,988
April 16, 2024	April 21, 2024	April 29, 2024	56.11	1,054,000,000

Other Comprehensive Loss Reserve

	Re-measurement of Defined Benefit Plan	Income Tax Related to Defined Benefit Plan	Total
Balance at January 1 and September 30, 2025	(₱160,802,312)	₱4,377,932	(₱156,424,380)

	Re-measurement of Defined Benefit Plan	Income Tax Related to Defined Benefit Plan	Total
Balance at January 1, 2024	(₱97,303,953)	(₱5,146,822)	(₱102,450,775)
Remeasurement loss (see Note 25)	(63,498,359)	9,524,754	(53,937,605)
Balance at December 31, 2024	(₱160,802,312)	₱4,377,932	(₱156,424,380)

17. Non-Toll Revenue

Details of non-toll revenue are as follows:

	Nine months Ended September	
	2025	2024
	<i>(Unaudited)</i>	
Income from toll service and utility facilities	₱107,792,410	₱165,710,271
	₱107,792,410	₱165,710,271

18. Cost of Services

This account consists of:

	Nine months Ended September	
	2025	2024
	<i>(Unaudited)</i>	
BCDA Revenue Share	₱1,971,805,764	₱1,683,833,766
Amortization of service concession assets (see Note 7)	1,349,275,705	1,196,875,968
PNCC fee (see Note 22)	991,963,012	854,930,935
Outside services (see Note 13)	975,944,717	860,142,941
Salaries and employee benefits	678,102,416	609,756,085
Provision for heavy maintenance (see Note 12)	482,865,493	531,783,354
Repairs and maintenance (see Note 13)	447,331,092	367,383,350
Insurance	124,013,540	117,307,876
Communication, light & water	75,609,947	93,303,614
Depreciation of property and equipment (see Note 8)	57,026,078	35,279,754
Fuel & Oil (see Note 13)	36,954,154	37,705,797
Advertising and promotions	23,585,624	39,567,930

	Nine months Ended September	
	2025	2024
	<i>(Unaudited)</i>	
Toll collection and medical services	₱16,458,645	₱16,482,250
Amortization of other intangible assets (see Note 9)	11,436,778	675,471
Others	201,165,859	151,691,505
	₱7,443,538,824	₱6,596,720,596

19. General and Administrative Expenses

This account consists of:

	Nine months Ended September	
	2025	2024
	<i>(Unaudited)</i>	
Salaries and employee benefits	₱362,097,472	₱299,715,150
Taxes and licenses	147,029,316	145,988,572
Outside services (see Note 13)	126,853,521	89,237,869
Professional fees	117,204,420	121,679,087
Representation and travel	49,711,746	40,875,899
Advertising and marketing expenses	48,919,676	60,337,265
Depreciation of property and equipment (see Note 8)	24,928,910	25,052,404
Management fees (see Note 13)	21,103,763	23,214,139
Office supplies	14,442,144	13,678,009
Provisions (see Note 12)	13,747,424	29,045,709
Training and development costs	5,444,430	7,800,315
Rentals	3,535,051	3,345,653
Repairs and maintenance (see Note 13)	2,389,700	3,182,052
Communication, light & water	1,419,645	1,333,571
Directors' fees	780,000	1,200,000
Amortization of other intangible assets (see Note 9)	23,365	206,725
Miscellaneous	31,614,734	5,064,498
	₱971,245,317	₱870,956,917

20. Interest Income

Sources of interest income follow:

	Nine months Ended September	
	2025	2024
	<i>(Unaudited)</i>	
Cash and cash equivalents	₱56,680,172	₱81,989,890
Others	—	—
	₱56,680,172	₱81,989,890

21. Interest Expense and Other Finance Costs

Sources of interest expense and other finance costs follow:

	Nine months Ended September	
	2025	2024
	<i>(Unaudited)</i>	
Interest expense on:		
Loans (see Note 14)	₱1,101,115,115	₱880,152,085
Provision for heavy maintenance (see Note 12)	35,397,317	31,079,745
<i>(Forward)</i>		

	Nine months Ended September	
	2025	2024
	<i>(Unaudited)</i>	
Finance costs:		
Amortization of debt issue costs (see Note 14)	45,576,049	36,700,010
Lenders' fees	37,472,957	13,311,306
Bank charges	124,700	99,104
	₱1,219,686,138	₱961,342,250

22. Significant Contracts and Commitments

PNCC Fee

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

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

In accordance with the TRB directive, all of the amounts already due, to be remitted to the National Government. As subsequently agreed upon by TRB and PNCC as an interim arrangement, the 90% of all amounts is to be remitted to the National Treasury through the TRB, while the balance of 10% to PNCC.

As of September 30, 2025, and 2024, the Company recorded PNCC fee amounting to ₱992.0million and ₱854.9 million, respectively (see Note 18).

NLEX Harbor Link Port Extension to Anda Circle Project

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

As at September 30, 2025, the Company is still waiting for the approval of the project's legal framework.

NLEX-SLEX Connector Road

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

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

As at September 30, 2025, the construction of NLEX-SLEX Connector Road is 96.5% complete.

Candaba Central Infill (3rd Viaduct)

Last February 2023, NLEX Corp. awarded to Leighton Contractors (Asia) Limited – Philippine Branch, the design and construction of a new five-km viaduct along the Candaba Viaduct. A (i) Certificate of Substantial Completion dated December 3, 2024 and (ii) Toll Operation Permit dated

February 14, 2025 were issued by the TRB for the Candaba Viaduct Project and the same was opened to commercial operations on August 1, 2024 (Zone 1) and October 22, 2024 (Zone 2).

As at September 30, 2025, the construction of Candaba Central Infill (3rd Viaduct) is 100% complete.

Segment 8.2 - Section 1A Project

In February 2025, NLEX Corp. awarded to China Road and Bridge Corporation the construction of the NLEX Segment 8.2 - Section 1A. The project entails the design and construction of a new two-kilometers Section 1A of Segment 8.2 from Mindanao Ave to Quirino Highway. The project is expected to be completed within the second quarter of 2026.

As at September 30, 2025, the construction of Segment 8.2 - Section 1A is 20.45% complete.

Toll Collection Interoperability Agreement

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

The agreement will be implemented in two phases and to be operationalized within twelve (12) months from signing of the MOA. The first phase covers electronic collection interoperability, while the second phase covers cash collection interoperability. As at September 30, 2025, the implementation is still in progress.

Multi-Lane Free Flow Master Services Agreement

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

Traffic Management Memorandum of Agreement

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

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

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

On November 23, 2020, the officials of NLEX Corp. and City of Angeles Pampanga entered into a memorandum of agreement to address the traffic situation within the Angeles Interchange. Under

the MOA, both parties shall implement measures around the traffic management zone which include the deployment of traffic personnel, improvement of service time at the toll plaza, clearing of sidewalks, and prohibition of illegal parking, loading/unloading and jaywalking affecting the NLEX traffic flow.

23. Financial Assets and Financial Liabilities

Fair values

A comparison of carrying and fair values of all of the Company's financial instruments other than those with carrying amounts that are reasonable approximate of fair values, by category as at September 30, 2025 and December 31, 2024 is as follows:

	September 30, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Asset				
Financial Assets at FVTPL:				
Unit investment trust fund	₱13,041,937	₱13,041,937	₱12,612,146	₱12,612,146
	₱13,041,937	₱13,041,937	₱12,612,146	₱12,612,146
Financial Liability				
Other financial liability:				
Long-term debt	₱46,032,825,978	₱45,730,970,753	₱44,380,883,076	₱43,854,319,116
Service concession fee payable	4,050,174,215	1,503,321,180	3,905,451,622	1,566,276,221
	₱50,083,000,194	₱47,234,291,933	₱48,286,334,698	₱45,420,595,337

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

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Investments in UITFs

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

Long-term Debt

For fixed rate peso-denominated notes and loans, except the fixed-rate bonds where the fair value is based on its quoted market price as at September 30, 2025 and December 31, 2024, estimated fair value is based on the discounted value of future cash flows using the prevailing peso interest rates. In 2025 and 2024 the prevailing peso interest rates ranged from 5.83% to 6.44% and 5.52% to 6.96%, respectively.

Fair Value Hierarchy

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

	September 30, 2025	Level 1	Level 2	Level 3
Assets measured at fair value:				
Financial assets at FVTPL:				
UITF	₱13,041,937	₱-	₱13,041,937	₱-

	September 30, 2025	Level 1	Level 2	Level 3
Liabilities for which fair values are disclosed:				
Other financial liabilities:				
Long-term debt				
Fixed-rate bonds	₱2,044,775,998	₱2,044,775,998	₱–	₱–
Peso-denominated notes and loans	43,686,194,755	–	43,686,194,755	–
Service concession fee payable	1,503,321,180	–	–	1,503,321,180
	₱47,234,291,933	₱2,044,775,998	₱43,686,194,755	₱1,503,321,180

	2024	Level 1	Level 2	Level 3
Assets Measured at Fair Value				
Financial assets at FVTPL:				
Investments in UITFs	₱12,612,146	₱–	₱12,612,146	₱–

Liabilities for which Fair Values are Disclosed				
Other financial liabilities:				
Long-term debt				
Fixed-rate bonds	₱6,089,401,038	₱6,089,401,038	₱–	₱–
Peso-denominated notes and loans	39,785,616,583	–	39,785,616,583	–
Service concession fees payable	1,566,276,221	–	–	1,566,276,221
	₱47,441,293,842	₱6,089,401,038	₱39,785,616,583	₱1,566,276,221

During the periods ended September 30, 2025 and December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

24. Contingencies and Others

a. VAT

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

- The BIR issued a Formal Letter of Demand on March 16, 2009 requesting NLEX Corp. to pay deficiency VAT plus penalties amounting to ₱1,010.5 million for taxable year 2006.
- A Final Assessment Notice was received from the BIR dated November 15, 2009 assessing NLEX Corp. deficiency VAT plus penalties amounting to ₱584.6 million for taxable year 2007.
- The BIR issued a Notice of Informal Conference dated October 5, 2009 assessing NLEX Corp. for deficiency VAT plus penalties amounting to ₱470.9 million for taxable year 2008. On May 21, 2010, the BIR issued another notice increasing the deficiency VAT for taxable year 2008 to ₱1,209.2 million (including penalties). On June 11, 2010, NLEX Corp. filed its Position Paper with the BIR reiterating its claim that it is not subject to VAT on toll fees.
- The BIR issued a Notice of Informal Conference on May 21, 2010 assessing NLEX Corp. deficiency VAT plus penalties amounting to ₱1,026.6 million for taxable year 2009. On June 11, 2010, NLEX Corp. filed its Position Paper with the BIR reiterating its claim that it is not subject to VAT on toll fees.

On April 3, 2014, the BIR accepted and approved NLEX Corp.'s application for abatement and issued a Certificate of Approval for the cancellation of the basic output tax, interest and compromise penalty amounting to ₱1,010.5 million and ₱584.6 million for taxable years 2006

and 2007, respectively. As at September 30, 2025, the VAT assessments for taxable years 2008 and 2009 remain pending with the BIR and there were no abatements made for these assessments.

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

b. Real Property Taxes

- In 2004, MPT North (formerly, FPIDC) received from the Office of the Provincial Assessor, Province of Bataan, tax declarations categorizing the Bataan portion of the Subic-Tipo Road (Segment 7) as taxable. The tax declarations assessed MPT North the total amount of 87.0 million for the period from 1997 to 2004. This was appealed by the MPT North to the Local Board of Assessment Appeals (“LBAA”) of Bataan, stating that the subject property is owned by the ROP and, consequently, praying for the revocation of the tax declarations and for the dropping of the land covered by the Subic-Tipo Road from the assessment roll in accordance with the Local Government Code. The case remains pending before the LBAA of Bataan as of September 30, 2025.
- In July 2008 and April 2013, NLEX Corp. filed Petitions for Review under Section 226 of the Local Government Code with the Local Board of Assessment Appeals of the Province of Bulacan seeking to declare as null and void tax declarations issued by the Provincial Assessor of the Province of Bulacan. The said tax declarations were issued in the name of NLEX Corp. as owner/administrator/beneficial user of the NLEX and categorized the NLEX as a commercial property subject to real property tax. NLEX Corp. argues that NLEX is property of the public dominion and exempt from RPT. The cases are still pending as of September 30, 2025.
- In September 2013, NLEX Corp. received notices of realty tax delinquencies for the years 2006 to 2012 and 2013 issued by the Provincial Treasurer of Bulacan stating that if NLEX Corp. fails to pay or remit the alleged delinquent taxes, the remedies provided for under the law for the collection of delinquent taxes shall be applied to enforce collection. On September 27, 2013, the Bureau of Local Government Finance of the Department of Finance wrote a letter to the Province of Bulacan advising it to hold in abeyance any further course of action pertaining to the alleged real property tax delinquency. In October 2013, the Provincial Treasurer of Bulacan respected the directive from the DOF-BLGF to hold the enforcement of any collection remedies in abeyance. In January 2017, the Provincial Treasurer of Bulacan issued a notice of realty tax delinquencies of ₱459 million for the years 2006 to 2017 stating that it could apply the remedies provided under the law for the collection of delinquent taxes. The matter is pending as of September 30, 2025.
- In December 2023 and January 2024, NLEX Corp. received notices of tax assessment with tax declarations for the year 2023 and 2024 issued by the Municipal Assessor’s Office of the Municipality of Guiguinto, Bulacan for the properties located within its territorial jurisdiction. On January 31, 2024, NLEX Corp. filed with LBAA, Province of Bulacan a Petition for Annulment of Assessment of Real Properties. On February 12, 2024, the Respondents filed its Opposition to NLEX Corp.’s Petition. The LBAA rules provide for the suppletory application of the Rules of Court. Thus, NLEX Corp. need not to file a reply as Respondent’s allegations are deemed controverted. The case is pending as of September 30, 2025.

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

c. Local Business Taxes (LBT)

In March 2019, TMC filed an application for cessation of its business operations in Caloocan City pursuant to its merger with NLEX Corp. In April 2019, NLEX Corp. received an assessment for alleged deficiency local business taxes for taxable year 2018 in the total amount of ₱13.4 million. In June 2019, NLEX Corp. filed its protest on the assessment. Due to the inaction of the Office of the City Treasurer, in September 2019, NLEX Corp. filed a complaint for annulment of the assessment with the Regional Trial Court (“RTC”) of Caloocan City with a claim for refund in the amount of ₱5.4 million, representing excess LBT paid for taxable year 2018. The parties submitted their respective Memoranda. On June 7, 2023, the RTC of Caloocan issued a Decision dismissing the NLEX Corp.’s Complaint and ruled in favor of the City of Caloocan. On August 2, 2023, NLEX Corp. filed a Motion for Reconsideration while the City of Caloocan filed its Opposition to NLEX Corp.’s Motion for Reconsideration on September 5, 2023. On September 11, 2023, NLEX filed a Motion to Admit with Reply with the RTC of Caloocan. On October 31, 2023, the RTC denied NLEX Corp.’s Motion for Reconsideration. Hence, on December 07, 2023, NLEX Corp. filed a Petition for Review with the CTA. On March 19, 2024, the CTA issued a Resolution directing the parties to file their respective Memoranda within thirty (30) days from notice. Therefore, NLEX Corp. filed its Memorandum on April 18, 2024. The case is pending with CTA as of September 30, 2025.

In September 2019, the Business Permit and Licensing Office (“BPLO”) of the City of Valenzuela issued a demand to pay billing statement for alleged deficiency local business tax amounting to ₱47.8 million. Subsequently, the BPLO cancelled the initial billing and issued a revised assessment for alleged deficient local business taxes in the reduced amount of ₱26.5 million. In November 2019, NLEX Corp. paid the reduced amount under protest. In January 2020, NLEX Corp. filed its protest with a claim for refund of the revised assessment. Due to the inaction of the Office of the City Treasurer, NLEX Corp. filed a complaint for annulment of the assessment with the RTC of Caloocan City. On March 13, 2023, the RTC of Caloocan issued a Decision granting the refund of the ₱22.8 million representing revenues from toll services. However, the ₱3.0 million portion pertaining to signage services was denied refund on the ground of lack of jurisdiction of the trial court. NLEX Corp and City of Valenzuela filed its respective Partial Motion for Reconsideration. On May 22, 2023, the RTC of Caloocan issued an Order denying the NLEX and City of Valenzuela’s Partial Motion for Reconsideration for lack of merit. In June 2023, the City of Valenzuela filed a petition for review before the CTA, which was docketed as CTA Case No. 296 while in July 2023, NLEX Corp. filed a petition for review before the CTA which was docketed as CTA Case No. 297. On August 22, 2023, the City of Valenzuela filed its Comment/ Opposition to the Petition filed by NLEX Corp. On August 23, 2023, NLEX filed with the CTA a Motion for Consolidation of the CTA Case Nos. 296 and 297. On August 30, 2023, the CTA issued a Resolution for CTA Case No. 296, directing NLEX Corp. to file a Comment to the Petition filed by the City of Valenzuela and a Resolution for CTA Case No. 297 directing the parties to submit their respective Memoranda. The City of Valenzuela was ordered in the CTA’s Resolution for CTA Case No. 296 to file its Comment to the Motion for Consolidation of the CTA Case No. 296 and 297. On October 9, 2023, NLEX Corp. filed its Memorandum in CTA Case No. 297. On October 16, 2023, NLEX Corp. filed its Comment to the Petition filed by the City of Valenzuela. On November 15, 2023, the CTA issued a Resolution, noting the Comment/Opposition filed by the City of Valenzuela to NLEX Motion to Consolidate. On February 1, 2024, the CTA, issued a Notice of Resolution, denying the NLEX Corp.’s Motion for Consolidation for being moot and academic considering that the CTA Case No. 297 was deemed submitted for decision last November 20, 2023. On November 15, 2024, the CTA issued a decision in the CTA Case No. 296, denying the petition for review filed by the CGV on July 5, 2023, due to lack of merit. Similarly on November 18, 2024, the CTA rendered a decision in CTA Case No. 297, ordering CGV to refund NLEX Corp. in the amount of ₱3,814,290.27, representing erroneously collected and paid LBT for Signages Services for taxable years 2012 to 2019. On December 27, 2024, external counsel received the CGV’s Motion for Reconsideration regarding the CTA Case No. 297. NLEX filed its comment to CGV’s

Motion for Reconsideration on January 6, 2025. On January 9, 2025, external counsel received the CGV's Motion for Reconsideration for the CTA Case No. 296. Hence, NLEX filed its comment on January 19, 2025. On March 27, 2025, the CTA issued a resolution denying the CGV's Motion for Reconsideration for the CTA Case No. 297 for lack of merit. On May 22, 2025, the CGV filed a Petition for Review with the CTA En Banc for the CTA Case No. On July 11, 2025, the CGV likewise filed its Petition for Review with the CTA En Banc for the CTA Case No. 296. The case is pending with CTA En Banc as of September 30, 2025.

In November 2019, the City Treasurer of Valenzuela issued to NLEX Corp. an assessment for alleged deficiency LBT for the years 2013 to 2019 in the amount of ₱9.9 million. The assessment pertains to the imposition of LBT on the VAT component of NLEX Corp.'s gross receipts for the said years. On November 21, 2019, NLEX Corp. timely filed its protest to the assessment. The City Treasurer of Valenzuela failed to act on the protest filed by NLEX Corp. within the period provided in the Local Government Code. Hence, in February 2020, NLEX Corp. filed a complaint for the annulment of the assessment with the RTC of Valenzuela City. On November 25, 2022, the RTC of Valenzuela issued a Decision in favor of NLEX Corp. On February 06, 2023, the City Treasurer of Valenzuela filed a Motion for Reconsideration. On February 23, 2023, the RTC issued a Resolution denying the City of Valenzuela's Motion for Reconsideration and affirming the RTC Decision dated November 25, 2022. The City of Valenzuela filed a Petition for Review with the CTA on April 24, 2023, while the NLEX Corp. Filed its Comment to City of Valenzuela's Petition on August 24, 2023. On September 12, 2023, the CTA issued a Resolution ordering NLEX Corp. to file a Memorandum. On October 12, 2023, NLEX Corp. filed a Memorandum. On November 23, 2023, the City of Valenzuela filed its Memorandum with the CTA. On January 25, 2024, the CTA issued a Resolution stating that the case is submitted for decision as both parties have filed their respective Memorandum. On November 25, 2024, the CTA issued a decision denying the CGV's petition for lack of merit. The Decision dated November 25, 2022 and the Resolution dated February 23, 2023 both rendered by the RTC-Branch 283, Valenzuela City, Civil Case No. 27-V-20, are affirmed. NLEX Corp. received on January 3, 2025, the copy of the CGV's Motion for Reconsideration. NLEX Corp. filed its comment to CGV's Motion for Reconsideration on January 13, 2025. On March 27, 2025, the CTA Second Division issued a Resolution denying the Motion for Reconsideration filed by the City of Valenzuela. Hence, on May 22, 2025, the CGV filed a Petition for Review with the CTA En Banc. The case is pending with the CTA En Banc as of September 30, 2025.

d. Toll Rate Adjustments

NLEX Toll Rate Petitions

NLEX Corp., as petitioner-applicant, filed petitions for approval of periodic toll rate adjustment with the TRB praying for the adjustment of the toll rates for the NLEX, effective January 1, 2019, and January 1, 2021 (the "2018 and 2020 NLEX Petitions"), January 1, 2023 (the "2022 NLEX Petition"), and January 1, 2025 (the "2024 NLEX Petition").

Petition	Date Filed	Effectivity
2018 NLEX Petition	September 2018	January 1, 2019
2020 NLEX Petition	September 2020	January 1, 2021
2022 NLEX Petition	September 2022	January 1, 2023
2024 NLEX Petition	September 2024	January 1, 2025

On January 22, 2019, NLEX Corp., as petitioner-applicant, filed a petition for implementation of approved adjustment to authorized toll rates with application for provisional relief with the TRB praying for the adjustment of the toll rate for the NLEX Open System effective February 15, 2019, upon completion of the NLEX Harbor Link Project (NLEX Segments 9 and 10) (the "Segment 10 Add-on Toll Rate Petition").

On June 6, 2020, NLEX Corp., as petitioner-applicant, filed an amended petition for implementation of approved adjustment to authorized toll rates with application for provisional

relief with the TRB praying for the adjustment of the toll rate for the substantially completed Segment 10: C3-R10 Section (the “C3-R10 Add-on Toll Rate Petition”).

On February 18, 2021, NLEX Corp., as petitioner-applicant, filed a petition for implementation of adjustment to authorized toll rates with application for provisional relief with the TRB praying for the adjustment of the toll rate for the substantially completed expansion of NLEX Segment 7 and San Fernando Interchange (the “NLEX Lane Widening Phase 2 Add-on Toll Rate Petition”).

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

2018 and 2020 NLEX Petitions

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

2022 NLEX Petition

On January 6, 2025, the TRB issued an Order approving the implementation of the provisional toll rate adjustment on a staggered basis in two (2) tranches, equally distributed in 2025 and 2026. On January 31, 2025, the TRB issued a Notice to Start Collection of the first tranche effective immediately. Accordingly, on March 2, 2025, NLEX Corp. implemented the first tranche of the periodic toll rate adjustments. On 04 September 2025, NLEX received the Notice to Start Collection dated 2 September 2025, which shall take effect ten (10) days after coordination with TRB regarding the target date of implementation on 06 January 2026.

2024 NLEX Petition

On 30 September 2024, NLEX Corp. filed a Petition for Period Toll Rate Adjustment effective 2025. NLEX Corp. has yet to receive regulatory approval for the 2024 NLEX Petition.

Segment 10 Add-on Toll Rate Petition

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

C3-R10 Add-on Toll Rate Petition

On August 5, 2020, the TRB issued a resolution which provisionally approved and allowed NLEX Corp. to implement the add-on toll for the open system subject of the petition. On November 20, 2020, the TRB issued a notice to start collection effective November 23, 2020. On November 25, 2020, NLEX Corp. implemented the add-on toll rate adjustment.

NLEX Lane Widening Phase 2 Add-on Toll Rate Petition

On October 21, 2021, the TRB issued a notice to start collection of the provisional add-on toll for the closed system. On May 12, 2022, NLEX Corp. implemented the add-on toll rate adjustment.

Candaba 3rd Viaduct Add-on Toll Rate Petition

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

SCTEX Toll Rate Petitions

NLEX Corp, as petitioner-applicant, filed petitions for toll rate adjustment effective January 1, 2021, and January 1, 2023 (the “2020 and 2022 SCTEX Petitions”), January 1, 2024, January 1, 2025 (the “2023 and 2024 SCTEX Petitions”), and January 1, 2026 (the “2025 SCTEX Petition”).

Petition	Date Filed	Effectivity
2020 SCTEX Petition	September 2020	January 1, 2021
2022 SCTEX Petition	September 2022	January 1, 2023
2023 SCTEX Petition	September 2023	January 1, 2024
2024 SCTEX Petition	September 2024	January 1, 2025
2025 SCTEX Petition	September 2025	January 1, 2026

2020 and 2022 SCTEX Petitions

On July 5, 2023, NLEX Corp. received a Consolidated Resolution dated April 24, 2023, issued by the TRB which approved and allowed NLEX Corp. to implement the provisional toll rate adjustments in the 2020 and 2022 SCTEX Petitions on a staggered basis, in three (3) tranches, equally distributed for the years 2023, 2024 and 2025, not earlier than July 1, 2023. On August 15, 2023, the TRB issued a Notice to Start Collection of the first tranche. On October 17, 2023, NLEX Corp implemented the first tranche of the periodic toll rate adjustments. On October 2, 2024, the TRB issued a Notice to Start Collection of the second tranche. On November 19, 2024, NLEX Corp. implemented the second tranche of the periodic toll rate adjustments. On August 18, 2025, the TRB issued a Notice to Start Collection of the third tranche. On September 9, 2025, NLEX Corp. implemented the third and final tranche of the periodic toll rate adjustments.

2023 and 2024 SCTEX Petitions.

On September 4, 2025, NLEX received the Notice to Start Collection dated September 2, 2025 for the provisionally approved consolidated 2023 and 2024 was issued by the TRB, which shall take effect ten (10) days after coordination with TRB regarding the target date of implementation on 06 January 2026.

2025 SCTEX Petition

On September 29, 2025, NLEX Corp. filed a Petition for Periodic Toll Rate Adjustment effective 2026. NLEX Corp. has yet to receive regulatory approval for this Petition.

NLEX - SLEX Connector Road Project Toll Rate Petition

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

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

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

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

NLEX Corp. filed its comment praying that the Petition be denied. The BCDA, through the Office of the Government Corporate Counsel, and the Executive Secretary, through the Office of the Solicitor General (“OSG”), also filed their respective Comment praying that the Petition be denied due course and dismissed for lack of merit. In November and December 2015, the petitioner filed a Manifestation and Motion to Resolve Prayer for TRO and/ or Writ of Preliminary Injunction. On July 4, 2016, the Supreme Court issued a Resolution noting the Manifestations of the petitioner. In February 2020, the Supreme Court issued a Notice that petitioner’s counsel had failed to pay the P1,000 fine due to his failure to comply with a show cause resolution for non-filing of a consolidated reply to the separate comments of the Executive Secretary and BCDA. In July 2020, the Supreme Court issued another Notice for the petitioner’s counsel to pay an increased fine of P2,000 and to comply with the resolution to file a consolidated reply to the separate comments of the Executive Secretary and BCDA. On October 28, 2020, NLEX Corp.’s counsel received from BCDA’s counsel a Motion for Leave to File Manifestation with Motion for Submission for Resolution dated October 1, 2020. In a Resolution dated January 27, 2021, the Supreme Court noted the notice of withdrawal of petitioner’s counsel. In a Resolution dated March 28, 2022, the Supreme Court (a) imposed upon petitioner’s (withdrawing) counsel an additional fine which, together with the original fine, shall be paid to the Supreme Court and (b) ordered petitioner’s (withdrawing) counsel to submit a consolidated reply to the separate comments of the Executive Secretary and BCDA. To date, the Supreme Court has yet to resolve the Motion for Reconsideration dated June 13, 2022 filed by Garlitos. The case is still pending as of September 30, 2025.

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

25. Operating Segment Information

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

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

EBITDA is measured as net income excluding amortization of service concession asset and other intangible assets, depreciation of property and equipment, provision for heavy maintenance and other provisions, asset impairment on noncurrent assets, interest expense and other finance costs, interest income, net foreign exchange gain (loss), gain (loss) on derivative financial instruments, provision for (benefit from) income tax and other nonrecurring income and expenses. Nonrecurring items represent income and expenses that, through occurrence or size, are not considered usual operating items. EBITDA margin pertains to EBITDA divided by net toll revenues.

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

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

The revenues, net income, assets, liabilities, and other information of the Company's operations as at and for the period ended September 30, 2025, and 2024 are as follows:

	2025	2024
Net toll revenues	₱21,788,479,569	₱18,514,477,446
Other income	353,221,772	325,381,895
Total revenues	22,141,701,341	18,839,859,341
Operating and maintenance costs	(5,542,934,768)	(4,832,106,048)
Operating expenses	(942,852,249)	(842,074,324)
EBITDA	15,655,913,324	13,165,678,969
Financing costs	(1,128,648,673)	(857,394,012)
Core income before depreciation, amortization and provisions	14,527,265,651	12,308,284,957
Depreciation, amortization and provisions*	(4,179,663,400)	(3,649,470,180)
Core income	10,347,602,251	8,658,814,777
Nonrecurring items	(316,704)	(3,227,511)
Net income	₱10,347,285,547	8,655,586,267
EBITDA margin for the year	71%	71%
Core income margin for the year	47%	47%
Net income margin for the year	47%	47%
Total assets	₱94,281,204,317	₱94,116,806,356
Total liabilities	58,283,258,037	62,289,149,920
Total equity	₱35,997,946,280	₱31,827,656,436

Other disclosures:

Capital expenditure (consists of additions to service concession asset, property and equipment, investment properties and other intangible assets)	₱3,190,391,654	₱4,607,753,462
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* Includes provision for current and deferred taxes.

The following table shows the reconciliation of EBITDA to net income for the period ended September 30, 2025, and 2024.

	2025	2024
EBITDA	₱15,655,914,324	₱13,165,678,969
Amortization of service concession asset (see Note 7)	(1,349,275,705)	(1,196,875,969)
Interest expense and other finance costs	(1,219,686,140)	(961,342,250)
Provision for heavy maintenance (see Note 20)	(482,865,493)	(531,783,354)
Depreciation and amortization of property and equipment and other intangible assets (see Notes 8 and 9)	(93,415,131)	(61,214,354)
Interest income (see Note 21)	45,031,626	67,070,227
Unrealized Gain on Investments (see Note 5)	429,791	178,002
Nonrecurring items:		
Provisions (see Note 13)	(3,440,384)	(2,971,241)
Foreign exchange gain – net	3,123,680	(256,270)
Other charges – net	–	–
Income before income tax	12,555,816,568	10,478,483,760
Provision for income tax:		
Current	2,226,305,076	1,911,914,648
Deferred	(17,774,055)	(89,018,155)
	2,208,531,021	1,822,896,493
Net income for the year	₱10,347,285,547	₱8,655,587,267

The following table shows the reconciliation of the core income to the net income for the period ended September 30, 2025, and 2024.

	2025	2024
Core income for the year	₱10,347,602,251	₱8,658,814,778
Provisions (see Note 13)	(3,440,384)	(2,971,241)
Foreign exchange gain - net	3,123,680	(256,270)
Other charges - net	–	–
Net income for the year	₱10,347,285,547	₱8,655,587,267

26. Goodwill

Impairment Testing of Goodwill

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

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

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited interim financial statements.

This discussion may contain forward-looking statements that reflect our current views with respect to future events and our future financial performance. These statements involve risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements.

For the Third Quarter ended September 30, 2025

Financial Highlights and Key Performance Indicators:

Statement of Income Data

In PhP, Millions	30-Sep-25	30-Sep-24	Increase (Decrease)	
	(Unaudited)	(Unaudited)	Amount	%
Operating revenue	₱21,896	₱18,680	₱3,216	17
Cost of services	(7,444)	(6,597)	(847)	13
General and administrative expenses	(971)	(871)	(100)	11
Interest expense and other financing costs, net of interest income of ₱57 million and ₱82 million in 2025 and 2024, respectively	(1,163)	(879)	(284)	32
Foreign exchange loss – net	3	0	3	
Other income	246	160	86	54
Provision for income tax	(2,220)	(1,837)	(383)	21
Net income	₱10,347	₱8,656	₱1,691	20
Net income margin	47%	46%		

Statement of Financial Position

In PhP, Millions	30-Sep-25	31-Dec-24	Increase (Decrease)	
	(Unaudited)	(Audited)	Amount	%
Balance Sheet Data:				
Total assets	₱94,281	₱93,526	₱755	1
Total liabilities	58,283	60,337	(2,054)	(3)
Total equity	35,998	33,189	2,809	8

Result of Operation

The table below shows the consolidated revenues, expenses, and net income of NLEX Corp for the quarters ended September 30, 2025, and September 30, 2024.

Statement of Income Data

In PhP, Millions	30-Sep-25	30-Sep-24	Increase (Decrease)	
	(Unaudited)	(Unaudited)	Amount	%
Operating revenue	₱21,896	₱18,680	₱3,216	17
Cost of services	(7,444)	(6,597)	(847)	13
General and administrative expenses	(971)	(871)	(100)	11
Interest expense and other financing costs, net of interest income of ₱57 million and ₱82 million in 2025 and 2024, respectively	(1,163)	(879)	(284)	32
Foreign exchange loss – net	3	0	3	
Other income	246	160	86	54
Provision for income tax	(2,220)	(1,837)	(383)	21
Net income	₱10,347	₱8,656	₱1,691	20
Net income margin	47%	46%		

September 30, 2025 Compared to September 30, 2024

Revenues

In PhP, Millions	30-Sep-25		30-Sep-24		Increase (Decrease)	
	(Unaudited)		(Unaudited)			
	Amount	%	Amount	%	Amount	%
Toll Revenues	₱21,788	100	₱18,514	99	₱3,274	18
Non-toll Revenues	108	0	166	1	(58)	(35)
Total Revenues	₱21,896	100	₱18,680	100	₱3,216	17

The primary source of the Company's operating revenues was derived from toll fees from the three (3) concession network, namely NLEX, SCTEX and NLEX Connector. In addition, income from toll service facilities operating along NLEX also contributed to the total revenues generated during the period.

Toll revenues climbed to ₱21,896 as of Sep 2025, marking a 17% growth as compared with the same period last year. This was mainly due to increase in average vehicular traffic volume and toll rate adjustments implemented in March and September 2025 in NLEX and SCTEX, respectively. The NLEX Connector also continued its upward traffic trend, aided by ongoing promotional initiatives encouraging road usage.

As of September 30, 2025, average daily traffic in NLEX reached 350,931 daily vehicle entries, higher by 1% versus last year, while average daily vehicle entries in SCTEX reached 80,349, 2% higher than last year's figures. In addition, NLEX Connector traffic reached 20,681 average daily vehicle entries, 9% higher than same period last year.

Cost of Services

As of September 30, 2025, the revenue share paid to Government partners composed of BCDA revenue share and PNCC fees represents the biggest expense items during the period followed by amortization expense. Summarized in the table below are the details of cost of services for the period ended September 30, 2025, and 2024:

In Php, Millions	30-Sep-25		30-Sep-24		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
BCDA Revenue Share	₱1,972	26	₱1,683	26	₱288	17
Amortization of service concession assets	1,349	18	1,197	18	152	13
PNCC fee	1,050	14	910	14	140	15
Outside services	976	13	860	13	116	13
Salaries and employee benefits	678	9	610	9	68	11
Provision for heavy maintenance	483	7	532	7	(49)	(9)
Repairs and maintenance	447	6	367	6	80	22
Insurance	124	2	117	2	7	6
Light & Water	76	1	93	1	(17)	(18)
Depreciation	57	1	35	1	22	63
Fuel & Oil	37	1	38	1	(1)	(3)
Toll collection and medical services	16	0	16	0	0	0
Others	178	2	137	2	41	30
Total cost of services	₱7,443	100	₱6,596	100	₱847	13

BCDA Revenue Share of ₱1,972 million represents BCDA's 50% share in the toll revenues from SCTEX concession. This account is higher by 17% versus the same period in 2024, driven by higher revenue generated during the period. Meanwhile, the PNCC fee, which represents the government's share of NLEX revenues (distributed 90% to the National Government and 10% to PNCC), also rose by 15%, driven by moderate traffic growth, add-on toll for the completed Candaba 3rd viaduct and toll rate adjustments.

Amortization of service concession assets grew by 13%, mainly newly added concession assets during the period notably the newly completed Candaba 3rd Viaduct project.

Provision for heavy maintenance reached ₱483 million, a decrease of 9% or ₱49 million from the same period last year, mainly due to the revision of the heavy repair program and prioritization of routine maintenance completion along the NLEX mainline.

Repairs and maintenance increased by 22% or ₱80 million versus same period last year, driven primarily by second line maintenance costs to serve the increasing electronic transactions and repair of existing bridges, drainage system and facilities.

General and Administrative Expenses

In Php millions	30-Sep-25		30-Sep-24		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
Salaries and Employee benefits	₱362	37	₱300	34	₱62	21
Taxes and Licenses	147	15	146	17	1	1
Outside services	127	13	89	10	38	43
Professional fees	117	12	122	14	(5)	(4)
Representation and travel	50	5	41	5	9	22
Advertising and marketing expenses	49	5	60	7	(11)	(18)
Depreciation	25	3	25	3	-	-
Management fees	21	2	23	3	(2)	(9)
Provisions	14	2	29	3	(15)	(52)
Others	59	6	36	4	23	64
Total	₱971	100	₱871	100	₱100	11

General and administrative expenses reached ₱971 million as of September 30, 2025, up by 11% or ₱100 million from the same period last year, mainly due to higher costs for salaries, outside services, and professional fees. Outside services include shuttling, security, janitorial and other support services.

Interest and Financing Costs

Net financing costs for the Nine months ended September 30, 2025 amounted to ₱1,163 million, higher by 32% or ₱284 million versus last year due to higher interest expense in 2025.

As of September 30, 2025, net capitalized borrowing costs amounted to ₱955 million.

In PhP, Millions	30-Sep-25		30-Sep-24		Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
Interest and financing costs:						
Interest expense	₱1,137	93	₱911	95	₱226	25
Amortization of debt issue costs	45	4	37	4	8	24
Lenders' fees and bank charges	37	3	13	1	24	192
Total interest & financing costs	1,219	100	961	100	258	27
Interest Income:						
Cash and cash equivalents	57	100	82	100	(25)	(30)
Total interest income	57	100	82	100	(25)	(30)

Net financing costs	₱1,163		₱879		₱284	32
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Net Income

Net Income for the Nine months of 2025 rose 20% to ₱10,347 million, an increase of ₱1,691 million compared to last year, supported by higher traffic volumes and toll adjustments implemented during the year.

Balance Sheet

In PhP, Millions	30-Sep-25	31-Dec-24	Increase (Decrease)	
	Unaudited	(Audited)	Amount	%
Balance Sheet Data:				
Total assets	₱94,281	₱93,526	₱775	1
Total liabilities	58,283	60,337	(2,054)	(3)
Total equity	35,998	33,189	2,809	8

September 30, 2025 Compared to December 31, 2024

Assets

Cash and cash equivalents as of September 30, 2025 stood at ₱502 million, decreased by ₱2,289 million or 82% from ₱2,791 million posted in December 31, 2024 primarily due to payments of loans and interests .

Receivables, consisting of trade accounts, advances for right-of-way acquisition, utility facility fees, and amounts owed by affiliates, totaled ₱3,170 million as of September 30, 2025, representing a 6% or ₱166 million increase compared to ₱3,003 million at December 31, 2024.

Other current assets reached ₱1,437 million, higher by 897 million or 166% mainly due to advances to contractor in connection with the on-going development of the MLFF Project and construction of Segment 8.2 - Section 1A.

Service concession assets stood at ₱81,973 million, slightly higher than the ₱80,034 million recorded as of December 31, 2024, driven mainly by expenditures related to the Segment 8.2 – Section 1A expansion project.

Total assets reached ₱94,281 million as of September 30, 2025, reflecting an increase of 1%, or ₱755 million, from ₱93,526 million recorded on December 31, 2024.

Liabilities and Stockholder's Equity

Current liabilities were ₱11,642 million as of September 30, 2025, reflecting a decline of 38% or ₱7,157 million from ₱18,799 million as of December 31, 2024, primarily due to payment of short term loans and dividends.

Long-term debt increased to ₱41,119 million as of September 30, 2025, 12% or ₱4,501 million higher than ₱36,618 million in December 2024, due to additional borrowings.

Total liabilities stood at ₱58,283 million as of September 30, 2025, declining by 3% or ₱2,054 million from ₱60,337 million in December 2024, largely resulting from loan settlements and payment of dividends.

As of September 30, 2025, stockholders' equity totaled ₱35,998 million, up by 8% or ₱2,809 million from ₱33,189 million at the end of 2024.

Key Financial Indicator

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

		30-Sep-25	31-Dec-24
Current ratio	Current Assets	0.45	0.34
	Current liabilities		
Debt-to-equity (DE) ratio	Interest bearing liabilities	1.29	1.34
	Stockholders' equity		
Net profit margin	Net Income	47%	47%
	Revenues		
Return on assets	Net income*	15%	13%
	Average total assets		
Return on stockholders' equity	Net income*	40%	39%
	Average stockholders' equity		

**annualized*

Current ratio showed an improvement ending at 0.45 times as of September 2025, up from 0.34 times at end-2024 due to the payments of short-term loans and dividends. The Company also had access to credit lines totaling ₱19,241 million as of September 30, 2025.

Debt-to-equity ratio ended lower at 1.29x as of September 30, 2025 from 1.34x as of December 31, 2024, following the payment of its bonds and short-term loans.

Net profit margin is maintained at 47% as of September 30, 2025 demonstrating strong financial stability.

Return on assets and stockholders' equity remained stable at 15% and 40%, respectively.

Cash Flows

The table below summarizes the Company's comparative cash flows as of September 30, 2025, and 2024.

Cash Flows	30-Sep-25	30-Sep-24
	<i>(in ₱ Millions)</i>	
Cash and cash equivalents, beginning balance	₱2,791	₱4,048
Net cash provided by operating activities	12,101	10,639
Net cash used in investing activities	(2,885)	(7,086)
Net cash provided by financing activities	(11,522)	(3,277)
Net increase (decrease) in cash	(2,306)	276
Cash and cash equivalents, ending balance	₱502	₱4,324

Cash Flows from Operating Activities

Operating cash flows reached ₱12,101 million as of September 2025, driven by the increase in revenues during the period.

Cash Flows from Investing Activities

Net cash flows used in investing activities stood at ₱2,885 million for the nine-month period ended September 30, 2025, representing a significant decline from the prior year due to the completion of Candaba viaduct 3rd bridge and the remaining works in Connector Section 2 project. Capital spending are concentrated on Segment 8.2 Section 1A, MLFF project, Lingunan Southbound entry ramp, and road facilities.

Cash Flows from Financing Activities

Net cash flows used for financing activities amounted to ₱11,522 million, higher compared to the same period last year of ₱3,277 million mainly because of the scheduled repayment of long-term and short-term debt amounting to 8,200 million, payment of interest expenses and dividends. The Company's robust operating cash flows minimized the need for loan availments during the period.

Other Financial Information

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

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

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

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

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

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

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

The Company has no new material commitments for capital expenditures during the 1st half of 2025 aside from the construction of the NLEX Segment 8.2 – Section 1A Project and the on-going development of the MLFF Project.

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

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

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

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

PART II-- OTHER INFORMATION

List of Disclosures Not Made Under SEC Form 17-C

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

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Calocan on November 14, 2025.

By:



Maria Theresa O. Wells 
Chief Finance Officer